

For personal use only



**BIKE
EXCHANGE**

WHERE THE WORLD RIDES®

BIKEEXCHANGE (ASX:BEX)

**Q2 FY23 Quarterly
Business Update**

31st January 2023



Agenda

BEX QUARTERLY BUSINESS UPDATE

01

BEX Overview

02

Q2 FY23' Performance
& Outlook

03

BEX Capital Plan



Ryan McMillan

Chief Executive Officer



Dominic O'Hanlon

Non-Executive Director





BIKEEXCHANGE (ASX: BEX)

BEX Overview

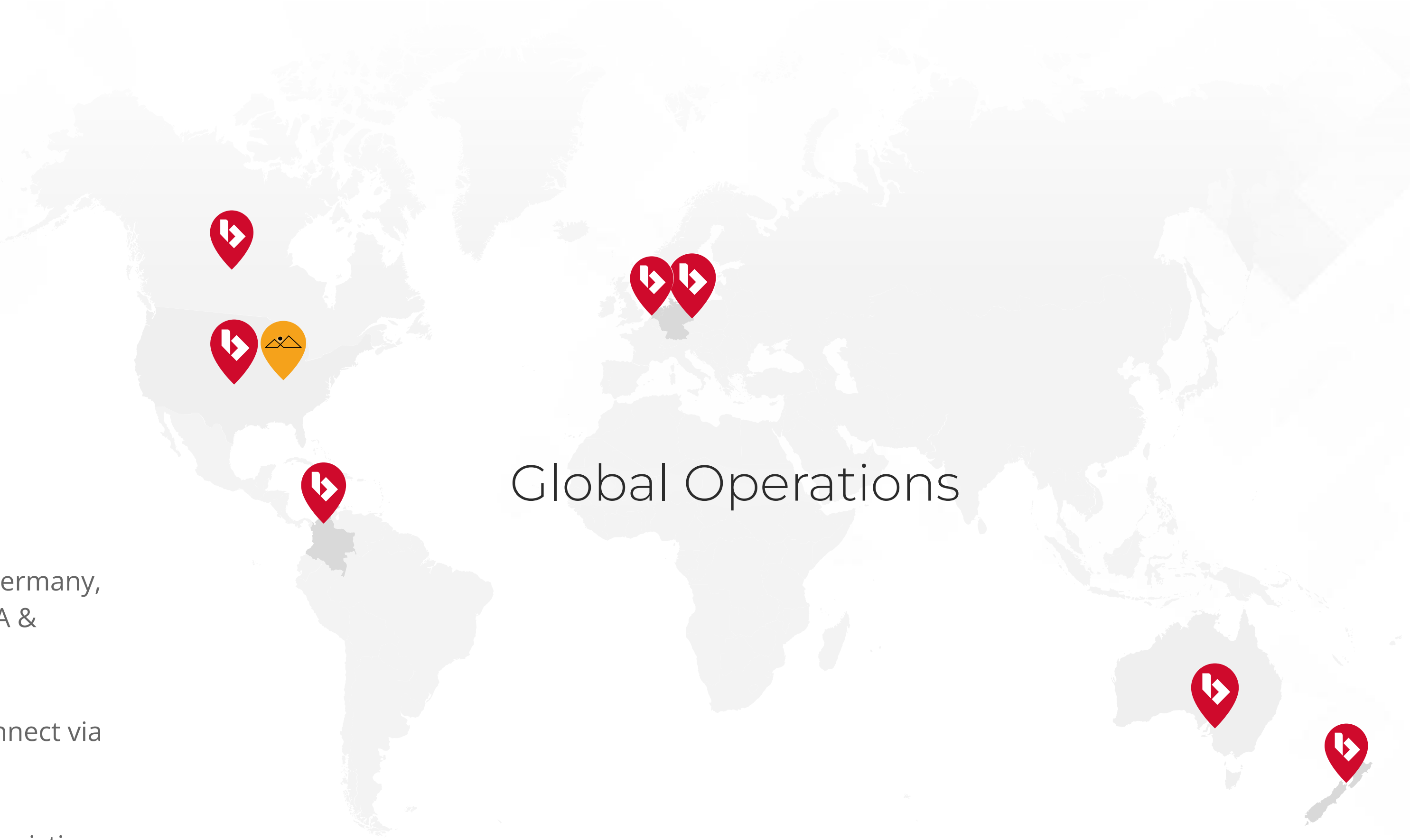


BEX Overview

WORLD'S LEADING ONLINE BICYCLE MARKETPLACE

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

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



7.8 million

Global Traffic

1,500+

Brands on Platform

1,711

Active Retail Accounts

\$ 311 million

Aggregate Product Enquiry Value



BIKEEXCHANGE (ASX: BEX)

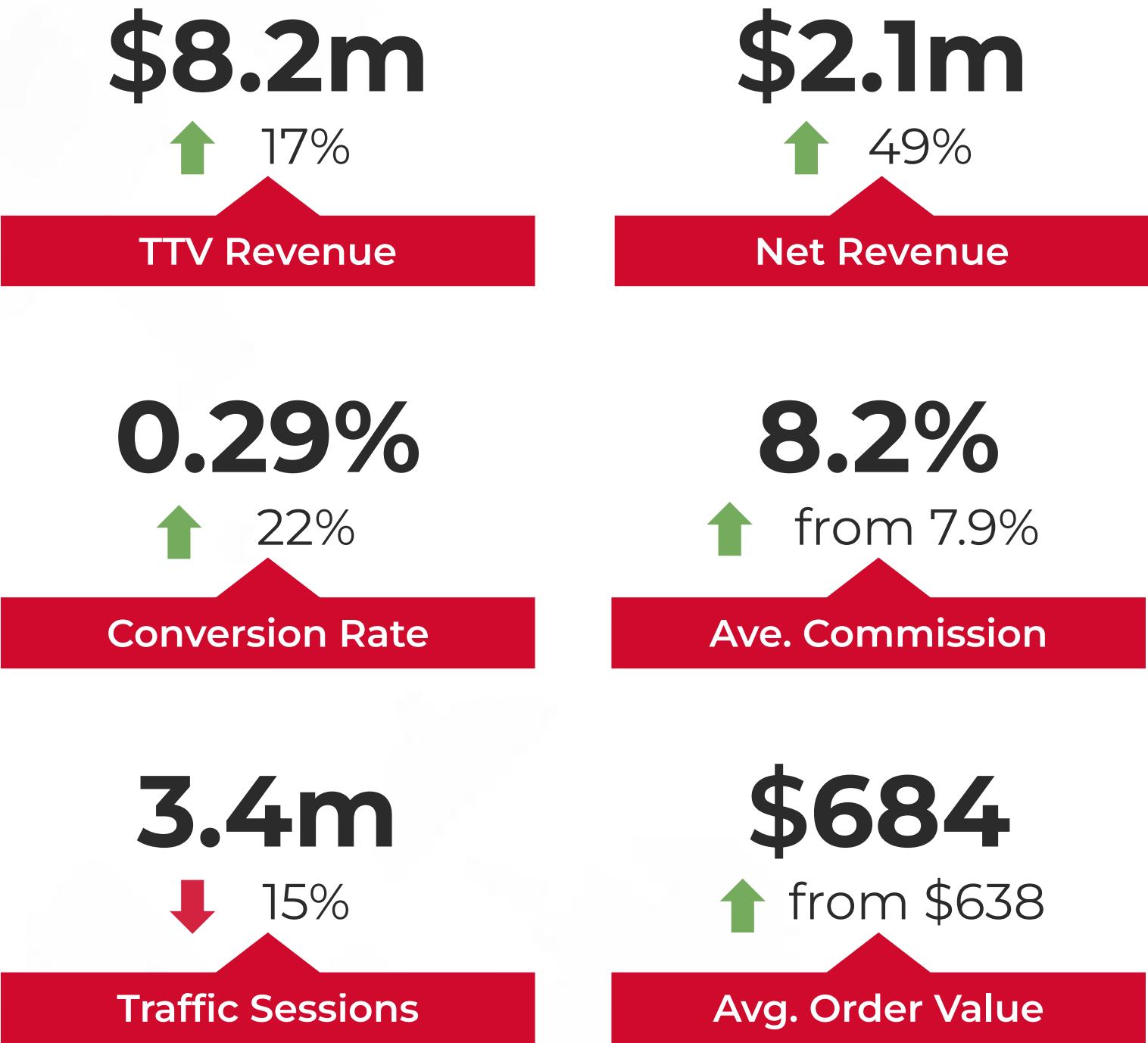
BEX Q2 FY23 Performance



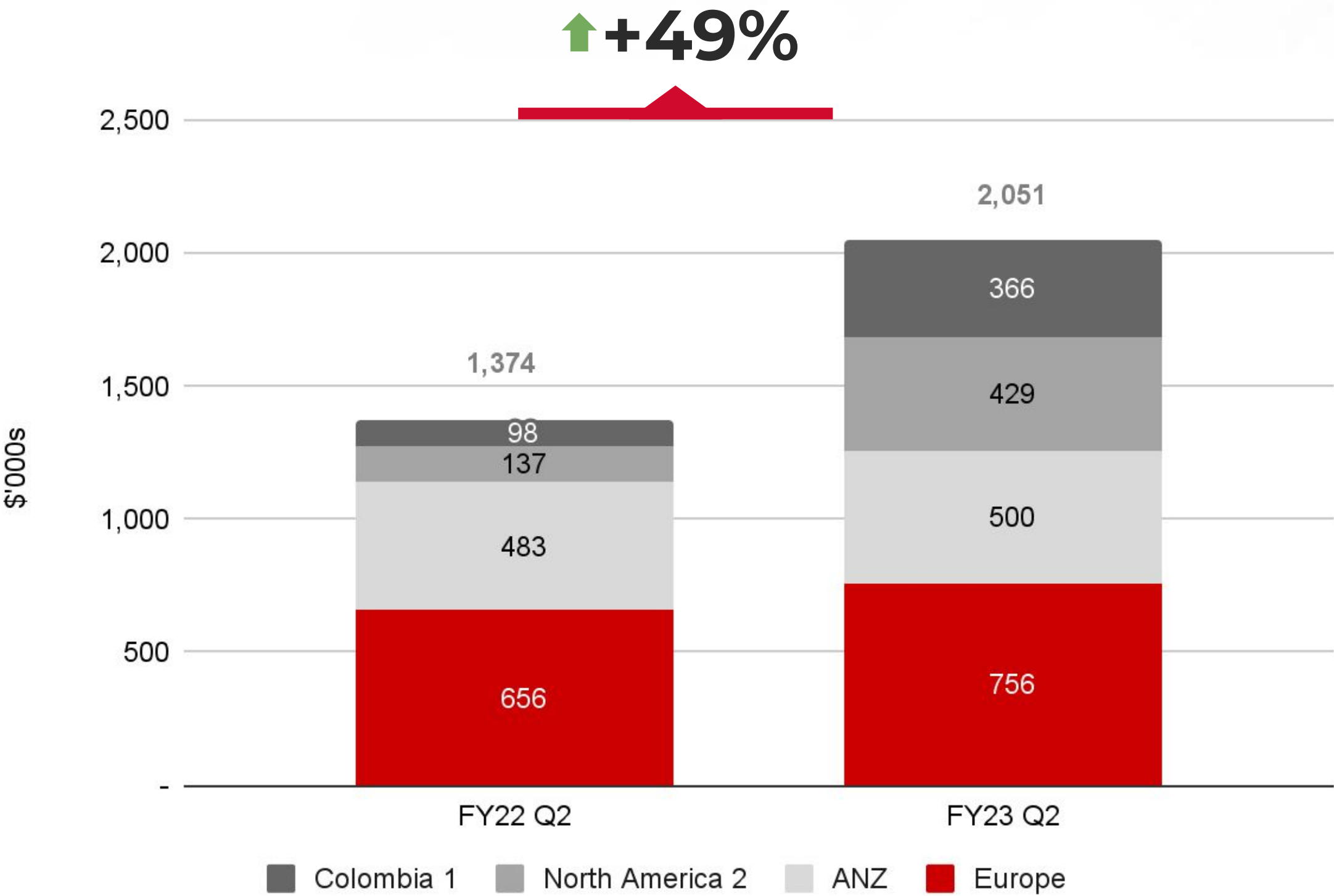
FY23, Q2 Group Highlights

GROWTH ACROSS KEY METRICS vs FY22

Key Q2 FY23 Highlights



Net Lookthrough¹ Revenue By Geography – Q2 FY23 vs Q2 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 relating to FY22 exclude BikeExchange Colombia except for those marked as lookthrough.
2. North America revenues include Kitsuma from 23 December 2021 (date of acquisition). Revenues for Q2FY23 include the addition of Kitsuma bike delivery services which were paused in November 2022.



Industry & Market Developments

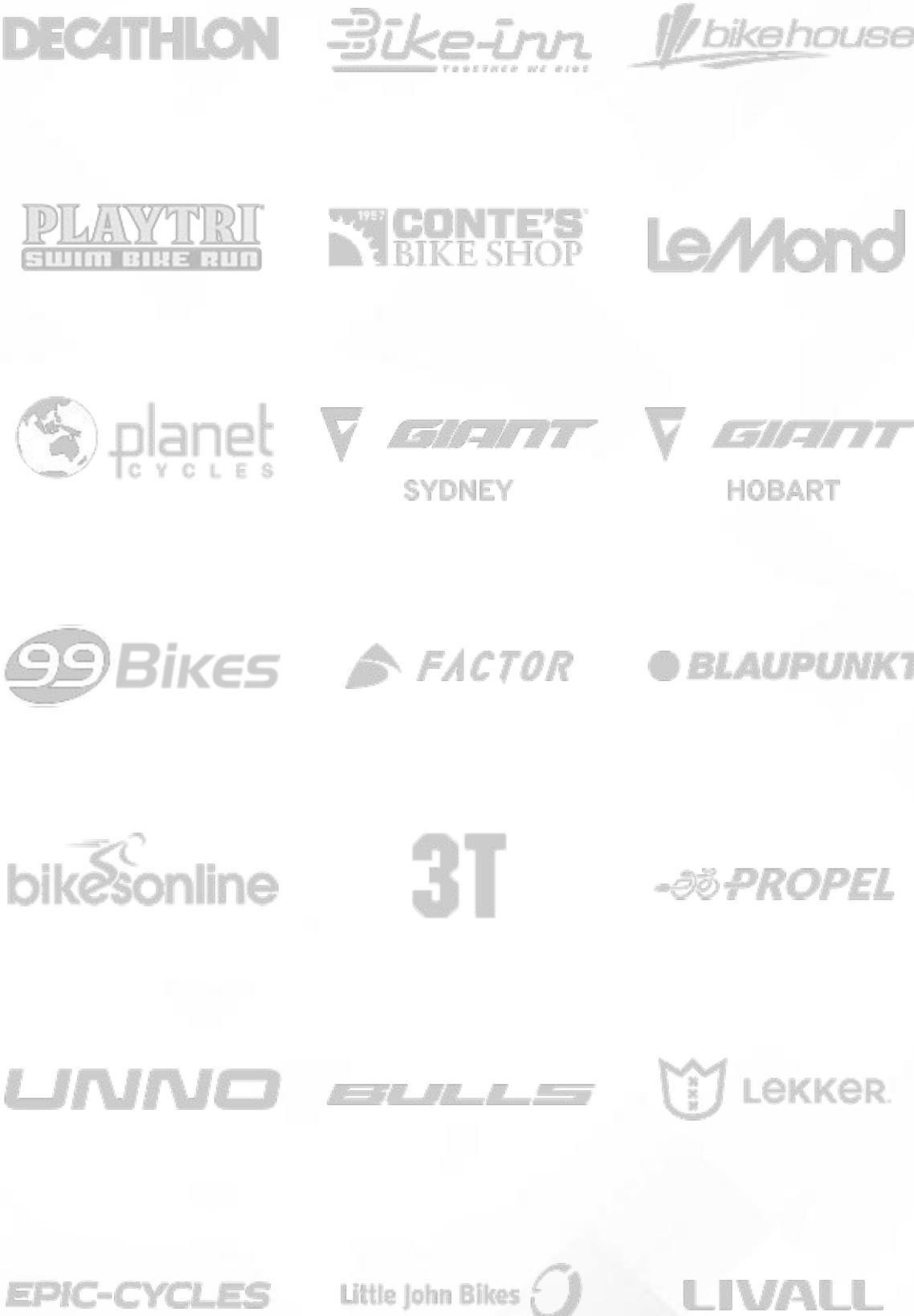
As Inventories Ramp-up, BEX is helping Sellers Looking for Channels to Market

FROM: SELLERS MARKET

TO: BUYERS MARKET

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

RECENT WINS



The BEX platform creates value in both market environments

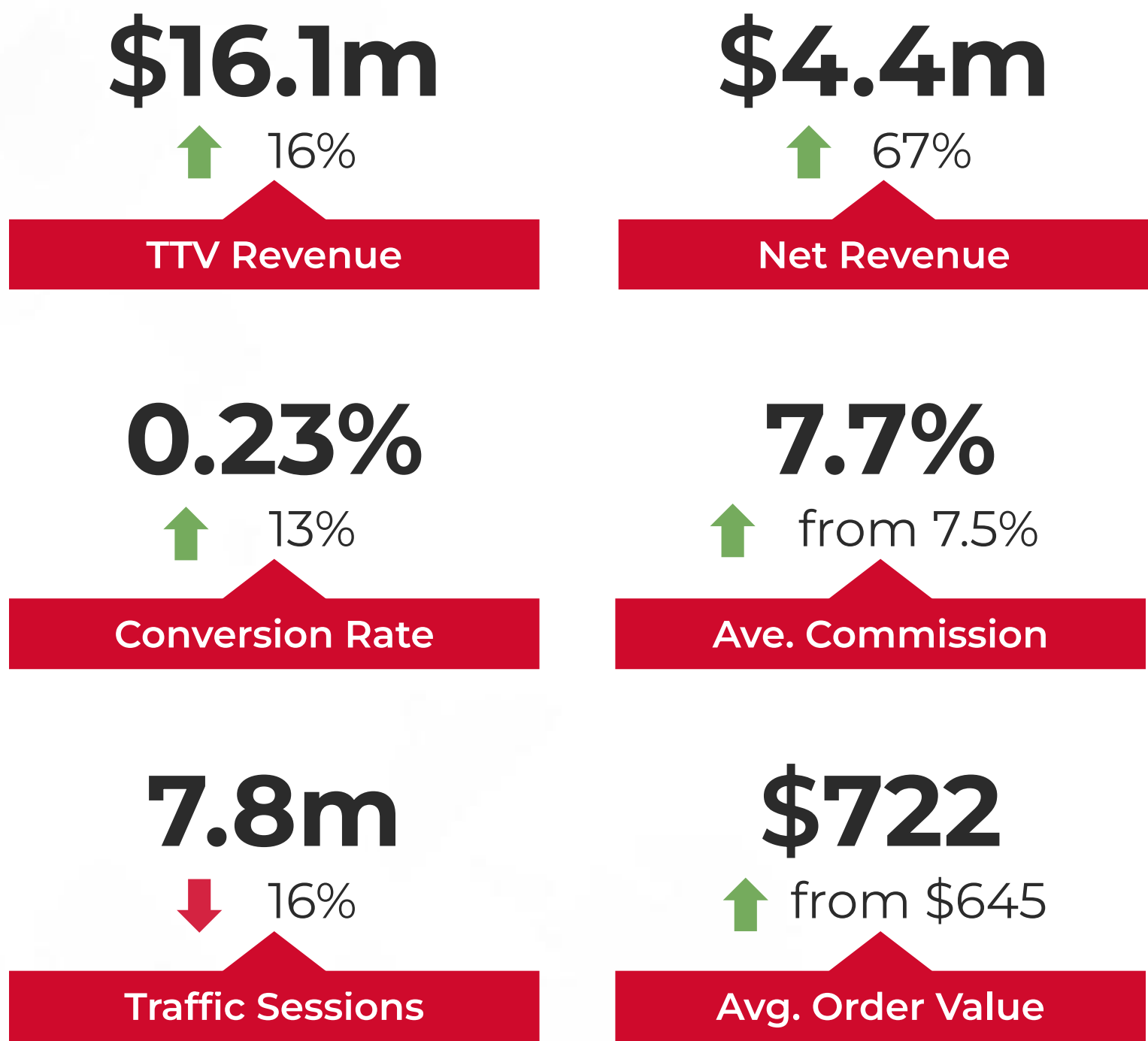
BEX is well positioned to support Brands, Distributors and Retail Sellers looking for channel to market



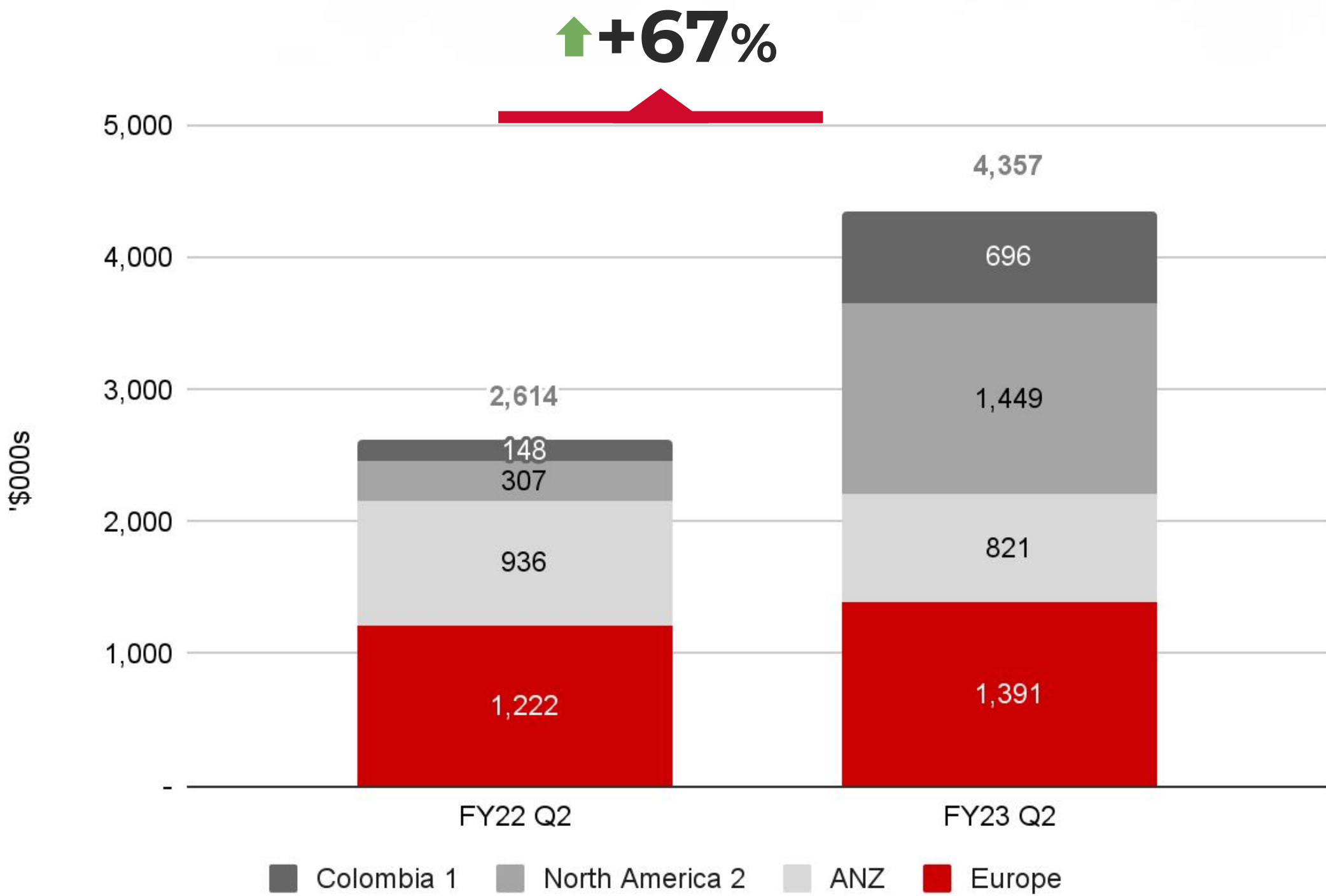
FY23, HY1 Group Highlights

GROWTH ACROSS KEY METRICS vs FY22

Key HY1 FY23 Highlights



Net Lookthrough¹ Revenue By Geography – HY1 FY23 vs HY1 FY22



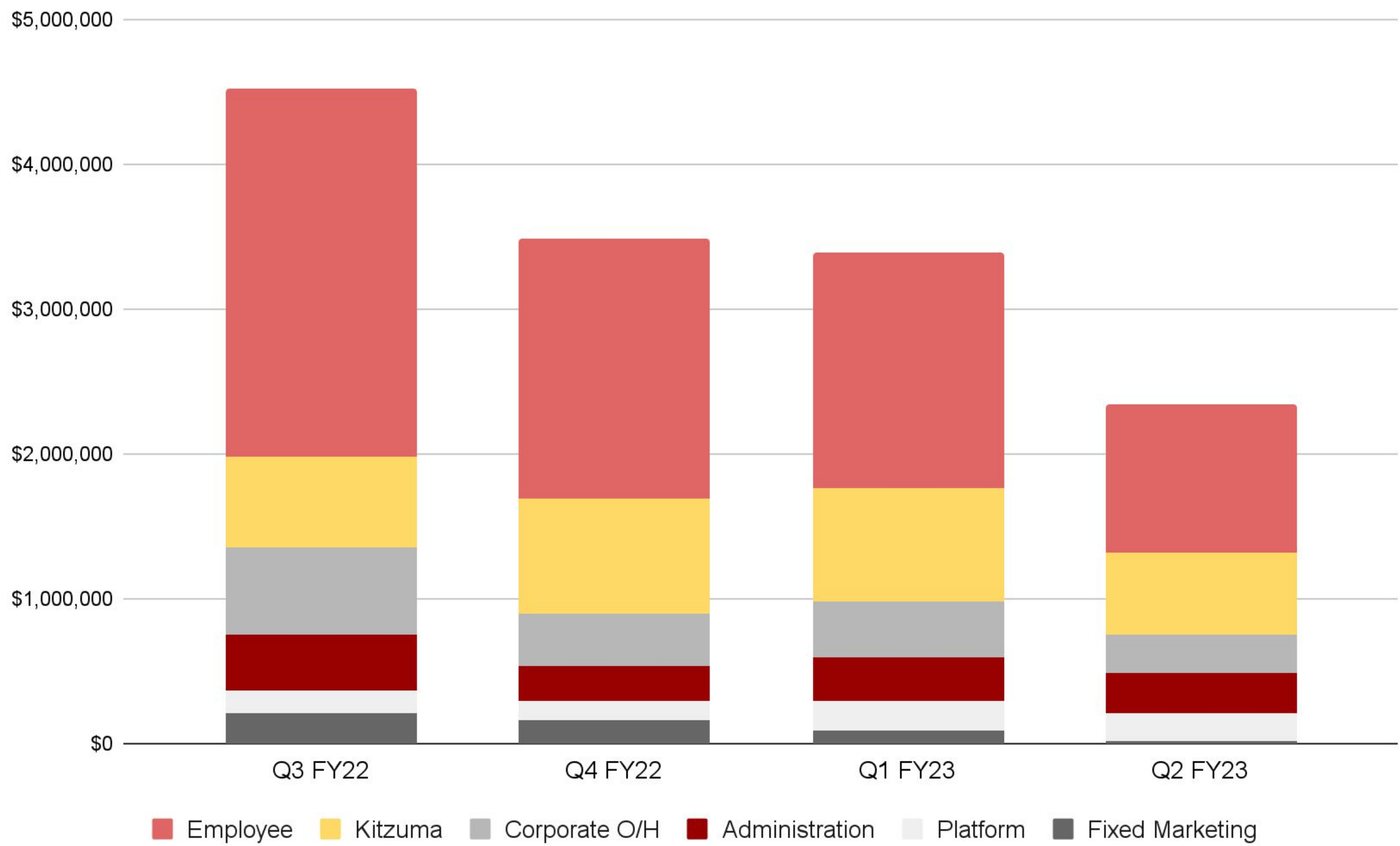
1. Lookthrough Total Transaction Value (TTV) and Revenue includes 50% of BikeExchange Colombia's TTV up to 2 March 2022, and 100% from then on (post acquisition). All metrics relating to FY22 exclude BikeExchange Colombia except for those marked as lookthrough.
2. North America revenues include Kitsuma from 23 December 2021 (date of acquisition). Revenues for Q2FY23 include the addition of Kitsuma bike delivery services which were paused in November 2022.



Cost Base Reductions & Growth Opportunity

DRIVING AN IMPROVED OPERATING RESULT

A Consistent Reduction of Cost Base³



Combined with Solid Growth Fundamentals

With supply chain improvements resulting in excess inventory at brands, distributors and retail, as well as an improved offering for sellers and buyers, BEX is in a strong position to grow in H2 FY23.

Coupled with ongoing cost base reductions from the centralisation and consolidation of skills and realisation of cost synergies, further improvements expected in H2 FY23 will be driven by:

- New brand, distributor and retail seller opportunities following the easing of industry-wide supply chain issues
- Conversion uplift driven by new storefront launch and other technology stack improvements
- Improved inventory assortment and investment in buyer services increasing conversion on-page and driving transactional revenues
- Increased revenues from BEX’s largest regions during the Northern Hemisphere’s bike season

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



FY23 Outlook: From Growth Focus to Pathway to Profit

5 Strategic Pillars Towards BEX Profitability



Driving Conversion Through Technology

AN ENHANCED EXPERIENCE FOR BUYER AND SELLER

In H2, FY23 BikeExchange will launch its new consumer storefront platform, significantly improving the buying and selling experience for consumers and retailers.

Partnering with commercetools and implementation partner Overdose, BEX will upgrade its technology stack to a best-in-class, composable commerce architecture, enhancing the experience for its users including search, content, payments, AI driven recommendations and personalisation.

Importantly this new experience will deliver us:

- Modern, extendible customer experiences for buyers and sellers
- Best-in-class MACH (Microservices, API_first, Cloud-native, Headless) technology architecture
- AI and machine learning across all key touch points to drive increased conversion
- Highly scalable cloud architecture that reduces our total cost of ownership
- Ability to scale into new markets and adapt to new business models
- Increased capabilities to manage our technology internally

Technology Partners

MARKETPLACER

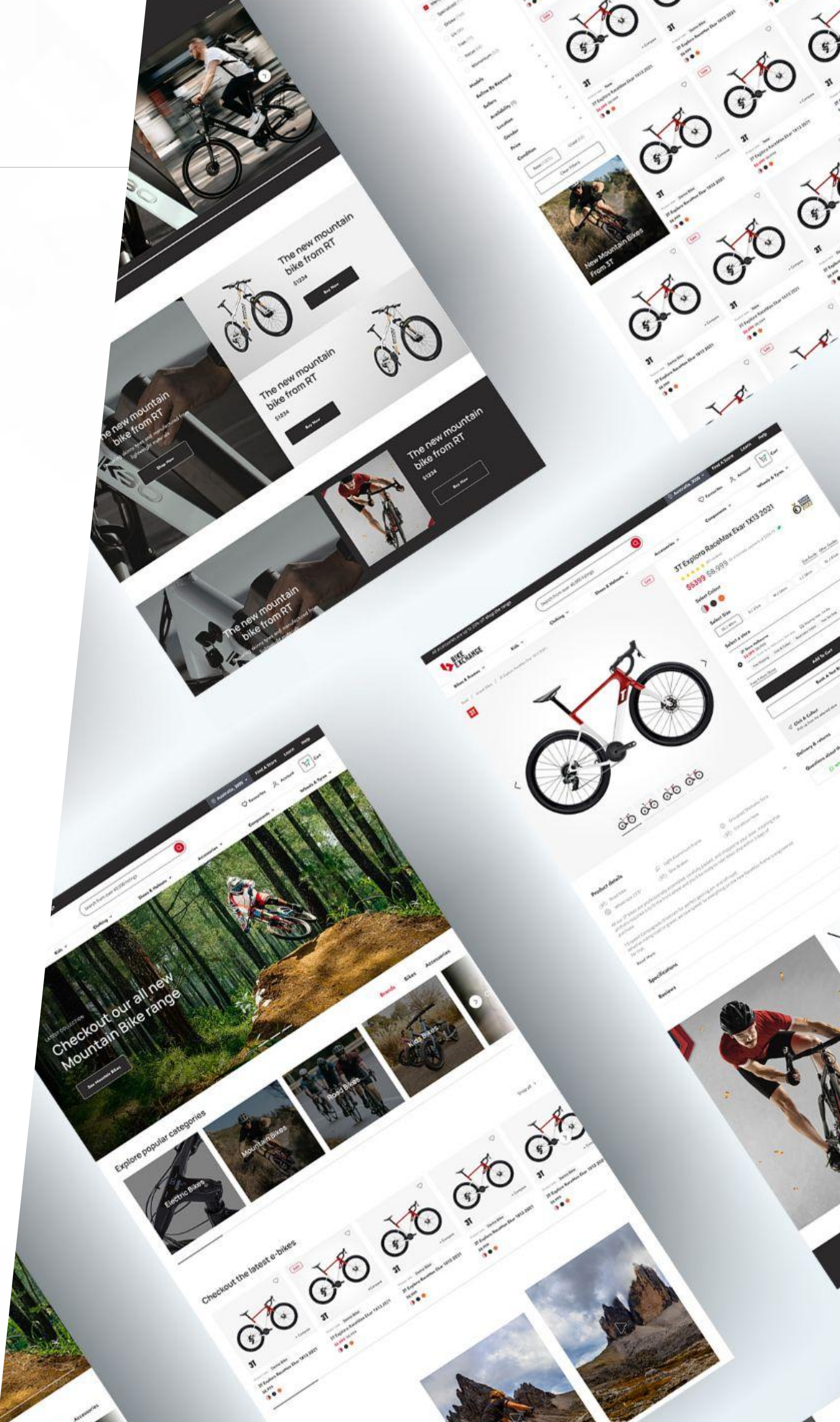
commercetools

algolia

contentful

powered by aws

Vercel



For personal use only

BIKEEXCHANGE (ASX: BEX)

BEX Capital Plan



Capital Plan

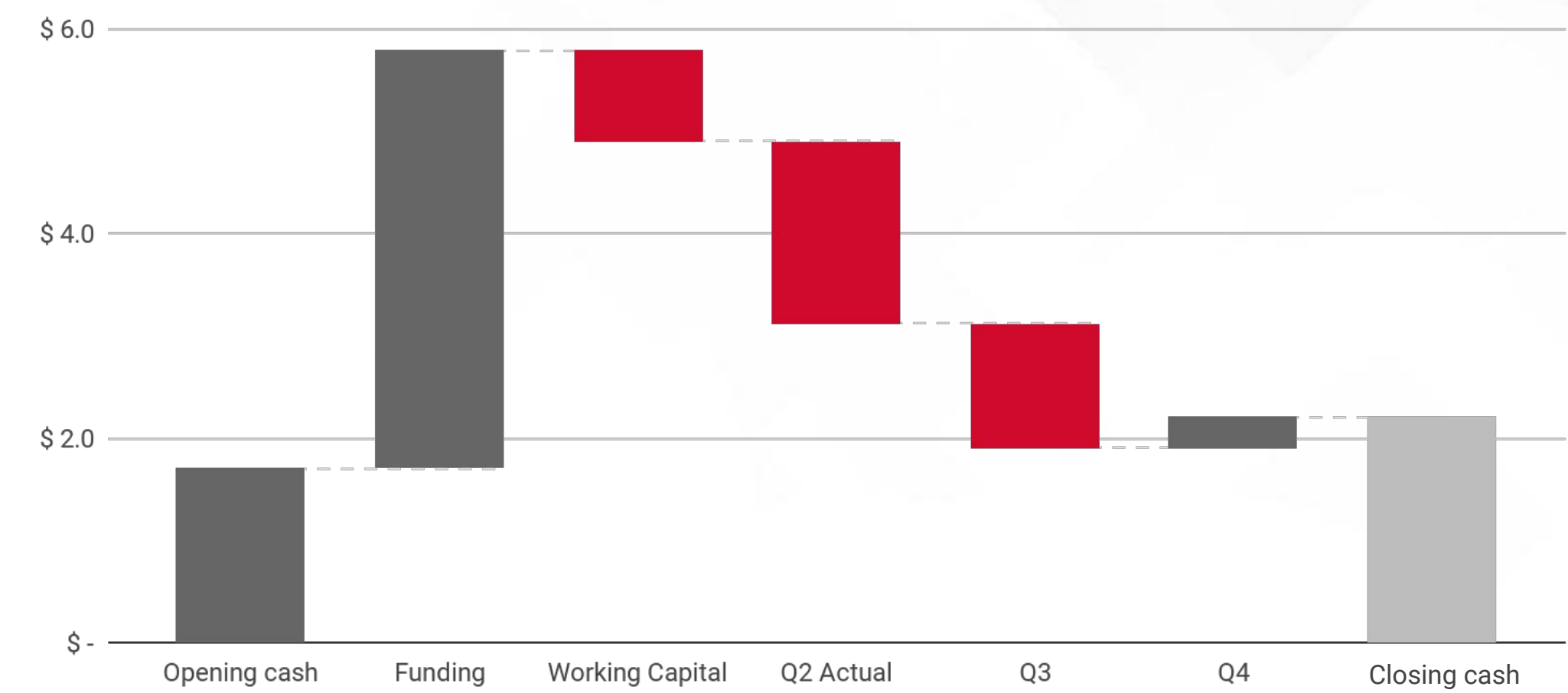
1 BEX capital plan

- BEX has raised an additional \$4.4m (\$4.1m after costs) in the December quarter as part of the broader capital plan to recapitalise the business to fund the restructure and the ongoing operations. BEX has shareholder approval to place the remaining SPP shortfall of ~\$1.5M by March 2023
- The group cash flow position is impacted by seasonal sales variations but expected to improve progressively throughout FY23 following recent cost reductions, synergy achieved thru automation and centralization & reduced cash burn from Kitzuma. The business is expected to reach a positive cash flow state in H2 FY24
- An illustration of the use of funds and cash position is provided in the adjacent chart

2 Reduced burn combined with solid growth fundamentals

- BEX has implemented meaningful operating cost reductions in Q4 FY22 to Q2 FY23 as we continue to focus on operational efficiency and ecommerce profitability
- Additional cash burn savings via Kitzuma bike delivery pause prior to heading into the Northern Hemisphere peak period of spring and summer 2023
- Easing of industry-wide supply chain issues resulting in more inventory on BEX's platform and increasing opportunities with brand, distributor and retail sellers.
- Positive cash flows are expected in Q4, driven by eCommerce TTV as the Northern Hemisphere enters its peak season

Illustrative Cash Position FY23



3 Improved site conversion via investment in IP

- In Q4, BEX will launch its new consumer front-end and seller integration solution, part of a wider Composable Technology Roadmap
- This investment will not only improve the user experience for sellers and buyers, but is expected to drive a material uplift in eCommerce conversion rates through best in class, search, merchandising and ecommerce engine performance as well as AI driven recommendations, personalisation and content





Disclaimer

Important notice

The material in this presentation has been prepared by BikeExchange Limited (ASX: BEX) ABN 24 625 305 240 ("BikeExchange or the Company") and is general background information about BikeExchange's activities current as at the date of this presentation. The information is given in summary form and does not purport to be complete in every aspect.

No representation or warranty, express or implied, is made as to the accuracy, completeness, reliability or fairness of the information, opinions and conclusions contained in this presentation. Any information in this presentation is made only at the date of this presentation, and opinions expressed reflect the Company's position at the date of this presentation, and are subject to change. The Company is under no obligation to update this presentation. Neither the Company, its related bodies corporate, shareholders or affiliates, nor any of their officers, directors, employees, affiliates, agents, contractors, advisers or any other associated persons (collectively, "Associated Persons") represents or warrants in any way, express or implied, that the information, opinions, conclusions or other information contained in this presentation, any of which may change without notice, is fair, accurate, complete, reliable, up to date or correct. The Company does not represent or warrant that this presentation is complete or that it contains all material information about the Company or which a prospective investor or purchaser may require in evaluating a possible investment in the Company or an acquisition or other dealing in the Company's shares. To the maximum extent permitted by law, the Company and its Associated Persons each expressly disclaims and excludes all direct, indirect, consequential or contingent loss, damage or liability (including, without limitation, any liability arising from fault or negligence) that may arise from, or is connected to, this presentation, or the use of this presentation, or any other written or oral information provided by or on behalf of the Company.

In particular you are cautioned not to place undue reliance on any forward looking statements regarding our belief, intent or expectations with respect to BikeExchange's businesses, market conditions and/or results of operations, as although due care has been used in the preparation of such statements, actual results may vary in a material manner. Information in this presentation, including forecast financial information, should not be considered advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities in the Company. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice.

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.

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

Not financial product advice

This presentation is for information purposes only and it is not financial product nor investment advice (nor tax, accounting or legal advice) nor a recommendation to acquire shares and has been prepared without taking into account the objectives, financial situation or needs of recipients of this presentation. It is not intended that it be relied upon as advice to investors or potential investors, who should make their own enquiries and investigations regarding an investment in the Company and in relation to all information in this presentation (including but not limited to the assumptions, uncertainties and contingencies which may affect the future operations of the Company and the value and the impact that different future outcomes may have on the Company) and before making any investment decisions, should consider the appropriateness of the information having regard to their specific investment objectives, financial situation or particular needs and should seek independent professional advice appropriate to their jurisdiction before making an investment decision. Neither this presentation nor anything contained in it forms the basis of any contract or commitment and no agreement to subscribe for securities will be entered into on the basis of this presentation. The Company is not licensed to provide, and this presentation does not constitute the provision of, investment or financial product advice in respect of the Company's shares. Cooling off rights do not apply to the acquisition of the Company's shares.

An investment in the Company's shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment.



Basis of preparation

Basis of preparation

The information contained in this presentation is based on the historical financial information (BEX Financial Information) for the BikeExchange Group and should be read in conjunction with the BikeExchange Ltd FY22 Annual Report. 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 6 month financial periods ending 31 December 2022 (Q2 FY23 and H1 FY23 respectively), and 31 December 2021 as a comparative (Q2 FY22 and H1 FY22 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 consolidated results of BikeExchange Limited and the BikeExchange Holdings Pty Ltd Group for H1 FY23 and Q2 FY23 as well as comparatives for H1 FY22 and Q2FY22.

Non-IFRS financial information

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

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



For personal use only

THANK YOU

BikeExchange Limited
investorrelations@bikeexchange.com.au | bikeexchange.com.au | Level 5, 126 Phillip Street, Sydney NSW 2000
AU | BE | CA | CO | DE | NZ | US | Cycling Emporium | Kitzuma

