



WHERE THE WORLD RIDES®

BIKEEXCHANGE (ASX:BEX)

Q3 FY23 Quarterly Business Update

28th April 2023



Agenda

BEX QUARTERLY BUSINESS UPDATE

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Ryan McMillan

Chief Executive Officer



Dominic O'Hanlon

Non-Executive Director





BIKEEXCHANGE (ASX: BEX)

BEX Overview

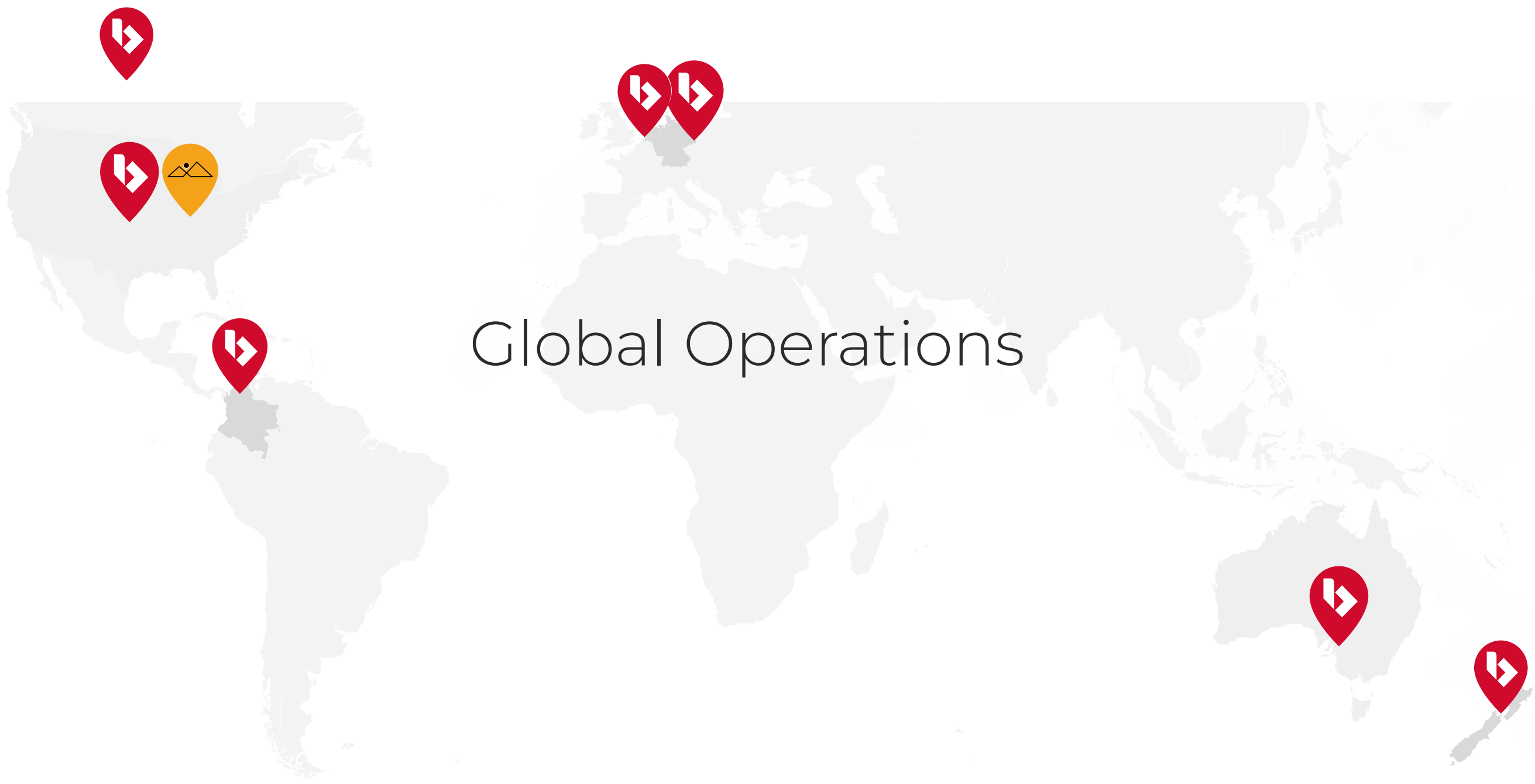


BEX Overview

WORLD'S LEADING ONLINE BICYCLE MARKETPLACE

“**BikeExchange** is the world's leading online marketplace connecting consumers to bike stores and brands.”

- Operate in eight countries, from four regional hubs - ANZ, EU (Germany, Belgium & Netherlands), LatAm (Colombia) and NA (Canada, USA)
- Enabling our network of brands, retailers and distributors to connect via single destination marketplaces.
- Focus on eCommerce transactions along with seamless bicycle logistics solutions.



15 million

Global Traffic

1,500+

Brands on Platform

1,629

Active Retail Accounts

\$ 160 million

Aggregate Product Enquiry Value



BIKEEXCHANGE (ASX: BEX)

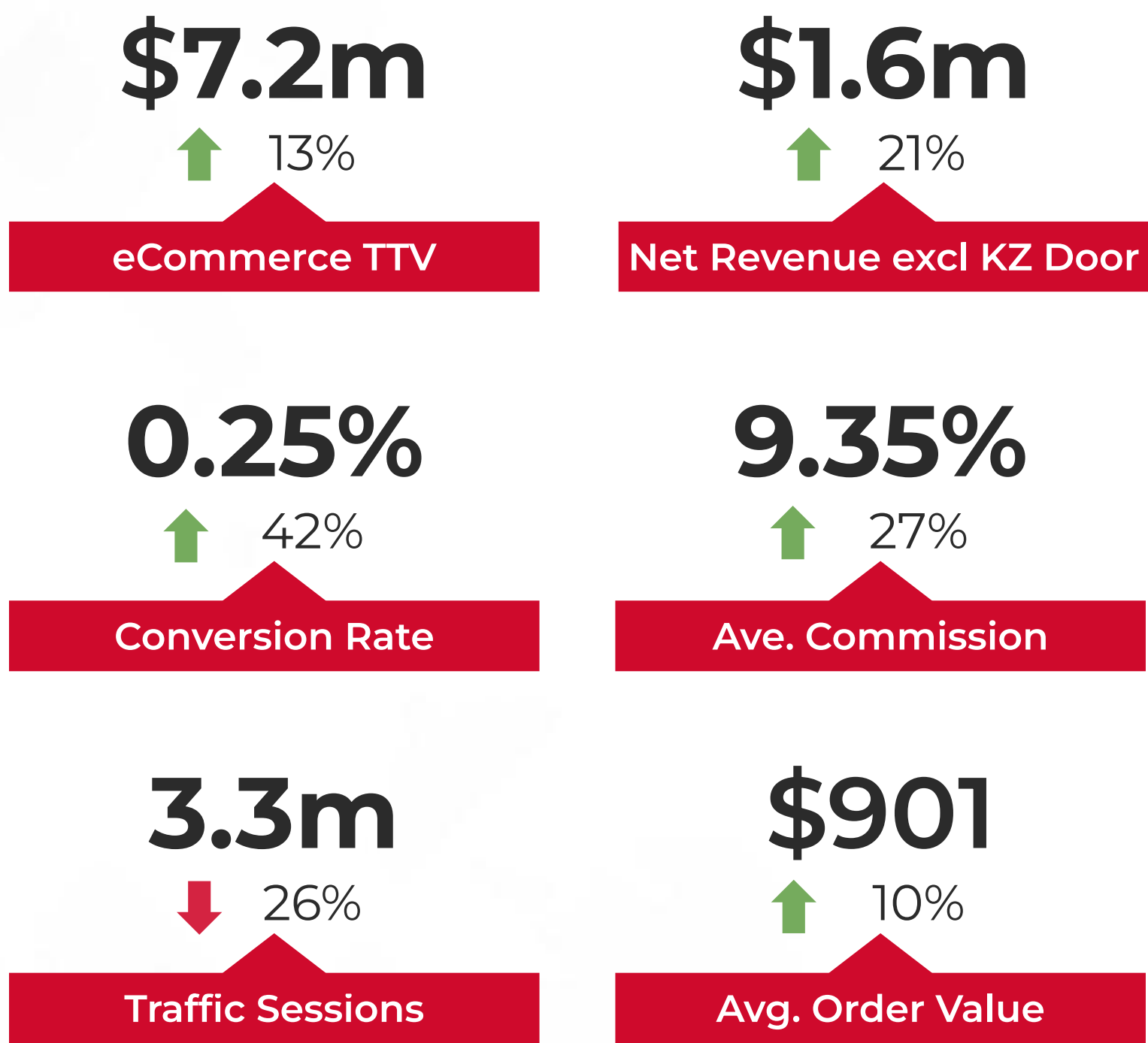
BEX Q3 FY23 Performance



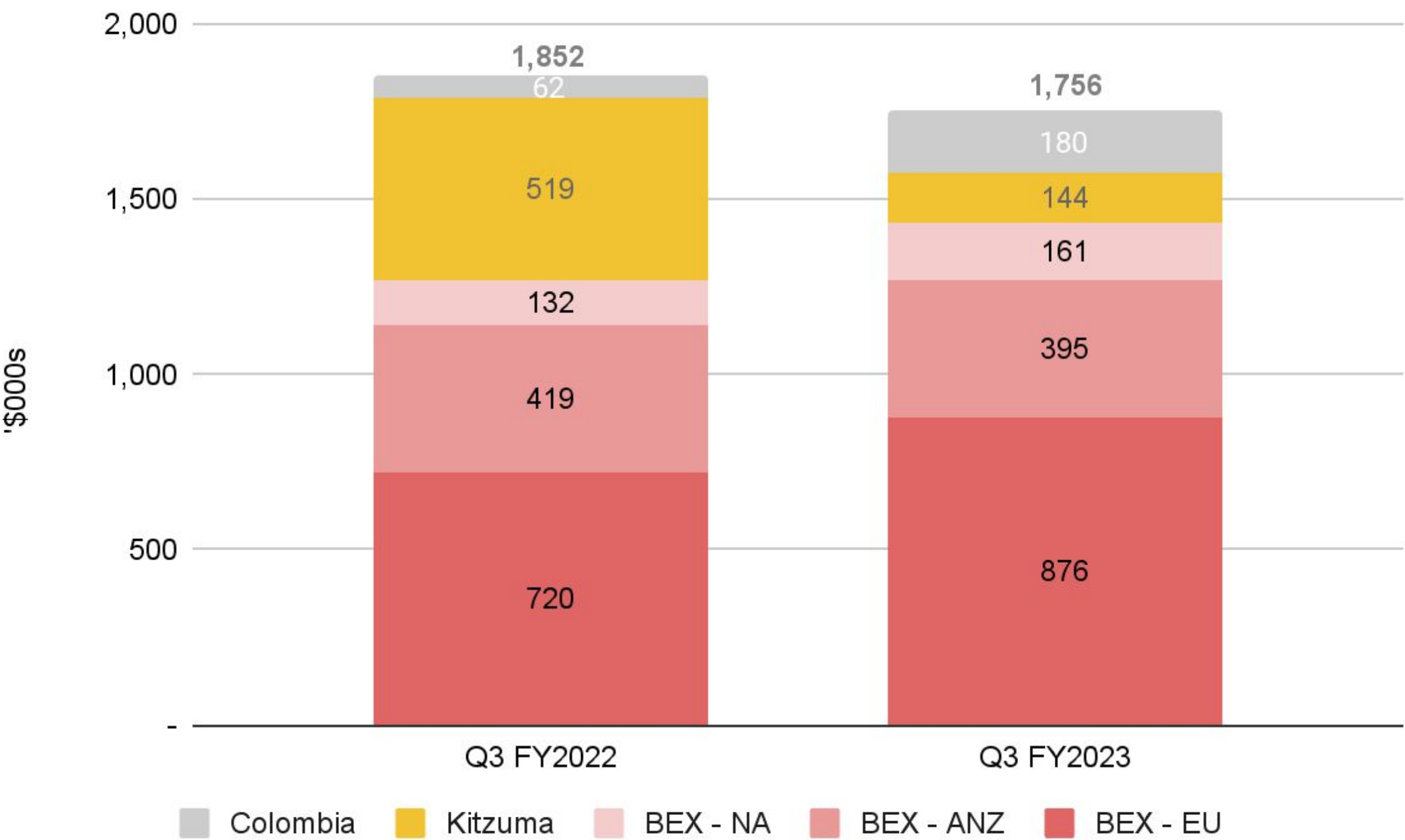
FY23, Q3 Group Highlights

GROWTH ACROSS KEY METRICS vs FY22

Key Q3 FY23 Highlights vs Q3 FY22



Q3 FY23 Net Revenue incl. KZ Door Delivery in PCP



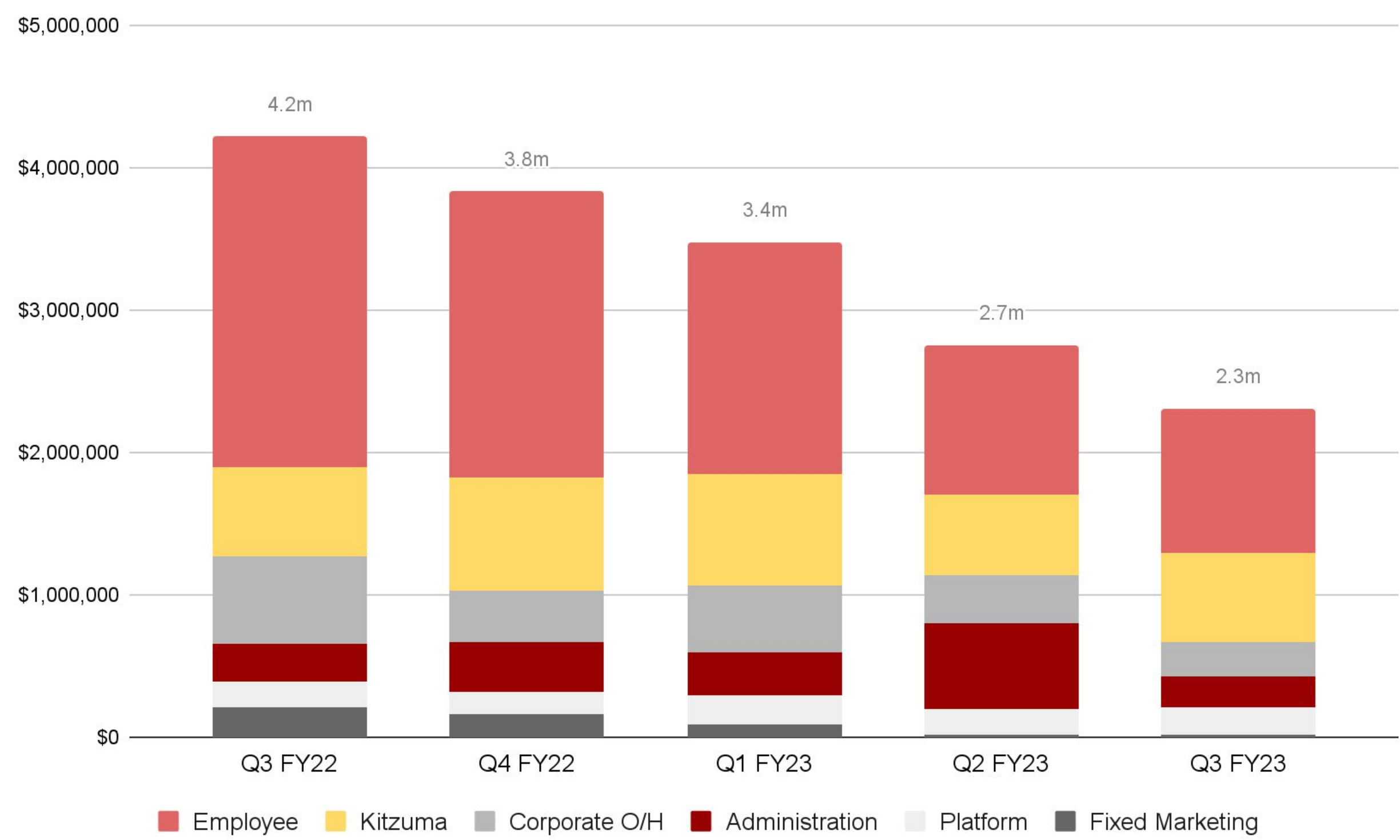
1. Total Transaction Value (TTV) and Revenue includes 100% of BikeExchange Colombia's TTV from acquisition 2 March 2022). All metrics relating to FY22 include one month of BikeExchange Colombia results. (Lookthrough metrics have not been reported).
2. North America revenues include Kitsuma from 23 December 2021 (date of acquisition). Revenues for the comparative period Q3FY22 include Kitsuma bike delivery services which were paused in November 2022.



Cost Base Halved & Revenue Stabilized

DRIVING AN IMPROVED OPERATING RESULT

A Consistent Reduction of Fixed Cost Base³



Combined with Solid Growth Fundamentals

BEX Core has nearly halved its fixed cost base versus Q3 2022 and simultaneously invested in developing scalable tech IP that it will launch during Q4, modernising its consumer platform and expected to result in improved conversion and scalability to its eCommerce offering.

Beyond the substantially reduced cost base, further improvements expected in Q4 FY23 and beyond, driven by:

- Marketplace performance and conversion uplift driven by new storefront launch and other technology stack improvements
- New brand, distributor and retail seller opportunities following the easing of industry-wide supply chain issues
- Improved inventory mix and investment in buyer services increasing conversion on-page and driving transactional revenues
- Efficiencies driven via combined Marketplace and KZ 3PL / Boxed delivery service out of a combined HQ in Asheville, NC.

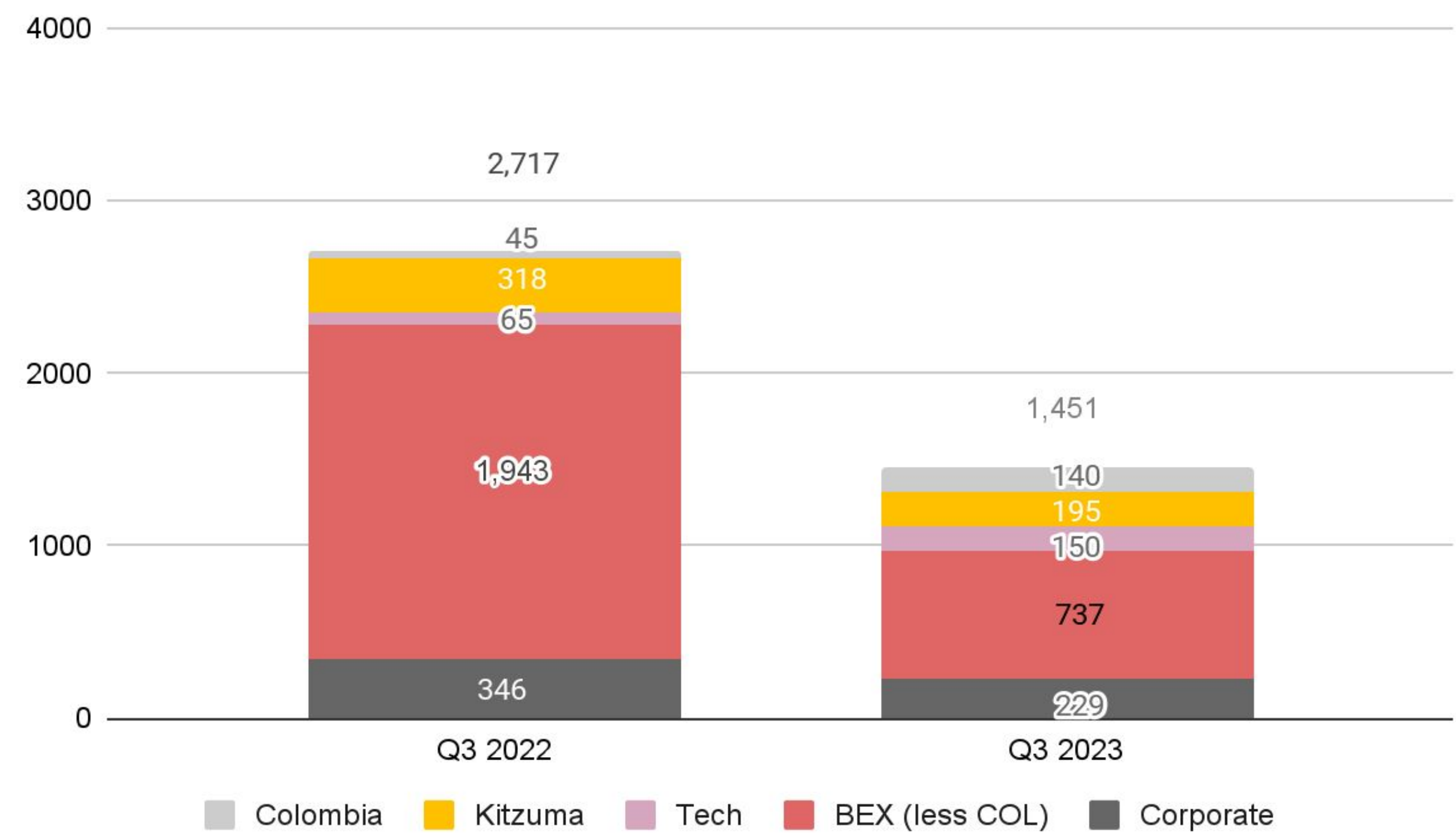
3. Cost base includes fixed operating costs excluding share based payments and depreciation charges which are non cash and excludes technology project development costs.



Reduced Spend on Headcount, Increased Investment in Scalable IP

A 62% EMPLOYMENT COST REDUCTION IN OUR CORE MARKETPLACE BUSINESS

Employment Cost Q3 FY23 vs FY22



Investment in Scalable Technology

Reduced Employee Expenditure

Total employment costs at BEX Core (excl. Colombia) have reduced by 62% versus PCP, while net revenue for the same period increased by 13%.

Employment cost have also reduced in Corporate (-34%) and Kitzuma (-39%), which will reduce further following the consolidation of our Marketplace, 3PL and Boxed delivery business in North America.

Investment: Development of Tech IP

BEX is set to launch its new consumer platform in Q4 which will significantly improve the buying and selling experience for consumers and sellers.

The new platform will upgrade the tech stack to a composable commerce architecture with best-in-class providers across search, content, payments, AI driven recommendations and personalisation. BEX anticipates an improved marketplace conversion performance via the new platform.



FY23, Q3 Normalised EBITDA LOSS

EBITDA LOSS FROM UNDERLYING OPERATIONS

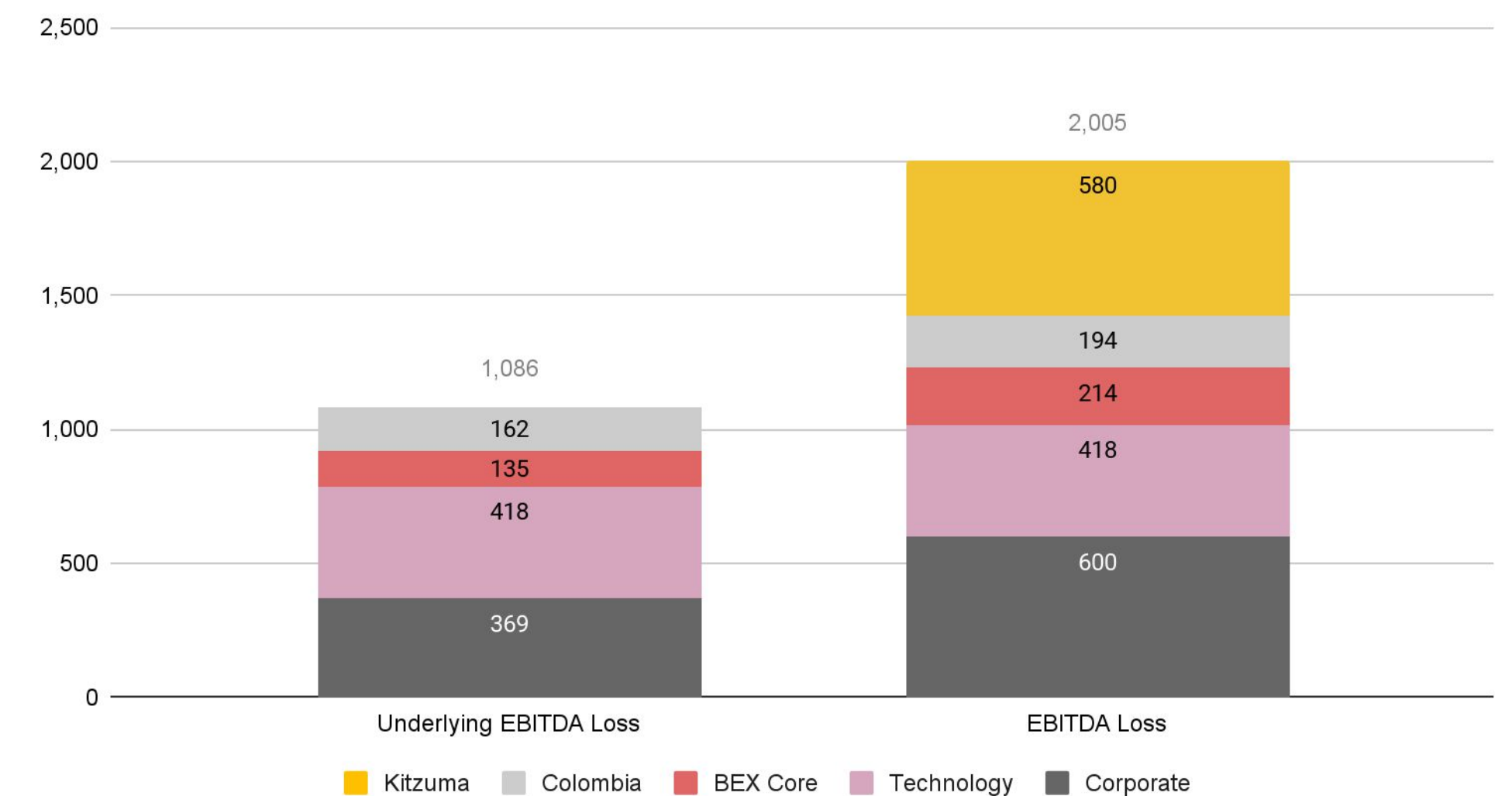
\$A Thousands	Mar 2023 QTR	Mar 2022 QTR	Variance
Group TTV	8,323	7,792	531
Revenue	1,756	1,852	-96
Other Income	93	17	76
Cost of sales	-301	-831	530
Employment costs	-1,682	-3,067	1,385
Marketing Costs	-319	-713	394
Other Operating Costs	-1,512	-1,511	-1
Impairment Losses	-40	0	-40
Total Costs	-3,854	-6,122	2,268
EBITDA	-2,005	-4,253	2,248
<u>Normalisation adjustments:</u>			
Impairment Losses	40	0	40
Kitzuma door delivery	463	0	463
Non recurring employment costs	186	0	186
Executive share options & STI expense	230	349	-119
Total non recurring costs	919	349	570
Underlying BEX - EBITDA	-1,086	-3,904	2,818

EBITDA Loss from Underlying Operations

As per recent market updates, BEX is reporting normalised EBITDA Loss from underlying operations in addition to statutory EBITDA Loss to provide a better illustration of cost base reductions and their impact on future profitability,

- Underlying EBITDA loss of \$1.1m after normalisation adjustments (non recurring items) improving by \$2.8m versus pcg.
- Improvements are primarily driven by saving across BEX Core and Corporate of \$2.3m as well as savings from the cessation of Kitzuma bike deliveries.

Q3 EBITDA Loss by Line of Business



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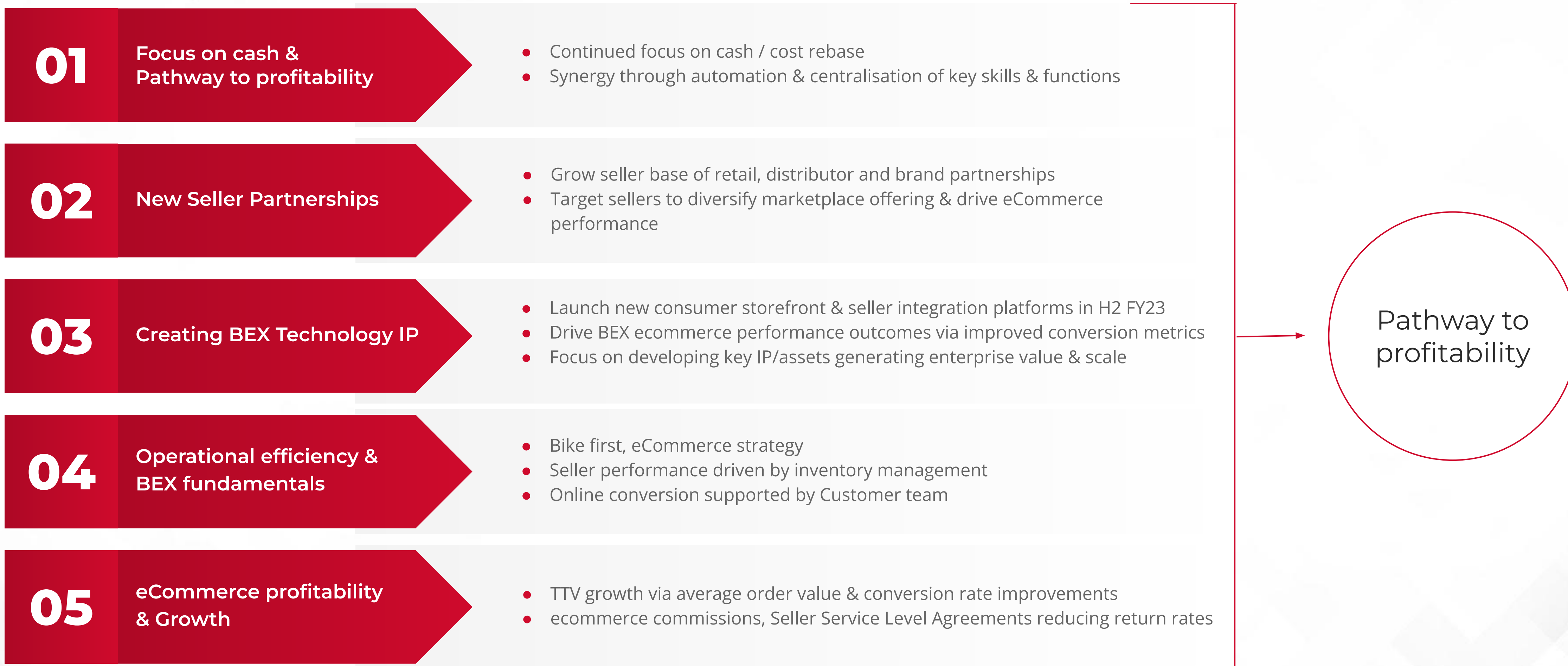
BIKEEXCHANGE (ASX: BEX)

The Pathway Forward



FY23 Outlook: From Growth Focus to Pathway to Profit

5 Strategic Pillars Towards BEX Profitability



Consumer Platform Launch Q4

DRIVING CONVERSION THROUGH TECHNOLOGY

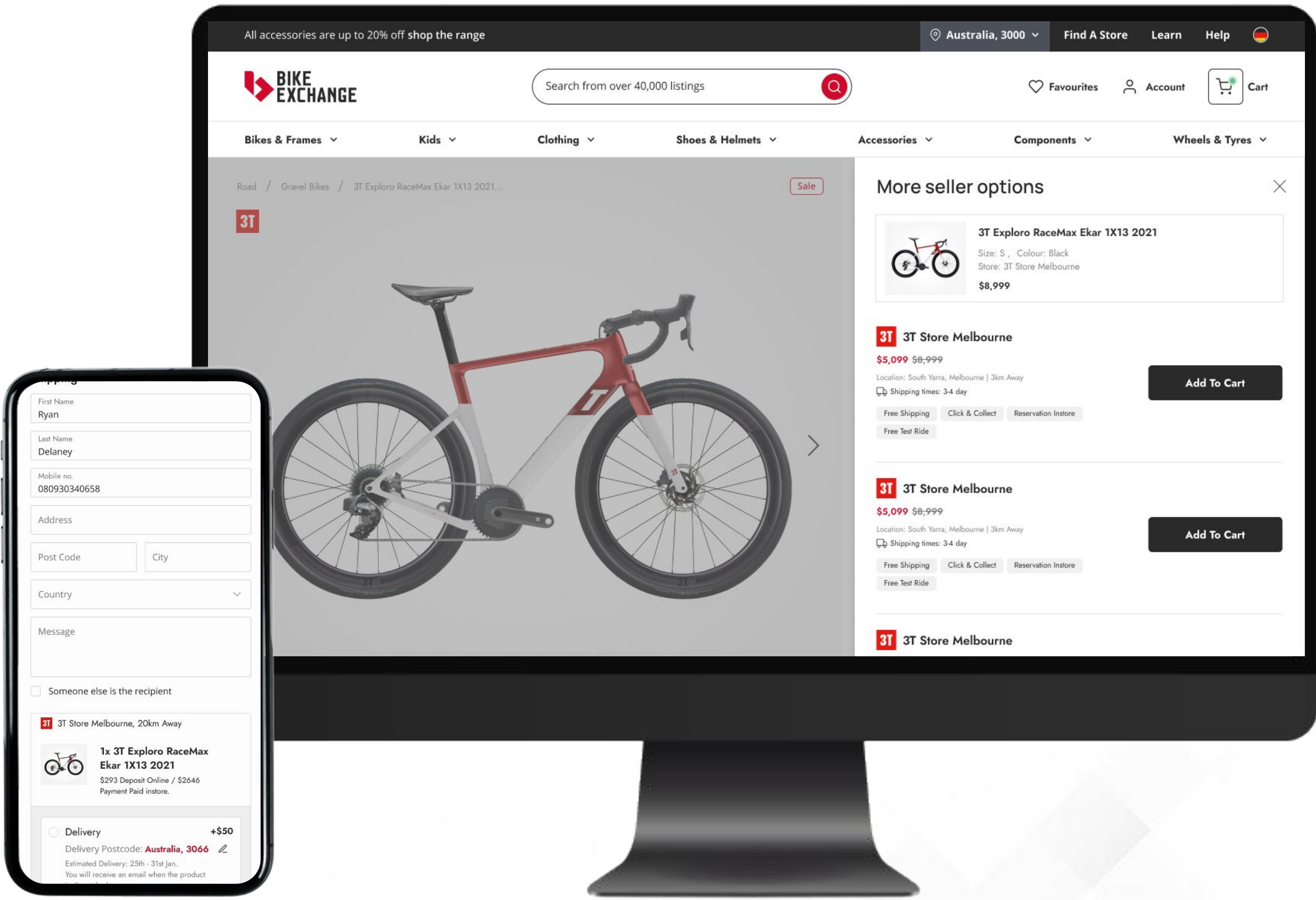
Partnering with market leading composable tech providers commercetools, Algolia, Contentful, and Akeneo, BEX will launch its new consumer storefront platform in Q4, significantly improving the buying and selling experience for consumers and retailers.

Technology Demo at the end of this 4C Investor update

Focus on: New Consumer Platform & BEX Technology Vision

- Now - Enabling Consumers
- Next - Enabling Sellers
- Later - Enabling the Industry

And how it helps drive conversion, scale BEX and generate enterprise value



Post Quarter-End Events

1 BEX Closes Final Stage Capital Plan

- The final stage of BikeExchange's 2022 capital plan to recapitalise the business to fund the restructure and ongoing operations was largely completed with \$1.7m raised in April 2023 from a Placement with professional and sophisticated investors.
- In addition to the funds raised, Directors Andrew Ryan and the newly appointed Chairman Dominic O'Hanlon have also committed to invest \$500k and \$100k respectively, expected to be received in mid-to-late May, pending EGM approval.
- BEX intends to continue on its pathway to profitability and execute its strategy, investing to scale the business through bike industry-specific technology.

2 BEX Appoints Dom O'Hanlon to Chairman

- In April 2023, the Board of Directors agreed to appoint Mr Dominic O'Hanlon to the position of Chairman, effective 1st May 2023. Mr Gregg Taylor has decided to step down to the position of Non-Executive Director.





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.

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The financial information should be read in conjunction with the basis of preparation set out in the Appendix on page 15.

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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 FY22 Annual Report and BikeExchange Ltd FY23 Half Year 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 3 month financial period ending 31 March 2023 (Q3 FY23) and 31 March 2022 as a comparative (Q3 FY22).

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 consolidated results of BikeExchange Limited and the BikeExchange Holdings Pty Ltd Group for Q3 FY23 as well as comparatives for Q3FY22.

Non-IFRS 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.



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Industry & Market Developments

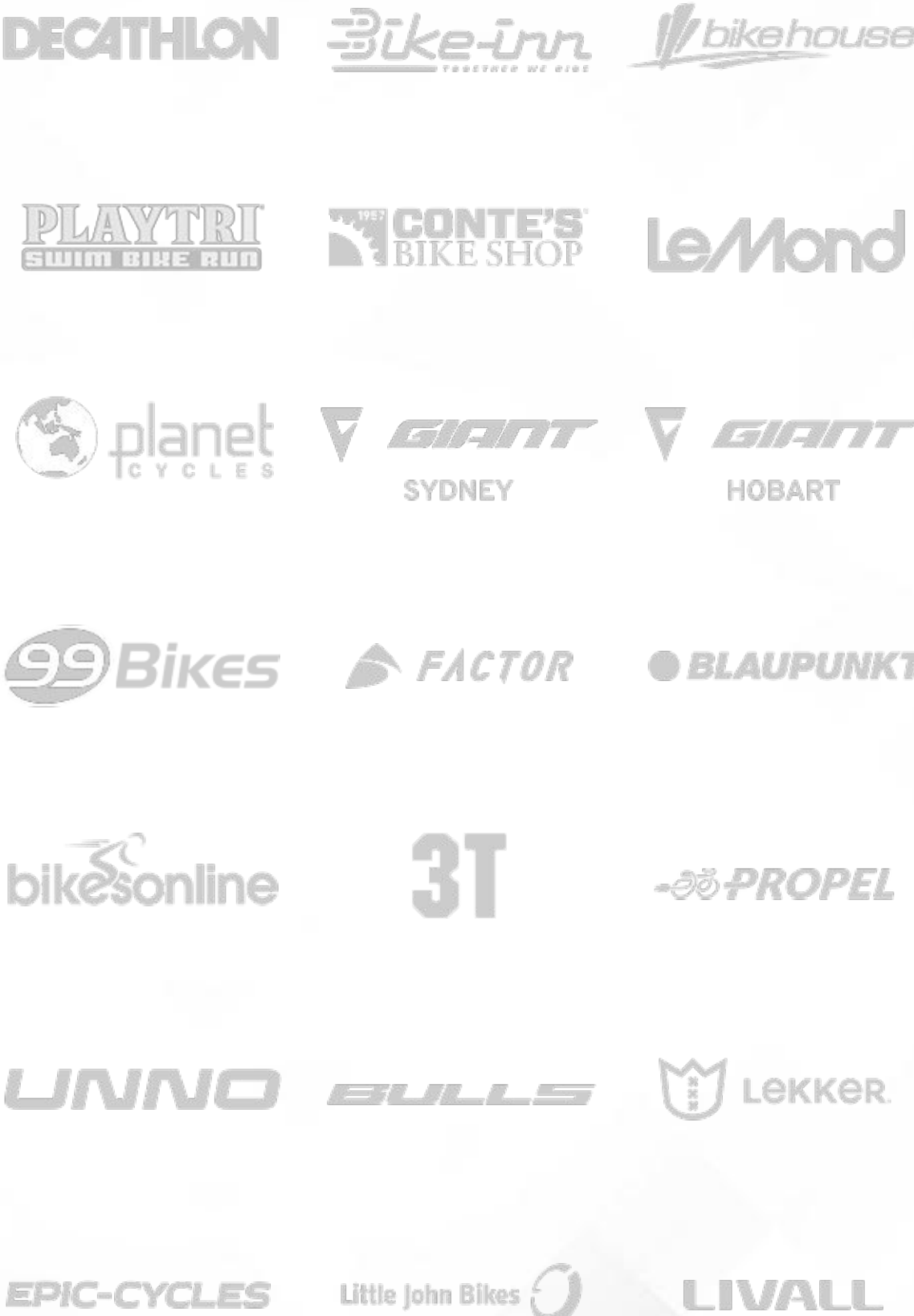
As Inventories Ramp-up, BEX is helping Sellers Looking for Channels to Market

FROM: SELLERS MARKET

TO: BUYERS MARKET

Industry	<ul style="list-style-type: none">Global supply shortagesEmpty brand warehouses	<ul style="list-style-type: none">Inventory ramp-upBrands & sellers become overstockedBrands look for D2C / new channels
Retail	<ul style="list-style-type: none">Bike stores quickly running out of stockBikes sold at full margin	<ul style="list-style-type: none">Stores receiving 2-years of back-orders in monthsIncreased price competition
Consumer	<ul style="list-style-type: none">High consumer demandLow availability, selectionConsumers demand to buy online	<ul style="list-style-type: none">Normalization of demand to pre-covid levelsExtensive product selection / choiceConsumer search starts online
BEX	<ul style="list-style-type: none">BEX helps consumers find what they wantBEX connects stores to ready-to-buy usersBEX offers easy online channel access	<ul style="list-style-type: none">Provides Brands a D2C channelProvides Bike Stores access to millions active shoppersConsumers easily find the best deals in market

RECENT WINS



The BEX platform creates value in both market environments

BEX is well positioned to support Brands, Distributors and Retail Sellers looking for channel to market

