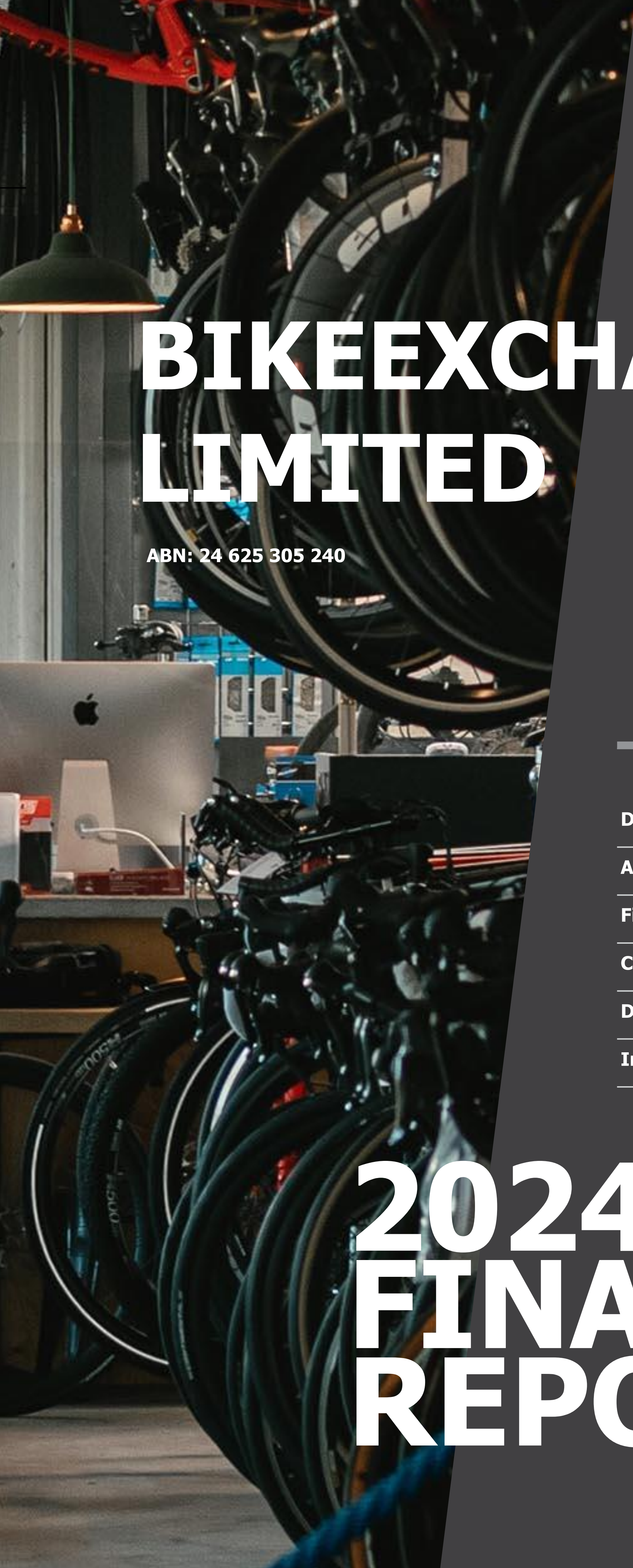


BIKEEXCHANGE LIMITED

ABN: 24 625 305 240

2024 FINANCIAL REPORT

Directors' Report
30 June 2024

The Directors' present their report together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group', 'BikeExchange' or 'BEX') consisting of BikeExchange Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during the year ended 30 June 2024. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report unless otherwise stated:

- Dominic O'Hanlon;
- Gregg Taylor;
- Elizabeth Smith (resigned 31 July 2024);
- Andrew Ryan;

Principal activities

The principal continuing activities of the Group are providing online cycling marketplaces that operate globally in seven countries across three geographical areas. The marketplaces provide, technology driven platforms to connect consumers with retailers of bicycle products and accessories through a convenient, transparent and efficient user experience. Revenues from the platforms include e-commerce commission and sale of goods revenue, and subscriptions from retailers on the platform. The Group also operates 3PL and boxed delivery services through the Kitzuma operations in North America. During the year the Group ceased operating the online cycling marketplace in Colombia.

Use of non-IFRS measures

The Directors believe the additional information on non-International Financial Reporting Standards (IFRS) measures included in this report are relevant and useful in measuring the financial performance of the Group. In particular, the presentation of Normalised EBITDA.

Operating and financial review

The Group continued to deliver on its e-commerce growth strategy with a focus on onboarding quality sellers, driving performance via inventory management and eCommerce conversion driven by technology improvements and customer service.

Market

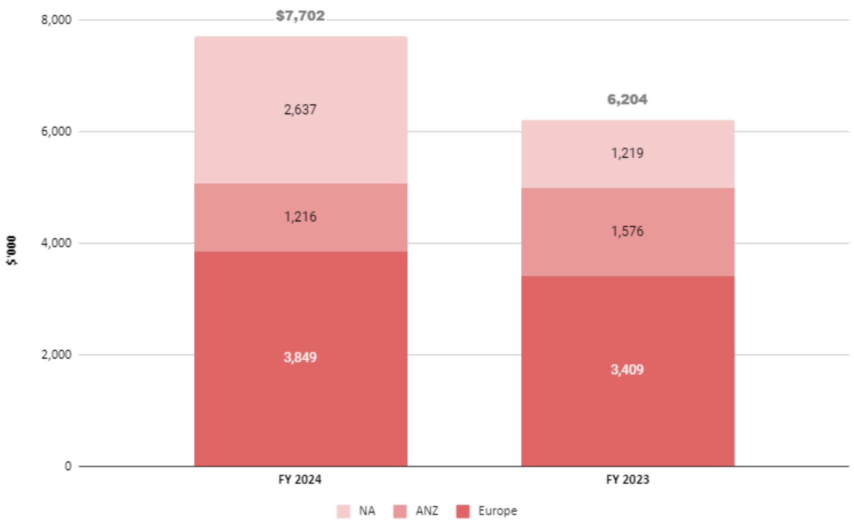
The global bike industry continues to experience an inventory oversupply, and a post-covid normalisation of consumer demand across all markets.

Revenues from Continuing Operations

BEX Core markets North America, EU and Australia reported a 24% increase ($1.5 million vs pcp) in Net Revenues versus pcp to $7.7 million.

e-Commerce revenue growth was underpinned by the signing of a significant number of new brand, distributor and bike retailers, as well as an improved return on advertising spend. Improvements were achieved across key health indicators of our marketplace business: conversion rates up 15% to 0.26%, Average Order Values up 10.5% to $1,104 and Average Commission rates up to 10.11% from 9.5%.

Europe was the most significant contributor to the group results with revenues growing 13% to $3.8 million. North American revenues grew 116% to $2.6 million following the successful restructuring and re-purposing in North America to offer a combined Marketplace with 3PL and Boxed logistics solutions provided via Kitzuma.

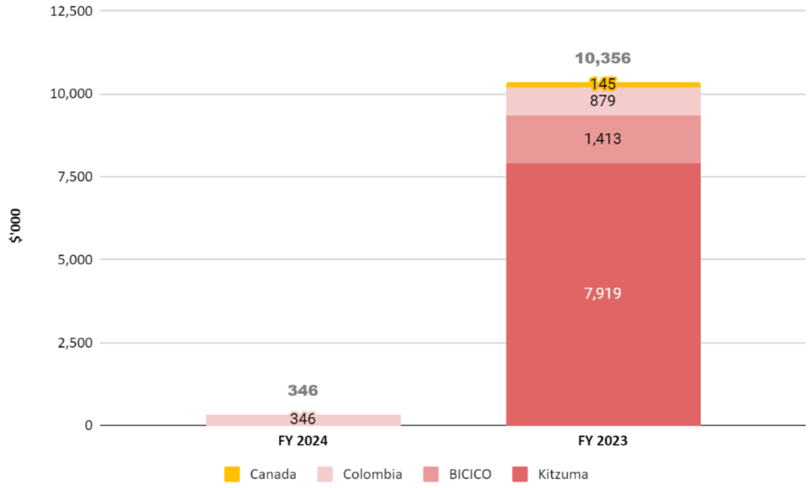


Discontinued Operations and Impairment adjustments

Colombian e-Commerce Business – BikeExchange Colombia S.A.S.

The Group further reviewed and rationalised its Colombian operations taking into account the difficult economic conditions in that region. As a result, BikeExchange Colombia S.A.S ceased operations with effect from 1 December 2023. The overall loss recognised in the current year from the discontinued Colombian operation was $346k.

Net losses from Discontinued Operations



Costs and EBITDA Loss from Continuing Operations

Total costs from continuing operations reduced by $234k from $12.1m to $11.8m in FY23, as the BEX cost base has further stabilized following prior year restructures.

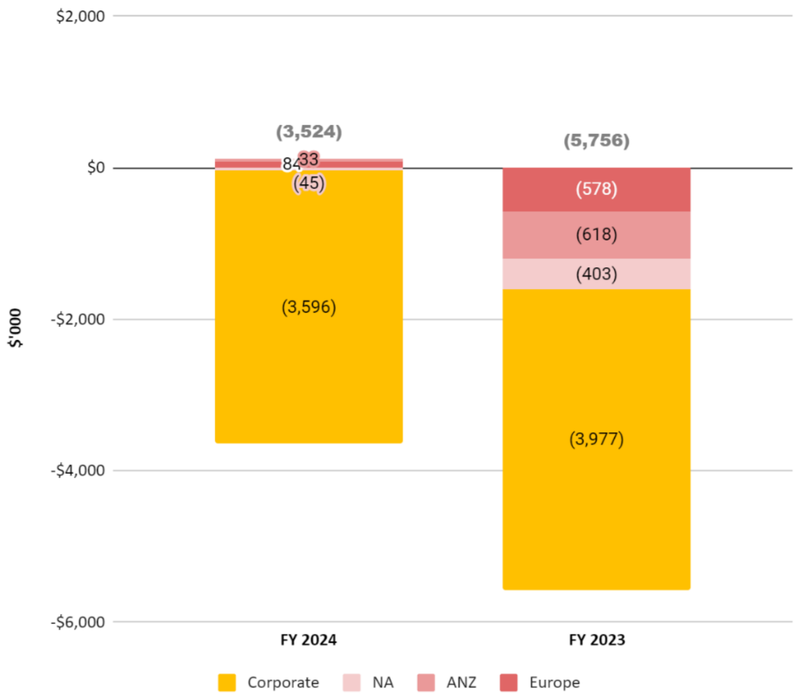
Employment costs reduced by $89k to $5.4 million primarily as a result of savings associated with centralisation and automation.

Marketing related costs reduced by $0.3 million to $1.1 million as a result of improvements in marketing efficiency and return on advertising spend.

Other operating expenses reduced by $0.4 million, versus pcp with savings in administration and professional costs.

Europe generated a positive EBITDA of $84k from a loss of $578k (pre-corporate overhead) in pcp. Similarly, ANZ generated $33k positive EBITDA from loss of $618k in the pcp and North America reported a $45k EBITDA loss for the year compared to $403k in pcp. The rollout of the AI storefront in both Australia and North America in early FY25 is expected to increase revenue growth and EBITDA in region with a focus on execution, and optimisation within the new technology. Corporate overheads reduced by $381k to $3.6 million from $4.0 million in pcp.

The EBITDA loss from Continuing Operations by business unit



Normalised EBITDA Loss from Continuing Operations

In order to provide more information to shareholders in relation to how costs are being reduced and our path to profitability, the company is reporting the Normalised EBITDA from underlying continuing operations in addition to statutory EBITDA results.

Normalised EBITDA from continuing operations includes profits or losses from business operations that are planned to continue but excludes once off goodwill impairments, restructuring costs, and share options expenses.

Normalised EBITDA from continuing operations has improved by $0.5 million versus pcp to $3.3 million (versus $3.8 million in pcp), after removing impairment losses relating to Colombia as well as non-recurring employment and other costs.

Normalised EBITDA – Continuing Operations

$A Thousands	FY 2024	FY 2023	Variance $	Variance %
Revenue	**7,702**	**6,204**	**1,498**	**24%**
Other income	613	295	318	108%
Cost of sales	(1,077)	(528)	(549)	104%
Employment costs	(5,414)	(5,504)	90	(2%)
Marketing costs	(1,097)	(1,353)	256	(19%)
Other operating costs	(4,251)	(4,691)	440	(9%)
Total Costs	**(11,839)**	**(12,076)**	**237**	**(2%)**
EBITDA	**(3,524)**	**(5,577)**	**2,053**	**(37%)**
Normalisation adjustments:				
R&D tax offset grant and interest	(303)	-	(303)	
Non recurring employment costs	-	574	(574)	
Non recurring provisions	-	65	(65)	
Non recurring other costs	-	201	(201)	
Technology build costs	234	480	(246)	
Share based payments*	258	455	(197)	
Total non recurring costs, net	**189**	**1,775**	**(1,586)**	**(89%)**
Underlying BikeExchange EBITDA	**(3,335)**	**(3,802)**	**467**	**(12%)**

* Share based payments include share options and STI expenses paid in shares.

Other items

Depreciation and amortisation increased by $29k on pcp to $603k, reflecting the additional depreciation of finance leased assets. Net finance costs increased by $34k on pcp to $73k reflecting the additional finance costs on leased assets.

Outlook

The outlook for FY2025 involves a continued focus on cost management, albeit at a less aggressive pace than in FY2024, while exploring new strategic avenues for growth. Our ongoing roll-out of core technology, combined with revenue growth from the successful launch of new consumer experiences and the introduction of low-capital services, will enable us to explore additional revenue streams in a balanced and capital-efficient manner.

Market conditions remain mixed, with some prominent businesses exiting the sector and manufacturers reporting losses and undergoing restructuring. However, analysts note that inventory levels are beginning to normalise, with early signs of a return to more stable market patterns. Having navigated the more challenging post-COVID period, we expect that any market improvements will positively impact our business. A balanced approach to growth amid fluctuating market conditions will allow BikeExchange to capitalise on our diverse range of services.

Additionally, the continued integration and realignment of Kitzuma's operations in the USA with BikeExchange is expected to drive increased customer and seller engagement, along with revenue growth. This integration will also allow us to deliver scalable services that have the potential to be expanded into other markets, strengthening our global footprint.

We were actively pursuing capital and have since successfully secured funding. While this capital will strengthen our working capital and support innovation, our focus in FY2025 will remain on driving profitability. Additionally, we will continue to explore further funding opportunities throughout the year to support our ongoing growth initiatives and maximise the impact of our completed technology roll-out and new strategic intellectual property.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Events subsequent to the balance sheet date

In September 2024, the Company announced a capital raising initiative comprising a convertible note facility for up to $2 million. As of the date of this report, the Company has raised and received a total of $1.35 million from issuance of the convertible notes.

There are no other matters or circumstances which have occurred subsequent to 30 June 2024 that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

Material business risks

The Group is subject to risks of both a general nature and ones that are specific to its business activities including, but not limited to:

Growth and Profitability (dependent on an active community and engaged customers)

As BikeExchange operates a two-sided marketplace, BikeExchange’s future growth and profitability is dependent on that marketplace being vibrant and active. The Company relies on both consumers utilising the BikeExchange Platform to purchase bicycles and related products and on retailers to subscribe to the BikeExchange Platform and deliver the relevant products. BikeExchange’s revenue and the success of its growth initiatives depend upon attracting and retaining customers (both retailers and consumers) to the BikeExchange Platform and converting those customers into both new and repeat customers. A decline in traffic coming to the BikeExchange Platform or the rate of conversion, or restrictions placed on the Company to use other digital advertising channels (such as search engines or social media), or retailers/ brands not renewing their engagement with the platform could adversely impact BikeExchange’s financial performance and/or operations.

Platform, Technology and Cyber Security Risks

The satisfactory performance, reliability and availability of the BikeExchange Platform and other information technology systems are integral to BikeExchange’s operations. The BikeExchange Platform and other information technology systems are all hosted on servers owned by third party providers. There is a risk that the BikeExchange Platform and other information technology systems may experience downtime or interruption from system failures, service outages, corruption of information technology networks or information systems as a result of computer viruses, bugs or cyberattacks, as well as natural disasters, fire, power outages or other events outside of the control of the Company or its third party providers.

BikeExchange’s service offering may also become outdated or obsolete through the introduction of superior technology and/or product offerings. BikeExchange may be required to invest substantial capital to update or improve its current information technology systems to remain competitive in the market. This could have a material adverse impact on BikeExchange’s financial performance and/or growth.

Reputational Risk

Maintaining the strength of BikeExchange’s reputation is an important part of retaining and growing the retailer and consumer base and maintaining BikeExchange’s relationships with partners that will assist in successfully implementing BikeExchange’s strategy. There is a risk that events may occur that may adversely impact BikeExchange’s reputation, which may adversely impact BikeExchange’s retailer and consumer base as well as the willingness of third parties to work with BikeExchange on additional product offerings. This may have a negative impact on BikeExchange’s future operations, financial performance and/or growth.

Competition

BikeExchange considers that it has a competitive advantage in being one of the leading bicycle marketplaces in the industry. However, there is a risk that existing competitors or new entrants in the market (Australian based or international) may increase the competitive landscape and in turn, erode BikeExchange’s revenue and market share. Existing competitors and new entrants in the market may engage in strategic partnerships or acquisitions, develop superior products and/or technology, increase marketing activity and/or offer competitive pricing. There is a risk that BikeExchange may be unable to respond to such competitive pressures and this may materially and adversely impact BikeExchange’s operational and financial performance.

Cross-Border Operations and Acquisitions and Partnerships

BikeExchange's cross-border business exposes it to risks relating to managing cross-border operations, including; staffing, potentially adverse tax consequences, increased and conflicting regulatory compliance requirements, challenges caused due to distance, language and cultural differences, exchange rate risk and political instability. Accordingly, any cross border issues may materially affect BikeExchange's operations and financial performance.

Capital Requirements

As outlined in the Basis of Preparation (see Note 2 and the Subsequent events Note 31), the Company has made plans to raise further capital, in the form of convertible notes for up to $2 million. The Company has raised and received a total of $1.35 million from issuance of the convertible notes as of the date of this report.

In the course of managing business operations and cashflow, if the Company requires further funding and is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and may be prevented from further progressing the commercialisation of its technology or continuing as a going concern.

Environmental regulation

The Group is not subject to any significant environmental regulation under Commonwealth of Australia, state law or laws in any of the countries in which it operates

Information on Directors

	Director, experience and background
	**Dominic O’Hanlon** *Independent Non-Executive Chairman* Mr O’Hanlon is a technology entrepreneur, business executive, professional director and investor with extensive experience and knowledge of the information technology industry built up over a career spanning over 30 years. Mr O’Hanlon was Managing Director and CEO of rhipe Limited (ASX code: RHP) for over 7 years and led the sale of RHP to Norwegian based Crayon in November 2021 for AUD $408 million. Prior to RHP, Mr O’Hanlon had multiple technology build, scale and exit experiences including as CEO of Haley Limited (sold to Oracle in 2008) and as Chief Strategy Officer of MYOB (sold to Bain Capital in 2011).
	**Gregg Taylor** *Independent Non-Executive Director* Gregg has been a director of the Company since October 2018. Gregg has a Bachelor of Commerce degree from the University of Wollongong and was a CFA Charter holder. Gregg has 26 years’ of international business experience in financial markets, technology, sports administration, media and retail. He has founded and managed multiple global operating businesses in sports, retail and media sectors. Gregg is currently Investment Director and Portfolio Manager at Salter Brothers. Gregg was most recently the Co-Chief Investment Officer and an executive director of Bombora Investment Management, a boutique investment house. In the last eight years, Gregg has played a key role in introducing seven new companies to the ASX and raising significant equity growth capital for various ASX and NZX listed companies. Gregg has also served on boards across numerous industries including technology, marketplaces, construction, compliance, financial services. He is currently a non-executive director of True Woo Pty Ltd.
	**Andrew Ryan** *Non-Executive Director* Andrew’s career over the past 21 years has spanned across a wide variety of industries including manufacturing, distribution, agriculture, hospitality, sport and tourism. Andrew is an active director in a number of companies such as Mitchelton Wines, Jayco, Mitchelton-SCOTT professional cycling team, My Local Broker, Marketplacer Pty Limited and the Prince Hotel. Andrew holds a degree in Business Advertising from RMIT and an Executive MBA from Bond University. He is a committee member of ‘The Million Dollar Lunch’ which fundraises and networks in support of the Children’s Cancer Foundation.

Director, experience and background	
	**Elizabeth Smith (resigned on 31 July 2024)** *Independent Non-Executive Director* Liz has over 25 years' experience as a Chartered Accountant. She is a former Corporate Finance Partner of Grant Thornton and William Buck. She is also a Director of Pureprofile Ltd (ASX:PPL), Hub Australia and the Australian Red Cross. Liz has had extensive experience advising businesses with strong growth aspirations She has worked across a range of industries (including technology and retail) and for businesses ranging from small privately owned companies to large ASX listed entities. Liz holds a Bachelor of Commerce from the University of Melbourne and a Masters of Business Administration from La Trobe University. She is also a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Financial Services Institute of Australasia, a Fellow of the Governance Institute and is a graduate of the Australian Institute of Company Directors.

Company Secretary

Priyamvada (Pia) Rasal

Ms Priyamvada (Pia) Rasal has over 12 years' experience in company secretarial consultancies across multiple geographies (Melbourne, Perth, and Mumbai) in governance, corporate secretarial and legal roles. Ms Rasal is an Associate Member of the Chartered Governance Institute (UK) and the Governance Institute of Australia. Ms Rasal holds a bachelor's degree in law and commerce from India.

Ms Priyamvada (Pia) Rasal resigned on 26 July 2024 and Kyle Ferreira was appointed on 26 July 2024 as the Company Secretary. Subsequently Mr Ferreira resigned on 1 September 2024 and Khaled Ali El-Feki was appointed on 1 September 2024 as the Company Secretary.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board Meetings		Audit and Risk Committee Meetings	
Name	**Held**	**Attended**	**Held**	**Attended**
Dominic O'Hanlon	13	11	1	1
Gregg Taylor	13	13	1	1
Andrew Ryan	13	13	1	1
Elizabeth Smith	13	13	1	1

Shares under option

There were 369,483 unissued ordinary shares of BikeExchange Limited under option outstanding at the date of this report. Options issued up to June 2022 have an expiry date of 8 February 2028, whilst the Options issued in FY23 have an expiry date of 27 October 2027.

These options are exercisable at a weighted average exercise price of $9.76. No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

There were no shares issued on the exercise of options in the year.

Indemnity and insurance of officers

The Group has during the financial year, in respect of each person who is or has been an officer of the Group or a related body corporate, made a relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Since the end of the financial year, the Group has paid premiums to insure all directors and officers of the Group, against costs incurred in defending any legal proceedings arising out of their conduct as a director or officer of the Group, other than for conduct involving a wilful breach of duty or a contravention of sections 232(5) or (6) of the *Corporations Act 2001*, as permitted by section 241A (3) of the *Corporations Act 2001*. Disclosure of the premium amount is prohibited by the insurance contract.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are in Note 28 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in Note 28 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and

- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amount in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

Dominic O'Hanlon	**Peter O'Hanlon**
Chairman	CEO

22 November 2024

RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of BikeExchange Limited and its controlled entities for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

A Whittingham

A L WHITTINGHAM
Partner

Dated: 22 November 2024
Melbourne, Victoria

Financial Statements

General information

The financial statements cover BikeExchange Limited as a consolidated entity consisting of BikeExchange Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is BikeExchange Limited's functional and presentation currency.

BikeExchange Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office: Level 5, 126 Philip Street, NSW 2000

Principal place of business: 101 Moray Street, South Melbourne, VIC 3205

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 November 2024. The directors have the power to amend and reissue the financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the Year Ended 30 June 2024

	Notes	30 June 2024 $	30 June 2023 $
Continuing Operations			
Revenue	4	7,701,943	6,204,068
Other income	5	613,795	293,925
Cost of sales		(1,077,562)	(528,135)
Employee benefits expense	5	(5,414,852)	(5,503,666)
Marketing expenses		(1,092,733)	(1,353,340)
Other operating expenses	5	(4,250,691)	(4,696,208)
(Loss)/ profit on disposal of asset	5	(4,394)	6,796
(Loss)/ earnings before Interest, Tax, Depreciation and Amortisation		**(3,524,494)**	**(5,576,560)**
Depreciation and amortisation expense	5	(602,678)	(573,843)
Finance income		37,168	37,389
Finance costs	5	(73,093)	(39,313)
(Loss) before income tax expense		**(4,163,097)**	**(6,152,328)**
Income tax expense	6	-	(4,027)
(Loss) for the year from continuing operations		**(4,163,097)**	**(6,156,355)**
Discontinued Operations			
(Loss) for the year from discontinued operations	7	(345,597)	(10,356,375)
(Loss) for the year		**(4,508,694)**	**(16,512,730)**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences on translation of foreign operations		(7,385)	(73,948)
Other comprehensive (loss) for the year, net of tax		**(7,385)**	**(73,948)**
Total comprehensive (loss) for the year attributable to members		**(4,516,079)**	**(16,586,678)**

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 $	30 June 2023 $
ASSETS			
Current Assets			
Cash and cash equivalents	9	1,840,689	1,897,192
Trade and other receivables	10	1,384,919	1,707,076
Prepayments		273,269	293,123
Financial assets	14	48,392	46,804
Total Current Assets		**3,547,269**	**3,944,195**
Non-Current Assets			
Right-of-use assets	11	335,575	734,828
Property, plant and equipment	12	54,632	82,801
Intangible assets	13	185,559	247,912
Total Non-Current Assets		**575,766**	**1,065,541**
Total Assets		**4,123,035**	**5,009,736**
LIABILITIES			
Current Liabilities			
Trade and other payables	16	(4,222,107)	(5,365,957)
Deferred income		(85,110)	(113,967)
Financial liabilities	17	(126,074)	(120,913)
Lease liabilities	18	(319,931)	(520,861)
Provisions	19	(177,571)	(208,711)
Total Current Liabilities		**(4,930,793)**	**(6,330,409)**
Non-Current Liabilities			
Lease liabilities	18	(53,904)	(266,874)
Provisions	19	(1,815)	(1,815)
Total Non-Current Liabilities		**(55,719)**	**(268,689)**
Total Liabilities		**(4,986,512)**	**(6,599,098)**
Net Liabilities		**(863,477)**	**(1,589,362)**
Equity			
Share capital	20	71,803,871	63,758,691
Other reserves	21	(10,432,669)	(7,622,068)
Accumulated losses		(62,234,679)	(57,725,985)
Total Deficiency		**(863,477)**	**(1,589,362)**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2024

	Notes	Share capital $	Other reserves $	Translation reserve $	Accumulated Deficiencies $	Total equity $
Balance at 1 July 2022		56,003,195	(6,695,170)	(778,663)	(41,213,255)	7,316,107
(Loss) for the year		-	-	-	(16,512,730)	(16,512,730)
Other comprehensive profit/(loss) for the year		-	-	(73,948)	-	(73,948)
Total		-	-	(73,948)	(16,512,730)	(16,586,678)
Transactions with owners, recognised directly in equity						
Issue of share capital	20	8,373,041	-	-	-	8,373,041
Cost of issuing share capital	20	(617,545)	-	-	-	(617,545)
Deferred equity issued	21	-	(299,920)	-	-	(299,920)
Share-based payments	26	-	225,633	-	-	225,633
Total		7,755,496	(74,287)	-	-	7,681,209
Balance at 30 June 2023		**63,758,691**	**(6,769,457)**	**(852,611)**	**(57,725,985)**	**(1,589,362)**
Balance at 1 July 2023		**63,758,691**	**(6,769,457)**	**(852,611)**	**(57,725,985)**	**(1,589,362)**
(Loss) for the year		-	-	-	(4,508,694)	(4,508,694)
Other comprehensive profit/(loss) for the year		-	-	(7,385)	-	(7,385)
Total		-	-	(7,385)	(4,508,694)	(4,516,079)
Transactions with owners, recognised directly in equity						
Issue of share capital	20	5,384,008	-	-	-	5,384,008
Cost of issuing share capital	20	(157,663)	-	-	-	(157,663)
Shares buy back	20	(71,304)	-	-	-	(71,304)
Deferred equity issued	21	2,890,139	(2,890,139)	-	-	-
Share-based payments	26	-	86,923	-	-	86,923
Total		8,045,180	(2,803,216)	-	-	5,241,964
Balance at 30 June 2024		**71,803,871**	**(9,572,673)**	**(859,996)**	**(62,234,679)**	**(863,477)**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2024

	Notes	30 June 2024 $	30 June 2023 $
Cash Flows From Operating Activities			
Receipts from customers		48,025,786	41,618,852
Payments to suppliers and employees		(52,446,906)	(50,374,045)
Other revenue		301,962	–
Interest received		38,471	40,597
Interest paid		(51,364)	(67,242)
Net cash (used in) operating activities	22	**(4,132,051)**	**(8,781,838)**
Cash Flows From Investing Activities			
Payments for intangible assets		-	(64,347)
Payments for property, plant and equipment assets		(5,259)	(46,377)
Proceeds from sale of property, plant and equipment		720	324,270
Proceeds from sale of business		64,221	–
Payments of term deposit		(1,588)	-
Net cash provided by investing activities		**58,094**	**213,546**
Cash Flows From Financing Activities			
Proceeds from loans and borrowings		-	47,233
Proceeds from share issue		5,105,559	7,614,714
Payments for share buyback		(71,304)	-
Receipts from leases		-	48,060
Payments for leases		(530,306)	(891,038)
Payments for other financial liabilities		(315,368)	(308,614)
Costs related to share capital issuance		(157,663)	(994,948)
Net cash provided by financing activities		**4,030,918**	**5,515,407**
Net (decrease) in cash held		**(43,039)**	**(3,052,885)**
Cash and cash equivalents at the beginning of the financial period		1,897,192	4,888,822
Effects of exchange rates changes		(13,464)	67,943
Cash disposed of on sale of subsidiary		-	(6,688)
Cash and cash equivalents at the end of the financial period	9	**1,840,689**	**1,897,192**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.
The Statement above includes discontinued operations, refer to Note 7 for further details.

Note 1. General Information

Information About the Entity

BikeExchange Limited (the Company or parent entity) is a company limited by shares incorporated and registered in Australia.

The address of the Company's registered office is shown on page 15. The financial statements cover BikeExchange Ltd as a Group and the entities it controlled at the end of, or during the year (referred to as the Group).

For the purposes of preparing the financial statements, the Company is a for-profit entity.

The principal activities of the Group are the provision of a dedicated online bicycle marketplace, throughout three regions including Australia, Europe and North America as well as bicycle logistics services in North America. BikeExchange has over 1,500 retailers and over 1,500 brands globally available on the marketplace platforms providing ease, convenience and choice for consumers.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 November 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material Accounting Policy Information

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The comparative income statement notes have been represented as if the operations discontinued during the current period had been discontinued from the start of the comparative period (see Note 7). Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements have been prepared on the basis of historical cost as explained in the accounting policies in this note. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Note 2. Material Accounting Policy Information (continued)

Basis of Preparation (continued)

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in AASB 136 *Impairment of Assets*. The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of these financial statements, the results and financial position of the Company are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the Group financial statements.

Going Concern

The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the financial report, the Group has incurred a net loss after income tax of $4.5 million and has cash outflows from operating activities of $4.4 million for the year ended 30 June 2024, and as of that date, the Group had net current liabilities of $1.4 million and net liabilities of $0.9 million.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Group holds cash and cash equivalents of $1.8 million as at 30 June 2024;
- The Group has demonstrated its capacity to raise funds in support of its business plan. Notably, subsequent to the current financial year (please refer to Note 31), the Company has raised $1.35 million from issuance of convertible notes. Management and the directors also have the capacity to pursue additional funding if required, supporting the Group's ability to capitalise on future opportunities and sustain its strategic initiatives; and
- Management and the Directors have prepared a cash flow forecast for the next 12 months from the date of this report, operating cash outflows are expected to significantly improve over the next twelve months as management continues to enhance its technology to support eCommerce and logistics revenue growth. Additionally, if needed, management can deploy a cost optimisation plan to further reduce operating cash requirements by cutting discretionary expenditure.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Note 2. Material Accounting Policy Information (continued)

New or amended Accounting Standards and Interpretations Adopted

The Group has adopted all of the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations has not had a material effect on the Group.

Any new amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only.

Supplementary information about the parent entity is disclosed in Note 30.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of BikeExchange Limited as at 30 June 2024 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received, and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 2. Material Accounting Policy Information (continued)

Revenue from Contracts with Customers

The Group is in the business of providing dedicated e-commerce bicycle marketplaces, connecting bike enthusiasts to retailers and suppliers. Revenue from contracts with customers is recognised when the associated performance obligations from contracts with customers is satisfied. This may occur at a point in time or progressively over time. Revenue is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the satisfactory completion of its performance obligations.

e-commerce Revenue

The Group has concluded that it is the agent for its e-commerce revenue arrangements because the supplier controls the goods before transferring them directly to the end customer and not the Group. The Group facilitates transactions between buyers and sellers but is not a party to that transaction. e-commerce revenue is the net amount of commission and other fees that the Group is entitled to retain in return for its services as the agent in facilitating the transaction.

Revenue is recognised at a point in time being when the performance obligation for service as an agent is satisfied, which is typically at the point the goods are dispatched by the supplier.

Subscriptions

Subscription fees are charged in relation to the provision of e-commerce retail stores for retailers on the BikeExchange Platform. Subscription fees are charged on a monthly basis. Subscription fee revenue is recognised over the period that the website hosts the e-commerce store for the retailer.

Logistics

Revenue for bicycle logistics is recognised when a delivery is fully completed and the performance obligation is satisfied.

Media and Other Revenue

Media and other revenue is recognised on the satisfactory completion of associated performance obligations, which are typically based on either time periods (e.g. for sponsorship campaigns) or as impressions are displayed on the Group's network of websites. Revenue for bicycle logistics is recognised when a delivery is fully completed and the performance obligation is satisfied. Sale of goods revenue is recognised at a point in time, which is typically at the point the goods are collected or delivered to the customer.

All revenue is stated net of the amount of taxes.

Note 2. Material Accounting Policy Information (continued)

Non-current assets held for sale and discontinued operations

Non-current assets or disposal groups comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up to date in accordance with applicable IFRSs. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent re-measurement.

A discontinued operation is a component of the consolidated entity's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned also may qualify. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

Other Income

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Note 2. Material Accounting Policy Information (continued)

Income Tax (continued)

Deferred Tax

Deferred tax is accounted for using the balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the Group intends to settle its tax assets and liabilities on a net basis.

Current and Deferred Tax for the Period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Foreign Currencies

The Group's financial statements are presented in Australian Dollars, which is also the Group's functional currency.

For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Note 2. Material Accounting Policy Information (continued)

Foreign Currencies (continued)

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments with original maturities of three months or less, net of outstanding bank overdrafts. Bank overdrafts are shown within financial liabilities in current liabilities on the statement of financial position.

Accounts Receivable and Other Debtors

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, accumulated depreciation and any impairment losses.

Note 2. Material Accounting Policy Information (continued)

Property, Plant and Equipment (continued)

Equipment, leasehold improvements and equipment under finance lease, and motor vehicles are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, leasehold improvements and equipment under finance lease. Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the term of the lease using the straight-line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation:

- Motor Vehicles 5 years
- Other Equipment 2-5 years

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets. There are no indefinite lived intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

The following estimated useful lives are used in the calculation of amortisation:

- Software and licences Shorter of 5 years or licence term

Note 2. Material Accounting Policy Information (continued)

Internally-Generated Intangible Assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets for property leases are depreciated on a straight-line basis over the lease term unless the estimated useful life of the assets is shorter.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies on impairment of non-financial assets.

Note 2. Material Accounting Policy Information (continued)

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Lease Liabilities (see Note 18).

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Financial Instruments

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group's financial assets consist of cash and trade receivables that do not contain a significant financing component. Trade receivables that do not contain a significant financing component are measured at the transaction price as disclosed in Note 10.

In order for a financial asset to be classified and measured at amortised cost, or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Note 2. Material Accounting Policy Information (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost (debt instruments);
- financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at fair value through profit or loss.

For the financial periods covered by these financial statements the Group only had financial assets at amortised cost.

Financial Assets at Amortised Cost (Debt Instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method less provisions for expected credit losses. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or the expected credit loss changes.

The Group's financial assets at amortised cost includes trade receivables, term deposits and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either a) the Group has transferred substantially all the risks and rewards of the asset, or b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Note 2. Material Accounting Policy Information (continued)

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Financial assets – Note 14
- Trade receivables – Note 10

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate, and subsequently measured at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost (loans and borrowings).

Note 2. Material Accounting Policy Information (continued)

Financial liabilities at amortised cost (loans and borrowings)

This is the category of financial liabilities that is relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 27.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of Non-Financial Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Note 2. Material Accounting Policy Information (continued)

Employee Benefits

Short-term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other Long-term Employee Benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions of other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Share-based Payment Transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 27.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Note 2. Material Accounting Policy Information (continued)

Goods and Services Tax and Other Similar Taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) and Sales Taxes, except where the amount of GST or Sales Taxes incurred is not recoverable from the taxation authority. In these circumstances, the GST or Sales Taxes are recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST and Sales Taxes included. The net amount of GST and Sales Taxes recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis.

The GST and Sales Taxes components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash generating units for the purpose of impairment testing.

Note 3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black- Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to Note 26 for further information.

Employee Benefits Provision

As discussed in Note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Allowance of expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in Note 10, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Income Tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group’s current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recognition and Recovery of Deferred Tax Assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Revenue from Contracts with Customers (from Continuing Operations)

	2024 $	2023 $
Revenues from types of goods and services:		
• e-commerce commission revenue	3,129,086	2,571,809
• Subscriptions	2,604,677	2,707,271
• Logistics	1,888,191	573,371
• Media, sale of goods and other services revenue	79,989	351,617
Total revenue from contracts with customers	**7,701,943**	**6,204,068**

e-commerce commission revenue, Logistics and Media and other services revenue is recognised at a point in time when a revenue generating transaction occurs. Subscription revenues are recognised evenly over the period to which they relate.

	2024 $	2023 $
Disaggregated by geographic markets:		
• Australia and New Zealand	1,216,455	1,575,872
• Europe	3,848,763	3,409,306
• North America	2,636,725	1,218,890
Total revenue from contracts with customers	**7,701,943**	**6,204,068**

Note 5. Other Income and Expenses (from Continuing Operations)

	2024 $	2023 $
Other income		
Other income comprises of the following Government grants and other income:		
• R&D tax offset grant	301,962	-
• Licensing and IT fees rebate	100,000	-
• Short term sub-lease income	147,623	269,310
• Other income	64,210	24,615
	613,795	293,925
Expenses		
Depreciation and amortisation of non-current assets:		
• Owned property, plant and equipment	33,942	59,073
• Right-of-Use assets	507,108	435,570
• Intangible assets	61,628	79,200
	602,678	573,843
Finance costs:		
• Interest on debt and borrowings	56,403	24,620
• Interest on lease liabilities	16,690	14,693
	73,093	39,313
Included in other operating expenses:		
• expenses relating to short term leases	47,821	100,736
• net foreign exchange (gains)/losses	11,047	(69,659)
• bad debts provision/written off	342,414	843,769
Included in employee benefits expenses:		
• defined contribution superannuation expense	131,495	220,395
• equity-settled share-based payments	86,923	225,633
• short term incentives to be settled in shares	171,098	276,156
• salary sacrifice share-based payments	37,730	229,286
(Loss)/ gain on disposal of assets	(4,394)	6,796

Note 6. Income Tax

The components of tax expense comprise:

	2024 $	2023 $
Current tax		
In respect of the current year	(1,395,792)	(2,694,447)
Under/(over) provision for prior year	-	-
Less: Tax losses not recognised	1,395,792	2,698,474
Deferred tax		
In respect of the current year	(236,436)	(100,772)
Under/(over) provision for prior year	-	-
Less: Unrecognised temporary differences	236,436	100,772
Income tax expense	**-**	**4,027**

The prima facie tax on surplus/(deficit) from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2024 $	2023 $
(Loss) before tax	(4,508,694)	(16,508,703)
Prima facie tax on (loss) from ordinary activities at 25%	(1,127,174)	(4,127,176)
Add tax effect of:		
• non-deductible expenses	7,777	1,604,718
• different tax rates in foreign jurisdictions	(39,960)	(112,598)
• Under/(over) provision of current tax liability in prior year	-	-
• Under/(over) provision of deferred tax in prior year	-	-
• tax losses carried forward for which no deferred tax asset is recognised	1,159,357	2,639,083
	-	**4,027**

Deductible temporary differences for which no deferred tax assets have been recognised are attributable to the following:

	2024 $	2023 $
Provisions	(73,027)	108,640
Accruals	(2,850)	(157,627)
Other expenditure	(144,614)	(43,788)
Property, plant and equipment	(15,946)	(7,997)
	(236,437)	**(100,772)**

Income tax is based on a tax rate of 25% for the year ended 30 June 2024 and 2023.

In additional to the deductible temporary differences above, each of the entities in the Group has brought forward tax losses. Management is undertaking a process to finalise the estimates of the available tax losses that are available to the Group that can be offset against profits generated through the Group's future activities. Preliminary calculations indicate that as at 30 June 2024 there are available tax losses of up to $36,415,084 and net capital losses of up to $9,180,048 available to be carried forward to later income years. These losses have not been recognised as a deferred tax asset due to uncertainty over the amount and timing of generation of sufficient taxable profits to utilise them against.

No amounts of tax were recognised directly in equity.

Note 7. Discontinued Operations

In FY23, the consolidated entity ceased operating the Kitzuma bike deliveries business; dissolved BikeExchange Canada Inc., the dormant Canadian subsidiary; and via its subsidiary BikeExchange Colombia S.A.S., sold its interest in BICICO S.A.S, part of the Colombian business segment operating retail stores.

During the current financial year, the group further reviewed and rationalised its Colombian operations taking into account the difficult economic conditions in that region. As a result, the consolidated entity decided to shut down its Colombian marketplace and BikeExchange Colombian S.A.S. ceased operations with effect from 1 December 2023. The segment was not a discontinued operation or classified as held for sale as at 30 June 2023 and the comparative income statement has been restated to show the discontinued operation separately from continuing operations.

The financial performance of the discontinued operations for the year are presented below:

(i) Financial performance information

		Discontinued Operations	
	Note	**30 June 2024 $**	**30 June 2023 $**
Revenue		62,264	2,078,358
Other income		-	8,366
Cost of sales		(25,509)	(2,499,584)
Employee benefits expense		(111,193)	(1,483,751)
Marketing expenses		(19,611)	(183,009)
Other operating expenses		(58,984)	(1,558,121)
Impairment losses	Refer below	(162,100)	(6,027,715)
Gain on disposal of asset		(26,908)	79,859
(Loss) on sale of controlled entity		-	(235,573)
(Loss)/Earnings before Interest, Tax, Depreciation and Amortisation		**(342,041)**	**(9,821,170)**
Depreciation and amortisation expense		-	(389,605)
Finance income		-	3,574
Finance costs		(3,556)	(149,174)
(Loss) before and after income tax expense		**(345,597**	**(10,356,375)**
Income tax expense		-	-
(Loss) from discontinued operations		**(345,597)**	**(10,356,375)**

Note 7. Discontinued Operations (continued)

(i) Financial performance information (continued)

	Discontinued Operations	
Impairment losses from discontinued operations:	**30 June 2024 $**	**30 June 2023 $**
Kitzuma		
Goodwill	-	5,099,766
Intangibles – Software	-	136,163
Right of use assets	-	19,511
Property plant and equipment	-	30,056
Prepaid deposits	-	39,629
Subtotal impairment losses	-	5,325,125
Colombia		
Goodwill relating to BICICO S.A.S	-	424,780
Other assets	162,100	277,810
Subtotal impairment losses	162,100	702,590
Total impairment losses	**162,100**	**6,027,715**

(ii) Cashflow information

	Discontinued Operations	
Cash outflows from discontinued operations:	**30 June 2024 $**	**30 June 2023 $**
Net cash (used in) operating activities	(380,818)	(2,523,822)
Net cash provided by/ (used in) investing activities	73,832	(26,862)
Net cash outflow	**(306,986)**	**(2,550,684)**

Note 7. Discontinued Operations (continued)

(iii) Carrying amount of assets and liabilities

	30 June 2024 $	30 June 2023 $
ASSETS		
Current Assets		
Cash and cash equivalents	251	51,697
Trade and other receivables	-	410,089
Inventories	-	637,812
Prepayments	-	23,064
Property, plant and equipment	-	60,647
Right of Use Assets	-	-
Intangible assets	-	3,821
Trade and other payables	(2,063,918)	(2,574,484)
Lease liabilities	-	-
Financial liabilities	(1,587)	(89,174)
Provisions	-	(34,968)
Net identifiable assets and liabilities	**(2,065,254)**	**(1,511,496)**
Consideration receivable	-	96,234
Less; Net book value of assets disposed	-	(198,975)
Less: Disposal costs accrued	-	(54,628)
Less: Transfer of FCTR reserve to loss on disposal of subsidiary	-	(78,204)
Loss on sale of discontinued operation	**-**	**(235,573)**

Note 8. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 9. Cash and Cash Equivalents

	2024 $	2023 $
Cash at bank	1,840,689	1,897,192
	1,840,689	1,897,192

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows.

Note 10. Trade and Other Receivables

	Notes	2024 $	2023 $
Current:			
Debt instruments at amortised cost			
Trade receivables		1,785,466	2,031,594
Less: Allowance for expected credit losses	10(a)	(676,546)	(774,502)
		1,108,920	1,257,092
Other receivables		275,999	449,984
		1,384,919	1,707,076

Note 10(a) Provision for Allowance for Expected Credit Losses

The group has recognised a loss of $395,526 in profit or loss in respect of the expected credit losses for the year ended 30 June 2024.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance of expected credit losses	
Consolidated	2024 %	2023 %	2024 $	2023 $	2024 $	2023 $
Not overdue	-	-	1,040,453	1,006,429	-	-
0 to 1 months overdue	-	-	149,470	172,459	-	-
1 to 2 months overdue	-	-	72,850	74,928	-	-
2 to 3 months overdue	-	-	27,209	48,871	-	-
Over 3 months overdue	87%	66%	777,483	1,178,891	676,546	774,502
			2,061,465	**2,481,578**	**676,546**	**774,502**

	2024 $	2023 $
Movements in the provision for expected credit losses of receivables are as follows:		
Opening balance	774,502	358,701
Additional provisions recognised	395,526	843,769
Receivables written off during the year as uncollectable	(496,771)	(448,343)
Foreign Currency exchange differences	3,289	20,375
Unused amounts reversed	-	-
Closing balance	**676,546**	774,502

Note 10. Trade and Other Receivables (continued)

Credit Risk

The average credit period on sales of services is 30 days. No interest is charged on outstanding trade receivables. The following table details the Group's accounts receivable and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables are assessed for impairment by ascertaining solvency of the receivables and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality. The ageing of trade receivables is set out below.

	2024 $	2023 $
Within initial terms	1,040,453	1,006,429
Past due but not impaired		
< 30 days	149,470	172,459
31–60 days	72,850	74,928
61–90 days	27,209	48,871
91+ days	94,937	404,389
	1,384,919	**1,707,076**

Note 11. Right-of-use assets

Right of use assets relate to office and warehouse premises.

	2024 $	2023 $
At cost	1,284,090	1,332,500
Less accumulated depreciation	(948,515)	(597,672)
	335,575	**734,828**
Movements in carrying amounts:		
Carrying amount at beginning	734,828	2,147,241
Additions	192,062	484,242
Modifications (reductions) to leases	(87,462)	(1,551,513)
Less: depreciation expense	(507,108)	(435,570)
Less: provision for impairment	-	(19,511)
Exchange differences	3,255	109,939
Carrying amount at end	**335,575**	**734,828**

Note 12. Property, Plant and Equipment

	2024 $	2023 $
Motor Vehicles		
At cost	-	-
Less accumulated depreciation	-	-
	-	-
Other Property, Plant and Equipment		
At cost	198,503	202,755
Less accumulated depreciation	(143,871)	(119,954)
	54,632	82,801
Total written down amount	**54,632**	82,801

Movements in Carrying Amounts:

	2024 $	2023 $
Motor Vehicles		
Carrying amount at beginning	-	232,307
Additions	-	-
Disposals	-	(211,260)
Less: depreciation expense	-	(2,016)
Less: provision for impairment	-	(30,056)
Exchange differences	-	11,025
Carrying amount at end	**-**	-
Other Property, Plant and Equipment		
Carrying amount at beginning	82,801	212,562
Additions	5,259	56,269
Disposals	(720)	(124,867)
Less: depreciation expense	(33,942)	(67,594)
Exchange differences	1,234	6,431
Carrying amount at end	**54,632**	82,801
Total written down amount	**54,632**	82,801

Management considered the recoverable amount of Property, Plant & Equipment under AASB 136 *Impairment of Non-Current Assets* as at 30 June 2024 and determined that there was no resultant impairment.

Assets Pledged as Security

The carrying amount of the Group's plant and equipment included an amount of $nil at 30 June 2024 and 2023 pledged as security.

Note 13. Intangibles

	2024 $	2023 $
Software		
At cost	787,940	788,580
Less accumulated amortisation	(602,381)	(540,668)
Carrying amount at end	**185,559**	**247,912**
Goodwill		
At cost	5,265,382	5,263,443
Less accumulated impairment	(5,265,382)	(5,263,443)
Carrying amount at end	-	-
Total	**185,559**	**247,912**

Movements in Carrying Amounts:

	2024 $	2023 $
Software		
Carrying amount at beginning	247,912	382,135
Additions	-	62,057
Disposals	-	-
Less: amortisation expense	(61,629)	(79,200)
Less: provision for impairment	-	(136,163)
Exchange differences	(724)	19,083
Carrying amount at end	**185,559**	**247,912**
Goodwill		
Carrying amount at beginning	-	5,439,510
Additions	-	-
Disposals	-	-
Less: provision for impairment		
– Kitzuma	-	(5,099,766)
– BikeExchange Colombia	-	(106,135)
– BICICO S.A.S	-	(318,645)
Exchange differences	-	85,036
Carrying amount at end	-	-
Total written down amount	**185,559**	**247,912**

Software included in intangible assets is purchased from third parties and supports features and functionality on the websites operated by the Group.

Note 13. Intangibles (continued)

Impairment Testing and Key Assumptions

Goodwill is allocated to the Group's cash generating units (CGUs) and tested annually to determine whether they have suffered any impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

A cash generating unit level summary of the goodwill allocation is presented below.

	2024 $	2023 $
Kitzuma		
Goodwill	–	5,157,307
Less: provision for impairment	–	(5,099,766)
Exchange differences	–	(57,541)
	–	–
BikeExchange Colombia		
Goodwill	–	106,135
Less: provision for impairment	–	(106,135)
	–	–
Total	–	–

Note 14. Financial Assets

	2024 $	2023 $
Current:		
Debt instruments at amortised cost		
Term deposits*	48,392	46,804
Total current financial assets	**48,392**	**46,804**

* Term deposits include $46,804 of funds held as security for credit card facilities which are not accessible.

Note 15. Tax

	2024 $	2023 $
Current:		
Current tax payable	**–**	**–**
Non-Current:		
Deferred tax assets		
• accruals	–	–
• employee provisions	–	–
• carried forward tax losses	–	–
	–	**–**
Deferred tax liability		
• property, plant and equipment	–	–
	–	**–**
Net deferred tax asset/(liability)	**–**	**–**
Movement in deferred tax charged to statement of comprehensive income	**–**	**–**

Note 16. Trade and Other Payables

	2024 $	2023 $
Current:		
Financial liabilities at amortised cost		
Trade payables	1,749,619	2,199,030
Accrued expenses	1,894,120	2,353,832
Other payables	578,368	813,095
	4,222,107	**5,365,957**

Note 17. Financial Liabilities

	2024 $	2023 $
Current:		
Interest bearing financial liabilities at amortised cost:		
• Insurance premium funding	126,074	120,913
	126,074	**120,913**

The company has entered into an agreement with Arteva funding to finance the directors and officers' insurance premiums.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	2024 $	2023 $
Total facilities:		
• Insurance premium funding	126,074	120,913
	126,074	**120,913**
Used at the reporting date:		
• Insurance premium funding	126,074	120,913
	126,074	**120,913**
Unused at the reporting date:		
• Insurance premium funding	-	-
	-	-

Note 18. Lease Liabilities

	2024 $	2023 $
Current:		
Lease liabilities	319,931	520,861
Non-Current:		
Lease liabilities	53,904	266,874
	373,835	**787,735**

Assets pledged as security

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

Note 19. Provisions

	2024 $	2023 $
Current:		
Make good provisions	-	48,812
Provision for annual leave	177,571	159,899
Provision for long service leave	-	–
	177,571	**208,711**

Amounts Not Expected to be Settled Within the Next 12 Months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement.

However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2024 $	2023 $
Non-Current:		
Provision for long service leave	1,816	1,816
	1,816	**1,816**

Note 19. Provisions (continued)

Movements in provisions (excluding those relating to employee liabilities) are as follows:

	2024 $	2023 $
Carrying amount at the start of the year	48,812	45,661
Additional provisions recognised	-	397
Amounts used	-	-
Unused amounts reversed	(48,812)	-
Foreign currency exchange movements	-	2,754
Carrying amount at the end of the year	**-**	**48,812**

Note 20. Issued Capital

	$	Shares
Movement in ordinary share capital		
Balance at 30 June 2022	56,003,195	5,437,791
Issue of shares – capital raising	8,373,041	5,772,044
Costs of issuance of share capital	(617,545)	-
Balance at 30 June 2023	**63,758,691**	**11,209,835**
Issue of shares – capital raising	5,105,559	8,620,890
Issue of shares – in respect of conversion of deferred equity issued for Kitzuma acquisition	2,890,139	199,320
Issue of shares – in respect of employees salary sacrifice and bonuses	278,449	464,082
Costs of issuance of share capital	(157,663)	-
Shares buy back	(71,304)	(115,006)
Balance at 30 June 2024	**71,803,871**	**20,379,121**

The company does not have a limited amount of authorised capital and issued shares do not have a par value. Fully paid ordinary shares carry one vote per share and carry a right to dividends.

The consolidation of the issued ordinary shares was completed on 11 December 2023 on the basis of every hundred (100) ordinary shares being consolidated into one (1) share. The comparative income statement is re-presented as if the shares consolidation had been incurred at the beginning of the comparative year.

Note 21. Reserves

	2024 $	2023 $
Foreign Currency Translation Reserve	**(859,996)**	**(852,611)**
Other reserves		
Common control reserve	(11,169,272)	(11,169,272)
Share-based payments reserve	1,596,599	1,509,676
Deferred equity to be issued reserve	-	2,890,139
	(9,572,673)	(6,769,457)
	(10,432,669)	(7,622,068)

Foreign Currency Translation Reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Common Control Reserve (Within Other Reserves)

The common control reserve represents the excess arising in the value of the BikeExchange share capital issued over the book value of the non-controlling interest of 35% of BikeExchange DE Vertriebs GmbH and 37% of BikeExchange Inc which was owned by non-controlling interests was acquired on 30 June 2020. This excess was recorded in the common control reserve (within other reserves) as this an equity transaction between entities under common control.

There were no movements in the common control reserve during the current and previous financial year.

	2024 $	2023 $
Balance at 1 July and 30 June	(11,169,272)	(11,169,272)

Share-based Payments Reserve (Within Other Reserves)

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in the share-based payments reserve during the current and previous financial year are set out below:

	2024 $	2023 $
Balance at 1 July	1,509,676	1,284,043
Share-based payment expense for the year	86,923	225,633
Balance at 30 June	**1,596,599**	1,509,676

Note 21. Reserves (continued)

Deferred Equity to be Issued Reserve (Within Other Reserves)

The reserve is used for shares for which consideration has been received at the balance sheet date where share capital has not yet been issued and deferred consideration shares for acquisitions. Movements in the share capital to be issued reserve during the current and previous financial year are set out below:

	2024 $	2023 $
Balance at 1 July	2,890,139	3,190,059
Deferred equity issued during the year	(2,890,139)	(299,920)
Balance at 30 June	**-**	**2,890,139**

During the current financial year, the equity deferred consideration in respect of acquisition of Kitzuma in 2021 has been transferred to share capital upon issuance of the shares to the vendors on 23 May 2024.

Note 22. Statement of Cashflows

Reconciliation of (loss)/profit from ordinary activities after tax to net cash provided by/(used in) operating activities.

	2024 $	2023 $
(Loss) for the year after income tax	(4,508,694)	(16,512,730)
Non-cash items:		
• depreciation	33,942	527,877
• amortisation	568,737	435,570
• impairment losses	162,100	6,027,715
• interest expense	25,284	121,262
• interest income	-	(232)
• (gain) on disposal of asset	-	(86,655)
• loss on disposal of business	(64,221)	157,369
• share-based payments	124,654	501,789
• unrealised foreign currency (gain)	(625)	(74,052)
Changes in assets and liabilities:		
• (increase)/decrease in trade and other receivables	160,682	72,525
• (increase)/decrease in inventories	-	119,332
• (increase)/decrease in prepayments	329,219	515,484
• increase/(decrease) in trade and other payables and deferred income	(931,989)	(416,073)
• increase/(decrease) in provisions	(31,140)	(171,019)
Net cashflows (used in) operating activities	**(4,132,051)**	**(8,781,838)**

Note 22. Statement of Cashflows (continued)

Changes in Liabilities Arising From Financing Activities

	Other Financial Liabilities $	Loans from related parties $	Lease Liabilities $	Total $
Balance at 30 June 2022	125,215	76,501	2,470,652	2,672,368
Net cash from/(used in) financing activities	–	–	–	–
Repayment of loans	(308,614)	–	(891,038)	(1,199,652)
Financial liabilities eliminated on acquisition of subsidiaries	–	(76,501)	–	(76,501)
Finance costs	10,366	–	109,974	120,340
Termination of leases	–	–	(1,495,591)	(1,495,591)
Acquisition of leases or financial liabilities	293,946	–	567,742	861,688
Foreign currency exchange movements	–	–	25,996	25,996
Balance at 30 June 2023	**120,913**	**–**	**787,735**	**908,648**
Net cash from/(used in) financing activities	–	–	–	–
Repayment of loans	(315,368)	–	(530,306)	(845,674)
Finance costs	11,164	–	17,691	28,855
Termination of leases	–	–	(91,033)	(91,033)
Acquisition of leases or financial liabilities	309,365	–	192,062	501,427
Foreign currency exchange movements	–	–	(2,314)	(2,314)
Balance at 30 June 2024	**126,074**	**–**	**373,835**	**499,909**

Note 23. Commitments

Capital Commitments

The Group had no contractual capital commitments at any balance sheet date.

	2024 $	2023 $
Other commitments – minimum lease payments		
Minimum lease payments due not later than one year	319,931	520,861
Minimum lease payments due later than one year but not later than five years	53,904	266,874
Total minimum lease commitments	**373,835**	787,735

Note 24. Related Party Disclosures

The Group's related parties are as follows:

(a) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel. The Group defines this as all directors as well as the Group CEO and Group CFO.

Disclosures relating to key management personnel are set out in Note 25

(b) Other Related Parties'

Other related parties include close family members of key management personnel, and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Parent Entity

BikeExchange Ltd is the parent entity and ultimate parent entity.

Subsidiaries

Interest in subsidiaries are set out in Note 29.

Transactions with Related Parties

Marketplacer Pty Ltd is a related party of the group. Marketplacer and the Group have a common director, being Andrew Ryan. In addition, Jason Wyatt (spouse of Jade Wyatt) is the Executive Chairman of Marketplacer and Sam Salter (former director) and Jason Wyatt were the co-founders of Marketplacer.

During the year, group entities entered into transactions with related parties who are not members of the group that were recorded in other operating expenses:

	2024 $	2023 $
Marketplacer Pty Ltd	706,175	906,736

The above transactions relate to Licensing and IT fees charged by Marketplacer Pty Ltd for the use of the Marketplacer platform in accordance with the Licensing Agreement between Marketplacer Pty Ltd and the group. Other transactions with Marketplacer Pty Ltd throughout the reporting period include the recharge of professional fees and rent at cost to BikeExchange Pty Ltd which were incurred on the Groups behalf by Marketplacer Pty Ltd which are not included in the above amounts. All transactions were charged on an arms length basis between Marketplacer Pty Ltd and the Group.

Note 25. Key Management Personnel Disclosures

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2024 $	2023 $
Short-term benefits	886,852	723,257
Post-employment benefits	58,309	71,447
Other long-term benefits	-	(885)
Termination Benefits	-	-
Share-based payments including short term incentives	213,440	674,340
	1,158,601	1,468,159

Note 26. Share-based Payments

The Group has an Employee Incentive Plan that issues share options to incentivise employees and key management personnel.

In accordance with the terms of the plan, as approved by shareholders at an EGM on 9 January 2021, employees may be granted options to purchase ordinary shares.

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The share-based payment expense for the year was $86,923 (2023: $225,633). During the financial year no options were granted (2023: 300,000).

The following table illustrates the number of options and weighted average exercise prices ('WAEP') of, and movements in, share options during the year:

	Number		WAEP ($)	
Movement in share options	**2024**	**2023**	**2024**	**2023**
Balance at the beginning of the year	387,844	230,669	11.400	38.30
Options granted during the year	-	300,000	-	6.00
Forfeited during the year	(18,361)	(142,825)	(45.00)	(43.50)
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at the end of the year	**369,483**	387,844	**9.76**	11.40

The consolidation of the issued ordinary shares was completed on 11 December 2023 on the basis of every hundred (100) ordinary shares being consolidated into one (1) share. The comparative income statement is re-presented as if the shares consolidation had been incurred at the beginning of the comparative year.

There are 369,483 options vested and exercisable at 30 June 2024 (2023: 69,483). The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.8 years (2023: 4.4 years).

The range of exercise prices for options outstanding at the end of the year was $3.00 to $45.00 (2023: $3.00 to $45.00). The weighted average share price during the year was $0.54 (2023: $1.50).

Note 26. Share-based Payments (continued)

The aggregate of the estimated fair values of the options granted during the year is $450,000. The inputs into the fair value model are as follows:

Key Valuation Assumptions	2024	2023
Dividend yield (%)	-	0.50%
Expected Volatility (%)*	-	130%
Risk free interest rate (%)	-	3.61%
Expected Life of share options (years)	-	5
Underlying Share Price	-	$1.50
Model Used	-	Black Scholes

* The expected volatility was determined based on the historic volatility of a basket of similar companies.

Note 27. Financial Risk Management

The Group's principal financial liabilities comprise loans and borrowings, and trade payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. The Group's senior management oversees the management of these risks and considers the financial risks and the appropriate financial risk governance framework for the Group.

The Group's senior management reviews the Group's activities regularly to ensure that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets	2024 $	2023 $
Cash and cash equivalents	1,840,689	1,897,192
Other Financial assets	48,392	46,804
Financial assets at amortised cost:		
• trade and other receivables	2,061,465	2,481,578
Total financial assets	**3,950,546**	**4,425,574**

Financial liabilities	2024 $	2023 $
Financial liabilities at amortised cost:		
• trade payables	1,749,619	2,199,030
• accrued expenses	1,894,120	2,353,832
• other payables	578,368	813,095
Interest bearing financial liabilities at amortised cost:		
• lease liabilities	373,835	787,735
• insurance premium funding	126,074	120,913
Total financial liabilities	**2,249,528**	**3,107,678**

Note 27. Financial Risk Management (continued)

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 14 to 30 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Group's senior management has otherwise assessed as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Details with respect to credit risk of trade and other receivables are provided in Note 10.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality as set out in Note 10.

Credit risk related to balances with banks and other financial institutions is managed by the CFO in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least BBB. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings:

	2024 $	2023 $
Cash and cash equivalents:		
• AA rated	1,280,338	951,112
• A rated	165,658	264,863
• BBB rated	251	42,300
• not rated	394,442	638,917
	1,840,689	**1,897,192**

Financial institutions that are not rated predominantly comprises of other payment processing providers who the Group uses to process receipts from consumers and payments to retailers for e-commerce transactions. The amounts held in these financial accounts are held for a short period of time until the cash is transferred either to suppliers for payments or to the Group's AA, A or BBB rated bank accounts.

Note 27. Financial Risk Management (continued)

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liability. The Group does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timings of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and Financial Asset Maturity Analysis

	Maturing in			
	1 year or less		Over 1 to 5 years	
Financial Instruments	**2024 $**	**2023 $**	**2024 $**	**2023 $**
Financial Assets				
Cash and cash equivalents	1,840,689	1,897,192	-	-
Receivables	2,061,465	2,481,578	-	-
Other financial assets	48,392	46,804	-	-
Total anticipated inflows	**3,950,546**	**4,425,574**	**-**	**-**
Financial Liabilities				
Payables	1,749,619	2,199,030	-	-
Accrued expenses	1,894,120	2,353,832		
Other payables	578,368	813,095		
Lease liabilities	319,931	520,861	53,904	266,874
Interest bearing borrowings	126,074	120,913	-	–
Total expected outflows	**4,668,112**	**6,007,731**	**53,904**	**266,874**
Net (outflows) on financial instruments	**(717,566)**	**(1,582,157)**	**(53,904)**	**(266,874)**

The weighted average interest rate of the lease liabilities and interest bearing borrowings is 3.31% (2023: 2.77%) per annum and 4.59% (2023: 4.32%) per annum, respectively.

Note 27. Financial Risk Management (continued)

(c) Market Risk

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. The financial instruments that expose the Group to interest rate risk are limited to borrowings, listed shares, and cash and cash equivalents.

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities also assume that the movement in a particular variable is independent of other variables.

	Increase in rates		Decrease in rates	
Year ended 30 June 2024	**Profit**	**Equity**	**Profit**	**Equity**
1% change in interest rates	(1,235)	(1,235)	1,235	1,235
Year ended 30 June 2023	**Profit**	**Equity**	**Profit**	**Equity**
1% change in interest rates	(2,735)	(2,735)	2,735	2,735

Fair Value

Fair Value Estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below.

Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments, which are carried at amortised cost (i.e. trade receivables, loan liabilities), are to be held until maturity.

Note 27. Financial Risk Management (continued)

Financial Instruments	2024 Carrying Amount $	2024 Fair Value $	2023 Carrying Amount $	2023 Fair Value $
Financial Assets				
Cash and cash equivalents	1,840,689	1,840,689	1,897,192	1,897,192
Receivables	2,061,465	2,061,465	2,481,578	2,481,578
Other Financial Assets	48,392	48,392	46,804	46,804
Total assets	**3,950,546**	**3,950,546**	**4,425,574**	**4,425,574**
Financial Liabilities				
Payables	1,749,619	1,749,619	2,199,030	2,199,030
Accrued expenses	1,894,120	1,894,120	2,353,832	2,383,832
Other payables	578,368	578,368	813,095	813,095
Interest bearing borrowings	126,074	126,074	120,913	120,913
Lease liabilities	373,835	373,835	787,735	787,735
Total liabilities	**4,722,016**	**4,722,016**	**6,274,605**	**6,274,605**

The fair values disclosed in the above table for cash and cash equivalents, trade and other receivables, and trade and other payables which are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables exclude amounts relating to the provision of annual leave, which is outside the scope of AASB 9.

Note 28. Auditor's Remuneration

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners (2023: Deloitte Touche Tohmatsu), the auditor of the Group and company:

	2024 $	2023 $
Audit Services		
Audit or review of the financial statements	115,000	212,100
	115,000	**212,100**
Other Services		
Tax Due Diligence related to the acquisitions	-	17,679
Other Tax Compliance Services	15,000	126,818
	15,000	**144,497**
Total	**130,000**	**356,597**

Note 29. Interests in Subsidiaries

The legal parent of the Group at 30 June 2024 is BikeExchange Ltd (an unlisted public company registered in Australia).

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the Group's accounting policy which are in accordance with the International Financial Reporting Standards:

		Ownership interest	
Name	**Country of Incorporation**	**2024 %**	**2023 %**
BikeExchange Holdings Pty Ltd	Australia	100	100
BikeExchange Australia Pty Ltd	Australia	100	100
BikeExchange Pte Ltd	Singapore	100	100
BikeExchange Inc	USA	100	100
BikeExchange DE Vertriebs GmbH	Germany	100	100
Kitzuma Corp	USA	100	100
BikeExchange Colombia S.A.S.	Colombia	100	100

Note 30. Parent Entity Information

Set out below is the supplementary information about the legal parent entity, BikeExchange Ltd.

Statement of Profit and Loss and Other Comprehensive Income

	Parent	
	2024 $	**2023 $**
(Loss) after income tax	(3,799,799)	(10,043,480)
Total Comprehensive (Loss)	**(3,799,799)**	**(10,043,480)**

Note 30. Parent Entity Information (continued)

Statement of Financial Position

	Parent	
	2024 $	2023 $
Total current assets	1,443,997	1,059,196
Total assets	9,993,043	8,735,121
Total current liabilities Total	(821,915)	(1,006,158)
non-current liabilities	(524)	(524)
Total liabilities	(822,439)	(1,006,682)
Equity		
Issued capital	91,917,647	83,872,467
Share-based payments reserve	1,596,600	1,509,677
Other reserve	(2,890,139)	-
Accumulated (losses)	(81,453,504)	(77,653,705)
Total equity	**9,170,604**	**7,728,439**

Other Parent Company Information

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 2023.

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 2023.

Significant Accounting Policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 31. Events Occurring After the Statement of Financial Position Date

Aside from the matters below there have been no events after the end of the financial year that would materially affect the financial statements.

In September 2024, the Company announced a capital raising initiative comprising a convertible note facility for up to $2 million. As of the date of this report, the Company has raised and received a total of $1.35 million from issuance of the convertible notes.

Consolidated Entity Disclosure Statements

Name	Country of Incorporation	Entity Type	Ownership %	Tax residency
BikeExchange Holdings Pty Ltd	Australia	Body corporate	100	Australia
BikeExchange Australia Pty Ltd	Australia	Body corporate	100	Australia
BikeExchange Pte Ltd	Singapore	Body corporate	100	Australia
BikeExchange Inc	USA	Body corporate	100	USA
BikeExchange DE Vertriebs GmbH	Germany	Body corporate	100	Germany
Kitzuma Corp	USA	Body corporate	100	USA
BikeExchange Colombia S.A.S.	Colombia	Body corporate	100	Colombia

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

The legal parent of the Group at 30 June 2024 is BikeExchange Ltd (an unlisted public company registered in Australia and the tax residency is in Australia).

Directors’ Declaration

The directors declare that:

a) in the directors’ opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

b) in the directors’ opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 2 to the financial statements;

c) in the directors’ opinion, the attached financial statements and notes there to are in accordance with the *Corporations Act 2001*, including compliance with accounting standards, the Corporation Regulations 2001 and other mandatory professional reporting requirements and giving a true and fair view of the financial position and performance of the consolidated entity, and

d) the directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

e) the information disclosed in the attached consolidated entity disclosure statement is true and correct.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the directors

Dominic O’Hanlon
Director

Melbourne
22 November 2024

RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
To the Members of BikeExchange Limited

Opinion

We have audited the financial report of BikeExchange Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $4,508,694 and reported net operating cash outflows of $4,432,051 during the year ended 30 June 2024. As of that date, the Group's current liabilities exceeded its total assets by $1,356,524 and had net liabilities of $863,477. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Auditor's Responsibilities for the Audit of the Financial Report (continued)

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM

RSM AUSTRALIA PARTNERS

A L Whittingham

A L WHITTINGHAM
Partner

Dated: 25 November 2024
Melbourne, Victoria

Corporate Directory

Company’s registered office

BikeExchange Limited
Level 5, 126 Phillip Street
Sydney NSW 2000

Company’s principal place of business

Central House
101 Moray Street
South Melbourne VIC 3205