



WHERE THE WORLD RIDES™

BIKEEXCHANGE (ASX: BEX)

**QUARTERLY BUSINESS
UPDATE**

October 2021



Disclaimer

IMPORTANT NOTICE

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The financial information should be read in conjunction with the basis of preparation set out in the Appendix on page 11.

Forward-looking statements

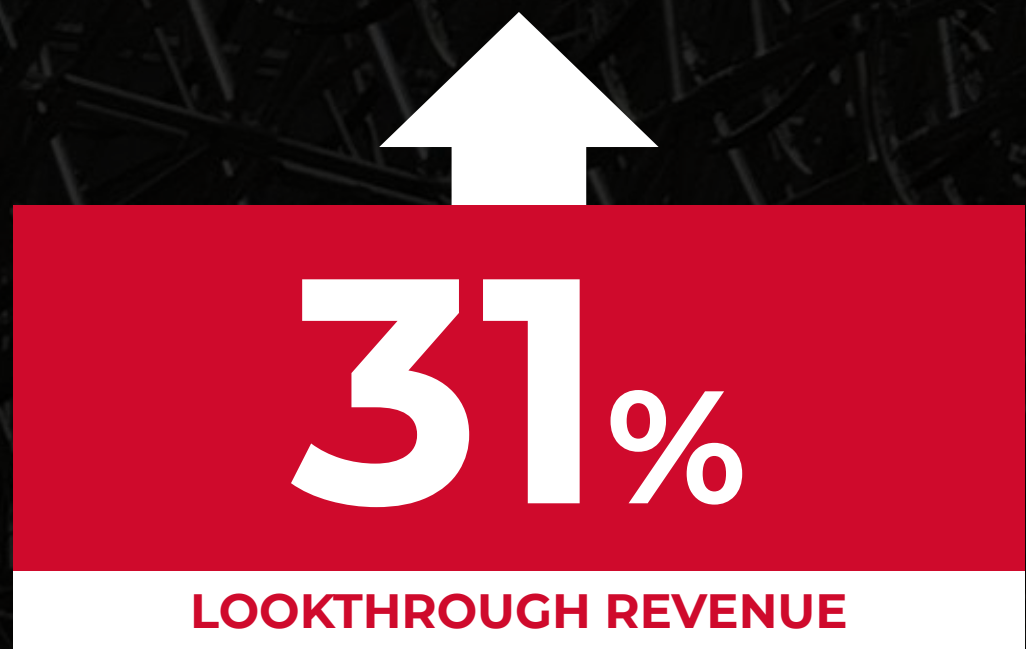
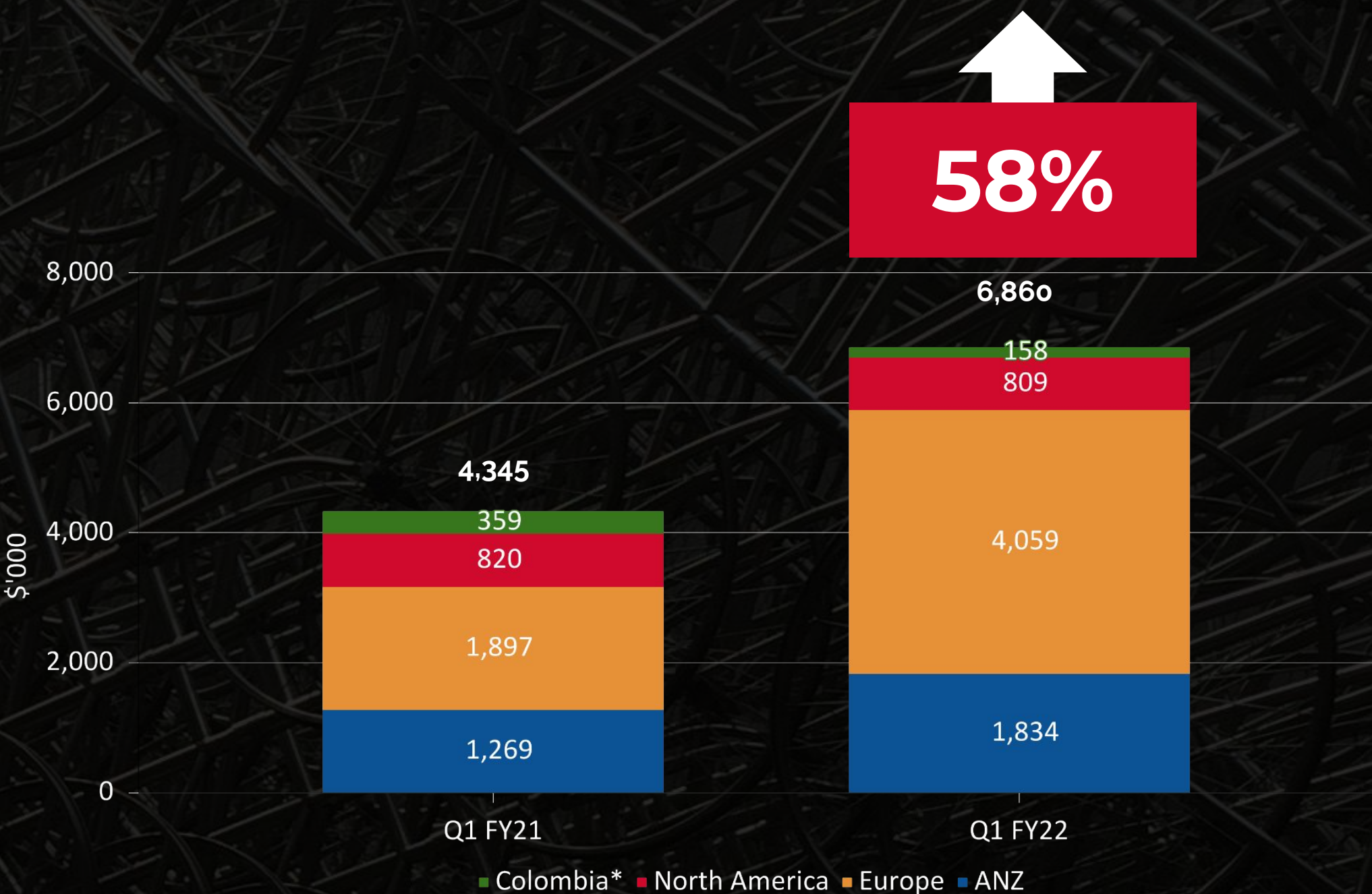
This presentation may contain forward-looking statements which are statements that may be identified by words such as "may", "will", "would", "could", "expects", "intends", "anticipates", and other similar words that involve risks and uncertainties. These statements are based on an assessment of present 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.

BikeExchange overview

WORLD'S LEADING BICYCLE MARKETPLACE

- **BikeExchange** is one of the world's largest online cycling marketplaces.
- Operations across 8 countries in 4 hubs - ANZ, North America, Europe (Germany, Belgium and Netherlands), Latin America (Colombia) with over 80 employees.
- Enabling our network of brands, retailers and distributors to connect via single destination marketplaces.
- Significant transformation underway with a number of new executive hires and organisational restructure whilst delivering a solid financial results.
- Strategic shift to focus on e-Commerce first strategy, reflected across gross transactions and volume growth and revenue contributions.

LOOKTHROUGH TOTAL TRANSACTION VALUE²
BY GEOGRAPHY – Q1 FY22



1. All countries are 100% owned except for Colombia* (50% Joint Venture). 2. Lookthrough Total Transaction Value and Revenue includes 50% of the Colombian Joint Venture's TTV. All metrics above are for Q1 FY22 vs pcp (active accounts 30 September 2021 vs 30 June 2021) and exclude the Colombian Joint Venture except for Active Accounts or those marked as lookthrough. See page 11 for metric definitions.

A leading competitive position

The cycling category is experiencing a once in a generation revolution

- Global cycling market worth over \$80bn.
- 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.
- 5.8m⁺ Australian Adults (29% of adults between 18 & 90) spent money on cycling in 2020.

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

- BEX has the first mover advantage, built over a decade. 1,654 active accounts* and growing, in a four region market worth over \$15bn.
- An established presence with a 28 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.
- Strong scalable technology foundation already in place.

Diversified business with significant growth potential

- e-Commerce enabled marketplace model with diverse revenue model, and significant room to extend.
- Strong growth metrics established to date with limited capital deployment showing strength of our model.
- Focus on key areas of Sellers, Stock and Transactions with consistency will see accelerated scaling and robust growth across all regions.

* Active Accounts as at 30 Sept 2021. Audience reflects annual traffic sessions for the FY21 year. Refer to basis of preparation of page 11 for metric definitions.

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

Q1 FY22 - Delivering on our strategic priorities

Organisational Structure Aligned With Strategic Focus Areas



Enabling More Sellers

Scalable Technology Operations

Growing on site e-Commerce Transactions

- e-Commerce first growth strategy
- Focus and structure around more sellers, stock & e-Commerce transactions with Executive Team Structure reflecting this. Cross Geography Teams set up.
- New Chief Customer Officer appointed - Rebecca Boxall. Responsible for Leading e-Commerce, Marketing & Customer Service. Commencing in December 2021.
- New Regional Lead for North America, Derek Colfer commenced at start of August. Sam Salter Chief Sales & Partnerships Officer Commenced in July.

- Led by Chief Sales & Partnerships Officer - Sam Salter.
- Focus on brands, retailers and direct to consumer sellers.
- Europe continued to add seller accounts and upsell existing sellers with 57% growth in revenue vs PCP.
- Australia recorded good seller account growth with 30% growth in revenue vs PCP.
- Fresh account acquisition strategy rolled out in North America with a revitalised Sales Team.

- Led by Global Head of Technology Operations - Ryan McMillan,
- Good progress with integrations and e-Commerce enablement in the quarter with retailers seeing the benefits of both.
- Hubspot B2B CRM platform rolled out globally to manage acquisition cycle through to seller success / organic growth.
- Scoping phase of frontend, headless solution, for platform advanced. Expect Q2 start of build.
- Scoping underway of revitalised integrations and connections panel for live inventory feed with sellers.

- Led by newly appointed Chief Customer Officer - Rebecca Boxall.
- Maximising onsite transactions and maximising customer conversion of existing enquiries.
- Australia saw record e-Commerce gross transaction value for Q1 up 57% on pcp. Increased bike transactions vs P&A.
- Europe continued to see strong demand for bikes navigating supply chain issues well.
- SEO programme rolled out globally following success in Australia. 85% of targeted keywords have improved search rankings in ANZ to date.

Progressing Strategic M&A Activities

BIKEEXCHANGE COLUMBIA ACQUISITION

- The Group has signed a non-binding Indicative offer to acquire the remaining 50% of BikeExchange Colombia S.A.S (BECOL).
- BECOL has operated as a Joint Venture for the four years since inception. The acquisition will see the entity 100% owned by BikeExchange Limited.
- The acquisition also includes four retail store presences which have been developed in Colombia. These are seen as important touchpoints for the brand and industry relationships and the customer experience we are developing.
- The acquisition price is approximately \$1.2m and is expected to complete in Q2 FY22.
- Sets the foundation to fully develop the strategic partnership announced earlier in the year with Auteco - the leading distributor of bikes and electric vehicles in Colombia.
- The strategic partnership aims to leverage both the Colombian market but also expand into the other LatAm regions including Mexico and Chile which the Group expects to progress in H2 FY22.

OTHER M&A ACTIVITIES

- The group has been active in strategic M&A discussions through Q1 with a number of advanced conversations ongoing. Anticipate a further announcement in Q2.



Key Metrics e-Commerce – Q1 FY22 (3 months)

↑ 202%
on PCP

E-commerce Revenue

9,112
↑ 23%

E-commerce Transactions

\$652
↑ 47%

Av. Order Value

7.2%
↑ from 4.3%

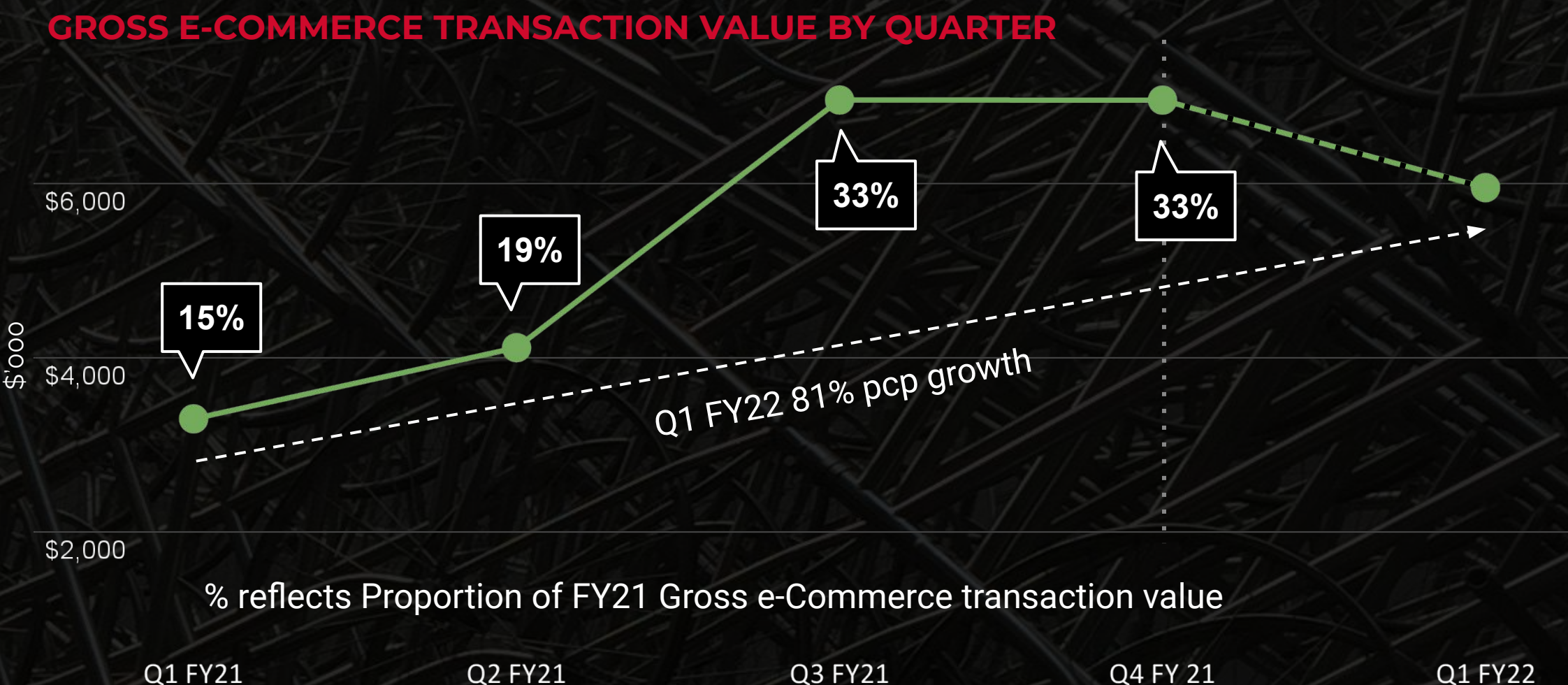
Av. Commission Rate

0.17%
↑ from 0.12%

Traffic conversion

↑ 24%
on PCP

Av. Unique Monthly Sellers



- On a lookthrough basis, e-Commerce revenue was up 164%, in a seasonally slower quarter for e-Commerce transaction value.
- Traffic conversion rates improved to 0.17% in Q1 reflecting improved traffic quality and benefit from conversion initiatives.
- e-Commerce transaction volumes for Q1 were the highest in 5 quarters at 9,112 reflecting the strength of the customer value proposition. This was achieved despite continued retailer and brand stock issues in the quarter due to COVID related supply issues, which the business has navigated well across markets.
- 24% increase on pcp in the Average Unique Monthly Sellers reflects the e-Commerce first strategy and the broadening retailer base.

* All metrics for the 3 month period to 30 September 2021 vs the comparable period in FY21 and unless otherwise stated exclude the Colombian Joint Venture. Refer to basis of preparation of page 11 for metric definitions.

Key Retail Account Metrics – Q1 FY22 (3 months)

↑ 12%
on Q1 FY21

Subscription Revenue*

↑ 6%
on Q4 FY21

Subscription Revenue*

\$854
↓ 2%

ARPA

1,654
↑ 4% Over Q4

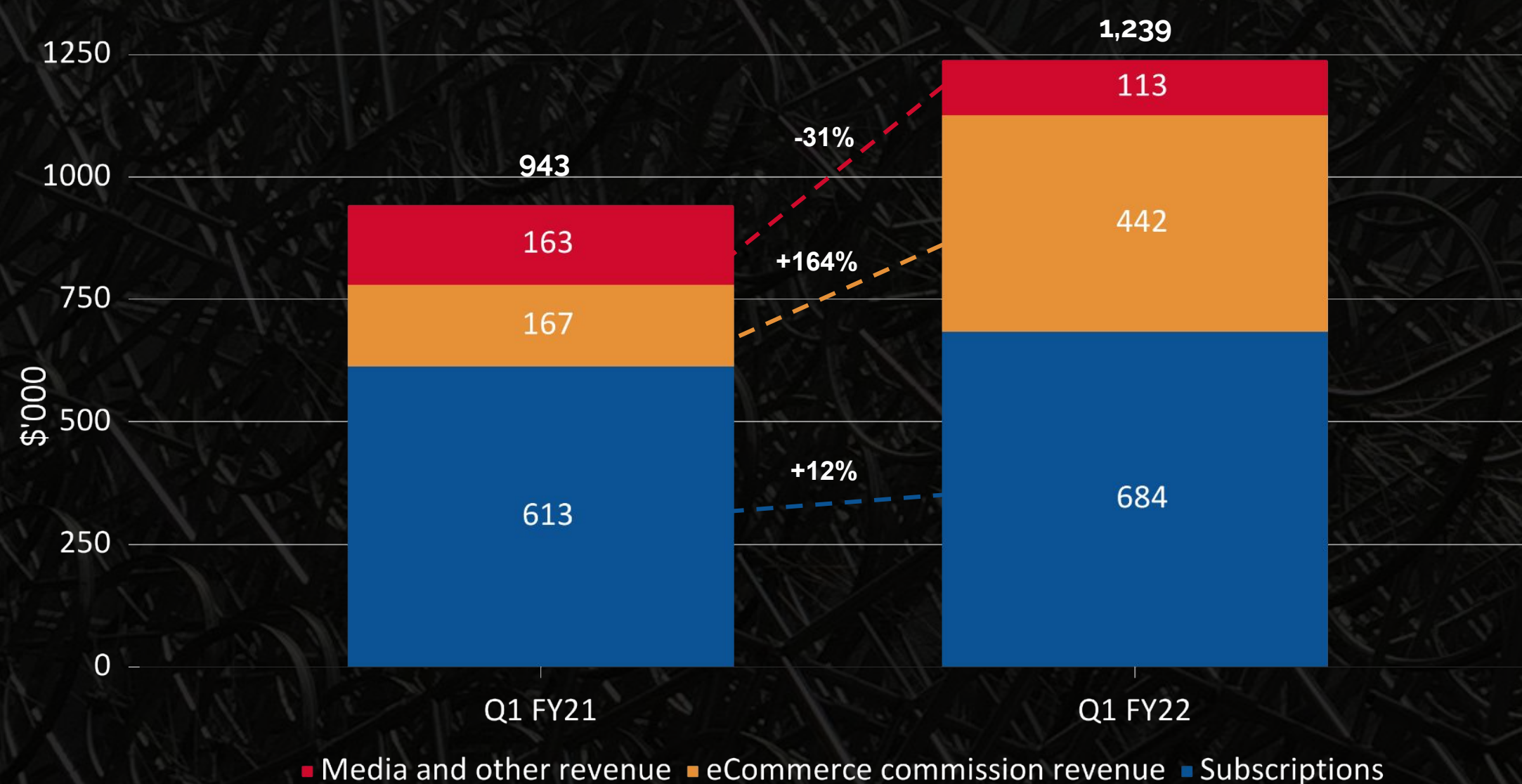
Active Retail Accounts*

- Lookthrough subscription revenue was \$684k in the quarter, up on both Q1 and Q4 FY21.
- Active Retail Accounts increased 4% in the quarter including increases in subscriber numbers and direct to consumer e-Commerce retailers.
- ARPA was maintained with higher yielding brandstores and premium retailers driving growth, alongside good retailer sign ups in Europe and ANZ on e-Commerce enabled packages.
- Enquiry value was ~\$370m in the Quarter, a slight decline on FY21 quarterly average which reflects improvement in e-Commerce conversion rates and onsite customer experience.

* All metrics for the 3 month period to 30 September 2021 vs the comparable period in FY21 and unless otherwise stated by a * (active retail accounts and subscription revenues) exclude the Colombian Joint Venture. Refer to basis of preparation of page 11 for metric definitions. Active Retail Accounts are counted as at 30 September 2021 and are up 4% vs 30 June 2021.

TTV and revenue performance – Q1 FY22 (3 Months)

LOOKTHROUGH REVENUE BY CATEGORY



COMMENTARY

- Lookthrough TTV growth of 58% on pcp was solid given the comparative period was significantly impacted by the initial COVID lockdowns. Excluding Colombia, reported TTV was up 68% on pcp. Q1 is seasonally a lower e-Commerce quarter for the Group.
- Lookthrough e-Commerce commission revenues up 164% on pcp from continued improvements in AOV and commission rates.
- Lookthrough subscription revenues increased 12% on pcp and 6% on Q4 FY21 reflecting increased retail subscriber numbers signed up in the quarter and maintained ARPA from package upsells.
- Lookthrough Media and Other Services revenues decreased by 30% on pcp. This reflects a lower contribution from BikeExchange COL compared to Q1 FY21 due to some phasing of contract delivery.
- ANZ grew activity and revenue levels 30% on pcp reflecting growth across all revenue categories, in particular delivering record e-Commerce revenue in the quarter.
- EU continued to be the standout with 57% revenue growth reflecting strong demand for bikes and focus on e-Commerce first.
- NA revenue returned to growth on pcp with improving ecommerce performance. Colombia was impacted by payment technology issues from a 3rd party provider which have been addressed in Q2.

Q1 FY22 (3M) in \$ thousands	Australia and New Zealand	Europe	North America	Colombia ¹	Total
Lookthrough TTV	1,834	4,059	809	158	6,860
Growth on pcp	45%	114%	(1%)	(56%)	58%
Lookthrough Revenue	454	566	170	50	1,239
Growth on pcp	30%	57%	30%	(52%)	31%

1. Lookthrough TTV and revenue includes 50% of the Colombian Joint Venture's TTV and revenue respectively. Refer to basis of preparation on page 11.

FY22 Outlook

- Q2 FY22 trading has commenced well with e-Commerce transactions and retail account numbers showing growth on pcp in the first 3 weeks of October 2021.
- The refreshed executive team and organisation structure is delivering benefits from Q1 FY22 and is anticipated to accelerate the trends seen in FY21, with an e-Commerce first focus. Addition of the newly appointed Chief Customer Officer will create increased focus across e-Commerce, Marketing and Customer Service.
- The M&A opportunities the Group is pursuing would compliment the Group's existing business and scale across regions. The Group anticipates completing the acquisition of the remaining 50% of BikeExchange Colombia in Q2 as well as a further M&A announcement.
- Investment in the business to continue reflecting new executive team structure. We will deploy growth capital to support the e-Commerce first strategy through product/technology development and customer acquisition initiatives.
- As a result of these factors, TTV and revenue growth rates for FY22 are expected to be significantly above FY21. The Company anticipates exceeding consensus revenue expectations for FY22 of \$7.5m.



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 month financial periods ending 30 September 2021 and 30 September 2020 as a comparative (Q1 FY22 and Q1 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 Q1 FY21 and the consolidated results of BikeExchange Limited and the BikeExchange Holdings Pty Ltd Group for Q1 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 is 50% owned.
- **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.
- **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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