

BIKEEXCHANGE (ASX: BEX)

27 October 2022

Melbourne, Australia - BikeExchange Limited (ASX: BEX) ('BikeExchange'), a leading global operator of online cycling marketplaces, attaches the following documents to be presented as its 2022 Annual General Meeting being held today at 10am (AEDT):

- Chairman's Address
- CEO's presentation

AUTHORISED BY BikeExchange Ltd Board of Directors.

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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, with the aim of bringing together the fragmented global cycling industry to trade and scale. Today, it hosts over 1500 brands, 1,585+ retailers and 900,000+ products globally, with an annual audience of 21+ million consumers.

Chairman's Address and Business update

On behalf of the directors, we welcome you to the Annual General Meeting for BikeExchange Limited (ASX Code BEX).

The 2022 financial year was another year of transformation for BikeExchange. Faced with an evolving operational and investment landscape, the business was required to adapt to the challenges presented.

In particular, I would like to highlight some of the key developments from throughout the year, changes made to the executive team, and the operating focus for BikeExchange.

During December 2021, BikeExchange acquired Kitzuma, a North American-based 'ready to ride' logistics company, solving the problem for the bicycle industry of quality delivery of fully built bicycles, without the need for boxes. Whilst Kitzuma has achieved strong revenue growth rates since acquisition, this growth has been capital consumptive. The Board has made the decision to pause the bike delivery service over the seasonal low period of winter in America to review the operational and funding model for the business prior to heading into the Northern Hemisphere peak period of spring and summer 2023.

In the March quarter, BikeExchange acquired the remaining 50% of the BikeExchange Columbia Joint Venture. As supply chain issues resolve and the market conditions normalise, the Columbian business presents a growth opportunity for Bike Exchange.

During the second half of FY22, BEX undertook a restructure of the Executive Team that saw a change of its CEO and a broader rationalisation of the global team. Following an interim period where Co-Founder of BikeExchange, Mr Sam Salter stepped into the interim CEO role, leadership changes were announced on 1 September 2022 and Mr Ryan McMillan (former Group Chief Operating Officer and Head of European Operations) was appointed as Group CEO. Mr Sam Salter (Founder, Company Director) moved into a new executive role as Head of Strategic Partnerships and Ms Kathy Kotsiopoulos (former Finance Business Partner) was appointed as interim Group CFO replacing the outgoing Group CFO Mr Andrew Demery.

The Board of Directors was also strengthened during FY22 with the appointment of Ms Elizabeth Smith and Mr Dominic O'Hanlon as Non-Executive Directors. Since the end of the financial year, Ms Jade Wyatt stepped off the Board on 1 September 2022.

Similar to many ASX listed small cap growth companies on a path to profitability, navigating the current capital markets for funding remains a challenge. Bike Exchange launched an equity raising during the June quarter 2022, raising a further ~\$6 million of equity capital, with further capital subject to the approval of resolutions included in this meeting. This was the first stage of a broader capital plan to recapitalise the business to fund the restructure and the ongoing operations. Further to recent ASX disclosures, the Company continues to work towards a funding solution for the business and will provide a further update of this process with the release of the Appendix 4C and quarterly update on Monday 31 October 2022.

An overhaul of the operating model was initiated during the June quarter of 2022 that provides a focus on continued growth and a pathway to profitability for the Bike Exchange business.

Despite the challenges faced, BikeExchange delivered growth during FY22 and has strengthened its position as the world's largest global cycling marketplace, operating across 8 countries within four geographic hubs in Australia and New Zealand (ANZ), North America, Europe and Latin America (LatAm). The BikeExchange Group has a network of brands, retailers and distributors that come together in a single destination marketplace and FY22 originated more than \$30.9 million in Total Transaction Revenue ("TTV"). During FY22, the BikeExchange Platform was visited by approximately 21 million consumers. This traffic drove e-commerce transactions and delivered approximately \$1.2 billion in aggregate inquiry value to retailers and brands globally. BikeExchange currently has over 1,585 retailers and over 1,500 brands globally available on the platform providing ease, convenience and choice for consumers.

A significant body of work has now been completed by the new Executive team and enhanced Board of Directors have recently completed a piece of work, that when combined with the refined operating model, the strategic focus on EU business model, and operating efficiencies, places Bike Exchange on a solid footing for the FY23 year and beyond subject to the completion of the capital plan.

The Board of Directors once again thank Shareholders for their support and will provide updates as BEX looks to deliver on the global growth opportunity ahead.

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 **BIKE
EXCHANGE**

WHERE THE WORLD RIDES™

BIKEEXCHANGE (ASX: BEX)

AGM

27 October 2022



BEX Overview

WORLD'S LEADING BICYCLE MARKETPLACE

- **BikeExchange** is the world's leading online marketplace connecting consumers to bike stores and brands.
- Operations in eight countries & four hubs - ANZ, Europe (Germany, Belgium & Netherlands), LatAm (Colombia) and NA (BikeExchange + Kitzuma)
- Enabling our network of brands, retailers and distributors to connect via single destination marketplaces.
- Focus on e-Commerce transactions along with seamless bicycle logistics solutions.

GLOBAL OPERATIONS



21 million

Global Traffic

1,500+

Brands on Platform

1,585

Active Retail Accounts

\$1.2 billion

Aggregate Product Enquiry Value



FY22 Group Highlights

STRONG GROWTH ACROSS KEY METRICS

KEY FY22 HIGHLIGHTS

\$30.9m

↑ 22%

Lookthrough TTV*

\$6.8m

↑ 41%

Lookthrough Revenue*

0.19%

↑ from 0.14%

Traffic conversion

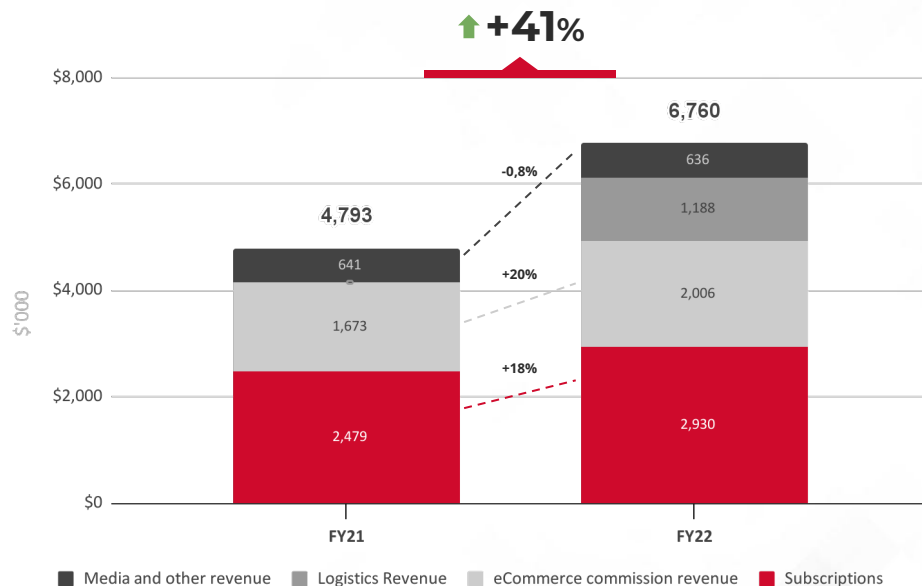
\$3,829

↑ 12%

Avg. Revenue Per Account

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.

LOOKTHROUGH TTV¹ BY CATEGORY – FY22



Solid growth across key metrics in FY22

\$6.8m

↑ 41%

Lookthrough Revenue*

\$30.9m

↑ 22%

Lookthrough TTV*

↑ **\$1.2m**

Logistics revenue

\$3,829

↑ 12%

Avg. Revenue Per Account

\$749

↑ 18%

Average Order Value

↑ **3,679**

Logistics shipments

0.19%

↑ from 0.14%

Traffic conversion

7.7%

↑ Up from 7.5%

Average Commission Rate

Up 22%

↑ Q4 vs Q3 FY22

Logistics shipments

* 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 Colombia for the full period. Active Retail Accounts decrease of 1% vs 30 June 2021. Logistics revenue and shipments from 22 December 2021 (Kitzuma acquisition date).



Kitzuma

PAUSING DELIVERY SERVICES DURING LOW DEMAND, WINTER MONTHS

Recent Developments Kitzuma:

- Consistent revenue growth since acquisition, driven by increased shipping volumes and revenues per shipment, further strengthened by new revenue streams: warehousing and 3PL fulfillment services.
- The shipment and revenue growth confirms customer demand for ready-to-ride bike shipping services
- Consuming a significant amount of working capital and straining group cash reserves.

Short Term Actions:

- The Board has made the decision to pause the bike delivery service over the seasonal low period of winter to review the operational and funding model for the business prior to heading into the Northern Hemisphere peak period of spring and summer 2023.
- The expected impact will be a reduction in logistics revenues, reduction in cash outflows and reduced group losses.





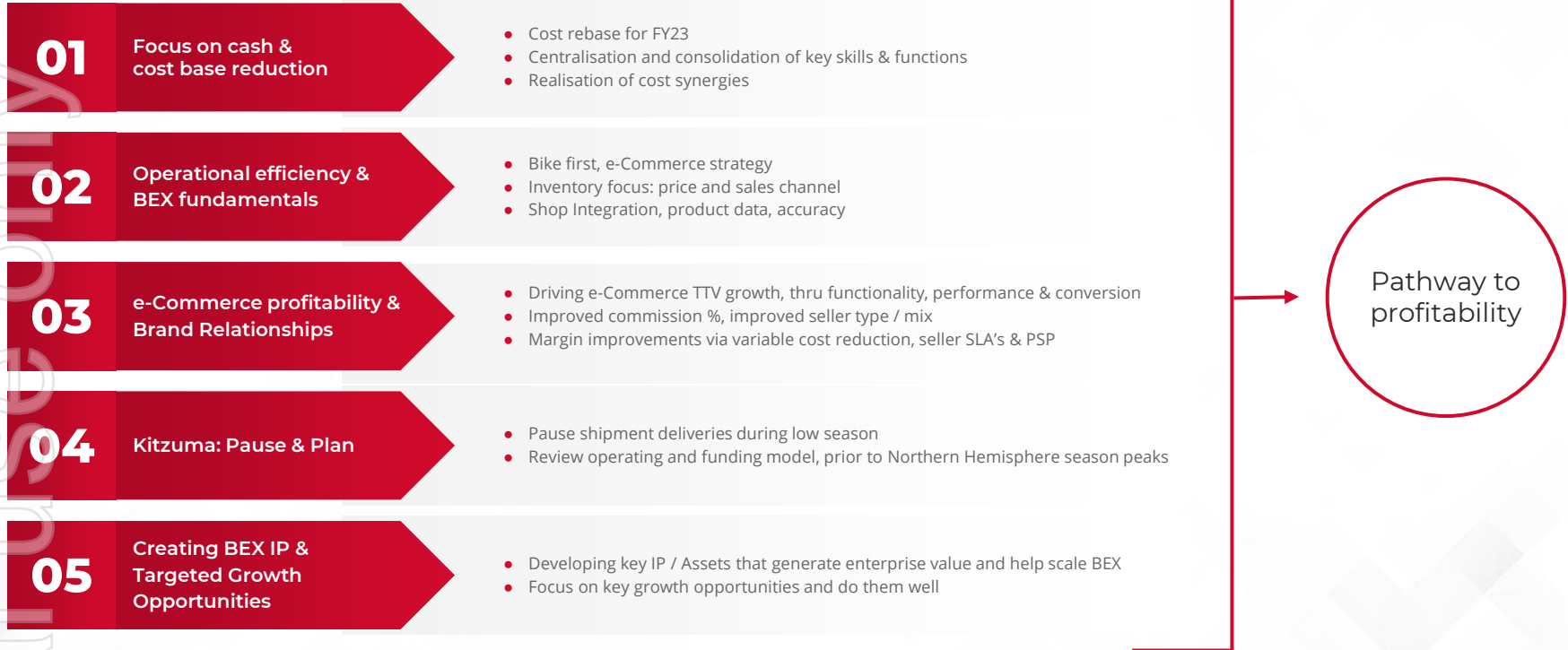
BIKEEXCHANGE (ASX: BEX)

FY23 Outlook:
The Road Ahead



FY23 Outlook: From Growth Focus to Profit and Cash Retention

PATHWAY TO PROFITABILITY



Disclaimer

Important notice

The material in this presentation has been prepared by BikeExchange Limited (ASX: BEX) ABN 24 625 305 240 ("BikeExchange or the Company") and is general background information about BikeExchange's activities current as at the date of this presentation. The information is given in summary form and does not purport to be complete in every aspect. In particular you are cautioned not to place undue reliance on any forward looking statements regarding our belief, intent or expectations with respect to BikeExchange's businesses, market conditions and/or results of operations, as although due care has been used in the preparation of such statements, actual results may vary in a material manner. Information in this presentation, including forecast financial information, should not be considered advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities in the Company. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice.

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.



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.

