

2 June 2022

Dear Shareholder,

**BikeExchange Limited – Notification to eligible shareholders of Entitlement Offer**

BikeExchange Limited ACN 625 305 240 (ASX: BEX) (**Company**) writes to you as an eligible shareholder of the Company with a registered address in Australia or New Zealand as of 7.00pm (Sydney time) on Monday, 30 May 2022 (**Record Date**).

As advised in the Company's ASX announcement dated 25 May 2022, the Company is undertaking a capital raising transaction to raise approximately \$6.69 million (before costs), which comprises a placement of \$0.35 million (**Placement**), followed by a non-renounceable entitlement offer (**Entitlement Offer**) to raise a further \$6.34 million.

An offer document in relation to the Entitlement Offer was also lodged by the Company with ASX on 2 June 2022 (**Offer Document**). A hard copy of the Offer Document is also available upon request to the Company by contacting the Company Secretary on +61 2 8072 1400.

Unless otherwise defined, capitalised terms used in this letter have the meaning given in the Offer Document.

**Entitlement Offer**

***Purpose and use of funds***

The purpose of the Entitlement Offer is to:

- (a) raise proceeds to permit the Company to undertake product and technology development and for general working capital purposes; and
- (b) recognise Shareholders' ongoing support of the Company and provide the opportunity for Eligible Shareholders to participate in a discounted Entitlement Offer.

Investors should note that the Company operates in the e-commerce industry, specifically relating to the sales of bicycles and accessories, which is intensely competitive and subject to rapid and significant change. Therefore any investment made in the Company should be considered highly speculative. An investment in the Company's securities is subject to risks, including risks specific to the Company and general risks. Detailed information about these risks is set out in Section 6 of the Offer Document, which we encourage you to read carefully in its entirety.

***Key features***

The Entitlement Offer is on the basis of one (1) new fully paid ordinary share in the Company (**Offer Share**) for every one (1) existing fully paid ordinary share held by Eligible Shareholder at the Record Date, at an issue price of \$0.02 (2 cents) per Offer Share. The Entitlement Offer will result in the issue of 317,013,284 Offer Shares to raise approximately \$6.34 million (before costs).

The Entitlement Offer is offered to all shareholders with registered addresses in Australia or New Zealand who hold shares as at 7.00pm (AEST) on the Record Date being Monday, 30 May 2022 (**Eligible Shareholders**) as outlined in Section 4.6 of the Offer Document.

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Eligible Shareholders who apply for their Entitlement in full may apply for additional Shares under the Shortfall. If Eligible Shareholders subscribe for more Shares than are available under the Shortfall, the Company will apply a scale-back procedure in the Company's discretion.

Applications and payment of funds must be received by the Company on or before 5.00pm (AEST) Tuesday, 14 June 2022 (**Closing Date**) (subject to any variation in accordance with applicable laws and regulations), and unless the Entitlement Offer is extended by the Company.

The Offer Shares issued under the Entitlement Offer will be fully paid and will rank equally with all existing Company shares on issue and the Company will apply to the ASX for quotation of the Entitlement Offer.

**Key dates for Entitlement Offer**

Action	Date
Announcement of Entitlement Offer and Placement	Wednesday, 25 May 2022
Lodgement of Cleansing Notice and Appendix 3B with ASX	Wednesday, 25 May 2022
Trading on ex basis	Friday, 27 May 2022
Record Date for Entitlement Offer and determining Entitlements	Monday, 30 May 2022
Entitlement Offer Opening Date	9.00 am (AEST) Thursday, 2 June 2022
Lodgement of Offer Document and Letter to Ineligible Shareholders with ASX	Thursday, 2 June 2022
Offer Document and covering letter despatched to Eligible Shareholders	Thursday, 2 June 2022
Company announces despatch has been completed	
Entitlement Offer Closing Date	5.00 pm (AEST), Tuesday, 14 June 2022
Shares quoted on a deferred settlement basis	Wednesday, 15 June 2022
Announcement of results of Entitlement Offer	Tuesday, 21 June 2022
Issue date of Offer Shares	Tuesday, 21 June 2022
Quotation of Offer Shares	Wednesday, 22 June 2022

*\*The above timetable is indicative only and subject to change. The quotation of Offer Shares is subject to ASX approval. Subject to the ASX Listing Rules and Corporations Act and other applicable laws, the Company reserves the right to vary these dates, without notice. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Offer Shares.*

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The Company reserves the right to withdraw the Entitlement Offer at any time before the issue of Offer Shares under the Entitlement Offer, in which case the Company will refund any Application Monies received (without interest).

#### ***Effect on capital structure***

The effect of the Entitlement Offer on the share capital structure of the Company, assuming all Offer Shares are issued, is set out below.

<b>Shares</b>	<b>Number</b>
Shares on issue as at date of Announcement of Placement and Entitlement Offer	299,620,111
Placement Shares to be issued under the Placement	17,393,173
<b>Shares on issue at Record Date</b>	<b>317,013,284</b>
Offer Shares offered pursuant to the Entitlement Offer	317,013,284
<b>Total Shares on issue after completion of the Entitlement Offer</b>	<b>634,026,568</b>

#### ***Possible dilutive effect***

The dilutionary effect of the Entitlement Offer on your shareholding will depend on whether you elect to subscribe for some or all of your Entitlement. If all of the entitlements under the Entitlement Offer are subscribed, Eligible Shareholders will hold the same percentage interest in the Company as they did immediately prior to completion of the Entitlement Offer. However, to the extent that any Eligible Shareholder fails to take up their full Entitlement, or is an Ineligible Shareholder unable to participate in the Entitlement Offer, that Shareholder's percentage holding in the Company will be diluted.

Please refer to Sections 5.4 and 5.5 of the Offer Document for further details of the possible dilutive effect of the Entitlement Offer.

#### ***Actions required by Eligible Shareholders***

The number of Offer Shares to which Eligible Shareholders are entitled (your Entitlement) is shown on your personalised Entitlement and Acceptance Form that accompanies the Offer Document.

As an Eligible Shareholder, you may:

- (a) take up your Entitlement in full and also apply for Additional Shares (refer to Section 4.10(a) of the Offer Document);
- (b) take up your Entitlement in full without applying for Additional Shares (refer to Section 4.10(b) of the Offer Document);
- (c) take up part of your Entitlement (refer to Section 4.10(c) of the Offer Document); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obligated to do anything in response to the Entitlement Offer.

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If you choose to participate in the Entitlement Offer, please ensure your application monies for the Entitlement you wish to take up (and for any Additional Shares you wish to subscribe for) is received by the Company by no later than 5.00pm (AEST) Tuesday, 14 June 2022.

Applicants are required to pay by BPAY®. You will be treated as applying for as many Shares as your payment will pay for in full. For New Zealand Eligible Shareholders only, if you do not have an account that supports BPAY® transactions to an Australian bank account then please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) for alternative EFT payment arrangements.

Entitlements are non-renounceable and will not be tradable on the ASX or otherwise transferable. Accordingly, you cannot, in most circumstances, withdraw your Application for Offer Shares once it has been accepted.

#### **Shortfall Offer**

If you wish to apply for Shares in excess of your Entitlement by applying for Additional Shares you may do so by completing the relevant separate section of your personalised Entitlement and Acceptance Form relating to the Shortfall Offer.

Any Shares applied for in excess of your Entitlement will be applied for under the Shortfall Offer and will be issued in accordance with the allocation policy described in Section 4.13 of the Offer Document. Any Additional Shares will be limited to the extent that there are sufficient Offer Shares from Eligible Shareholders who do not take up their full Entitlements or from Offer Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Entitlement Offer).

Please note that if you pay by BPAY® you are taken to have applied for such number of Additional Shares in respect of such whole number of Shares that is covered in full by the funds transferred, less your full Entitlement.

If you have any queries about the Entitlement Offer, please contact the Company Secretary on +61 2 8072 1400.

On behalf of the Board and management of BikeExchange Limited, we thank you for your continued interest and support of the Company.

Yours faithfully,



**Sam Salter**  
**Acting CEO and Non-Executive Director**

#### **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

This letter is issued by BikeExchange Limited. This letter is not a prospectus or offer document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in BikeExchange Limited in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of BikeExchange Limited shares. No action has been, or will be, taken to register any offer or

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This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The entitlements and the Offer Shares offered in the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by persons in the United States and the Offer Shares may not be offered or sold in the United States, unless they have been registered under the U.S. Securities Act or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

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