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WHERE THE WORLD RIDES®

BIKEEXCHANGE (ASX:BEX)

Q4 FY23 Quarterly  
Business Update

28th July 2023





# Agenda

## BEX QUARTERLY BUSINESS UPDATE

01

Q4 2023 Performance

02

FY24 Driving to Profit

03

Outlook & Pathway Forward



Ryan McMillan  
Chief Executive Officer



Dominic O'Hanlon  
Non-Executive Chair





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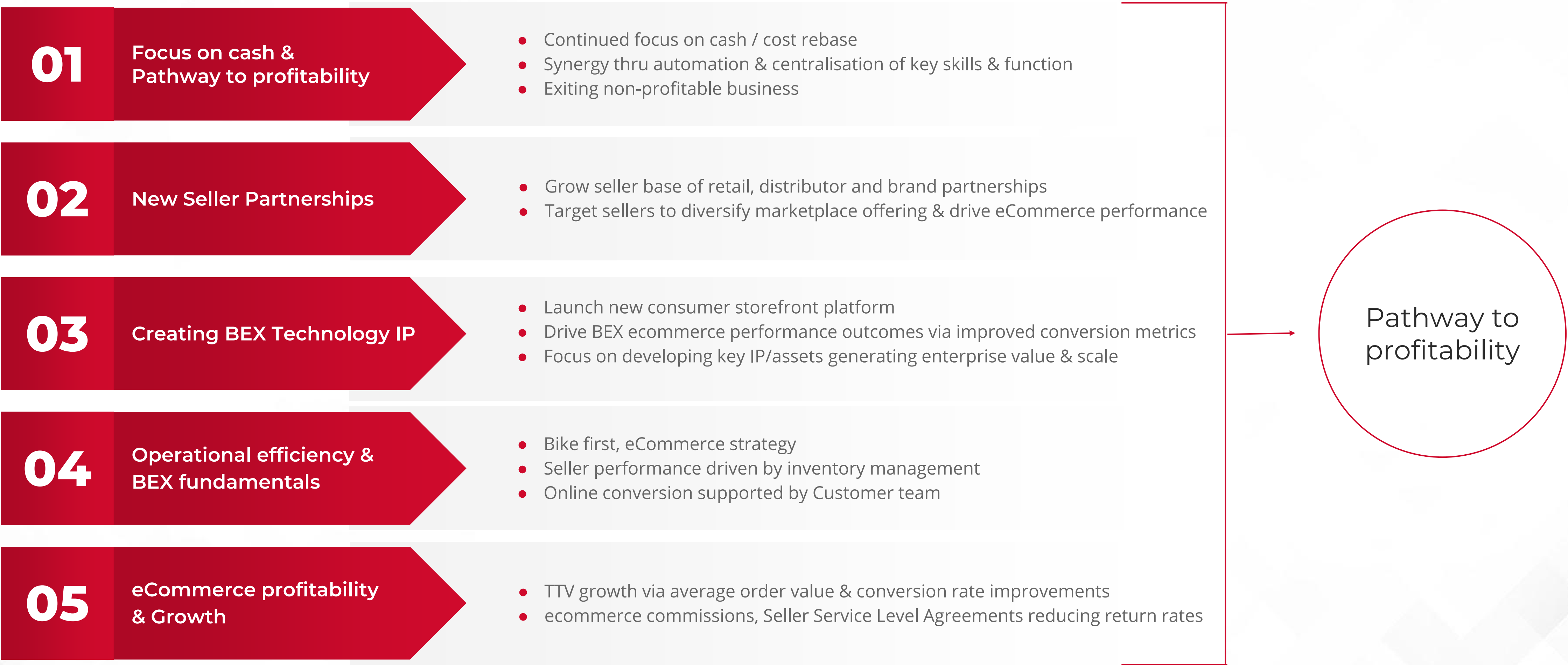
Q4 2023 in Review





# FY23 in Review: 5 Strategic Pillars & The Pathway to Profit

## BEX PLAN 2023: 5 STRATEGIC PILLARS TOWARDS PROFITABILITY



# BEX Exited Unprofitable Business and Invested in Core

## 4 STEPS FORWARD, ALIGNED TO OUR PLAN

**1**

### **Shutdown KZ Door Business & a Repurposed BEX North America**

After taking the decision to close its KZ Door delivery Network, BEX has successfully resized, repurposed it's NA business to offer Marketplace, 3PL and Boxed logistics services, largely replacing lost revenues from the Door Delivery business

**2**

### **Exited cash burning Colombian Retail business**

BEX exited its retail business operations in Colombia in Q4 following a strategic decision to focus on core business and markets, removing the economic uncertainty and cash burn of its Colombian operations.

**3**

### **Restructured BEX, with focus on core markets and core business**

Throughout FY23, the business has focussed on its marketplace business, making meaningful cost base reductions, centralizing key roles, unifying process and solutions, removing duplication, and focussing on driving marketplace outcomes.

**4**

### **Invested in Foundational Technology**

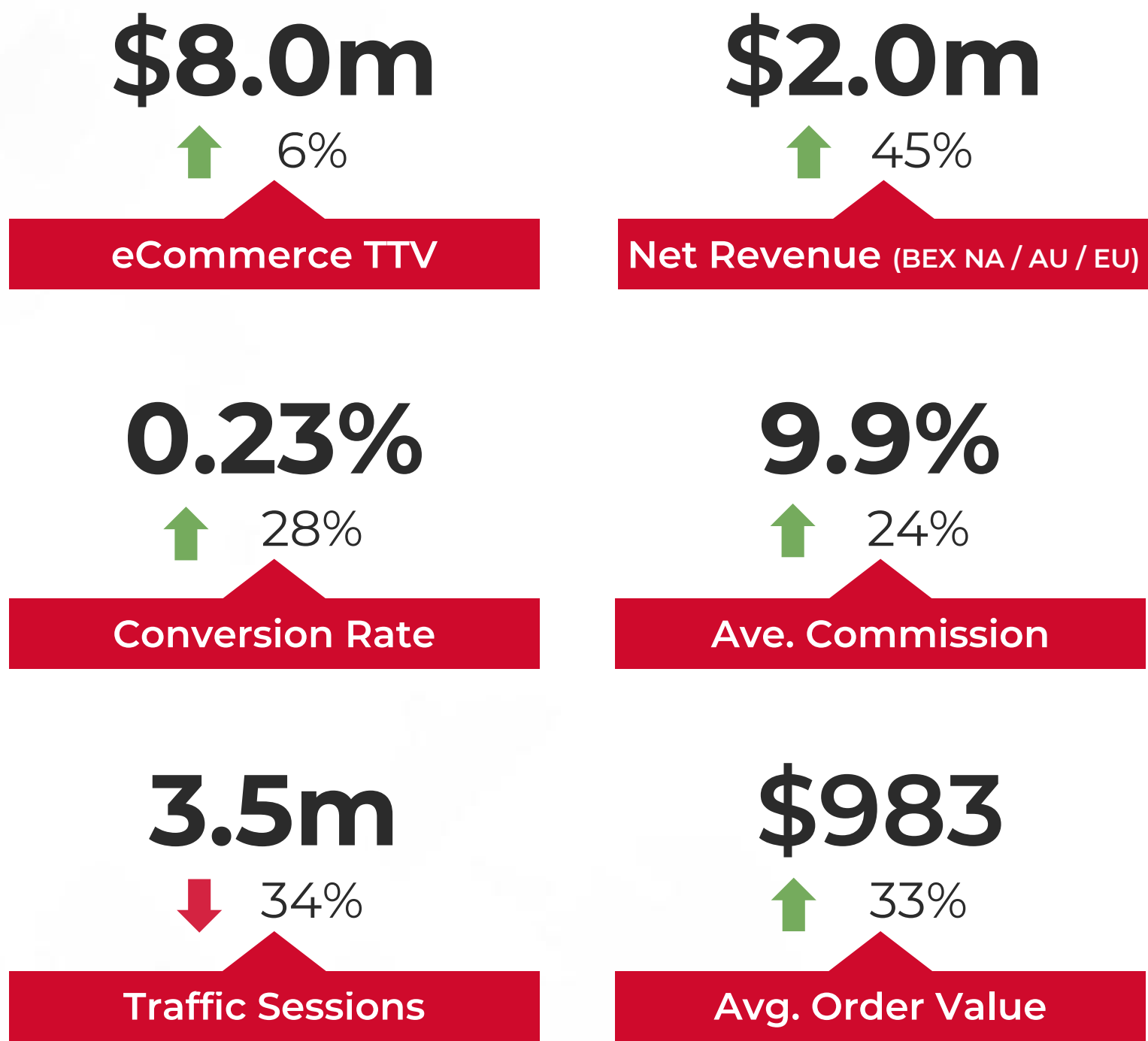
In FY23 we invested in people and technology assets aiming to create a new foundation to scale our marketplace business and improve the customer experience for BEX users



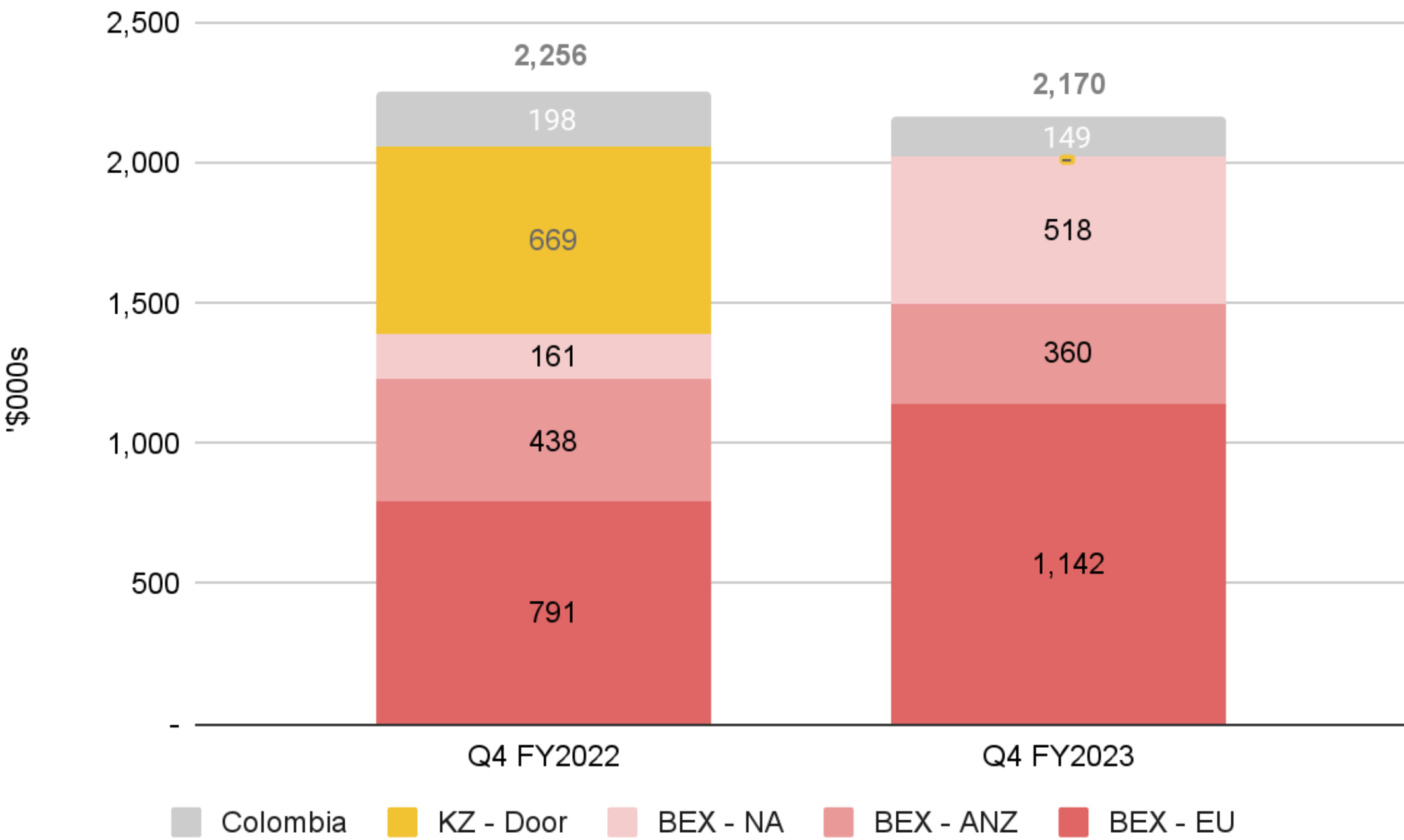
# Solid Revenue Growth & Marketplace Health in Core Business

## GROWTH ACROSS MOST KEY METRICS vs FY22

Key Q4 FY23 Highlights vs Q4 FY22



Q4 FY23 Net Revenue after exiting Kitzuma Van delivery business



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.  
2. North America revenues include Kitzuma from 23 December 2021 (date of acquisition). Revenues for the comparative period Q3FY22 include Kitzuma bike delivery services which were ceased in November 2022.

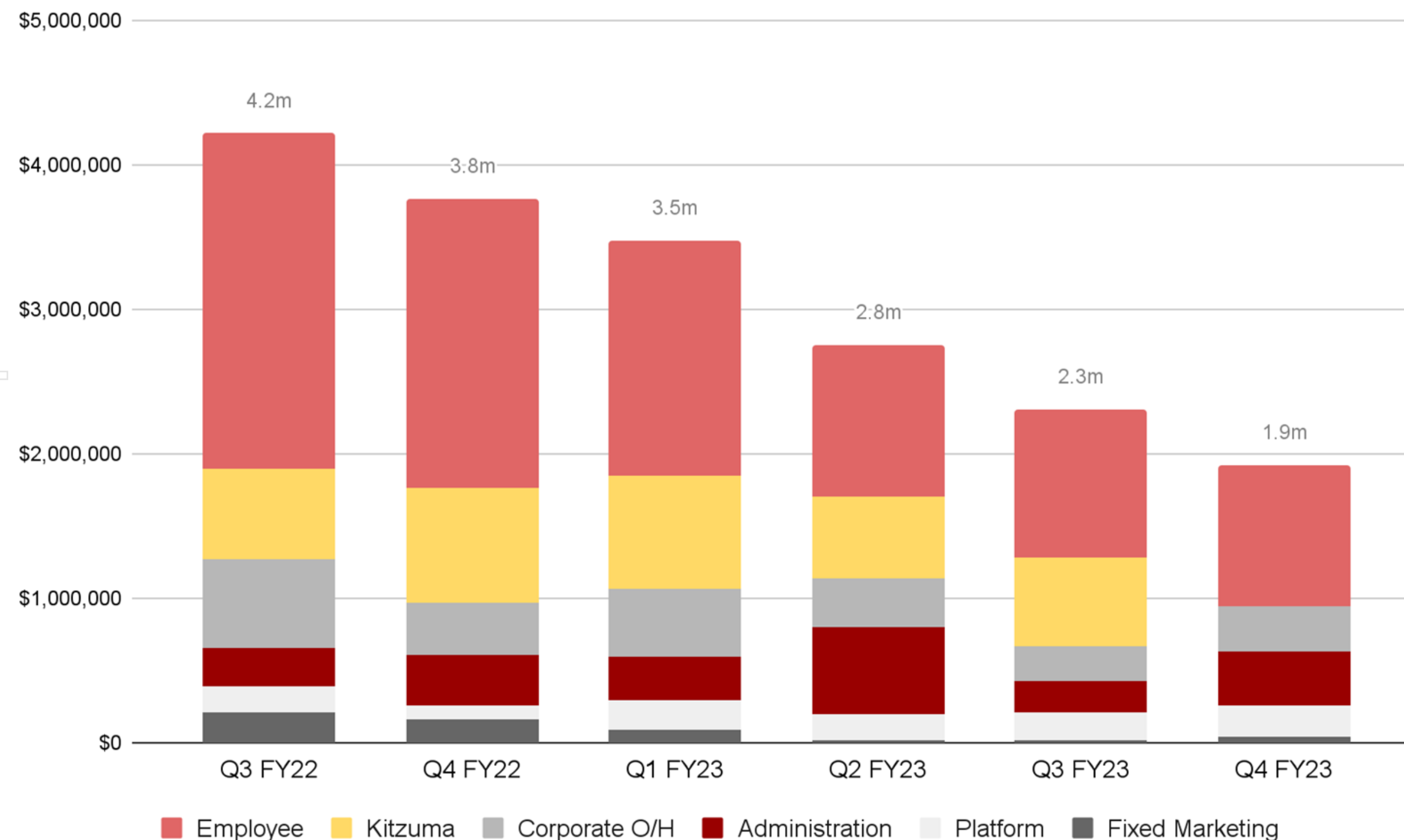




# We Halved the Costbase & Stabilized Revenue

## DRIVING AN IMPROVED OPERATING RESULT

### A Consistent Reduction of Fixed Cost Base<sup>3</sup>



### Combined with Solid Growth Fundamentals

While BEX has delivered its fifth consecutive quarter of cost reduction and more than halved its fixed cost base over that period, we see the opportunity for further savings as limited and focus now on growing revenue.

In FY24, with the impending launch of its new Consumer Platform, BEX plans to drive marketplace performance and a profitable ecommerce business, extending on positively trending marketplace health indicators:

- Drive conversion on BEX through new search, ecommerce, checkout, payment and logistics technologies
- New brand, distributor and retail seller opportunities
- Integrating / developing further solutions for buyers and sellers that extend BEX capability and develop competitive advantage.
- Ongoing investment in service teams for buyers and sellers focused on inventory management, conversion on-page and driving transactional revenues
- Growing our North American business via combined Marketplace, 3PL & Boxed logistic service offering from Asheville, NC

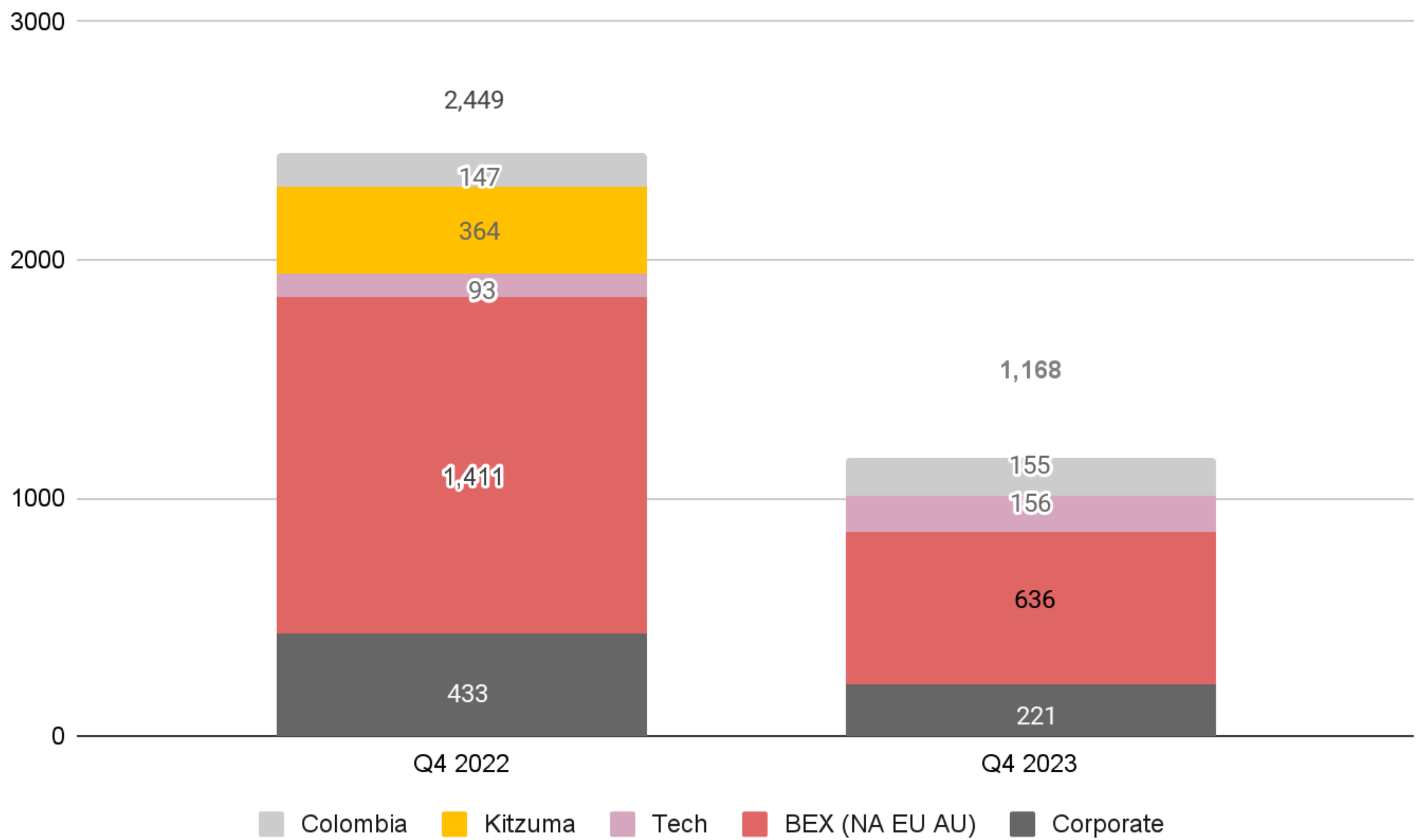
3. Cost base includes fixed operating costs excluding share based payments and depreciation charges which are non cash and excludes technology project development costs.



# We Cut Headcount, But invested it in Technology

A 55% EMPLOYMENT COST REDUCTION IN OUR CORE MARKETPLACE BUSINESS

Employment Cost Q4 FY23 vs FY22



Investment in Scalable Technology

### Reduced Employee Expenditure

BEX has delivered significant 45% revenue growth in its core marketplace business, despite reducing total headcount cost by 55% versus PCP.

Following the shutdown of the Kizuma door delivery network in late Q2, 2022, headcount has reduced to zero in Q4. A similar reduction is expected following the sale of the Bico Retail Store network in Q4, 2023.

### Investment: Development of Tech IP

With BEX following its Now, Next, Later strategy in IT and its imminent launch of its new consumer platform, BEX is investing in tech & development related headcount to scale its business via technology (up 67% vs PCP).

BEX plans to drive revenue performance in FY24 via new consumer platform via optimization of search, checkout, SEO, content and merchandizing functionality.





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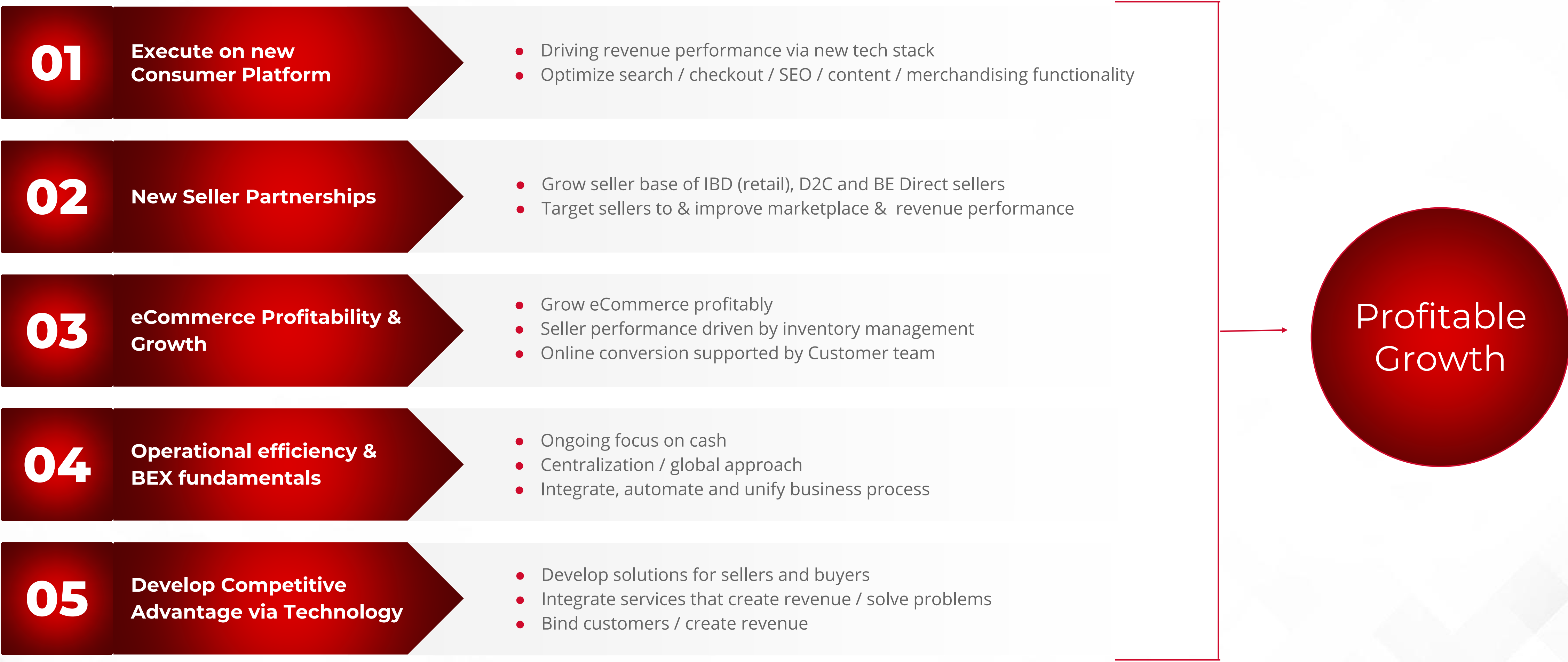
**FY24 - Driving to Profit**



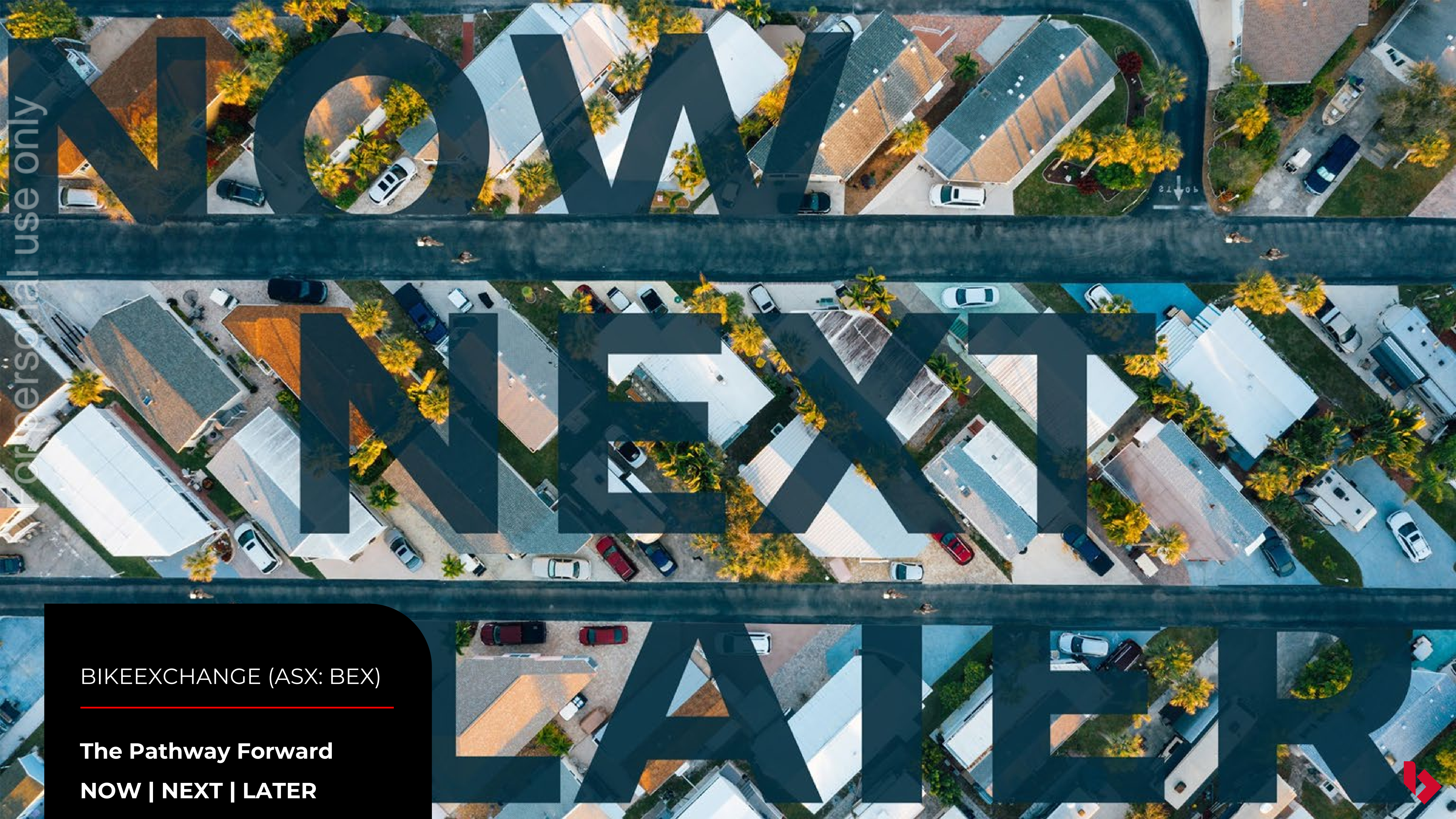


# FY24: Profitable Growth Underpinned by Technology

## BEX PLAN 2024: 5 STRATEGIC PILLARS TOWARDS PROFITABLE GROWTH







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**The Pathway Forward**  
**NOW | NEXT | LATER**





Now → Next → Later

Our pathway to...

1

Now

Enabling Customers

*“Developing a modern, future-proof, conversion optimised buyer experience, that changes the way customers research, find and buy a bike ..*

2

Next

Enabling Sellers

*“Offering the industries best customer experience means arming our sellers with the right tools and systems to make digital connection with customers easier.*

3

Later

Enabling the Industry

*“We see a world where BEX moves beyond its own marketplace, to become the Commerce-As-A-Service solution for the whole bike industry value chain*





# Now, Next, Later

## BEX Commerce-as-a-Service Solution for the industry

### Enabling Customers

- Customer Centric Frontend Experience
- Conversion Optimized Checkout
- Payment Options
- New Purchase Journeys



### Enabling Sellers

- Bike Industry Specific Seller Platform
- Integration & Mapping Capabilities
- Webstore Offering into the Market



 BIKE STORE  
ECOM

 IN STORE  
PAYMENTS

 DATA  
MONETISATION



### Enabling the Industry

- Commerce-as-a Service Offering
- BEX Payment Offering
- BEX Platforms
- Utilizing Insights & Analytics (POS+Payments)

 SERVICE  
APPS

 INVENTORY  
FINANCE

 BRAND  
ECOM

 SECOND  
LIFE

 BRAND  
PLATFORM

REAL  
ADDED  
VALUE





# Now → Next → Later

Our pathway to...

1

## Now Enabling Customers

BEX has completed development of its new consumer storefront platform and is set to significantly improve the user experience on our platform.

This “future fit” platform will increase conversion rate through a number of key functionality improvements:

- Search & Product Merchandising
- Rich Content on Search & Product Pages
- New purchase Journeys (Enquiry, Deposit, ...)
- Improved SEO & Technical performance

This architecture of microservices will give BEX the highest flexibility to adapt to an ever changing environment.

**Status: Development Completed in Q4, FY23**  
**Completing Testing & Deployment (GER) in Q1, FY24**  
**Rollout remaining Geographies Q1-Q2, FY24**

2

## Next Enabling Sellers

*“Offering the industries best customer experience means arming our sellers with the right tools and systems to make digital connection with customers easier.*

3

## Later Enabling the Industry

*“We see a world where BEX moves beyond its own marketplace, to become the Commerce-As-A-Service solution for the whole bike industry value chain*







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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 30 June 2023 (Q4 FY23) and 30 June 2022 as a comparative (Q4 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 Q4 FY23 as well as comparatives for Q4FY22.

## 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.
- **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.





# THANK YOU

