



WHERE THE WORLD RIDES[®]

BIKEEXCHANGE (ASX: BEX)

FY22 Full Year Results

31 August 2022

Disclaimer

IMPORTANT NOTICE

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The financial information should be read in conjunction with the basis of preparation set out in the Appendix on page 19.

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.

Agenda

01

Business Overview

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Summary and outlook



Sam Salter
Acting CEO



Andrew Demery
CFO



BIKEEXCHANGE (ASX: BEX)

Business Overview

BikeExchange overview

WORLD'S LEADING BICYCLE MARKETPLACE

- **BikeExchange** is one of the world's largest online cycling marketplaces.
- Operations in eight countries & four hubs - ANZ, North America, Europe (Germany, Belgium & Netherlands) and LatAm (Colombia).
- Enabling our network of brands, retailers and distributors to connect via single destination marketplaces.
- Strategic shift to focus on ecommerce transactions reflected in the revenue contributions during the year.

GLOBAL OPERATIONS



21 million

GLOBAL TRAFFIC

1,500+

BRANDS ON PLATFORM

1,585

ACTIVE RETAIL ACCOUNTS

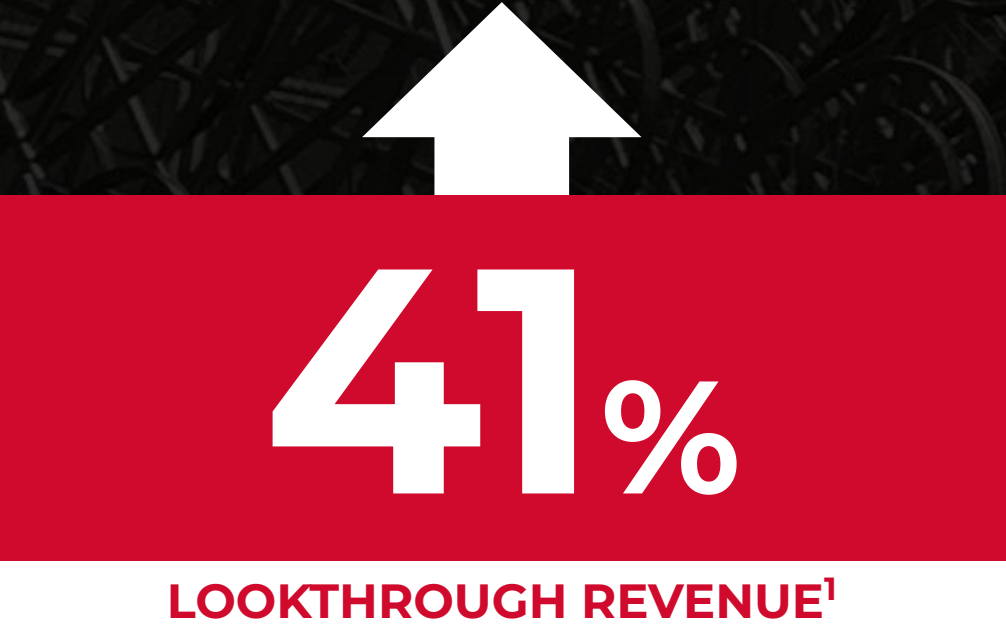
\$1.2 billion

AGGREGATE POTENTIAL ENQUIRY VALUE

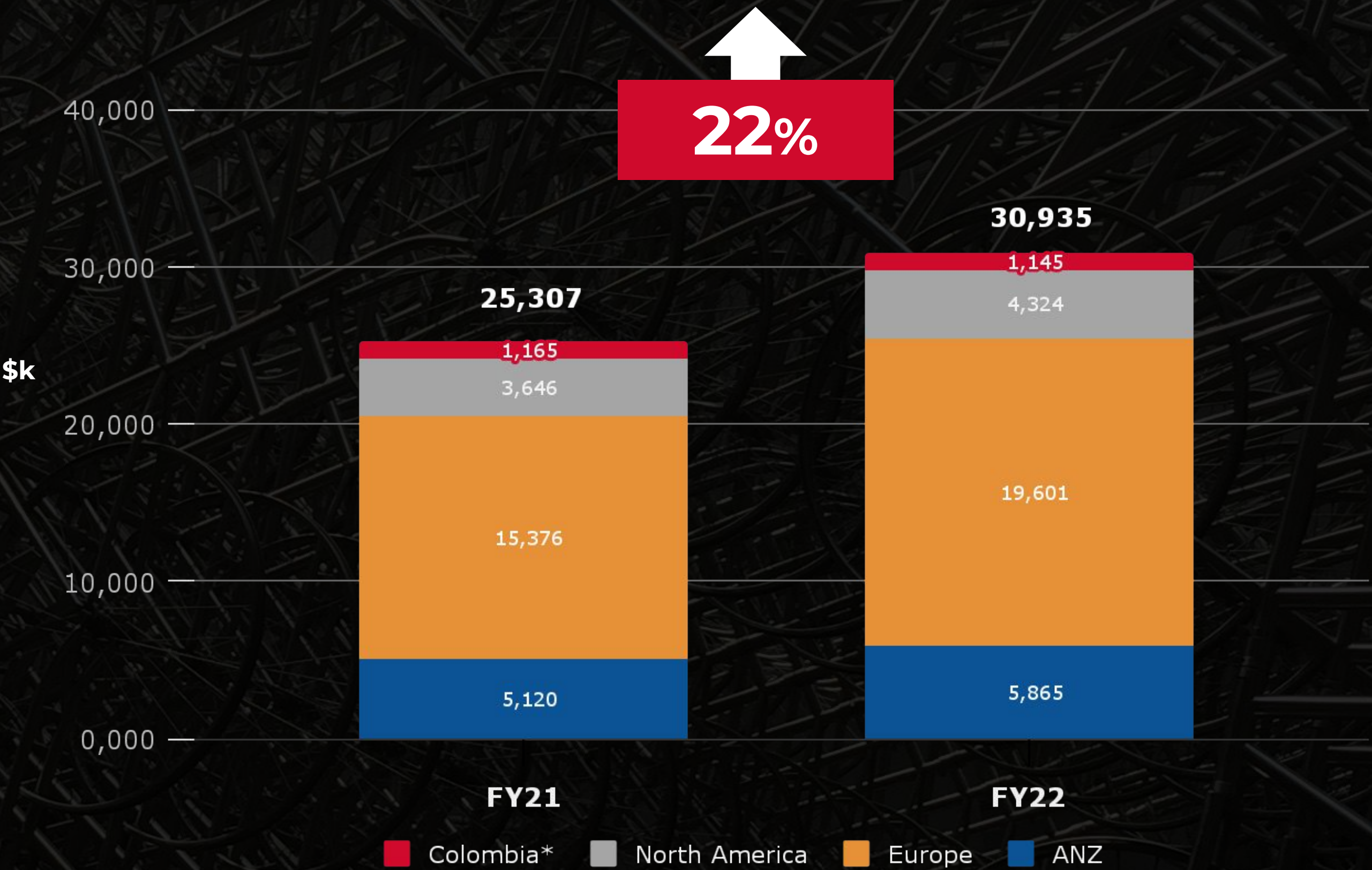
FY22 Highlights

STRONG GROWTH ACROSS KEY METRICS

KEY FY22 HIGHLIGHTS



LOOKTHROUGH TOTAL TRANSACTION VALUE¹ BY GEOGRAPHY – FY22



1. Lookthrough Total Transaction Value (TTV) and Revenue includes 50% of BikeExchange Colombia's TTV up to 2 March 2022, and 100% from then on (post acquisition). All metrics above are for FY22 vs pcp and exclude BikeExchange Colombia except for those marked as lookthrough. See page 19 for metric definitions.



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Financial results

FY22 Financial and Operational Highlights



Solid FY22 TTV and lookthrough revenue and strong customer demand

- 22% lookthrough TTV growth in FY22 on pcip.
- 41% growth in lookthrough revenue in FY22 on pcip.
- Strong growth across all geographic markets with Europe the standout.
- Average Order Value up 18% to \$749 as consumers shift to purchasing bikes as opposed to accessories/parts.
- Commission rates increased to 7.7%.
- Website traffic down 25% globally as traffic normalises in a post COVID world.
- Traffic Conversion up to 0.19% vs 0.14% (FY21).



15% underlying revenue growth bolstered by acquisitions

- 15% increase in revenue from existing business, bolstered by contribution from Kitzuma (acquired in Dec'21) and remaining 50% of BikeExchange Colombia (Mar'22).
- Kitzuma revenues of \$1.2 million post acquisition with growth accelerating through Q4.
- Kitzuma delivered record monthly shipments in June' 22 with annualised shipments now over 8,000¹.



Restructure and cost efficiencies

- Through organisational restructure and focus on reduction of operating costs we have implemented strategies to deliver annualised savings of over \$5.5m in FY23.
- Revised cost structure provides pathway to profitability during FY24.
- Appointment of Elizabeth Smith and Dominic O'Hanlon to the Board of Directors adding significant depth of experience to the Board.



Successful Capital Raise Completed

- Successfully raised \$6.3 million (net of costs) from institutional and retail investors to support operations during FY23.
- Proforma Net cash of \$6.5 million² at 30 June 2022.
- The Group is in advanced discussions with potential debt partners around providing further funding to the Group under a convertible note arrangement.

¹ Based on Q4 FY22 shipments multiplied by 4.

² Includes \$1.6m of cash in respect of the capital raise received in July 2022 but that was fully committed at 30 June 2022.

FY22 Regional Highlights

North America (NA)

- 19% TTV growth and 137% revenue growth for the year.
- Kitsuma, a ready to ride logistics business, acquired in December 2021 with significant growth potential.
- Kitsuma revenue of \$1.2m post acquisition and annualised shipments over 8,000, with record June 2022 shipments. Consumer shipment platform expected to be launched early in FY23.
- e-Commerce trading shifted focus to increasing volumes of bike sales, with Average Order Value up 63% on FY21 and average number of sellers increasing.

Colombia (COL)

- Remaining 50% of BikeExchange Colombia acquired on 2 March 2022 for \$0.6 million in cash and BikeExchange equity.
- Operates 5 retail stores within Colombia providing a multi-channel offering to brands and distributors.
- Revenue of \$267k in the post-acquisition period, with strong growth opportunity.

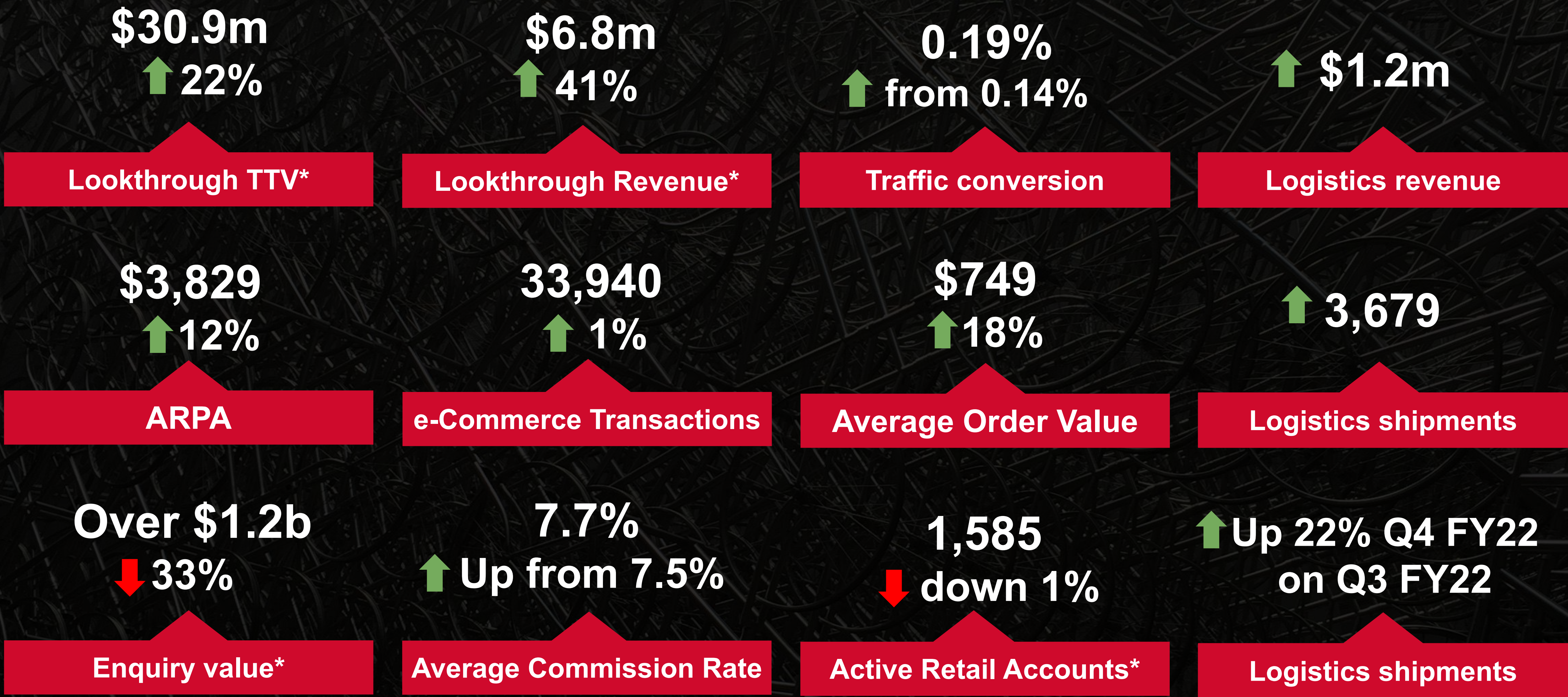
Europe (EU)

- 27% TTV growth and 26% revenue growth for the year.
- Continues to be a strong e-Commerce performer with order volume up 7% on prior year and average order value up 19%, reflecting consumer demand for bikes. May 22 was the strongest ever month on record for e-Commerce gross transaction value.
- Subscription revenues up 40% on prior year reflecting strong account growth.
- Successful operational structure being replicated across BikeExchange operations.

Australia (ANZ)

- 15% TTV growth and 17% revenue growth for the year.
- e-Commerce revenues up 47% on prior year, with conversion rates up 28% along with Average Order Value and Order volume both up 7%.
- Subscription revenues up 13% on prior year, reflecting improved ARPA on greater premium package penetration.

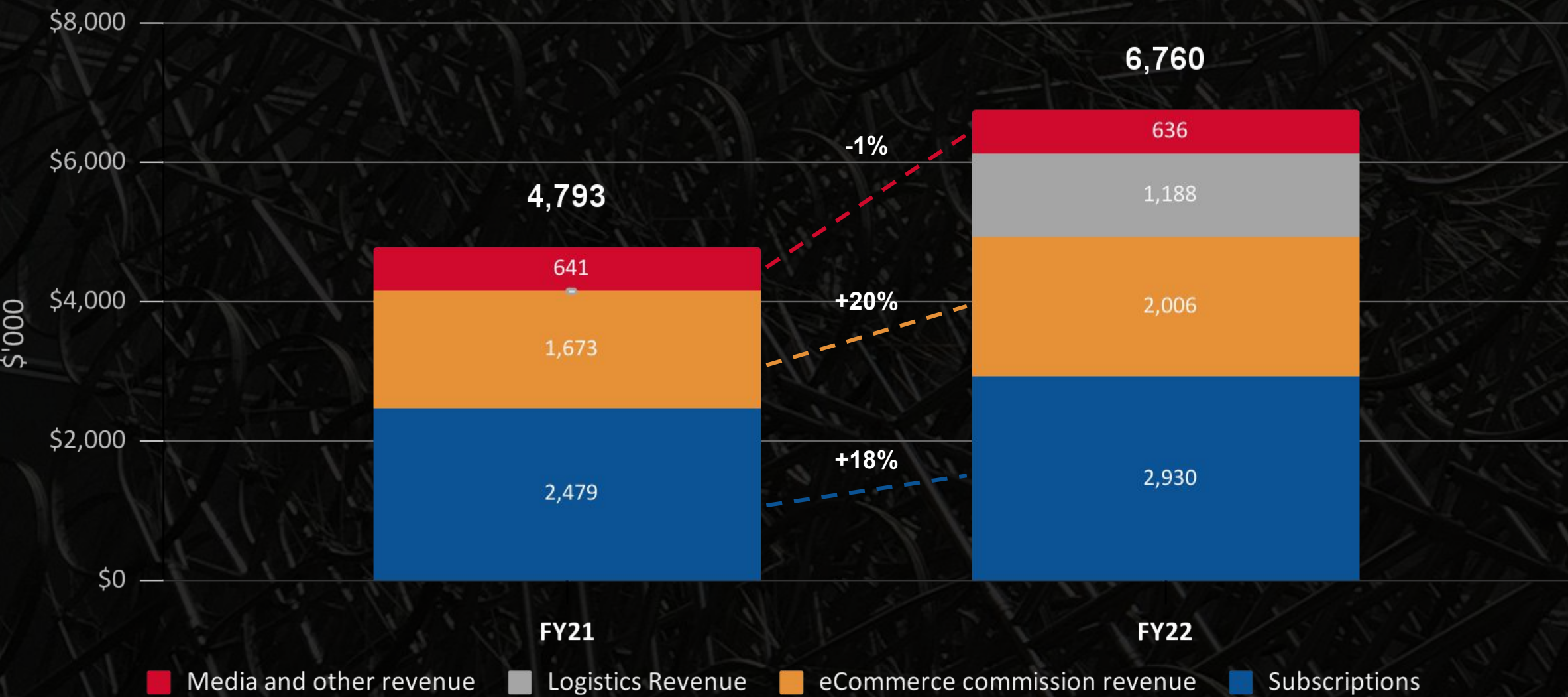
Solid growth across most key metrics in FY22



* All metrics for the 12 month period to 30 June 2022 vs the comparable period in FY21 and unless otherwise stated by * (enquiry value and active retail accounts) or defined as lookthrough metrics exclude BikeExchange Colombian for the full period. Refer to basis of preparation of page 19 for metric definitions. Active Retail Accounts decrease of 1% vs 30 June 2021. Logistics revenue and shipments from 22 December 2021 (Kitzuma acquisition date).

TTV and revenue performance – FY22

LOOKTHROUGH REVENUE BY CATEGORY FY22



LOOKTHROUGH TTV / REVENUE BY REGION FY22

FY22 in \$ thousands	Australia and New Zealand	Europe	North America	Colombia ¹	Total
Lookthrough TTV	5,865	19,601	4,324	1,145	30,935
Growth on pcp	15%	27%	19%	(2%)	22%
Lookthrough Revenue	1,793	2,728	1,788	450	6,760
Growth on pcp	17%	26%	137%	35%	41%

Lookthrough TTV and revenue includes 50% of the BikeExchange Colombia's TTV and revenue respectively for all periods up to 2 March 2022, after which the Group acquired the remaining 50% and 100% of TTV and revenue is included respectively. Refer to basis of preparation on page 19.

FY22 Full year results

	FY22 \$'000	FY21* restated \$'000	Growth \$'000	Growth %
Total Transaction Value (TTV)	30,447	24,142	6,305	26%
Revenue	6,576	4,460	2,116	47%
Other income	219	251	(32)	(13%)
Cost of Sales	(2,035)	-	(2,035)	-
Employee benefits expense	(10,126)	(5,808)	(4,318)	(74%)
Marketing expenses	(2,421)	(1,635)	(786)	(48%)
Other operating expenses and asset disposals*	(4,971)	(3,377)	(1,594)	(47%)
Fair value loss on step acquisition of associate	(926)	-	(926)	n/m
Loss before Interest, Tax, Depreciation and Amortisation and IPO costs	(13,684)	(6,109)	(7,575)	124%
Depreciation and amortisation expense	(426)	(89)	(337)	(379%)
Net Finance Costs	(37)	(94)	50	(61%)
Share of results of equity accounted joint venture	(173)	(164)	(9)	5%
Income tax expense	-	-	-	n/m
(Loss) for the year	(14,320)	(6,456)	(7,864)	122%

- TTV growth of 26% achieved through significantly increased gross e-Commerce order value.
- Reported revenue increase of 47% on pcp primarily driven by higher e-commerce commissions and subscriptions as well as increase in revenues due to acquisition of Kitzuma and the remaining 50% of BikeExchange Columbia.
- Other income relates to various COVID-19 support programmes income received.
- Employee costs increased 74% reflecting increased investment in headcount post IPO. A significant restructuring in Q4 FY22 will significantly reduce employee cost in FY23 (excluding impact of Kitzuma/Colombia acquisitions).
- Marketing and other expenses increased reflecting a full year of investment compared to post IPO only in FY21.
- The acquisition of the remaining 50% of BikeExchange Colombia acquired resulted in a non-cash fair value loss on step acquisition due to the fair value adjustment of the acquisition cost according to the market value of BikeExchange shares received as consideration for the acquisition.
- Depreciation and amortisation increased 379% on pcp reflecting acquisition of Kitzuma warehouse leases in NA.
- Share of results of equity accounted joint venture reflects the Group's 50% share of BikeExchange Colombia prior to acquisition on 2 March 2022.

Lookthrough TTV and revenue includes 50% of the BikeExchange Colombia's TTV and revenue respectively for all periods up to 2 March 2022, after which the Group acquired the remaining business and 100% of TTV and revenue is included respectively from that date. Refer to basis of preparation on page 19. FY21 results exclude one-off IPO costs in FY21 and have been restated for a prior period adjustment as set out in the FY22 Annual Report.



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FY23 Outlook & Summary

Capital Raise and Group Cash Position

	\$'000
Proforma Cash Balance at 30 June 2022 (net of capital raise costs)	6,517
Capital raise cash received July 2022	(1,505)
Committed capital subject to shareholder approval	(500)
Cost of capital raise paid July 2022	378
Reported Cash Balance at 30 June 2022	4,888

Group Cash Position

- The Group has successfully completed the announced capital raising, raising \$6.8m (net of costs). The final \$0.5 million of the raise is subject to formal approval by shareholders at the upcoming AGM.
- The Group has proforma cash of \$6.5 million at 30 June 2022 including all capital committed and net of costs of the capital raise.
- The Group had operating cash outflow of \$4.7 million in Q4 FY22, including significant non-recurring restructuring costs. Operating cashflows are expected to significantly reduce over FY23 as the Group executes the cash improvement initiatives below:

Cash Improvement Initiatives

- Significant Group restructuring announced in April 2022 will centralise operations predominantly in Europe leveraging the successful operating model and skills, and reducing overhead and duplication of activities across the Group.
- Kitzuma is expected to improve profitability as the business scales.
- Board of Directors will move to receiving a majority of remuneration in shares (subject to shareholder approval), Executive team to take 25% of base remuneration in shares.
- Marketing spend reduced, clear focus on only marketing channels that will contribute a positive margin. Other Group overheads and discretionary spend scaled back in line with leaner overall Group operations.
- E-commerce gross margins expected to improve on enhanced commission rates and lower variable transaction related costs.

The Group expects reduced operating cash outflows for the September quarter, after accounting for significant non-recurring restructuring costs. The Group expects the programme of growth initiatives and cost efficiencies will further reduce operating cash outflows over FY23 and the Group is in advanced discussions with potential debt partners around providing further funding to the Group under a convertible note arrangement.

FY23 Focus Areas

01

Replicate successful EU model into other regions

- Applying the learnings, skills and processes to other regions.
- Applying the same growth profile as BEEU over the last 3 years could see a 114% CAGR lift in combined e-Commerce revenue for NA and AU to \$5.4m from current \$0.6m.

02

Integrate Kitzuma into operations to drive growth

- Further integrate Kitzuma team in to BEX NA and focus on the same brand, seller and merchant accounts to achieve synergies, drive e-Commerce transactions and ready to ride delivery volumes
- Active partnership discussions for Kitzuma to finalise and assist with significantly improved shipment gross margin in H1 FY23.

03

Reduce Operating costs and driving e-Commerce first model

- Centralisation of skills and team around functional areas is largely complete, lowering the operational cost foundation for FY23 to a more appropriate level.
- Group focus on maximising profitability and minimising costs.

04

Activate more strategic partnerships to support e-Commerce strategy

- Advance active and progressed discussions across industry and strategic partnerships with potential capital, with a view to finalise in the near term.
- Leverage the Kitzuma service & BikeExchange through partnerships.

**Targeting
Pathway to
profitability
during FY24**

Summary & Outlook

- Q1 FY23 trading into August 2022 is showing positive trends with overall e-Commerce volumes above prior year.
- Kitzuma trading and performance is seeing continued positive growth with seller volumes of shipments expected to continue increasing. Further integration will drive transaction volumes in large North American market.
- Meaningful operating cost reductions have been implemented during Q4 FY22 as well as realisation of cost synergies from Kitzuma acquisition. Significant cost rebase for FY23.
- Supply chain issues easing with retailers now looking for avenues to market to move inventory. BikeExchange well positioned to support retailers.
- FY23 focus is on maintaining the reduced cost base and converting existing traffic and enquiries into sales to achieve steady revenue growth.
- The Directors have plans to raise further capital and are in advanced discussions with potential debt partners around providing further funding to the Group under a convertible note arrangement. Proposed funding will provide additional working capital and enable the Group to invest in a significant proposed technology project designed to improve sales conversion rates on the platform.



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Appendix

A leading competitive position

The cycling category is experiencing a once in a generation revolution

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

Diversified business with significant growth potential

- Global cycling market worth over \$80 billion.
- The micromobility category is set to grow to US\$198 billion by 2030#
- 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 has the first mover advantage, built over a decade. 1,584 active accounts* and growing, in a four region market worth over \$15 billion.
- An established presence with a 21 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.
- Scalable technology foundation already in place.
- 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.
- Key acquisition in Q2 FY22 of Kitsuma, a logistics business for the delivery of 'ready to ride' bikes from retailers to customers.

* Active Accounts as at 30 June 2022. Audience reflects annual traffic sessions for the FY22 year. Refer to basis of preparation of page 19 for metric definitions.

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

#Precedence Research, 'Micro-mobility Market Size to Surpass US\$ 198.03 Bn by 2030', January 2022

Basis of preparation

BASIS OF PREPARATION

The information contained in this presentation is based on the BikeExchange Limited FY22 Annual Report. The Group's auditor expressed an unmodified audit opinion in respect of the FY22 Financial Statements. Where measures are marked as reported they comply with AIFRS.

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 financial results of the Group for the 12 month financial periods ending 30 June 2022 (FY22) and 30 June 2021 as a comparative (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 FY21 and the consolidated results of BikeExchange Limited and the BikeExchange Holdings Pty Ltd Group for FY22.

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 was 50% owned for all periods up to 2 March 2022 when the Group acquired the remaining 50% and consolidated 100% of the entity from that date.
- **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, prior to the completion of the acquisition on 2 March 2022.
- **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.

