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BikeExchange ASX: BEX Strong Growth In FY21 Across All Key Metrics

27th August, 2021

Melbourne, Australia - BikeExchange Limited (ASX: BEX) ('BikeExchange'), a leading global operator of online cycling marketplaces enabling brands, retailers and distributors to connect via single destination marketplaces, today announced its financial results for the full year ending 30 June 2021.

HIGHLIGHTS

- Strong growth FY21 on FY20 across all key metrics:
 - 93% increase in lookthrough¹ total transaction value (TTV).
 - 26% increase in Full Year lookthrough¹ revenue to \$4.9 million.
 - 60% increase in transaction volumes with greater mix of bikes vs accessories.
 - Traffic sessions² of 28+ million for the full year, up 29% on pcp and annual sales enquiry value² of over 1.6 billion delivered to retailers.
 - e-Commerce commission lookthrough revenue is up 276% on FY20.
- Europe continues to be the strongest performer, with FY21 lookthrough revenue growth of 104% on pcp, to \$2.31 million in the region.
- Well-capitalised for growth with a cash and equivalents balance of \$15.9 million as at 30 June 2021.

- To facilitate accelerated growth in FY22 a number of key **Executives have been appointed**, including a Chief Sales & Partnerships Officer, a Global Head of Technology Operations, a Regional Lead for North America. In addition a Chief Customer / e-Commerce Officer appointment is expected in Q2 FY22.
- Implementing e-Commerce first strategy which focuses on increasing retailer sales, increasing on-site transactions and developing scalable technology operations.
- A refreshed executive team and organisational structure is starting to deliver benefits in Q1 FY22 and accelerate the trends seen in FY21.
- Australia and New Zealand are on track for a record e-commerce transaction value in August, despite ongoing lockdowns.
- Q1 FY22 e-Commerce transactions and retail account numbers are showing robust growth on pcp. The Group expects FY22 growth rates to be significantly above FY21

The financial information included in this report represents lookthrough information comprising the BEX Group and 50% of the Colombian Joint Venture. The Directors believe this information better represents the aggregated activity and results on the platform.

Commenting on the performance, Global CEO Mark Watkin said:

"BikeExchange is continuing to grow, at pace, with positive increases in all key metrics in FY21. In addition to underlying organic growth, the business is benefiting from the targeted shift to e-Commerce, which has accelerated globally.

"We continue to attract consumers to our websites globally, with traffic up by 29% to over 28 million sessions for the year.

"Annually, we saw a 93% increase in total transaction value and a 26% increase in lookthrough revenue. e-Commerce transaction revenue, which is the largest contributor to Group revenue, increased by 60%. The Average Order Value (AOV) was up 46% to \$636 as consumers become more confident purchasing bikes online.

"Enquiry lead volumes, totalled over \$1.6 billion for the year, and continue to present significant onsite e-Commerce conversion opportunities."

Mark Watkin added: "Following our successful IPO in February this year, we have started to make significant investment into the business using the capital raised. We are adding experienced executive capability to our team to drive our next leg of growth.

In the last quarter of FY21, we appointed three new senior executives, all of which have commenced in Q1 FY22, with a further executive expected to be appointed in Q2. These roles are focused on delivering our e-Commerce first strategy through retailer sales acquisition, on site transactions and scalable technology operations. We also appointed new regional management in North America to help drive further growth in that market. The hires and structural changes ensure we are well placed for FY22, helping us realise our purpose of making it easy for customers to buy and sell all things bike."

FY21 FINANCIAL PERFORMANCE - REVENUE & TTV

1. Revenue by geography

Bike demand remains strongest in Europe

BikeExchange saw progress across all four of its geographic hubs - ANZ, North America, Europe (Germany, Belgium and Netherlands), and Latin America (Colombia). Europe saw the strongest growth, with FY21 lookthrough revenue growth of 104% on pcp, to \$2.31m. The result was driven by higher e-Commerce transaction volumes reflecting continued demand for bikes in the region.

2. Revenue by category

e-Commerce growth continues

Lookthrough e-Commerce commission revenue was up 276% for FY21 on FY20, as the company successfully executed its e-Commerce first strategy. e-Commerce commission revenues now account for 46% of Group revenues, the largest single revenue contributor.

Average commission rates increased from 5.0% to 8.2% over the year, reflecting improvements in retailer mix and improved operational processes. Average order value for FY21 was also up 46% on pcp, reflecting the strong growth in order volumes in Europe which has a larger proportion of higher value bike orders. Traffic and order volumes demonstrated this continuing growth, with traffic sessions increasing 29% overall on pcp.

Subscription revenues

Overall, Group annual subscription revenues decreased 12%. This was principally due to the strategic rationalisation of low-value retailer accounts in North America. Q4 FY21, Group annual subscription revenue grew 9% on pcp and was 5% higher than Q3 FY21. This growth towards the end of the year was supported by improvements in underlying Active Retail Accounts, which increased 10% on 31 December 2021, and 5% growth in Average Revenue Per Account over FY21. As a result of these factors, growth rates for FY22 are expected to continue a trend of growth, outperforming FY21 principally.

Media and other services revenues

Lookthrough Media and Other Services revenues showed positive growth, increasing over the course of the financial year by a total of 7%.

3. Underlying earnings and cashflow

The Group recorded an EBITDA loss of \$5.96m excluding one-off IPO costs, compared to a loss of \$1.54m in FY20. This reflected the investment in brand and customer acquisition marketing, product development and technology, executives and other resources made during the period to continue to scale the business. Including IPO costs, the EBITDA loss was \$10.63m.

As at 30 June 2021 the Group had net cash of \$15.9m. In the next 12 months, the Group will invest further in senior leadership, tech capability and the technology platform to drive sales and growth.

STRATEGIC INITIATIVES

BikeExchange continues to be one of the world's largest online cycling marketplaces with significant growth initiatives underway, including several new executive hires and organisational restructuring.

Our strategy focuses on three key pillars:

- Grow business seller accounts and subscriptions, with an increased focus with brands
- A Customer and e-Commerce first growth strategy, to maximise on site transactions and converting the significant sales lead volumes received by the business
- Scalable Technology to enable sellers seamlessly

To facilitate accelerated growth in each of these areas, since the start of FY22 the following appointments have been announced:

- Sam Salter appointed to **Chief Sales & Partnerships Officer** Co Founder of BikeExchange and previously Sales Lead at Marketplacer.
- Ryan McMillan appointed **Global Head of Technology Operations** 8+ years with BikeExchange, Currently BikeExchange Europe Lead.
- Derek Colfer appointed **Regional Head of North America** -Ex Head of Digital Product & Innovation for Visa North America. Commenced in August.
- Chief Customer & e-Commerce Officer role aiming for commencement in Q2.
- Sales Team in USA bolstered to x5 with further additions to come;
- Additional Senior Sales & Management Roles added in Europe.
- Other key hires around technology, marketing and operations.

Customer and e-Commerce first growth strategy

We have re-organised our business to support growth, including shifting the operating structure from a geography focus to a global remit. This is an extension of our 'e-Commerce first' growth strategy to drive transactions, supported by scalable technology operations to enable more sellers, more on-site products, and more on-site transactions.

Grow Seller Accounts

The appointment of a Chief Sales & Partnerships Officer to spearhead global sales, together with the growth of sales team members has been a critical addition to the business. The focus is on both retailer and brandstore sellers with an e-Commerce first approach.

Recent partnerships signed over the last 12 months have provided an important platform for growing brands on our marketplace.

• The CycleSoftware partnership, which started in Q2, has continued to deliver above run rate growth in Europe with new account sign ups in the Netherlands region.

- The Group's partnership with Trek in North America continued in FY21 with slower than anticipated sign-ups due to continuing challenges with stock levels in the market being felt by retailers. It is anticipated this will pick up over the course of FY22.
- Other brand partnership discussions are underway across the regions to further scale the business.

Scalable Technology

Ensuring consumers, retail brands and other sellers have access to the best technology to facilitate purchases, is core to our strategy. We continue to invest in improving our technology capability to improve seamless operations for sellers. This includes facilitating the ability to trade with live inventory and make it easy to publish stock for sale, through integrations with POS systems.

In Q4 FY21, we commenced an SEO project to further build on our organic traffic growth. It is already showing promising results. This will be extended across the North American and European regions in FY22 to further strengthen the organic traffic for the BikeExchange sites.

Other growth initiatives

The Group is active in discussions around strategic acquisitions together with the regional expansion and approach for the BikeExchange business in Latin America.

FY22: POSITIONED FOR GROWTH

Commenting on the Group's growth to date and outlook, Mark Watkin said:

"At BikeExchange, our purpose is to fuel a passion for riding by making it easy to buy and sell all things bike. In the last year, alongside listing the business on the ASX, we have made considerable progress building our business in the various markets we operate and ensuring we have the right capabilities to take us into the next stage of growth.

"The work to attract and appoint highly capable executives has set the business up for success in FY22, with three new executive roles commencing in Q1 FY22. This will help drive our e-Commerce first strategy through retailer sales acquisition, on-site transactions and scalable technology operations to build off the foundation that is in place.

"The business is well positioned to benefit from the continued macro trends towards active modes of transport; continued growth in consumers shopping online; as well as health and wellbeing trends.

"We are not seeing any immediate material impacts from lockdowns in Australia. Our diversified business ensures we are not over exposed to any one key region. In fact, the results show that we are benefiting from continued uptake of cycling, despite the pandemic.

Q1 FY22 e-Commerce transactions and retail account numbers are showing robust growth on pcp and the Group expects FY22 growth rates to be significantly above FY21. In particular, Australia is on track to have an all time record e-Commerce transaction value this month."

Ends

INVESTOR CALL:

BikeExchange will be hosting an investor call at 10am on 27 August, 2021

To register for the Zoom Meeting please use this link: https://zoom.us/meeting/register/tJYld-uurToiE92lsW3HuKvQeNtR546-Yvl9

After registering, you will receive a confirmation email containing information about joining the meeting.

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ABOUT BIKEEXCHANGE

BikeExchange Limited (ASX: BEX) is a leading operator of global online cycling focussed marketplaces that enable a dedicated and growing global audience of consumers to connect and transact with thousands of retailers and brands. The Company was founded in Melbourne in 2007 by Sam Salter and Jason Wyatt, with the aim of bringing together the fragmented global cycling industry to trade and scale. Today, it hosts over 1500 brands, 1600+ retailers and 900,000+ products globally, with an annual audience of over 28 million consumers.

AUTHORISED BY BikeExchange Ltd Board of Directors.

APPENDIX - FY21 KEY METRICS

FY21 Full Year Metrics

FY21 in \$ thousands	ANZ	Europe	North America	Colombia	Total
Lookthrough TTV ¹	5,120	15,376	3,646	1,165	25,307
Growth on pcp	33%	165%	37%	41%	93%
Loolthrough Doverno	4 500	2.242	755	222	4.000
Lookthrough Revenue ¹	1,538	2,312	755	333	4,939
Growth on pcp	2%	104%	(24%)	19%	26%

Selected Operational Metrics	FY21	% growth on pcp
Traffic Sessions*	28,200,000	29%
Total Active Retail Accounts*	1,600	Up 10% from 31 December 2020
e-Commerce Transaction volume	33,473	60%
Average Order Value	\$636	46%
Average Commission Rate	8.2%	Up from 5.0% FY20
Enquiry Value*	Over \$1,600m	53%

¹ Lookthrough Total Transaction Value and Revenue includes 50% of the Colombian Joint Venture's TTV.

 $^{^{\}star}$ Includes BikeExchange Colombia marketplace (50% owned by the Group.)