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WHERE THE WORLD RIDES™

**BIKEEXCHANGE (ASX: BEX)**

**H1 FY22 BUSINESS UPDATE**

February 25th, 2022

# Disclaimer

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The financial information should be read in conjunction with the basis of preparation set out in the Appendix on page 26.

## Forward-looking statements

This presentation may contain forward-looking statements which are statements that may be identified by words such as "may", "will", "would", "could", "expects", "intends", "anticipates", and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the date of this document, are expected to take place. No person who has made any forward-looking statements in this document has any intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this document, other than to the extent required by law. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company.

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BIKEEXCHANGE (ASX: BEX)

Overview

# Executive Summary

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Cycling category is experiencing a generational revolution  
**\$80bn+ Market**

BEX is the World's largest network of cycling focused marketplaces

Diversified business with significant growth potential

- Q3 FY22 trading up to 24th February 2022 is solid with e-Commerce transactions and retail account numbers also showing growth on pcp with positive trading growth of Kitzuma. H2 typically sees positive seasonal trends with two thirds of e-Commerce transaction value happening in the period.
- Cost base investment into executive team and core organisational structure is now largely complete. With this in place the acceleration of revenue growth from the e-Commerce first focus initiatives will be felt in H2.
- Newly appointed Chief Customer Officer creates increased focus across e-Commerce, Marketing & Customer Service. In addition a Global Head of Seller & Merchant Success appointment with 13 years of Amazon experience to optimise seller trading.
- Binding contracts for the acquisition of the remaining 50% of BikeExchange Colombia have been signed with completion expected early March. Acquisition price of \$1.24m satisfied through \$0.2m cash and the remaining \$1.04m in BEX equity at an issue price of 15.7 cents per share.
- Recently acquired logistics business Kitzuma is expected to grow and scale strongly in the coming half with positive KPIs and trading to date. This supports the prioritisation of the acquisition from existing cash reserves, over other growth initiatives as the integrated businesses benefit from a stronger combined retailer and brand proposition. Global expansion and replication of the model across BEX regions is planned.
- The Group continues with a number of advanced discussions with global strategic partnership opportunities that include strategic capital injections to further scale the business and network.
- TTV and revenue growth rates for FY22 are expected to be significantly above FY21. Including the acquisitions of Kitzuma and BikeExchange Colombia, the Company anticipates significantly exceeding consensus revenue expectations for FY22 of \$7.5m.

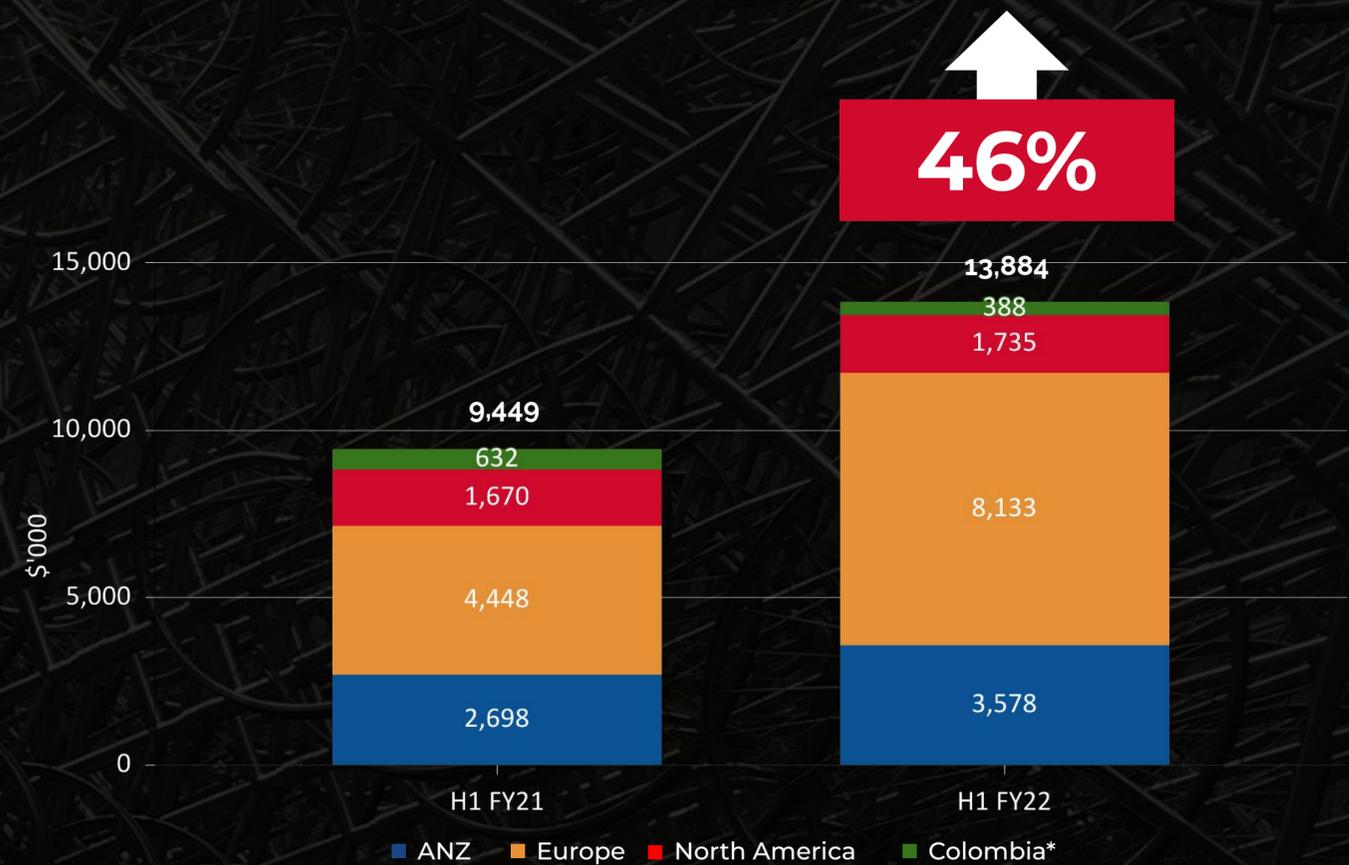


# BikeExchange overview

## WORLD'S LEADING BICYCLE MARKETPLACE

- **BikeExchange** is one of the world's largest online cycling marketplaces.
- Operations: 8 countries & 4 hubs - ANZ, North America, Europe (Germany, Belgium & Netherlands), LatAm (Colombia) with over 85 employees.
- Enabling our network of brands, retailers and distributors to connect via single destination marketplaces.
- Ongoing focus on e-Commerce first strategy remains, executive team and functional structure now in place, whilst delivering solid financial results.
- Acquisition of Kitzuma in Dec 2021 offers key value-add service with delivery of 'ready to ride' bikes.
- Strategic shift to focus on e-Commerce first strategy reflected in gross transactions and volume growth and revenue contributions.

## LOOKTHROUGH TOTAL TRANSACTION VALUE<sup>2</sup> BY GEOGRAPHY - H1 FY22



## KEY H1 FY22 HIGHLIGHTS



1. All countries are 100% owned except for Colombia\* (50% Joint Venture). 2. Lookthrough Total Transaction Value and Revenue includes 50% of the Colombian Joint Venture's TTV. All metrics above are for H1 FY22 vs pcp (active accounts as at 31 December 2021 vs 31 December 2020) and exclude the Colombian Joint Venture except for Active Accounts or those marked as lookthrough. See page 26 for metric definitions and page 27 for impact of prior year revenue restatement.

# A leading competitive position

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The cycling category is experiencing a once in a generation revolution

- Global cycling market worth over \$80bn.
- Continued consumer take up and growth in the mass market - outside of sport related cycling.
- Shaped by continued government investment in cycling infrastructure - cycling an active transport solution.
- Increased proactive awareness by consumers on the environmental, health & convenience aspects of cycling.
- 5.8 million\* Australian Adults (29% of adults between 18 & 90) spent money on cycling in 2020.

BEX is the World's largest network of cycling focused marketplaces

- BEX has the first mover advantage, built over a decade. 1,734 active accounts\* and growing, in a four region market worth over \$15 billion.
- An established presence with a 28 million+ audience\* across ANZ, Europe, North America and Colombia, to scale with capital deployment.
- Established relationships with a network of brands, retailers and sellers, delivering a compelling customer value proposition.
- Strong scalable technology foundation already in place.

Diversified business with significant growth potential

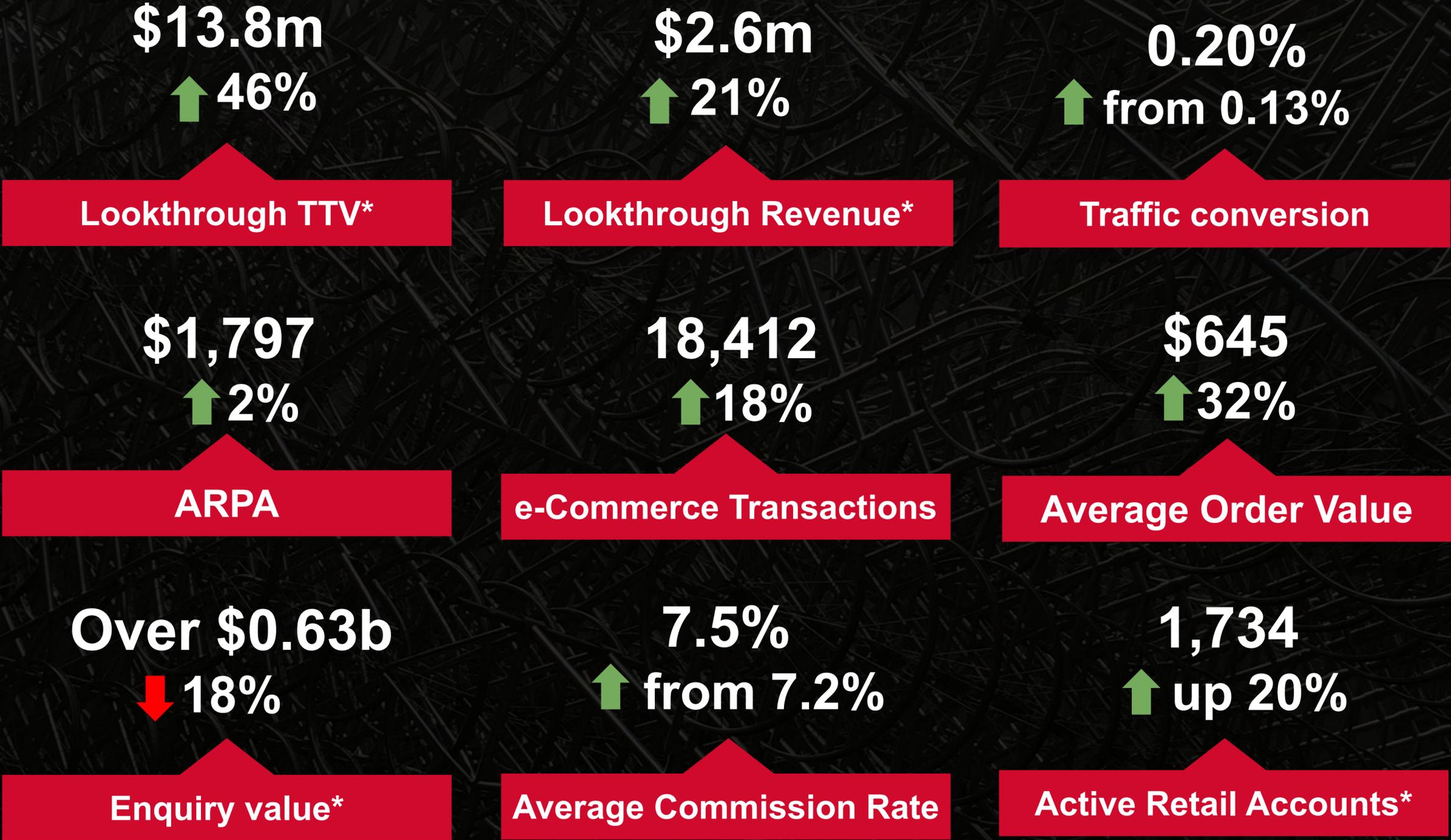
- e-Commerce enabled marketplace model with diverse revenue model, and significant room to extend.
- Strong growth metrics established to date with selective capital deployment showing strength of our model.
- Focus on key areas of sellers, stock and transactions with consistency will see accelerated scaling and robust growth across all regions.
- Key acquisition in Q2 FY22 of Kitzuma, a logistics business for the delivery of 'ready to ride' bikes from retailers to customers.

\* Active Accounts as at 31 December 2021. Audience reflects annual traffic sessions for the FY21 year. Refer to basis of preparation of page 26 for metric definitions.

+ Australian Cycling Economy Report Published October 2021 by EY and We Ride.

# Strong growth and metrics in H1 FY22

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\* All metrics for the 6 month period to 31 December 2021 vs the comparable period in FY21 and unless otherwise stated by \* (traffic sessions, enquiry value and active retail accounts) or defined as lookthrough metrics exclude the Colombian Joint Venture. Refer to basis of preparation of page 26 for metric definitions and page 27 for impact of prior year revenue restatement. Active Retail Accounts increase of 20% vs 31 December 2020.

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BIKEEXCHANGE (ASX: BEX)

**Strategic Update**

# H1 FY22 - Delivering on our strategic priorities

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## Organisational Structure Aligned With Strategic Focus Areas



## Enabling More Sellers

## Scalable Technology Operations

## Growing on site e-Commerce Transactions

- e-Commerce first growth strategy.
- Focus and structure around more sellers, stock & e-Commerce transactions with the Executive Team Structure reflecting this. Cross Geography teams starting to demonstrate benefits to the business.
- New Chief Customer Officer, Rebecca Boxall, commenced. Responsible for leading e-Commerce, marketing & customer service.
- New Global Head of Seller Success, Joe McArdle, commenced bringing 13 years of Amazon Experience.
- New Regional and Sales Lead for Europe, Andreas Liertz, commenced in February. Bringing 30 years of cycling industry experience in Europe.
- Led by Chief Sales & Partnerships Officer, Sam Salter.
- Focus on brands, retailers and direct to consumer sellers. 20% lift in active accounts in the last 12 months.
- Europe continued to add seller accounts and upsell existing sellers with 40% growth in active accounts compared to December 2020.
- Australia recorded good seller account growth with 11% ARPA Growth for H1 FY22 on pcp.
- North America saw 10% more accounts selling on the platform vs PCP reflecting better trading and new Sales Team efforts.
- Led by Global Head of Technology Operations, Ryan McMillan.
- Continued focus on integrations and e-Commerce enablement in the quarter with retailers seeing the benefits of both.
- Hubspot B2B CRM platform fully implemented assisting acquisition cycle through to seller success / organic growth.
  - Scoping phase of frontend, headless solution, for platform advanced. Key project targeting Q4 FY22 commencement.
  - Ongoing scoping of new integrations solution for live inventory feeds with sellers. Purpose to better enable product flow onto site and optimise trading. Expected commencement in Q4 FY22.
- Led by newly appointed Chief Customer Officer, Rebecca Boxall.
- Maximising onsite transactions and maximising customer conversion of existing enquiries.
- Australia saw H1 FY22 e-Commerce revenue growth of 133% on pcp. Continued increase in bike transactions vs P&A.
- Europe continued to see strong demand for bikes, navigating supply chain issues well, with H1 gross e-Commerce transaction value up 78% on pcp.
- Kitzuma acquisition - high growth business that is a force multiplier for e-Commerce in North America and potential to quickly scale into new regions.

# Kitzuma Acquisition - Highlights

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## Transforming How Bikes Are Shipped

- **Kitzuma:** Specialist bike delivery service and logistics business from retailers to consumers across the USA.
  - Deliver **“ready to ride”** bikes.
  - Ensuring safety and efficiency through a purpose-built, white glove process.
  - No boxes or assembly. Bikes picked up assembled from retailers / brands.
  - High growth business already servicing all major regions of North America.
  - Ships all types of bikes including e-bikes.
  - Logistics platform and technology developed by the Kitzuma team.
- 3x Founders to remain in Kitzuma business as Key Executives.
  - Strong logistics / technology career backgrounds.

## Globally Scalable & Driving e-Commerce

- Complementary business to the current BEX North American operations providing a value-add service with proven appeal to retailers, brands and customers.
- Significant potential to scale considerably in 2022 from the strong foundation of 35+ key existing North American retailer and brand accounts. Annual run rate currently of 6,700 bikes shipped (based off Dec 2021).
- Consumer service launching for shipping bikes for travel and events.
- Accelerates BEX North American growth plans and reduces planned organic growth spend in H2 FY22. Immediate overlay of existing retailer and brand accounts provides good cross sell and organic opportunities.
- The Kitzuma logistics model and technology platform is globally scalable and can be replicated by market. The primary ambition is to roll out the service across the other BikeExchange existing regions.

## Strong Growth Potential & Strategic Alignment

- The acquisition is expected to add over A\$2 million of revenue to the Group in the second half of FY22.
- 100% acquisition for USD \$3.375 million (~AUD\$4.75 million). Majority equity transaction with 67% in BEX Shares (deferred issuance up to 5 years) and 33% cash component (US \$1.113 million). Funded by existing cash reserves.
- The vendors can receive up to 50% of the BEX deferred shares 12 months after completion, with the remaining 50% to be received no earlier than 24 months after completion (and up to 5 years from the completion date).



# Kitzuma: Problem Solved & Core Services

## PROBLEM KITZUMA IS SOLVING

- Kitzuma disrupts the typical model:  
Manufacturer builds up a new bike, then breaks it down again to box it up ---> Shipping company delivers it via truck / air cargo to the retailer / consumer; ----> Recipient has to unbox and rebuild the bike.
- Shipping bikes **"Ready To Ride"** (no boxes) across states, enabling more e-Commerce through a trustworthy service.
- Kitzuma ships all types of bikes including e-bikes (notoriously hard to ship.)

## CORE SERVICES

- Weekly pick ups from stores. Bikes already built in retailers.
- Kitzuma ensures the bike is ready to ride upon delivery with the consumer.
- Kitzuma has built a logistics & booking platform for retailer access.
- Average over US\$200 per shipment (charged to retailer).
- Service can be booked by consumers via a registered retailer.
- Working with D2C brands as well now (Wahoo deal signed for US national delivery of indoor bike).
- Planned launch of a consumer service early in 2022 for shipping ready to ride bikes for people travelling with a bike. Designated travel hubs across North America to service pick up and drop off locations.

# Kitzuma - Key Metrics

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- Achieved run rate of over **US\$1.4 million annualised sales** (based on Dec 2021) in first year of trading.
- Annualised shipments of **6,700** (based on Dec 2021) - off a base of 35+ active accounts, with substantial growth in average shipments per week achieved in the 3 week trading months of November and December due to Thanksgiving and Christmas holidays.
- Growing brand sign ups accelerating over the last quarter. Strong brand growth potential demonstrated through existing relationships (Wahoo, Ventum, Litespeed, Quintana Roo, LeMond, Alchemy and ENVE).
- Average shipment revenue over US\$200 per bike. Contribution margin per bike approaching breakeven as business scales rapidly.
- Low current overlap between Kitzuma and BEX retail account base currently - strong growth opportunity.
- 35 key regional areas within North America identified, & Kitzuma delivers across all regions.
- Team of 29 people in the business based in North America.
- Efficiency / scaling comes with the volumes of shipments. Working from a fleet of vans.
  - Flexible asset utilisation model - most are flexibly leased (or driver owned).
  - Allows capacity to be rapidly scaled up with lower upfront capital.

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# BikeExchange | Kitzuma Strategic Alignment & Opportunity

- Helping customers purchase and receive bikes ready to ride.
- Key service to enable the retailers and brands to sell more bikes.
- Helping solve a key friction point with purchasing and shipping bikes online.
- Force multiplier on BEX e-Commerce first strategy. Marketplace Supply + White Glove Delivery.
- Kitzuma Business complimentary to BEX - Builds on the strong network effect established.
- Key injection for BEX Group North American growth with immediate geographic coverage of the region.
- Kitzuma business has warehousing locations across North America with plans to expand to support the logistics and fulfilment of core services that support the buying and selling of all things bike.
- Effective replication and expansion of business model across all BEX regions.
- Key developer for relationships / partnerships with brands and industry globally.

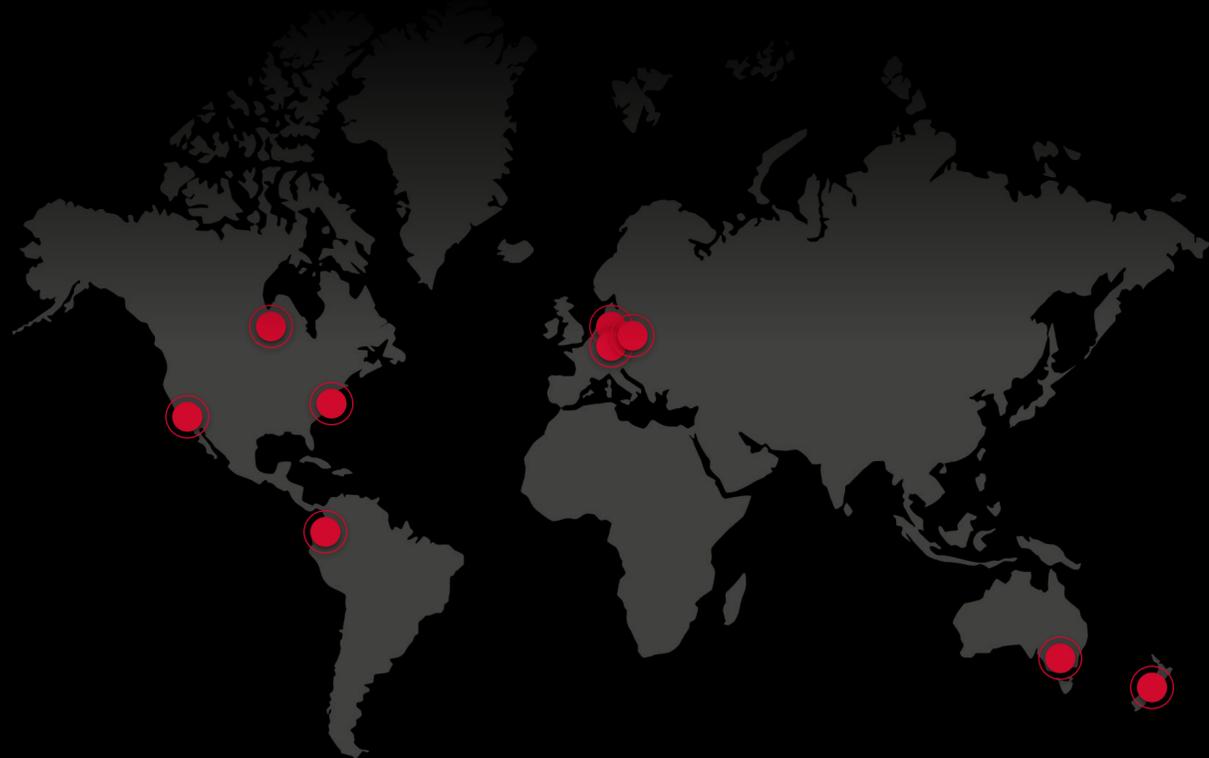


# BikeExchange Colombia Acquisition - Contracts Complete

## BIKEEXCHANGE COLUMBIA SUMMARY

- Signed binding contracts to complete the acquisition of the remaining 50% of BikeExchange Colombia S.A.S (BECOL) on 24 February 2022.
- BECOL has operated as a Joint Venture for the four years since inception. The acquisition will see the entity 100% owned by BikeExchange Limited.
- Existing JV partner Felipe Arango will continue to act as Regional Leader for BikeExchange Latin America post transaction.
- Acquisition price of \$1.24m satisfied through \$0.2m cash and the remaining \$1.04m in BEX equity at an issue price of 15.7 cents per share.
- Expected to complete in early March subject to satisfaction of customary closing conditions.
- Sets the foundation to fully develop the strategic partnership with Auteco - the leading distributor of bikes and electric vehicles in Colombia.
- Partnership aims to leverage both the Colombian market but expand into the other LatAm regions including Mexico and Chile which the Group expects to commence progressing later in 2022.

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# BikeExchange Colombia Acquisition - Retail Stores

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## BIKEEXCHANGE COLUMBIA SUMMARY

- Acquisition includes four high quality retail store presences and warehouse space in Colombia - important touchpoints for the brand, industry relationships and the customer experience.
- Retail stores, initially under the BICIMARKET brand, will provide scale in the developing market, increasing relevance with global brands and regional distributors.



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H1 FY22 Performance

# H1 FY22 Half Year Results

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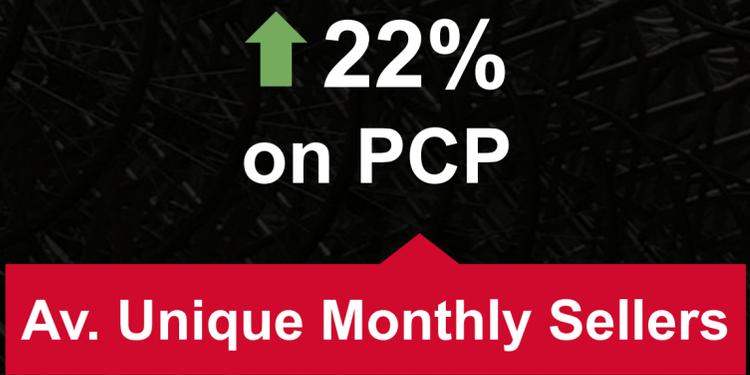
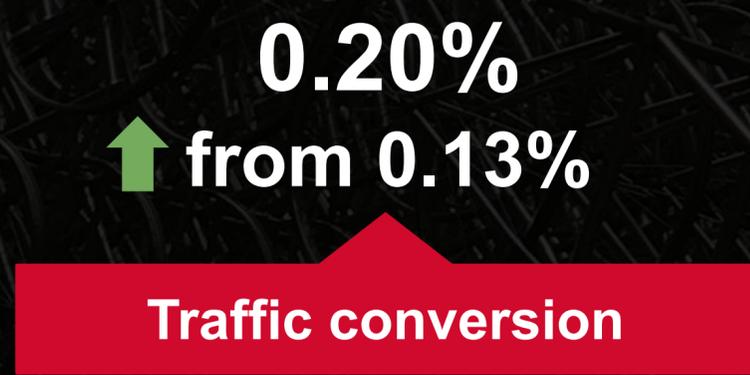
\$ thousands	H1 FY22 \$'000	H1 FY21* \$'000	Growth \$'000	Growth %
<b>Total Transaction Value (TTV)</b>	13,445	8,819	4,626	52%
<b>Revenue</b>	2,466	1,976	490	25%
Other income	-	206	(206)	(100%)
Employee benefits expense	(5,421)	(1,976)	(3,445)	(174%)
Marketing expenses	(900)	(624)	(276)	(44%)
Other operating expenses and asset disposals	(2,532)	(1,131)	(1,401)	(124%)
<b>Loss before Interest, Tax, Depreciation and Amortisation</b>	<b>(6,387)</b>	<b>(1,549)</b>	<b>(4,838)</b>	<b>(312%)</b>
Depreciation and amortisation expense	(45)	(57)	12	21%
Net Finance Costs	(3)	(68)	65	96%
Share of results of equity accounted joint venture	(83)	(139)	56	40%
Income tax expense	-	-	-	N/m
<b>(Loss) for the half year</b>	<b>(6,518)</b>	<b>(1,813)</b>	<b>(4,705)</b>	<b>(260%)</b>

- Strong TTV growth achieved through significantly increased gross e-Commerce order value and volume.
- Reported revenue increase of 25% on pcp primarily driven by higher e-Commerce commissions and subscriptions revenue growth.
- Other income relates to various COVID-19 support programmes income received in HY21.
- Costs increased reflecting uplift in listed company costs post IPO and deployment of capital to accelerate growth.
- Depreciation and amortisation reflects leased asset depreciation and consistent year on year.
- Net finance costs relate largely to pre-IPO financing in HY21 - Group is in a net-cash position post-IPO.
- Share of results of equity accounted joint venture reflects the Group's 50% share of BikeExchange Colombia and reflects continued investment into the region to support growth.

Refer to basis of preparation on page 26. On a reported basis the Group's 50% ownership in BikeExchange Colombia S.A.S. is equity accounted within "Share of results of equity accounted joint venture" in the Income Statement above. \* Refer to page 27 for impact of prior year revenue restatement.

# Key Metrics e-Commerce – H1 FY22

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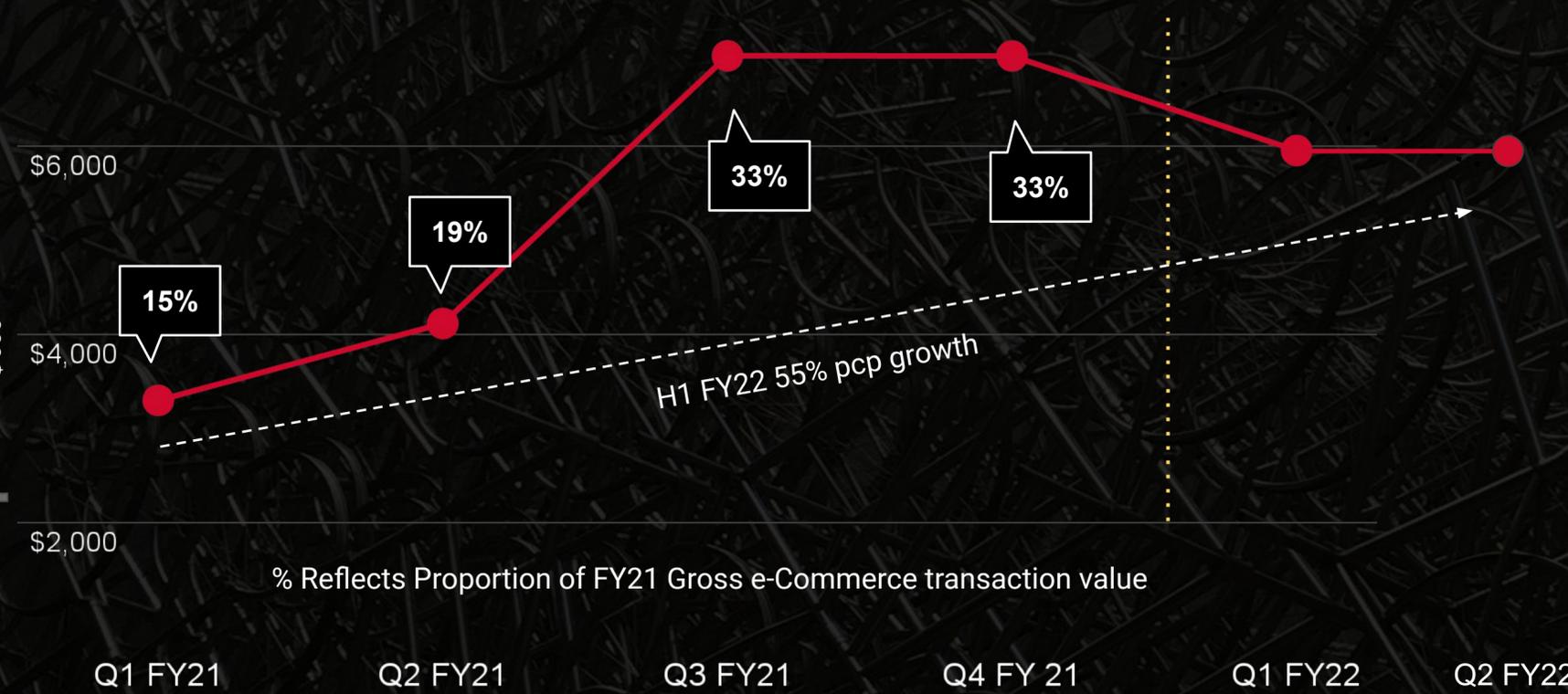


\* All metrics for the 6 month period to 31 December 2021 vs the comparable period in FY21 and unless otherwise stated with \* (e-Commerce Revenue) exclude the Colombian Joint Venture. Refer to basis of preparation of page 26 for metric definitions and page 27 for impact of prior year revenue restatement.

# e-Commerce First Strategy - H1 FY22

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**GROSS E-COMMERCE TRANSACTION VALUE BY QUARTER**



% Reflects Proportion of FY21 Gross e-Commerce transaction value

- Gross e-Commerce transaction value remained strong with H1 up 55%, in the historically lower seasonal half for e-Commerce.
- On a lookthrough basis, H1 FY22 e-Commerce revenue was up 57% on pcp, reflecting focus on conversion, quality of products and e-Commerce enablement.
- Traffic conversion rates improved to 0.20% in H1, and 0.24% in Q2, reflecting improved traffic quality and benefit from conversion initiatives. The business is also seeing more normalised levels of overall traffic, after the high peaks experienced in the initial COVID lockdown periods, with traffic 26% above the comparable period for H1 FY20
- e-Commerce transaction volumes for H1 were the highest ever for a half year period at 18,412 reflecting the e-Commerce first strategy and initiatives.
- Ongoing retailer and brand stock issues in the half continued due to COVID related supply issues. BEX has managed this through focussing on availability, working with sellers & maintaining breadth of choice.
- 22% increase on pcp for H1 in the Average Unique Monthly Sellers reflects the e-Commerce first strategy and the broadening retailer base.

\* All metrics for the 6 month period to 31 December 2021 vs the comparable period in FY21 and unless otherwise stated exclude the Colombian Joint Venture. Refer to basis of preparation of page 26 for metric definitions and page 27 for impact of prior year revenue restatement.



# Key Retail Account Metrics – H1 FY22

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↑15%  
on H2 FY21

Subscription Revenue\*

\$1,797  
↑2%

ARPA

↑15%  
on pcp

Subscription Revenue\*

1,734  
↑20% on pcp

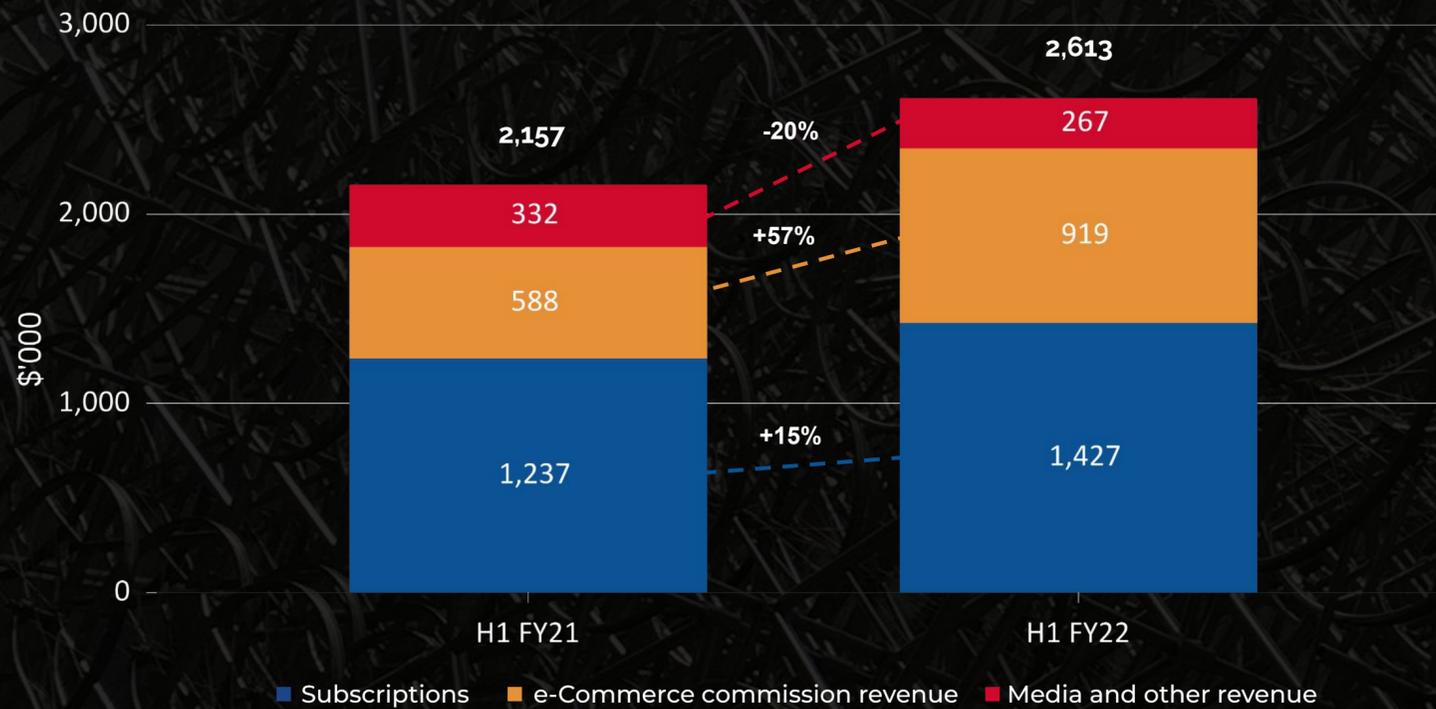
Active Retail Accounts\*

- Lookthrough subscription revenue was \$1,427k in the half, up 15% on both H2 FY21 and on pcp.
- Active Retail Accounts increased 20% vs 31 December 2020 including increases in subscriber numbers and D2C e-Commerce retailers.
- ARPA increased with continued higher yielding brandstores and premium retailers driving growth. Positive retailer sign ups in both Europe and ANZ on e-Commerce enabled packages.
- Enquiry value was ~\$630m in the half, down 18% on pcp which reflects improvement in e-Commerce conversion rates & onsite customer experience.

\* All metrics for the 6 month period to 31 December 2021 vs the comparable period in FY21 and unless otherwise stated by a \* (active retail accounts and subscription revenues) exclude the Colombian Joint Venture. Refer to basis of preparation of page 26 for metric definitions. Active Retail Accounts are counted as at 31 December 2021 and are up 20% vs 31 December 2020.

# TTV and revenue performance – H1 FY22

## LOOKTHROUGH REVENUE BY CATEGORY



## COMMENTARY

- Lookthrough TTV growth of 46% on pcp was strong as the business continued to navigate retailer stock availability pressures. Excluding Colombia, reported TTV was up 53% on pcp.
- Lookthrough e-Commerce commission revenues were up 57% on pcp from continued improvements in AOV, and small increase in commission rates to 7.5% from mix of products and retailers.
- Lookthrough subscription revenues increased 15% on pcp reflecting increased retail subscriber numbers signed up in the quarter and improved ARPA from package upsells.
- Lookthrough Media and Other Services revenues decreased by 20% on pcp. This reflects a lower contribution from BikeExchange COL compared to H1 FY21 due to ongoing rephasing of contract delivery.
- ANZ grew revenue 33% on pcp, reflecting growth across all revenue categories, in particular delivering strong subscription growth and continued good e-Commerce revenue in the half.
- EU delivered 40% revenue growth reflecting strong demand for bikes and focus on e-Commerce first, with commission rates achieved lower on mix of bikes sold.
- NA grew e-Commerce enabled active accounts during the half with retailer supported promotions dampening revenue performance in the second quarter. Colombia was impacted by payment technology issues from a 3rd party provider which have been addressed.

H1 FY22 in \$ thousands	Australia and New Zealand	Europe	North America	Colombia <sup>1</sup>	Total
Lookthrough TTV	3,578	8,133	1,735	388	<b>13,834</b>
Growth on pcp	33%	83%	4%	(39%)	<b>46%</b>
Lookthrough Revenue	936	1,222	307	148	<b>2,613</b>
Growth on pcp	25%	40%	(12%)	(19%)	<b>21%</b>

1. Lookthrough TTV and revenue includes 50% of the Colombian Joint Venture's TTV and revenue respectively. Refer to basis of preparation on page 26 and page 27 for impact of prior year revenue restatement.

# H1 FY22 EBITDA

\$ thousands	H1 FY21 \$'000	H2 FY21* \$'000	H1 FY22 \$'000
<b>Total Transaction Value</b>	8,819	15,322	<b>13,445</b>
<b>Revenue</b>	<b>1,977</b>	<b>2,483</b>	<b>2,466</b>
Other income	206	45	-
Employee benefits expense	(1,976)	(3,832)	<b>(5,421)</b>
Marketing expenses	(624)	(1,011)	<b>(900)</b>
Other operating expenses and asset disposals	(1,131)	(2,244)	<b>(2,532)</b>
<b>Loss before Interest, Tax, Depreciation and Amortisation and IPO costs</b>	<b>(1,548)</b>	<b>(4,559)</b>	<b>(6,387)</b>

- Revenues were up 25% on pcp for H1 FY22 and consistent with H2 FY21. The second half of the financial year typically sees positive seasonal trends with two thirds of e-Commerce transaction value happening in the period.
- Headcount increased by ~15% in H1 FY22, compared to ~25% in H2 FY21, which along with a full half of Board costs post IPO, new Group executives and \$0.7m of non-cash share based payments expense increased employment related costs by 174% on pcp. On a like for like basis (excluding share based payments and non-cash incentive provisions) employee costs were around twice H1 FY21 and ~20% up on H2 FY21.
- Marketing investment in SEO and SEM continued at around 7% of TTV - consistent with H2 FY21. Both SEO and SEM will be an important part of the marketing mix over H2 FY22 with continued efficiency the focus.
- H1 FY22 other operating expenses increased by 124% on pcp but only 13% on H2 FY21 reflecting a full half of higher corporate costs post IPO in H2 FY22, increased technology licence fees in line with higher TTV than pcp and investment in capabilities to scale the business.
- The significant step-up in the core marketplace business cost base from pre-IPO levels to support future growth is largely completed with the Group well positioned to reduce operating losses in future periods as revenue growth rates accelerate on more moderate cost base increases.
- On a reported basis costs will increase in H2 FY22 reflecting the inclusion of Kitzuma and BikeExchange Colombia post acquisition.

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## Summary and Outlook

# Summary & Outlook

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- Cost base investment into executive team and core organisational structure is now largely complete. With this in place the acceleration of revenue growth from the e-Commerce first focus initiatives will be felt in H2.
- Newly appointed Chief Customer Officer creates increased focus across e-Commerce, Marketing & Customer Service. In addition a Global Head of Seller & Merchant Success appointment with 13 years of Amazon experience to optimise seller trading.
- Binding contracts for the acquisition of the remaining 50% of BikeExchange Colombia have been signed with completion expected early March. Acquisition price of \$1.24m satisfied through \$0.2m cash and the remaining \$1.04m in BEX equity at an issue price of 15.7 cents per share.
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- The Group continues with a number of advanced discussions with global strategic partnership opportunities that include strategic capital injections to further scale the business and network.
- TTV and revenue growth rates for FY22 are expected to be significantly above FY21. Including the acquisitions of Kitzuma and BikeExchange Colombia, the Company anticipates significantly exceeding consensus revenue expectations for FY22 of \$7.5m.



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Appendix

# Basis of preparation

## BASIS OF PREPARATION

The information contained in this presentation is based on the historical financial information (BEX Financial Information) for the BikeExchange Group and should be read in conjunction with the BikeExchange Ltd FY21 Annual Report. It has not been reviewed or audited by the Group's auditor, Deloitte Touche Tohmatsu.

The BEX Financial Information in this presentation is that of BikeExchange Limited Group which is made up of a consolidation of all entities within the Group, except as specifically noted in this basis of preparation. The legacy BikeExchange Holdings Pty Ltd Group was acquired by BikeExchange Limited (previously RPro Holdings Ltd) on 5 February 2021, prior to the Group's listing on the ASX on 9 February 2021. The purpose of the BEX Financial Information is to show certain financial results of the Group for the 6 month financial period ending 31 December 2021 (H1 FY22) and 31 December 2020 as a comparative (H1 FY21).

BikeExchange Limited generated no revenues and acted as an investment holding company prior to the transaction with the BikeExchange Group and so the acquisition of the BikeExchange Holdings Pty Ltd Group by BikeExchange Limited is treated as a reverse acquisition for accounting purposes. Therefore this presentation presents the financial results of the BikeExchange Holdings Pty Ltd Group for H1 FY21 and the consolidated results of BikeExchange Limited and the BikeExchange Holdings Pty Ltd Group for H1 FY22.

The BEX Financial Information has been prepared and presented in accordance with the accounting policies set out in the FY21 Annual Report except as set out in the BikeExchange Ltd Interim Financial Statements.

## NON-AIFRS FINANCIAL INFORMATION

BikeExchange's results are reported under Australian International Financial Reporting Standards (AIFRS). This presentation also includes certain non-AIFRS measures including "KPIs", and "look through". These measures are used internally by management to assess the performance of our business and our Joint ventures, make decisions on the allocation of resources and assess operational management. Non-AIFRS measures have not been subject to audit or review. The following non-AIFRS measures are defined below:

- **Total Transaction Value (TTV)** is the aggregate of revenues, net of sales taxes, generated from display/media sales, retail subscriptions and other online sales and the gross merchandise value for e-Commerce transactions that are executed on the BikeExchange network of websites.
- **Lookthrough basis** - For equity accounted joint ventures and consolidated subsidiaries, add the total revenue or TTV within the reporting period multiplied by the Group's % ownership. All entities are owned 100% by the Group with the exception of the Group's interest in BikeExchange Colombia, which is 50% owned.
- **Average Revenue per account (ARPA)** is the total revenue for the period for subscriptions earned from retailers and affiliates divided by the average number of paying retailers accessing BikeExchange network of websites for the period, and does not include revenues or accounts relating to BikeExchange's 50% interest in BikeExchange Colombia.
- **Unique Monthly sellers (Sellers)** is the average number of retailers for the period who fulfilled at least 1 e-Commerce order in a individual month.
- **Traffic** represents total unique sessions visiting the Group's network of sites across the period.
- **E-Commerce transactions** are the total number of e-Commerce transactions occurring on BikeExchange network of websites in each period. A transaction is defined as a single item or basket of items paid for in a single payment transaction through the BikeExchange network of websites.
- **Average Order Value (AOV)** is the gross merchandise value for e-Commerce transactions that transact on the BikeExchange network of websites divided by the number of e-Commerce transactions for the financial period.
- **Average Commission Rate** - calculated as e-Commerce commission revenue divided by the gross e-Commerce transaction value for all transactions across the relevant period.
- **Prior corresponding period (pcp)** means the equivalent period in the previous financial year.

# Prior Year Revenue Restatement

## FY21 Revenue Restatement

The Group has restated revenue for FY21. The restatement arises due to incorrect classification of sales taxes of a small proportion of e-Commerce transactions occurring prior to June 2021 in Europe which overstated revenue and understated sales taxes payable. The system misconfiguration that caused the incorrect classification has been identified and remediated and therefore there is no impact in the FY22 financial year.

The BikeExchange Ltd Interim Financial Report for the half year ended 31 December 2021 sets out full details of the impact of the restatement on the Groups financial statements. A summary of the restatement impact on FY21 revenue by quarter is set out in the table opposite.

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	FY21
Lookthrough revenue originally reported	944	1,242	1,350	1,403	4,939
Restatement impact	(10)	(19)	(45)	(72)	(146)
<b>Restated Lookthrough Revenue</b>	<b>934</b>	<b>1,223</b>	<b>1,304</b>	<b>1,331</b>	<b>4,793</b>

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