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BIKEEXCHANGE (ASX: BEX)

Q4 FY22 QUARTERLY
UPDATE

July 29th, 2022



Disclaimer

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The financial information should be read in conjunction with the basis of preparation set out in the Appendix on page 19.

Forward-looking statements

This presentation may contain forward-looking statements which are statements that may be identified by words such as "may", "will", "would", "could", "expects", "intends", "anticipates", and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the date of this document, are expected to take place. No person who has made any forward-looking statements in this document has any intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this document, other than to the extent required by law. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company.

This presentation also contains references to certain information, expectations and plans of the Company. These references, expectations and plans may or may not be achieved. They are based on certain assumptions and factors, and the information which views may differ.

Agenda

01

Business Overview



Sam Salter
Acting CEO

02

Financial results



Andrew Demery
CFO

03

Summary and outlook



Dominic O'Hanlon
Non-Executive Director

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Business Overview

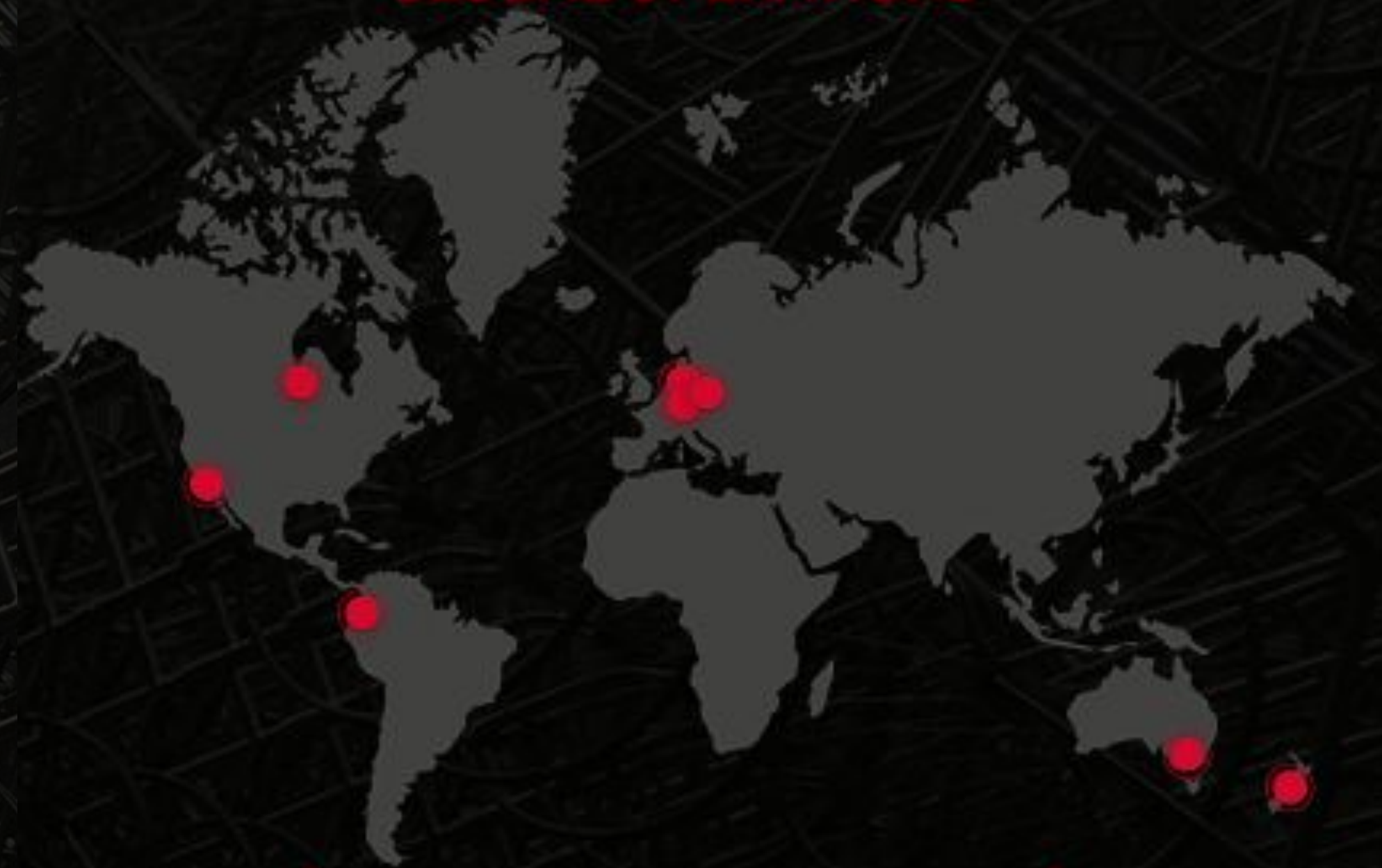


BikeExchange overview

WORLD'S LEADING BICYCLE MARKETPLACE

- **BikeExchange** is one of the world's largest online cycling marketplaces.
- Operations in eight countries & four hubs - ANZ, North America, Europe (Germany, Belgium & Netherlands) and LatAm (Colombia).
- Enabling our network of brands, retailers and distributors to connect via single destination marketplaces.
- Strategic shift to focus on ecommerce transactions reflected in the revenue contributions during the year.

GLOBAL OPERATIONS



21 million

GLOBAL AUDIENCE

1,500+

BRANDS ON PLATFORM

1,584

ACTIVE RETAIL ACCOUNTS

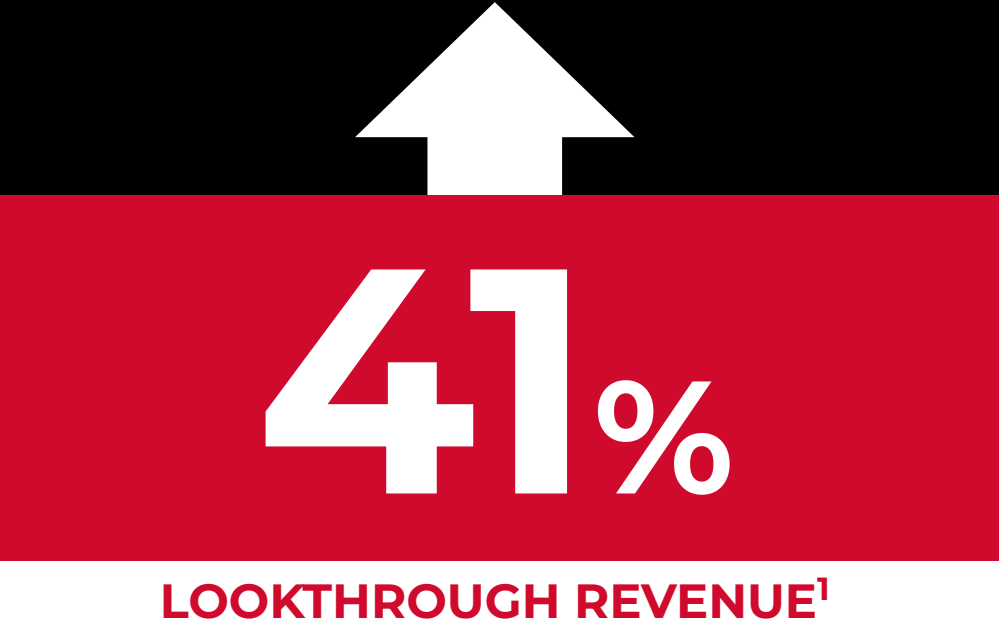
\$1.2 billion

ENQUIRY VALUE

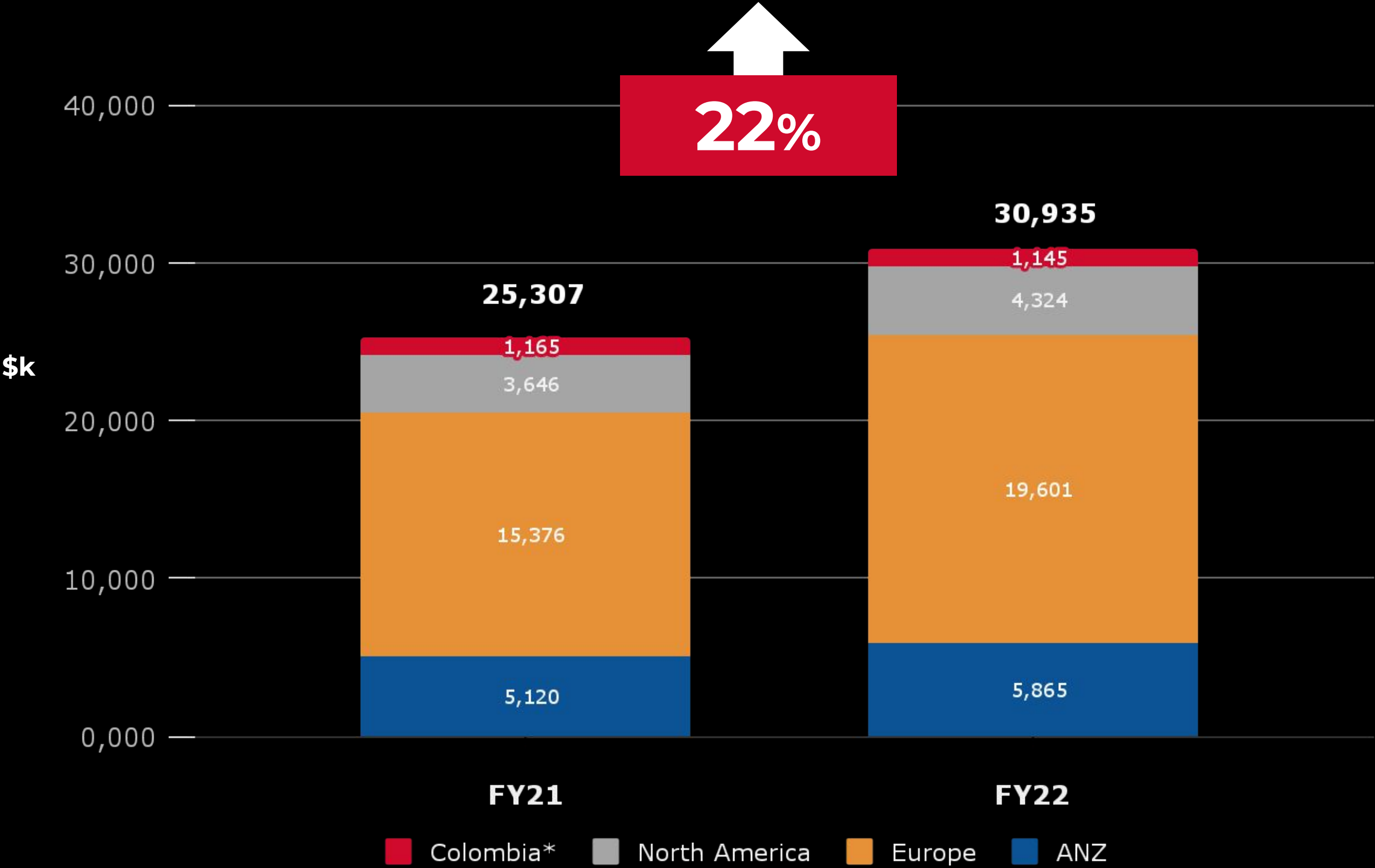
FY22 Highlights

STRONG GROWTH ACROSS KEY METRICS

KEY FY22 HIGHLIGHTS



LOOKTHROUGH TOTAL TRANSACTION VALUE¹ BY GEOGRAPHY – FY22



1. Lookthrough Total Transaction Value (TTV) and Revenue includes 50% of BikeExchange Colombia's TTV up to 2 March 2022, and 100% from then on (post acquisition). All metrics above are for FY22 vs pcp and exclude BikeExchange Colombia except for those marked as lookthrough. See page 19 for metric definitions.

FY22 Financial and Operational Highlights



Solid FY22 TTV and lookthrough revenue and strong customer demand

- 22% lookthrough TTV growth in FY22 on pcp.
- 41% growth in lookthrough revenue in FY22 on pcp.
- Strong growth across all geographic markets with Europe the standout.
- Average Order Value up 18% to \$749 as consumers shift to purchasing bikes as opposed to accessories/parts.
- Commission rates increased to 7.7%.
- Website traffic down 25% globally as traffic normalises in a post COVID world.
- Traffic Conversion up to 0.19% vs 0.14% (FY21).



15% underlying revenue growth bolstered by acquisitions

- 15% increase in revenue from existing business, bolstered by contribution from Kitzuma (acquired in Dec'21) and remaining 50% of BikeExchange Colombia (Mar'22).
- Kitzuma revenues of \$1.2 million post acquisition with growth accelerating through Q4.
- Kitzuma delivered record monthly shipments in June' 22 with annualised shipments now over 8,000¹.



Restructure and cost efficiencies

- Through organisational restructure and focus on reduction of operating costs we have implemented strategies to deliver annualised savings of over \$5.5m in FY23.
- Revised cost structure provides pathway to profitability during FY24.
- Appointment of Elizabeth Smith and Dominic O'Hanlon to the Board of Directors adding significant depth of experience to the Board.
- Sam Salter appointed acting CEO with search for permanent CEO progressing.



Well capitalised to support FY23 operations

- Successfully raised \$6.8million (net of costs) from institutional and retail investors to support operations during FY23.
- Proforma Net cash of \$6.5 million² at 30 June 2022.
- The Group plans to have sufficient capital for FY23 operations following completion of equity raising and cash improvement initiatives.

¹ Based on Q4 FY22 shipments multiplied by 4.

² Includes \$1.6m of cash in respect of the capital raise received in July 2022 but that was fully committed at 30 June 2022.



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Financial results

Q4 FY22 Regional Highlights

North America (NA)

- 37% TTV growth in the quarter and a 305% revenue increase in Q4 FY22, driven by the addition of Kitzuma revenue.
- Kitzuma revenue of \$1.2m post acquisition and annualised shipments over 8,000, with record June 2022 shipments.
- Kitzuma influence with partners being felt. Significant progress on launching consumer shipment platform in the quarter.
- e-Commerce trading improved with strong commission rates achieved and Average Order Volume (AOV) increasing 41% on pcp to \$1,313 with more bikes being sold.

Colombia (COL)

- Lookthrough TTV increased by 36% for Q4 FY22 reflecting the full first quarter of ownership of 100% of the Colombian operations.
- Underlying e-Commerce was hampered by stock availability issues and payment gateway problems, with a new payment gateway provider alleviating the issue in Q1 FY23.
- Continue to see strong customer demand.

Europe (EU)

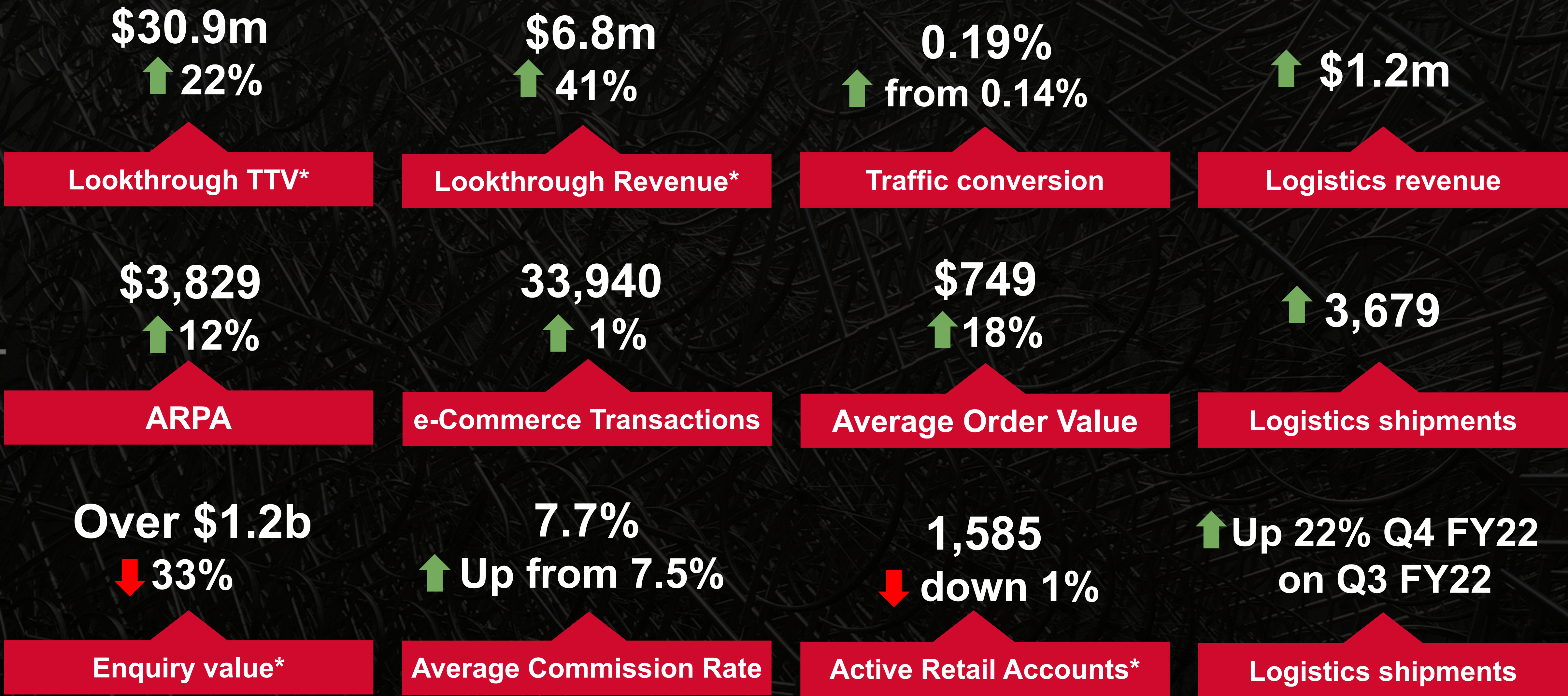
- Continues to perform well in the current climate with 17% growth in e-Commerce transaction value for Q4 FY22 vs pcp.
- Average Order Value, Order Volume and conversion rate all grew compared to prior year.
- May 22 was the strongest ever month on record for e-Commerce gross transaction value while demand slowed slightly in June reflecting typical seasonality and a higher than average number of refunds reflecting stock availability.
- Successful structure being replicated across BikeExchange operations.

Australia (ANZ)

- In a weaker seasonal quarter TTV declined by 19% on pcp but revenue increased by 16% on pcp.
- Revenue increase reflected stronger commission rates achieved, subscription revenues up 10% on pcp and a small contribution from the sale of owned stock.

Solid growth across most key metrics in FY22

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* All metrics for the 12 month period to 30 June 2022 vs the comparable period in FY21 and unless otherwise stated by * (enquiry value and active retail accounts) or defined as lookthrough metrics exclude BikeExchange Colombian for the full period. Refer to basis of preparation of page 19 for metric definitions. Active Retail Accounts decrease of 1% vs 30 June 2021. Logistics revenue and shipments from 22 December 2021 (Kitzuma acquisition date).

Key Metrics – Q4 FY22 Account & E-Commerce Metrics

Q4 FY22 (3 months) Account Metrics

↑ 15%
on pcp

Subscription Revenue*

\$1,044
↑ 22%

ARPA

↓ 1% on pcp

1,585

Active Retail Accounts*

Q4 FY22 (3 months) e-commerce Metrics

↑ 7%
on PCP

e-Commerce Revenue*

7,844
↓ 10%

e-Commerce Transactions

\$927
↑ 8%

Av. Order Value

8.1%
↑ Up from 8.0%

Av. Commission Rate

↑ from 0.14%

Traffic conversion

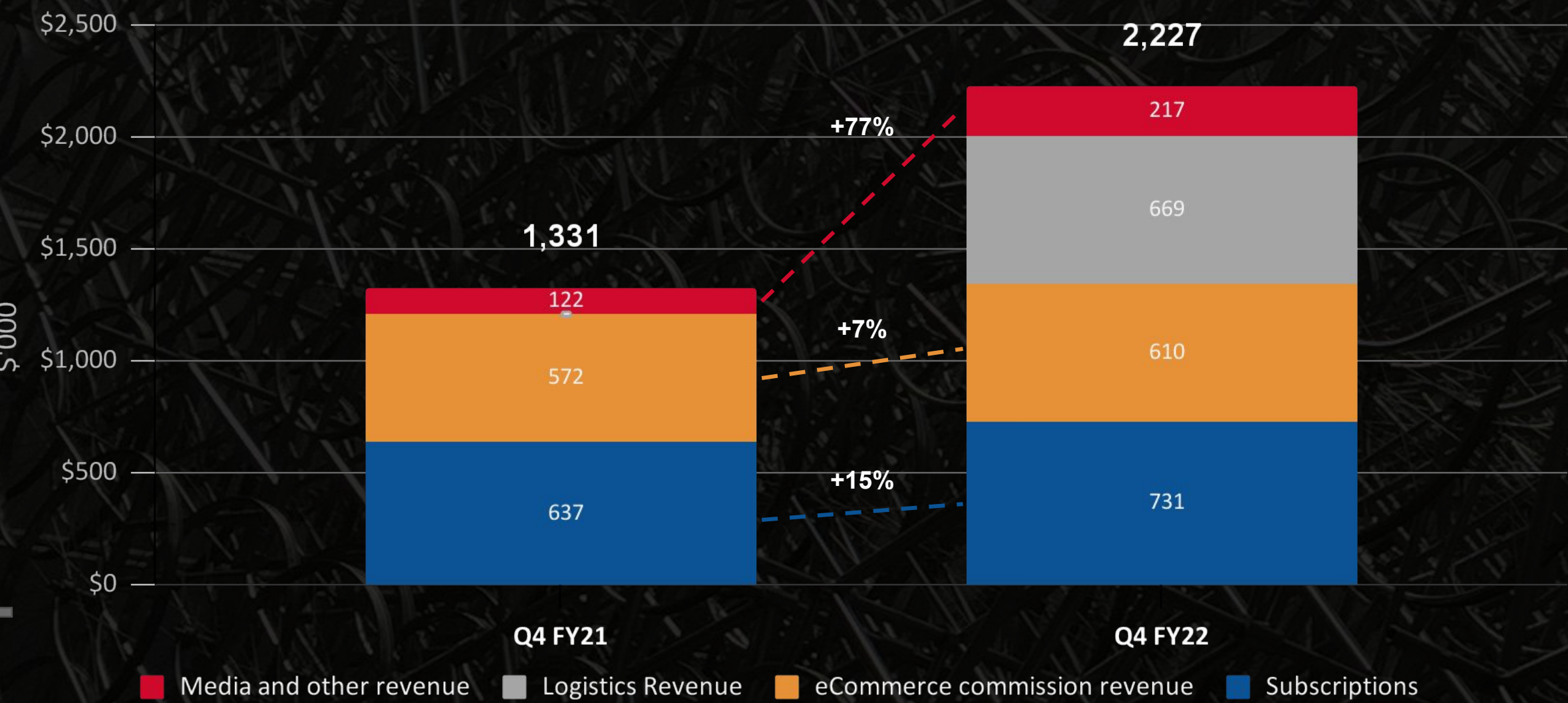
↑ 6%
on PCP

Av. Unique Monthly Sellers

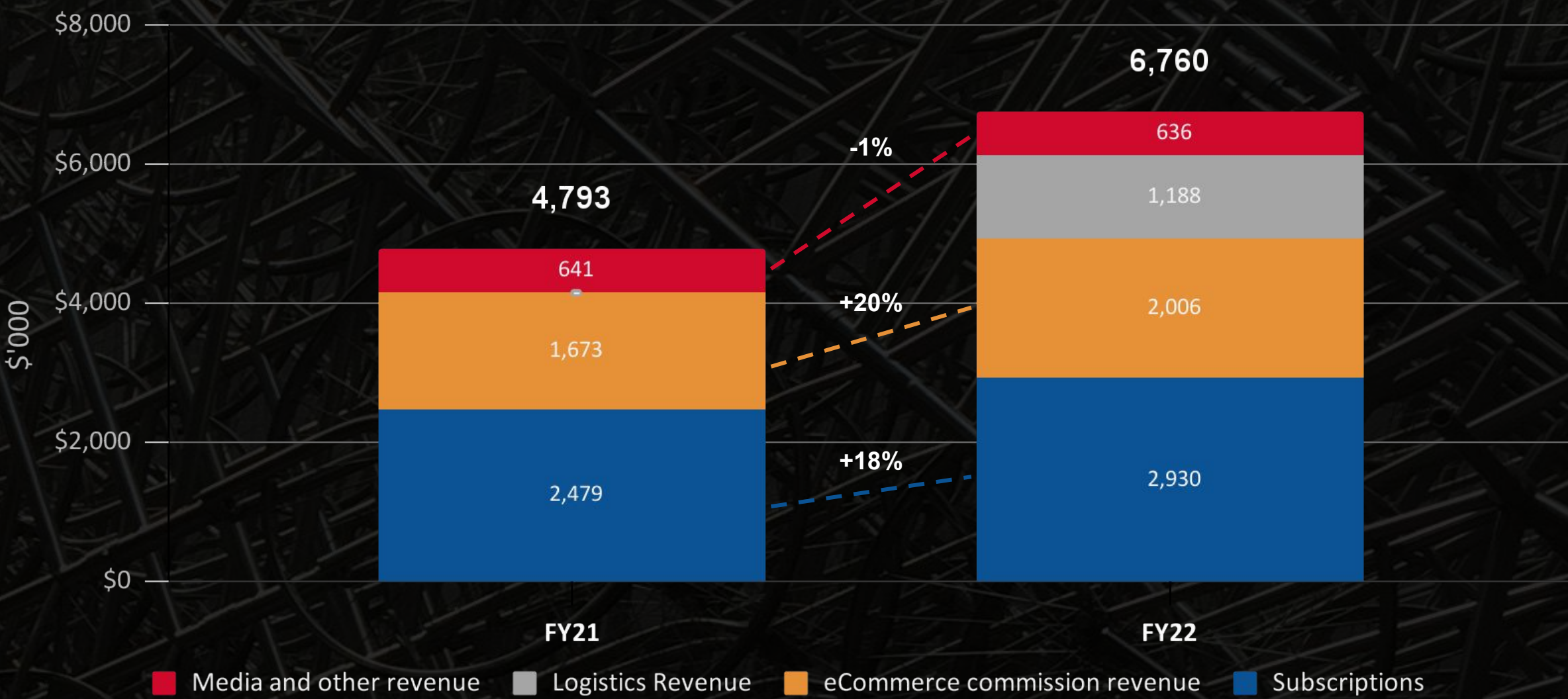
* All metrics for the 3 month period to 30 June 2022 respectively vs the comparable period in FY21 and unless otherwise stated with * exclude BikeExchange Colombia. Active Retail Accounts vs 30 June 2021. Refer to basis of preparation of page 19 for metric definitions.

TTV and revenue performance – Q4 FY22 & Q4 FY22 YTD

LOOKTHROUGH REVENUE BY CATEGORY - Q4 3m



LOOKTHROUGH REVENUE BY CATEGORY FY22



Q4 FY22 (3M) in \$ thousands	Australia and New Zealand	Europe	North America	Colombia ¹	Total
Lookthrough TTV	1,025	6,326	1,386	456	9,193
Growth on pcp	(19%)	17%	37%	36%	15%
Lookthrough Revenue	438	785	830	174	2,227
Growth on pcp	16%	12%	305%	278%	67%

FY22 (12M) in \$ thousands	Australia and New Zealand	Europe	North America	Colombia ¹	Total
Lookthrough TTV	5,865	19,601	4,324	1,145	30,935
Growth on pcp	15%	27%	19%	(2%)	22%
Lookthrough Revenue	1,793	2,728	1,788	450	6,760
Growth on pcp	17%	26%	137%	35%	41%

Lookthrough TTV and revenue includes 50% of the BikeExchange Colombia's TTV and revenue respectively for all periods up to 2 March 2022, after which the Group acquired the remaining 50% and 100% of TTV and revenue is included respectively. Refer to basis of preparation on page 19.



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FY23 Outlook & Summary

Capital Raise and Group Cash Position

	\$'000
Proforma Cash Balance at 30 June 2022 (net of capital raise costs)	6,517
Capital raise cash received July 2022	(1,505)
Committed capital subject to shareholder approval	(500)
Cost of capital raise paid July 2022	377
Reported Cash Balance at 30 June 2022	4,889

Group Cash Position

- The Group has successfully completed the announced capital raising, raising \$6.8m (net of costs). \$0.5m of the raise is subject to formal approval by shareholders at an upcoming EGM.
- The Group has proforma cash of \$6.5 million at 30 June 2022 including all capital committed and net of costs of the capital raise.
- The Group had operating cash outflow of \$4.7 million in Q4 FY22, including significant non-recurring restructuring costs. Operating cashflows are expected to significantly reduce over FY23 as the Group executes the cash improvement initiatives below:

Cash Improvement Initiatives

- Significant Group restructuring announced in April 2022 will centralise operations predominantly in Europe leveraging the successful operating model and skills, and reducing overhead and duplication of activities across the Group.
- Kitzuma is expected to improve profitability as the business scales.
- Board of Directors will move to receiving a majority of remuneration in shares (subject to shareholder approval), Executive team to take 25% of base remuneration in shares.
- Marketing spend reduced, clear focus on only marketing channels that will contribute a positive margin. Other Group overheads and discretionary spend scaled back in line with leaner overall Group operations.
- E-commerce gross margins expected to improve on enhanced commission rates and lower variable transaction related costs.

The Group expects reduced operating cash outflows for the September quarter, after accounting for significant non-recurring restructuring costs. The Group expects the programme of growth initiatives and cost efficiencies will further reduce operating cash outflows over FY23 and the Group is planning to have sufficient cash reserves to continue its operations and meet business objectives for FY23.

FY23 Focus Areas

01

Replicate successful EU model into other regions

- Applying the learnings, skills and processes to other regions.
- Applying the same growth profile as BEEU over the last 3 years could see a 114% CAGR lift in combined e-Commerce revenue for NA and AU to \$5.4m from current \$0.6m.

02

Integrate Kitzuma into operations to drive growth

- Further integrate Kitzuma team in to BEX NA and focus on the same brand, seller and merchant accounts to achieve synergies, drive e-Commerce transactions and ready to ride delivery volumes
- Active partnership discussions for Kitzuma to finalise and assist with significantly improved shipment gross margin in H1 FY23.

03

Reduce Operating costs and driving e-Commerce first model

- Centralisation of skills and team around functional areas is largely complete, lowering the operational cost foundation for FY23 to a more appropriate level.
- Group focus on maximising profitability and minimising costs.

04

Activate more strategic partnerships to support e-Commerce strategy

- Advance active and progressed discussions across industry and strategic partnerships with potential capital, with a view to finalise in the near term.
- Leverage the Kitzuma service & BikeExchange through partnerships.

**Expected
Pathway to
profitability
during FY24**

Summary & Outlook

- A further update will be provided at the release of the FY22 full year Annual Results in August 22.
- Q1 FY23 trading into July 2022 is showing positive trends with overall e-Commerce volumes above June 2022 and the prior year.
- Kitzuma trading and performance is seeing continued positive growth with seller volumes of shipments expected to continue increasing. Further integration will drive transaction volumes in large North American market.
- Meaningful operating cost reductions have been implemented during Q4 as well as realisation of cost synergies from Kitzuma acquisition. Significant cost rebase for FY23.
- Supply chain issues easing with retailers now looking for avenues to market to move inventory. BikeExchange well positioned to support retailers.
- The Group plans to have sufficient capital for FY23 operations following completion of equity raising and cash cost initiatives. FY23 focus will be on maintaining streamlined cost base and converting existing traffic and enquiries into sales to achieve steady revenue growth.
- Clear cost reduction and pathway to profitability plan, provides confidence to achieve profitability during FY24.



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Appendix

A leading competitive position

The cycling category is experiencing a once in a generation revolution

BEX is the World's largest network of cycling focused marketplaces

Diversified business with significant growth potential

- Global cycling market worth over \$80 billion.
- The micromobility category is set to grow to US\$198 billion by 2030#
- Continued consumer take up and growth in the mass market - outside of sport related cycling.
- Shaped by continued government investment in cycling infrastructure - cycling an active transport solution.
- Increased proactive awareness by consumers on the environmental, health & convenience aspects of cycling.
- 5.8 million* Australian adults (29% of adults between 18 & 90) spent money on cycling in 2020.
- BEX has the first mover advantage, built over a decade. 1,584 active accounts* and growing, in a four region market worth over \$15 billion.
- An established presence with a 21 million+ audience* across ANZ, Europe, North America and Colombia, to scale with capital deployment.
- Established relationships with a network of brands, retailers and sellers, delivering a compelling customer value proposition.
- Scalable technology foundation already in place.
- e-Commerce enabled marketplace model with diverse revenue model, and significant room to extend.
- Strong growth metrics established to date with selective capital deployment showing strength of our model.
- Key acquisition in Q2 FY22 of Kitsuma, a logistics business for the delivery of 'ready to ride' bikes from retailers to customers.

* Active Accounts as at 30 June 2022. Audience reflects annual traffic sessions for the FY22 year. Refer to basis of preparation of page 19 for metric definitions.

+ Australian Cycling Economy Report Published October 2021 by EY and We Ride.

#Precedence Research, 'Micro-mobility Market Size to Surpass US\$ 198.03 Bn by 2030', January 2022

Basis of preparation

BASIS OF PREPARATION

The information contained in this presentation is based on the historical financial information (BEX Financial Information) for the BikeExchange Group and should be read in conjunction with the BikeExchange Ltd FY21 Annual Report. It has not been reviewed or audited by the Group's auditor, Deloitte Touche Tohmatsu.

The BEX Financial Information in this presentation is that of BikeExchange Limited Group which is made up of a consolidation of all entities within the Group, except as specifically noted in this basis of preparation. The legacy BikeExchange Holdings Pty Ltd Group was acquired by BikeExchange Limited (previously RPro Holdings Ltd) on 5 February 2021, prior to the Group's listing on the ASX on 9 February 2021. The purpose of the BEX Financial Information is to show certain financial results of the Group for the 3 and 12 month financial periods ending 30 June 2022 (Q4 FY22 and FY22 respectively) and 30 June 2021 as a comparative (Q4 FY21 and FY21 respectively).

BikeExchange Limited generated no revenues and acted as an investment holding company prior to the transaction with the BikeExchange Group and so the acquisition of the BikeExchange Holdings Pty Ltd Group by BikeExchange Limited is treated as a reverse acquisition for accounting purposes. Therefore this presentation presents the financial results of the BikeExchange Holdings Pty Ltd Group for FY21 and Q4 FY21 and the consolidated results of BikeExchange Limited and the BikeExchange Holdings Pty Ltd Group for FY22 and Q4 FY22.

The BEX Financial Information has been prepared and presented in accordance with the accounting policies set out in the FY21 Annual Report.

NON-AIFRS FINANCIAL INFORMATION

BikeExchange's results are reported under Australian International Financial Reporting Standards (AIFRS). This presentation also includes certain non-AIFRS measures including "KPIs", and "look through". These measures are used internally by management to assess the performance of our business and our Joint ventures, make decisions on the allocation of resources and assess operational management. Non-AIFRS measures have not been subject to audit or review. The following non-AIFRS measures are defined below:

- **Total Transaction Value (TTV)** is the aggregate of revenues, net of sales taxes, generated from display/media sales, retail subscriptions and other online sales and the gross merchandise value for e-Commerce transactions that are executed on the BikeExchange network of websites.
- **Lookthrough basis** - For equity accounted joint ventures and consolidated subsidiaries, add the total revenue or TTV within the reporting period multiplied by the Group's % ownership. All entities are owned 100% by the Group with the exception of the Group's interest in BikeExchange Colombia, which was 50% owned for all periods up to 2 March 2022 when the Group acquired the remaining 50% and consolidated 100% of the entity from that date.
- **Average Revenue per account (ARPA)** is the total revenue for the period for subscriptions earned from retailers and affiliates divided by the average number of paying retailers accessing BikeExchange network of websites for the period, and does not include revenues or accounts relating to BikeExchange's 50% interest in BikeExchange Colombia, prior to the completion of the acquisition on 2 March 2022.
- **Unique Monthly sellers (Sellers)** is the average number of retailers for the period who fulfilled at least 1 e-Commerce order in a individual month.
- **Traffic** represents total unique sessions visiting the Group's network of sites across the period.
- **E-commerce transactions** are the total number of e-Commerce transactions occurring on BikeExchange network of websites in each period. A transaction is defined as a single item or basket of items paid for in a single payment transaction through the BikeExchange network of websites.
- **Average Order Value (AOV)** is the gross merchandise value for e-Commerce transactions that transact on the BikeExchange network of websites divided by the number of e-Commerce transactions for the financial period.
- **Average Commission Rate** - calculated as e-Commerce commission revenue divided by the gross e-Commerce transaction value for all transactions across the relevant period.
- **Prior corresponding period (pcp)** means the equivalent period in the previous financial year.

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