

# **Bike Exchange Pte Ltd Group**

**Company Number: 201601772N**

**Aggregated  
Financial Statements**

**For years ended:**

**30 June 2018, 30 June 2019, 30 June 2020**

Contents	Page
Aggregated Statement of Comprehensive Income	2
Aggregated Statement of Financial Position	3
Aggregated Statement of Changes in Equity	4
Aggregated Statement of Cash Flows	5
Notes to the Aggregated Financial Statements	6
Directors' Declaration	34
Auditors' Report	35

**BikeExchange Pte Ltd Group**  
**Aggregated Statement of Profit and Loss and Other Comprehensive Income**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

		2020	2019	2018
	<u>Notes</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenue	6	3,670,792	3,940,439	3,910,697
Employee benefits expense	7	(2,961,933)	(3,618,633)	(3,318,609)
Marketing expenses		(359,399)	(855,770)	(493,796)
Other operating expenses	7	(1,923,184)	(2,449,863)	(1,866,203)
(Loss) on Disposal of Investment	7	-	(1,014,905)	(2,892,781)
Impairment of Investment/Loans in Other businesses	7	(401,857)	(603,007)	(1,327,963)
Profit/(Loss) on Disposal of Asset		31,103	(15,063)	-
<b>(Loss)/Earnings before Interest, Tax, Depreciation and Amortisation</b>		<b>(1,944,478)</b>	<b>(4,616,802)</b>	<b>(5,988,655)</b>
Depreciation and amortisation expense	7	(389,504)	(314,921)	(149,285)
Finance income		18,198	10,318	11,958
Finance costs	7	(277,001)	(337,664)	(72,641)
Share of results of equity accounted joint venture	9	(45,583)	(103,714)	(22,629)
<b>(Loss) / Profit before income tax expense</b>		<b>(2,638,368)</b>	<b>(5,362,783)</b>	<b>(6,221,252)</b>
Income tax expense	8	-	-	-
<b>(Loss) / Profit for the year</b>		<b>(2,638,368)</b>	<b>(5,362,783)</b>	<b>(6,221,252)</b>
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>		-	-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations		(36,200)	(196,398)	(363,606)
Income tax relating to component of other comprehensive income that will not be reclassified subsequently		-	-	-
<b>Other comprehensive (loss) / income for the year, net of tax</b>		<b>(36,200)</b>	<b>(196,398)</b>	<b>(363,606)</b>
<b>Total comprehensive (loss) / income for the year</b>		<b>(2,674,568)</b>	<b>(5,559,181)</b>	<b>(6,584,858)</b>
<b>Profit for the Year is Attributable to:</b>				
Owners of Move Drive Pty Ltd		(2,187,913)	(4,804,920)	(5,656,881)
Non-Controlling Interests		(450,455)	(557,863)	(564,371)
		<b>(2,638,368)</b>	<b>(5,362,783)</b>	<b>(6,221,252)</b>
<b>Total Comprehensive Income for the year is attributable to:</b>				
Owners of Move Drive Pty Ltd		(2,036,992)	(4,889,834)	(5,918,874)
Non-Controlling Interests		(637,576)	(669,347)	(665,984)
		<b>(2,674,568)</b>	<b>(5,559,181)</b>	<b>(6,584,858)</b>

The above aggregated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes and the basis of preparation note.

**BikeExchange Pte Ltd Group**  
**Aggregated Statement of Financial Position**  
as at 30 June 2018, 30 June 2019 and 30 June 2020

	<b>Notes</b>	<b>2020</b> <b>\$</b>	<b>2019</b> <b>\$</b>	<b>2018</b> <b>\$</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	10	1,042,693	420,750	261,216
Trade and other receivables	11	352,697	472,275	561,594
Financial assets	14	45,000	45,000	5,000
<b>Total Current Assets</b>		<b>1,440,390</b>	<b>938,025</b>	<b>827,810</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	12	262,373	564,066	647,207
Intangible assets	13	-	215,151	-
Investment in Equity Accounted Joint venture	9	-	-	35,301
Financial Assets	14	-	-	170,918
Deferred tax asset	15	-	-	-
<b>Total Non-Current Assets</b>		<b>262,373</b>	<b>779,217</b>	<b>853,426</b>
<b>Total Assets</b>		<b>1,702,763</b>	<b>1,717,242</b>	<b>1,681,236</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	16	(2,792,682)	(2,302,248)	(1,304,204)
Current tax liabilities	15	-	-	-
Financial liabilities	17	(5,650,353)	(4,964,434)	(5,676,136)
Provisions	18	(181,978)	(212,698)	(240,380)
<b>Total Current Liabilities</b>		<b>(8,625,013)</b>	<b>(7,479,380)</b>	<b>(7,220,720)</b>
<b>Non-Current Liabilities</b>				
Financial liabilities	17	(136,637)	(992,600)	(999,466)
Deferred tax liabilities	15	-	-	-
Provisions	18	(55,964)	(49,050)	(65,657)
<b>Total Non-Current Liabilities</b>		<b>(192,601)</b>	<b>(1,041,650)</b>	<b>(1,065,123)</b>
<b>Total Liabilities</b>		<b>(8,817,614)</b>	<b>(8,521,030)</b>	<b>(8,285,843)</b>
<b>Net (Deficiencies) / Assets</b>		<b>(7,114,851)</b>	<b>(6,803,788)</b>	<b>(6,604,607)</b>
<b>Equity</b>				
Share capital	19	20,571,641	10,360,000	5,000,000
Non-controlling interests	20	-	(2,914,836)	(2,245,489)
Other reserves	20	(11,950,273)	(700,646)	(615,732)
Accumulated Deficiencies		(15,736,219)	(13,548,306)	(8,743,386)
<b>Total (Deficiency) / Equity</b>		<b>(7,114,851)</b>	<b>(6,803,788)</b>	<b>(6,604,607)</b>

The above aggregated statement of financial position should be read in conjunction with the accompanying notes and basis of preparation note.

**BikeExchange Pte Ltd Group**  
**Aggregated Statement of Changes in Equity**  
for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020

	Share capital	Other reserves	Translation reserve	Non-Controlling Interest	Accumulated Deficiencies	Total equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	5,000,000	231,276	(585,015)	(1,579,505)	(3,086,505)	(19,749)
<u>Total comprehensive income for the year</u>						
Profit (Loss) for the year	-	-	-	(564,371)	(5,656,881)	(6,221,252)
Other comprehensive profit (loss) for the year	-	-	(261,993)	(101,613)	-	(363,606)
Total	-	-	(261,993)	(665,984)	(5,656,881)	(6,584,858)
<u>Transactions with owners, recognised directly in equity</u>						
Issue of share capital	-	-	-	-	-	-
Total	-	-	-	-	-	-
<b>Balance at 30 June 2018</b>	<b>5,000,000</b>	<b>231,276</b>	<b>(847,008)</b>	<b>(2,245,489)</b>	<b>(8,743,386)</b>	<b>(6,604,607)</b>
<b>Balance at 1 July 2018</b>	5,000,000	231,276	(847,008)	(2,245,489)	(8,743,386)	(6,604,607)
<u>Total comprehensive income for the year</u>						
Profit (Loss) for the year	-	-	-	(557,863)	(4,804,920)	(5,362,783)
Other comprehensive profit (loss) for the year	-	-	(84,914)	(111,484)	-	(196,398)
Total	-	-	(84,914)	(669,347)	(4,804,920)	(5,559,181)
<u>Transactions with owners, recognised directly in equity</u>						
Issue of share capital	5,360,000	-	-	-	-	5,360,000
Total	5,360,000	-	-	-	-	5,360,000
<b>Balance at 30 June 2019</b>	<b>10,360,000</b>	<b>231,276</b>	<b>(931,922)</b>	<b>(2,914,836)</b>	<b>(13,548,306)</b>	<b>(6,803,788)</b>
<b>Balance at 1 July 2019</b>	10,360,000	231,276	(931,922)	(2,914,836)	(13,548,306)	(6,803,788)
<u>Total comprehensive income for the year</u>						
Profit (Loss) for the year	-	-	-	(450,455)	(2,187,913)	(2,638,368)
Other comprehensive profit (loss) for the year	-	-	150,921	(187,121)	-	(36,200)
Total	-	-	150,921	(637,576)	(2,187,913)	(2,674,568)
<u>Transactions with owners, recognised directly in equity</u>						
Issue of share capital	10,211,641	(11,400,548)	-	3,552,412	-	2,363,505
Total	10,211,641	(11,400,548)	-	3,552,412	-	2,363,505
<b>Balance at 30 June 2020</b>	<b>20,571,641</b>	<b>(11,169,272)</b>	<b>(781,001)</b>	<b>-</b>	<b>(15,736,219)</b>	<b>(7,114,851)</b>

The above aggregated statement of changes in equity should be read in conjunction with the accompanying notes and basis of preparation note.

**BikeExchange Pte Ltd Group**  
**Aggregated Statement of Cash flows**  
for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020

		2020	2019	2018
	<u>Notes</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Cash Flows From Operating Activities</b>				
Receipts from customers		14,464,736	8,353,815	7,231,667
Payments to suppliers and employees		(14,435,527)	(10,895,157)	(9,136,615)
Interest received		18,198	10,318	11,958
Interest paid		(49,190)	(58,889)	(48,249)
<b>Net cash provided by (used in) operating activities</b>	21	<u>(1,783)</u>	<u>(2,589,913)</u>	<u>(1,941,239)</u>
<b>Cash Flows From Investing Activities</b>				
Payments for intangible assets		-	(25,730)	-
Payments for property, plant and equipment assets		(7,727)	(9,506)	(103,390)
Proceeds from sale of property, plant and equipment		208,175	7,260	-
Payment for JV contributions		(17,617)	(114,410)	-
Payments/Proceeds for investments		(171,181)	(1,496,765)	(4,061,887)
Refund (Payment) of security deposit		(10,713)	(3,887)	67,989
<b>Net cash used in investing activities</b>		<u>937</u>	<u>(1,643,038)</u>	<u>(4,097,288)</u>
<b>Cash Flows From Financing Activities</b>				
Repayment of loans with related parties		-	(231,520)	(123,259)
Proceeds from loans with related parties		1,051,400	4,410,918	612,095
Share capital receipts		-	346,288	5,776,644
Payments for leases		(450,435)	(140,915)	(270,950)
<b>Net cash provided by financing activities</b>		<u>600,965</u>	<u>4,384,771</u>	<u>5,994,530</u>
<b>Net increase/(decrease) in cash held</b>		<u>600,119</u>	<u>151,820</u>	<u>(43,997)</u>
Effects of foreign currency on cash balances		21,824	7,714	(6,982)
Cash and cash equivalents at the beginning of the financial year		420,750	261,216	312,195
<b>Cash and cash equivalents at the end of the financial year</b>	10(a)	<u>1,042,693</u>	<u>420,750</u>	<u>261,216</u>

The above aggregated statement of cash flows should be read in conjunction with the accompanying notes and basis of preparation note.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

**Note 1. General Information**

The aggregated financial information ('Financial Information') contained in this Aggregated Financial Statements is that of the Move Drive Pty Ltd Group Aggregated Entities which is made up of an aggregation of the entities detailed in Note 4 (referred to as 'the Aggregated Entities'). The Aggregated Entities consists of those entities that Move Drive Pty Ltd ('Move Drive Pty Ltd' or 'the Company') will acquire pre-IPO and presents the financial information as if all the acquisitions had occurred on 1 July 2017. BikeExchange Pte Ltd is considered the accounting parent of the group. See Note 2a) below for the principles of aggregation that have been applied in the preparation of this special purpose aggregated financial information.

This Financial Information has been prepared solely for the purpose of Move Drive Pty Ltd Group seeking admission into the Australian Securities Exchange ('ASX') through an initial public offering ('IPO') in or around December 2020. The purpose of the Financial Information is to show the trading results of the Aggregated Entities for the financial years ending 30 June 2018, 30 June 2019 and 30 June 2020 respectively, as if it had been one combined aggregated group for the entirety of these financial years. This Financial Information aggregates certain historical financial information of those entities as if they had been acquired by Move Drive Pty Ltd as at 30 June 2020.

The principal activities of the Aggregated Entities are the provision of a dedicated online bicycle marketplace, throughout four regions including Australia, Europe, North America and Colombia. BikeExchange has over 2000 retailers and over 1000 brands globally available on the marketplace platforms providing ease, convenience and choice for consumers.

**Note 2. Summary of Significant Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Principles of Aggregation**

The Group is seeking admission to the ASX. A Move Drive Pty Ltd listed group ('IPO Group') will be created through the formation of a new company that will become both the ultimate parent of the group, through acquisition of the ownership interest of all the entities presented in this aggregation, and the listing company. This financial report aggregates all of the operating entities which will form part of the proposed IPO Group. It has been prepared solely for lodgement with the ASX for the purpose of the proposed IPO.

As explained above these financial statements are aggregated financial statements and are not consolidated financial statements as required by AASB 10 'Consolidated Financial Statements'. As at 30 June 2020, there is no basis for the preparation of consolidated financial statements as there is no common ownership of the entities which make up the Group. The aggregated financial statements incorporate the assets and liabilities of all entities of the 'Move Drive Pty Ltd Aggregated Group' as at 30 June 2018, 2019 and 2020 and the results of these entities for the year then ended.

Throughout this financial report the term 'the Group' refers to the aggregation of the entities detailed in Note 4. The Income Statement and Balance Sheet for all entities have been presented to a 30 June Financial year end.

In preparing the aggregated financial statements, the following transactions and balances have been eliminated:

- All intercompany balances between entities within the aggregated group, including any unrealised profits or losses.
- All intercompany dividends and distributions have been eliminated in the aggregated entity.
- All intercompany transactions between entities in the aggregated group.

As a consequence of the financial report being prepared on an aggregated basis, no eliminations have occurred in relation to equity balances for any entities not held within the aggregated group, specifically: issued capital, retained earnings and reserves.

The aggregated group differs from a consolidated entity in that there is no single parent entity in the aggregated group. At the time of the proposed IPO it is anticipated that Rpro Holdings Ltd will acquire 100% of the share capital of Move Drive Pty Ltd.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 2                      Summary of Significant Accounting Policies (continued)

b) Basis of Preparation

This is a special purpose financial report which has been prepared in accordance with the basis of accounting and disclosure requirements specified by all Australian Accounting Standards applicable to Tier 1 entities, except the requirements of the Australian Accounting Standard listed below:

AASB 3 - Business Combinations

AASB 10 - Consolidated Financial Statements

AASB 133 - Earnings Per Share

AASB 3 and AASB 10 have been applied to the fullest extent possible to transactions occurring and in the presentation of the aggregated financial statements, but cannot be fully complied with as there is no common controlling entity for the Group at 30 June 2020. No Earnings Per Share measure has been disclosed as there is no single controlling entity (and therefore number of shares) to apply to the aggregated group at 30 June 2020.

The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

All amounts are presented in Australian dollars, unless otherwise noted. The functional and presentation currency of the Group is the Australian Dollar.

The aggregated group has a net current deficiency of \$6,922,250 and a net asset deficiency of \$7,114,851 at 30 June 2020. As set out in Note 25 subsequent to 30 June 2020 \$4,764,000 of related party loans presented as current liabilities at 30 June 2020 have been converted to equity.

As set out above the Company is seeking admission to the ASX and is seeking to raise approximately \$20,000,000 of share capital funding which will be sufficient to settle existing liabilities as and when they fall due, and provide sufficient liquidity for the Group to continue to trade for at least 12 months from the date of these financial statements, based on cash flow forecasts prepared by the Directors.

The Directors have prepared the financial statements on the going concern basis after assessing the principal risk and considering the likelihood of success in raising the funds through the IPO process. At the date of the financial statements the Group has received firm commitments from investors to subscribe for shares with a value in excess of \$20,000,000 and therefore Directors believe the use of the going concern basis is appropriate.

c) Investment in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in Other Comprehensive Income of those investees is presented as part of the Group's Other Comprehensive Income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.



**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 2                      Summary of Significant Accounting Policies (continued)

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**d) Revenue from Contracts with Customers**

The Group is in the business of providing a dedicated eCommerce bicycle marketplace, connecting bike enthusiasts to retailers and suppliers. Revenue from contracts with customers is recognised when the associated performance obligations from contracts with customers is satisfied. This may occur at a point in time or progressively over time. Revenue is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the satisfactory completion of its performance obligations.

eCommerce revenue

The Group has concluded that it is the agent for its eCommerce revenue arrangements because the supplier controls the goods before transferring them directly to the end customer and not the Group. The Group facilitates transactions between buyers and sellers but is not a party to that transaction. eCommerce revenue is the net amount of commission and other fees that the Group is entitled to retain in return for its services as the agent in facilitating the transaction. Revenue is recognised at a point in time being when the performance obligation for service as an agent is satisfied, which is typically at the point the goods are dispatched by the supplier.

Subscriptions

Subscription fees are charged in relation to the provision of eCommerce retail stores for retailers in the BikeExchange marketplace. Subscription fees are charged on a monthly basis. Subscription fee revenue is recognised over the period that the website hosts the eCommerce store for the retailer.

Media and other revenue

Media and other revenue is recognised on the satisfactory completion of associated performance obligations, which are typically based on either time periods (e.g. for sponsorship campaigns) or as impressions are displayed on the Group's network of websites.

All revenue is stated net of the amount of taxes.

**e) Segmental Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the CEO. Management has determined the reporting segments based on the reports reviewed by the CEO that are used to make strategic decisions which are set out in Note 5.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 2                      Summary of Significant Accounting Policies (continued)

f) Income Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax and when the balances relate to taxes levied by the same taxation authority and the Group intends to settle its tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

g) Foreign Currencies

The Group's financial statements are presented in Australian Dollars, which is also the Group's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in Other Comprehensive Income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in Other Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or profit or loss are also recognised in Other Comprehensive Income or profit or loss, respectively).

h) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments with original maturities of three months or less, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 2      Summary of Significant Accounting Policies (continued)

i) Accounts Receivable and Other Debtors

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

j) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, accumulated depreciation and any impairment losses.

Plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, leasehold improvements and equipment under finance lease. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated at the rate equivalent to the term of the lease using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation:

- Motor Vehicles	5 years
- Other Property, Plant and Equipment	3-5 years

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

k) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets. There are no indefinite lived intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Software and licences

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 2                      Summary of Significant Accounting Policies (continued)

l) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets for both property leases and motor vehicles are depreciated on a straight-line basis over the lease term unless the estimated useful lives of the assets is shorter.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (n) Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings (see Note 17).

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 2                      Summary of Significant Accounting Policies (continued)

m) Financial Instruments

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group's financial assets consist of cash and trade receivables that do not contain a significant financing component. Trade receivables that do not contain a significant financing component are measured at the transaction price as disclosed in Note 6 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost, or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

For the financial periods covered by these Financial Statements the Group only had Financial assets at amortised cost.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and a term deposit.

The Group does not hold any financial assets classified as fair value through other comprehensive income, or fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired;

OR

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 2      Summary of Significant Accounting Policies (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Impairment**

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Financial Assets Note 14
- Trade receivables Note 11

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

**Financial liabilities at amortised cost (loans and borrowings)**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 17.

The Group does not hold any financial liabilities classified as fair value through profit or loss.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 2                      Summary of Significant Accounting Policies (continued)

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**n) Impairment of Non-Financial Assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**o) Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**p) Employee Benefits**

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**q) Provisions**

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions of other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 2                      Summary of Significant Accounting Policies (continued)

r) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) and Sales Taxes, except where the amount of GST or Sales Taxes incurred is not recoverable from the taxation authority. In these circumstances, the GST or Sales Taxes are recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST and Sales Taxes included. The net amount of GST and Sales Taxes recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis.

The GST and Sales Taxes components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

s) Issued Capital

Share capital presented in the aggregation is for BikeExchange Pte Ltd as the entity with the most relevant share capital balance to the aggregated group.

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t) New Accounting Standards and Interpretations Not Yet Mandatory

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 3.                      Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Impairment of non-financial assets other than goodwill and other intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 18, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recognition and Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.



**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

**Note 4. Aggregated Entity Information**

The aggregated financial information incorporates the assets, liabilities and results of the following entities in accordance with the accounting policies described in Note 2.

Name	Financial year end	Nature of Entity	Principal place of business/ Country of incorporation
Move Drive Pty Ltd	30-Jun	Holding Company	Australia
BikeExchange Pte Ltd	31-Dec	Holding Company	Singapore
BikeExchange Pty Ltd	30-Jun	Operating	Australia
BikeExchange Inc	31-Dec	Operating	USA
BikeExchange DE Vertriebs GmbH	31-Dec	Operating	Germany

Prior to the IPO, it is intended that the final structure will be as follows:

Name	Immediate Parent	Ultimate Parent
Rpro Holdings Ltd (to be renamed BikeExchange Ltd)	N/A	N/A
Move Drive Pty Ltd (to be renamed BikeExchange Holdings Pty Ltd)	Rpro Holdings Ltd	Rpro Holdings Ltd
BikeExchange Pte Ltd	Move Drive Pty Ltd	Rpro Holdings Ltd
BikeExchange Pty Ltd	BikeExchange Pte Ltd	Rpro Holdings Ltd
BikeExchange Inc	BikeExchange Pte Ltd	Rpro Holdings Ltd
BikeExchange DE Vertriebs GmbH	BikeExchange Pte Ltd	Rpro Holdings Ltd

Joint arrangement in which the Group is a joint venturer

The Group has a 50% interest in BikeExchange Colombia S.A.S (2018: 50%, 2019: 50%). For more details, refer to Note 9.

**Note 5. Segmental Reporting**

The Group principally operates in the following four geographic business segments, each of which generate independent cashflows and are separately reported to the CEO for the purposes of assessing performance and allocating resources:

- Australia and New Zealand: Operations are headquartered in Melbourne, Australia. This segment also includes any costs / assets from the Group's holding companies being BikeExchange Pte Ltd (domiciled in Singapore) and Move Drive Pty Ltd (domiciled in Australia).
- Europe: Operations are headquartered in [Wurzburg], Germany. This office supports the Group's websites that offer services to customers in Germany, Belgium and the Netherlands.
- North America: Operations are headquartered in California, USA. This office supports the Group's websites that offer services to customers in the USA and Canada.
- Colombia: This segment includes the Group's 50% share of the BikeExchange Colombia S.A.S Joint Venture which operates from Bogota Colombia, and principally services the Colombian market.

2020	Australia and New Zealand	Europe	North America	Colombia	Unallocated	Total
	\$	\$	\$	\$	\$	\$
Total Transaction Value	3,838,802	5,800,316	2,709,899	826,258	-	13,175,275
Revenues	1,509,738	1,129,976	1,031,078	-	-	3,670,792
EBITDA / (LBITDA)	(489,647)	(415,705)	(668,374)	-	(370,753)	(1,944,479)
Finance income	-	-	-	-	18,198	18,198
Finance costs	-	-	-	-	(277,001)	(277,001)
Depreciation and amortisation expense	(244,646)	(9,428)	(135,430)	-	-	(389,504)
Share of results of associates and joint venture	-	-	-	(45,583)	-	(45,583)
Income tax expense	-	-	-	-	-	-
(Loss) / Profit for the year	(734,292)	(425,132)	(803,804)	(45,583)	(629,557)	(2,638,368)
Segment Assets	411,089	854,358	416,486	-	20,830	1,702,763
Segment Liabilities	(1,108,617)	(1,233,254)	(1,628,830)	-	(4,846,913)	(8,817,614)

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 5. Segmental Reporting (continued)

2019	Australia and New Zealand	Europe	North America	Colombia	Unallocated	Total
	\$	\$	\$	\$	\$	\$
Total Transaction Value	2,806,745	2,438,333	2,107,548	236,896	-	7,589,522
Revenues	1,625,696	1,134,942	1,179,801	-	-	3,940,439
EBITDA / (LBITDA)	(1,585,708)	(482,060)	(916,059)	-	(1,632,975)	(4,616,802)
Finance income	-	-	-	-	10,318	10,318
Finance costs	-	-	-	-	(337,664)	(337,664)
Depreciation and amortisation expense	(170,999)	(14,683)	(129,239)	-	-	(314,921)
Share of results of associates and joint venture	-	-	-	(103,714)	-	(103,714)
Income tax expense	-	-	-	-	-	-
(Loss) / Profit for the year	(1,756,707)	(496,743)	(1,045,298)	(103,714)	(1,960,321)	(5,362,783)
Segment Assets	470,212	355,686	656,170	-	235,174	1,717,242
Segment Liabilities	(1,173,200)	(724,643)	(1,578,275)	-	(5,044,912)	(8,521,030)
2018	Australia and New Zealand	Europe	North America	Colombia	Unallocated	Total
	\$	\$	\$	\$	\$	\$
Total Transaction Value	3,199,334	1,868,795	1,895,821	9,060	-	6,973,010
Revenues	1,799,564	1,027,739	1,083,394	-	-	3,910,697
EBITDA / (LBITDA)	(295,684)	(567,470)	(904,757)	-	(4,220,744)	(5,988,655)
Finance income	-	-	-	-	11,958	11,958
Finance costs	-	-	-	-	(72,641)	(72,641)
Depreciation and amortisation expense	(62,966)	(22,403)	(63,916)	-	-	(149,285)
Share of results of associates and joint venture	-	-	-	(22,629)	-	(22,629)
Income tax expense	-	-	-	-	-	-
(Loss) / Profit for the year	(358,650)	(589,873)	(968,673)	(22,629)	(4,281,427)	(6,221,253)
Segment Assets	404,911	406,649	658,767	35,301	175,608	1,681,236
Segment Liabilities	(889,390)	(496,099)	(1,308,573)	-	(5,591,781)	(8,285,843)

Total Transaction Value (TTV) includes revenues generated from display/media sales, retail subscriptions and other online sales, and the gross merchandise value for eCommerce transactions that go across the platform (reported revenue only includes the Group's commissions on e-commerce transactions). This includes 50% of the TTV of BikeExchange Colombia S.A.S. representing the Group's economic share.

In the management reporting to the CEO, TTV is provided which gives insights to its management and directors to assist them understand the volume and value of e-commerce transactions the Group has initiated and driven the underlying sales via the marketplace platform.

As TTV captures the economic value of activity on the platform, the Group consider it a better representation of the gross orders transacted via the BikeExchange websites.

Gains/losses on the disposal of assets and investments and impairment of investments/loans in other entities are reported at an aggregated level to the CEO and therefore are not allocated to an individual segment. Likewise, finance income, expense and financial liabilities are reported on a consolidated level and therefore not allocated to any individual segment.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

	2020	2019	2018
Note 6. Revenue from Contracts with Customers	\$	\$	\$
Revenues from types of goods and services:			
- eCommerce commission revenue	454,260	314,340	198,237
- Subscriptions	2,549,959	2,730,606	2,745,823
- Media and other services revenue	666,573	895,493	966,637
Total revenue from contracts with customers	<u>3,670,792</u>	<u>3,940,439</u>	<u>3,910,697</u>
Disaggregated by geographic markets			
- Australia and New Zealand	1,509,738	1,625,696	1,799,564
- Europe	1,129,976	1,134,942	1,027,739
- North America	1,031,078	1,179,801	1,083,394
Total revenue from contracts with customers	<u>3,670,792</u>	<u>3,940,439</u>	<u>3,910,697</u>
	2020	2019	2018
Note 7. Expenses	\$	\$	\$
Depreciation and amortisation of non-current assets:			
- Owned Property, Plant and Equipment	33,844	36,579	45,981
- Right-of-Use Assets	133,487	161,921	103,304
- Intangible Assets	222,173	116,421	-
	<u>389,504</u>	<u>314,921</u>	<u>149,285</u>
Finance costs:			
- interest on debt and borrowings	266,305	326,414	66,208
- interest on lease liabilities	10,696	11,250	6,433
	<u>277,001</u>	<u>337,664</u>	<u>72,641</u>
Bad debts:			
- bad debts written off	-	112,353	189,181
Included in Other operating expenses:			
- expenses relating to short term or low value leases	<u>160,751</u>	<u>195,291</u>	<u>106,336</u>
Superannuation expense:			
- defined contribution superannuation expense	<u>112,035</u>	<u>119,652</u>	<u>74,664</u>
(Loss) on Disposal of Investment:			
- Cycling Tips Media Pty Ltd and Cycling Tips Inc	-	986,245	2,867,009
- BikeFix Mobile Pty Ltd	-	28,660	25,772
	<u>-</u>	<u>1,014,905</u>	<u>2,892,781</u>

BikeExchange Pte Ltd owned investments in Cycling Tips (Australia and the USA) and BikeFix Mobile Pty Ltd. The investments in these entities were disposed of in FY19 and impairments to reflect the expected losses on disposal against the carrying value of the investment and quasi-equity funding loans were recognised in the FY18 income statement. A further loss on disposal representing additional funding contributed during FY19 was recognised at the date of the disposal.

Impairment of Investment/Loans in Other businesses:

- BikeExchange Marketplace Ltd (UK) and BikeExchange Ltd (Ireland)	<u>(401,857)</u>	<u>(603,007)</u>	<u>(1,327,963)</u>
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BikeExchange Pte Ltd owns 100% of the share capital of BikeExchange Marketplace Ltd (domiciled in the UK) and BikeExchange Ltd (domiciled in Ireland). These entities operated separate BikeExchange marketplaces in the UK and Ireland respectively. The decision was taken by the Board of Directors in October 2019 to exit these markets and operations ceased by March 2020. The entities are both in the process of being liquidated.

As the businesses have ceased trading they are not included in these aggregated financial statements as they will form part of the Group at the time of the IPO.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 8. Income Tax Expense	2020 \$	2019 \$	2018 \$
The components of tax expense comprise:			
- Current tax expense	-	-	-
- Movement in deferred tax	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
The prima facie tax on surplus (deficit) from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Loss / (profit) before tax	(2,638,368)	(5,362,783)	(6,221,252)
Prima facie tax on loss / (profit) from ordinary activities at 30%	(791,510)	(1,608,835)	(1,866,376)
Add tax effect of:			
- non-deductible expenses / timing differences on expenses / loss carried forward for which no deferred tax	791,510	1,608,835	1,866,376
	<u>-</u>	<u>-</u>	<u>-</u>

Each of the entities in the aggregated group has brought forward tax losses. These have not been recognised as a deferred tax asset due to uncertainty over the amount and timing of generation of sufficient taxable profits to utilise them against.

**Note 9. Interests in a joint venture**

BikeExchange Pte Ltd has a 50% interest in shares in Bike Exchange Colombia S.A.S, a joint venture which operates the Group's BikeExchange websites in Colombia. The Group's interest in BikeExchange Colombia S.A.S. is accounted for using the equity method in the aggregated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2020 \$	2019 \$	2018 \$
<u>Summarised Statement of Profit and Loss and Other Comprehensive Income:</u>			
Revenue	558,277	81,994	1,512
Profit (loss) for the year	(95,258)	(264,727)	(95,258)
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>(95,258)</u>	<u>(264,727)</u>	<u>(95,258)</u>
Group's share of profit/(loss) for the year	<u>(47,629)</u>	<u>(132,363)</u>	<u>(47,629)</u>
Group's share of profit /(loss) for the year recognised in the aggregated financial statements Note a)	<u>(45,583)</u>	<u>(103,714)</u>	<u>(22,629)</u>

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 9. Interests in a joint venture (continued)

Summarised Statement of Financial Position:

Cash and Cash Equivalents	7,288	6,844	18,389
Other Current Assets	268,587	79,564	182,733
Total Current Assets	275,875	86,408	201,122
Total Non-Current Assets	-	-	-
Total Assets	275,875	86,408	201,122
Current Financial Liabilities	(463,385)	(133,656)	(9,620)
Other Current Liabilities	(63,444)	(52,084)	(21,945)
Total Current Liabilities	(526,829)	(185,740)	(31,565)
Non-Current Financial Liabilities	-	-	-
Other Non-Current Liabilities	-	-	-
Total Non-Current Liabilities	-	-	-
Total Liabilities	(526,829)	(185,740)	(31,565)
Net Assets / (Liabilities)	(250,954)	(99,332)	169,557
Equity			
Share capital	224,543	257,799	267,292
Retained earnings	(475,497)	(357,131)	(97,735)
Total Equity / (Deficit)	(250,954)	(99,332)	169,557
Group's carrying amount of the investment	Note a)	-	35,301

The figures above represent 100% of the results of the business except where they specifically relate to the Group's share of profits of the carrying amount of the investment.

Note a) - The Group's carrying amount of the investment in BikeExchange Colombia S.A.S is \$nil at 30 June 2020 and 30 June 2019 as the entity was in a net deficit position and there is no contractual obligation on the Group to remedy the deficit position, and consequently equity accounting the Group's share of losses ceases when the carrying amount of the investment reached \$nil.

The joint venture had no other contingent liabilities or commitments as at 30 June 2018, 2019 and 2020.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

	2020	2019	2018
Note 10. Cash and Cash Equivalents	\$	\$	\$
Cash on hand			
Cash at bank	1,042,693	420,750	261,216
	<u>1,042,693</u>	<u>420,750</u>	<u>261,216</u>

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:

Note 10.(a) Reconciliation of cash

Cash at bank and on hand	1,042,693	420,750	261,216
	<u>1,042,693</u>	<u>420,750</u>	<u>261,216</u>

	2020	2019	2018
Note 11. Trade and Other Receivables	\$	\$	\$
Current:			
<u>Debt instruments at amortised cost</u>			
Trade receivables	262,152	338,764	528,957
Less: Allowance for expected credit losses	Note 11.(a) (10,974)	-	-
	<u>251,178</u>	<u>338,764</u>	<u>528,957</u>
Prepayments	76,310	65,133	14,350
Other receivables	25,209	68,378	18,287
	<u>352,697</u>	<u>472,275</u>	<u>561,594</u>

Note 11.(a) Provision for allowance for expected credit losses

	2020	2019	2018
	\$	\$	\$
Movements in the provision for expected credit losses of receivables are as follows:			
Opening balance	-	-	-
Additional provisions recognised	36,556	112,353	189,181
Receivables written off during the year as uncollectable	-	(112,353)	(189,181)
Foreign Currency exchange differences	-	-	-
Unused amounts reversed	(25,582)	-	-
Closing balance	<u>10,974</u>	<u>-</u>	<u>-</u>

Credit risk

The following table details the Group's accounts receivable and other debtors exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 11. Trade and Other Receivables (continued)

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

			Past due but not impaired (Days overdue)				
	Gross amount	Past due and impaired	< 30	31-60	61-90	>90	Within initial trade terms
	\$	\$	\$	\$	\$	\$	\$
2020							
Trade receivables	262,152	(10,974)	27,751	45,339	10,370	35,660	132,059
Total	262,152	(10,974)	27,751	45,339	10,370	35,660	132,059
2019							
Trade receivables	338,764	-	24,835	26,667	17,598	130,155	139,509
Total	338,764	-	24,835	26,667	17,598	130,155	139,509
2018							
Trade receivables	528,957	-	74,864	37,682	38,999	164,685	212,727
Total	528,957	-	74,864	37,682	38,999	164,685	212,727

	2020 \$	2019 \$	2018 \$
<b>Note 12. Property, Plant and Equipment</b>			
<u>Property Right-of Use Assets</u>			
At cost	458,716	429,374	408,111
Less accumulated depreciation	(225,446)	(123,399)	(33,999)
	<u>233,270</u>	<u>305,975</u>	<u>374,112</u>
<u>Motor Vehicles</u>			
At cost	127,570	427,303	387,181
Less accumulated depreciation	(121,071)	(222,246)	(192,442)
	<u>6,499</u>	<u>205,057</u>	<u>194,739</u>
<u>Other Property, Plant and Equipment</u>			
At cost	389,889	382,736	369,756
Less accumulated depreciation	(367,285)	(329,702)	(291,400)
	<u>22,604</u>	<u>53,034</u>	<u>78,356</u>
<b>Total written down amount</b>	<u><u>262,373</u></u>	<u><u>564,066</u></u>	<u><u>647,207</u></u>

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 12. Property, Plant and Equipment (continued)

Movements in carrying amounts:	2020	2019	2018
	\$	\$	\$
<u>Property Right-of Use Assets</u>			
Carrying amount at beginning	305,975	374,112	-
Additions	-	-	408,111
Disposals	-	-	-
Less: depreciation expense	(93,347)	(92,041)	(33,999)
Exchange differences	20,642	23,904	-
	-	-	-
Carrying amount at end	233,270	305,975	374,112
<u>Motor Vehicles</u>			
Carrying amount at beginning	205,057	194,739	161,689
Additions	7,727	92,102	102,815
Disposals	(177,389)	(22,858)	-
Less: depreciation expense	(40,140)	(69,880)	(69,305)
Exchange differences	11,243	10,954	(460)
	-	-	-
Carrying amount at end	6,499	205,057	194,739
<u>Other Property, Plant and Equipment</u>			
Carrying amount at beginning	53,034	78,356	103,504
Additions	1,216	9,642	18,289
Disposals	-	-	-
Less: depreciation expense	(33,844)	(36,579)	(45,981)
Exchange differences	2,198	1,615	2,544
	-	-	-
Carrying amount at end	22,604	53,034	78,356
Total written down amount	262,373	564,066	647,207

Impairment

No impairment assessment was performed in 2020 as there was no indication of impairment.

Assets pledged as security

The carrying amount of the group's plant and equipment included an amount of \$233,270 at 30 June 2020 secured in respect of assets held under finance leases.

Right of use assets

All items in Property are right-of-use assets. There is no property owned outright by the Group.



**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

	2020	2019	2018
	\$	\$	\$
Note 13. Intangibles			
<u>Software</u>			
At cost	277,300	331,572	-
Less accumulated amortisation	(277,300)	(116,421)	-
Total written down amount	-	215,151	-
Movements in carrying amounts:			
<u>Software</u>			
Carrying amount at beginning	215,151	-	-
Additions	-	331,572	-
Disposals	-	-	-
Less: amortisation expense	(222,173)	(116,421)	-
Exchange Differences	7,022	-	-
Total written down amount	-	215,151	-
All software included in intangible assets is purchased from 3rd parties and supports features and functionality on the websites operated by the Group. The useful economic life of the software purchased by the group was shortened in FY20 and amortisation accelerated to write down the net book value to \$nil at 30 June 2020 as it is anticipated that the relevant software products will be significantly upgraded or replaced in FY21.			
	2020	2019	2018
	\$	\$	\$
Note 14. Financial Assets			
Non-current:			
<u>Equity Instruments</u>			
Shares in related entities	-	-	170,918
Total non-current financial assets	-	-	170,918
Shares in related entities relate to the Group's investment in Cycling Tips Media disposed of in FY19 (see note 7).			
Current:			
<u>Debt instruments at amortised cost</u>			
Term deposits	45,000	45,000	5,000
Total current financial assets	45,000	45,000	5,000
	2020	2019	2018
	\$	\$	\$
Note 15. Tax			
Current:			
Current tax payable	-	-	-
Non-Current:			
<u>Deferred tax assets</u>			
- accruals	-	-	-
- employee provisions	-	-	-
- carried forward tax losses	-	-	-
	-	-	-
<u>Deferred tax liability</u>			
- property, plant and equipment	-	-	-
	-	-	-
Net deferred tax asset/(liability)	-	-	-
Movement in deferred tax charged to statement of comprehensive income	-	-	-

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 16.	Trade and Other Payables	2020	2019	2018
		\$	\$	\$
Current:				
	<u>Financial liabilities at amortised cost</u>			
	Trade creditors	1,126,492	1,769,235	655,853
	Accrued expenses	866,898	83,519	196,655
	Deferred income	212,496	110,714	61,218
	Other payables	586,796	338,780	390,478
		<u>2,792,682</u>	<u>2,302,248</u>	<u>1,304,204</u>

Note 17.	Financial Liabilities	2020	2019	2018
		\$	\$	\$
Current:				
	<u>Interest bearing financial liabilities at amortised cost</u>			
	Lease liabilities	90,131	162,409	161,609
	Loans from related parties	5,560,222	4,802,025	5,514,527
		<u>5,650,353</u>	<u>4,964,434</u>	<u>5,676,136</u>
Non-Current:				
	<u>Interest bearing financial liabilities at amortised cost</u>			
	Lease liability	136,637	309,114	321,790
	Loans from related parties	-	683,486	677,676
		<u>136,637</u>	<u>992,600</u>	<u>999,466</u>

Assets pledged as security

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default. There is no other security granted over the group.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

Total facilities:				
- Related Party Loans	5,560,222	4,802,025	5,514,527	
	<u>5,560,222</u>	<u>4,802,025</u>	<u>5,514,527</u>	
Used at the reporting date:				
- Related Party Loans	5,560,222	4,802,025	5,514,527	
	<u>5,560,222</u>	<u>4,802,025</u>	<u>5,514,527</u>	
Unused at the reporting date:				
- Related Party Loans	-	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>	

Lease liabilities

The Group had total cash outflows for leases of \$450,435 in 2020 (\$140,915 in 2019 and \$270,950 in 2018).

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 18.	Provisions	2020 \$	2019 \$	2018 \$
Current:				
Provision for annual leave		161,085	170,508	198,353
Provision for long service leave		20,893	42,190	42,027
		<u>181,978</u>	<u>212,698</u>	<u>240,380</u>

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

Non-Current:				
Provision for long service leave		10,721	7,417	26,767
Make good provisions		45,243	41,633	38,890
		<u>55,964</u>	<u>49,050</u>	<u>65,657</u>

Movements in provisions (excluding those relating to employee liabilities) are as follows:

Carrying amount at the start of the year	41,633	38,890	-
Additional provisions recognised	765	716	38,890
Amounts used	-	-	-
Unused amounts reversed	-	-	-
Foreign Currency Exchange Movements	2,845	2,027	-
	<u>45,243</u>	<u>41,633</u>	<u>38,890</u>

Note 19.	Issued Capital	2020 \$	2020 Shares
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Movement in ordinary share capital

Balance at 1 July 2017	-	100,000
Issue of shares	-	-
Balance at 30 June 2018	-	100,000
Issue of shares - capital raising	10,360,000	64,320
Issue of shares - capital reorganisation (no consideration)	-	840,000
Balance at 30 June 2019	<u>10,360,000</u>	<u>1,004,320</u>
Issue of shares	10,211,641	255,196
Balance at 30 June 2020	<u>20,571,641</u>	<u>1,259,516</u>

Shares above relate to BikeExchange Pte Ltd being the most significant entity within the aggregated Group at 30 June 2020.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 20. Reserves

Foreign currency reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Non-Controlling Interests reserve

The Non-controlling interest reserve represents the 35% of BikeExchange DE Vertriebs GmbH and 37% of BikeExchange Inc owned by non-controlling interests from the period up to 30 June 2020 when share capital in BikeExchange Pte Ltd was issued in exchange for the non-controlling interest shares. The excess arising in the value of the share capital issued over the book value of the non-controlling interest was recorded in the common control reserve as this an equity transaction between entities under common control.

	2020	2019	2018
	\$	\$	\$
Note 21. Statement of Cashflows			
Reconciliation of (loss) / profit from ordinary activities after tax to net cash provided by(used in) operating activities			
(Loss) / Profit for the year after income tax	(2,638,368)	(5,362,783)	(6,221,252)
Non cash items:			
- depreciation	167,331	198,500	149,285
- amortisation	222,173	116,421	-
- impairment of investments	401,857	603,007	1,327,963
- loss on disposal of investments	-	1,014,905	2,892,781
- share of JV losses and other non-cash items	45,583	118,777	22,629
Changes in assets and liabilities:			
- (increase)/decrease in trade and other receivables	119,737	129,235	(117,055)
- increase/(decrease) in trade and other payables	1,708,970	640,041	(71,007)
-increase/(decrease) in provisions	(29,066)	(48,016)	75,417
Net cashflows provided by (used in) operating activities	<u>(1,783)</u>	<u>(2,589,913)</u>	<u>(1,941,239)</u>

	2020	2019	2018
	\$	\$	\$
Note 22. Commitments			

Capital commitments

The Group had no contractual capital commitments at any balance sheet date.

Other commitments

Minimum lease payments	<u>90,131</u>	<u>162,409</u>	<u>161,609</u>
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**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 23. Director and Related Party Disclosures

The names of directors who have held office during the financial year as directors of BikeExchange Pte Ltd are:

Gerry Ryan  
 Jason Wyatt  
 Sam Salter  
 Lin Jieyuan

These were directors of BikeExchange Pte Ltd during the year, the most significant entity of the Group at 30 June 2020. Move Drive Pty Ltd (to be renamed BikeExchange Holdings Pty Ltd) will acquire BikeExchange Pte Ltd immediately prior to the proposed transaction and the Directors of BikeExchange Pte Ltd will be appointed as Directors of Move Drive Pty Ltd at that time.

The names of directors who have held office during the financial year or up to the date of this report as directors of Move Drive Pty Ltd are:

Graeme Marks (resigned 11 November 2020)  
 Sam Salter (appointed 11 November 2020)  
 Andrew Ryan (appointed 11 November 2020)

The company's related parties are as follows:

a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel. The Group defines this as all Director's as well as the Group CEO and Country lead managers of the European and North American operations.

For disclosures relating to key management personnel, refer to Note 24. Key Management Personnel Disclosures.

b) Other related parties

Other related parties include close family members of key management personnel, and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Marketplacer Pty Ltd is a related party of the group. Marketplacer and the group are controlled by common directors being Gerry Ryan, Jason Wyatt and Sam Salter.

During the year, group entities entered into transactions with related parties who are not members of the group that were recorded in other operating expenses:

	2020	2019	2018
	\$	\$	\$
Marketplacer Pty Ltd	602,839	613,312	224,097

The above transactions relate to Licencing and IT fees charged by Marketplacer Pty Ltd for the use of the Marketplacer platform in accordance with the Licencing Agreement between Marketplacer Pty Ltd and the group. Other transactions with Marketplacer Pty Ltd throughout the reporting period include the purchase of the BikeExchange Mobile App for \$300,000 in 2019 and other items including the recharge of professional fees and rent at cost to BikeExchange Pty Ltd which were incurred on the Groups behalf by Marketplacer Pty Ltd which are not included in the above amounts. All transactions were charged on an arms length basis between Marketplacer Pty Ltd and the Group.

Loans from related parties are set out in Note 17.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

**Note 24. Key Management Personnel Disclosures**

The names of key management personnel and their positions during the financial year are:

Mark Watkin	Global CEO
Ryan McMillan	BikeExchange Europe CEO
Steve Hellin	Head of North America
Matthew Gordin	Former BikeExchange North America CEO
Lawrence Boyle	Former BikeExchange North America COO

Key management personnel compensation:

	2020	2019	2018
	\$	\$	\$
short-term benefits	751,237	843,323	778,639
post-employment benefits	28,630	36,373	31,290
other long-term benefits	-	-	-
	<u>779,868</u>	<u>879,696</u>	<u>809,929</u>

**Note 25. Events Occurring After the Statement of Financial Position Date**

Aside from the matters below there have been no events after the end of the financial year that would materially affect the financial statements.

These aggregated financial statements have been prepared to support an IPO on the ASX. At the date of these financial statements BikeExchange Pte Ltd has is in the process of obtaining shareholder approval for a share swap agreement between BikeExchange Pte Ltd and Move Drive Pty Ltd to interpose Move Drive Pty Ltd as a new Australian domiciled holding company for the BikeExchange group of entities and it is intended that RPro Holdings Ltd will acquire 100% of the share capital of Move Drive Pty Ltd prior to the completion of the IPO on the ASX, although this remains subject to formal ASX approval to list and a number of other completion matters. Additionally, loans to related parties of \$4,764,000 which were presented as current liabilities at 30 June 2020 have been converted to equity after 30 June 2020.

To support this process RPro Holdings Ltd has extended a short term loan to BikeExchange Pte Ltd of \$2,100,000 which is repayable prior to 30 June 2021 or at the date RPro Holdings Ltd acquires 100% of the share capital of BikeExchange Pte Ltd, whichever is sooner. This loan is secured by a floating charge over all of the assets of the Group.

The ongoing COVID-19 pandemic has had a significant impact on the Australian and global economy and the ability of individuals, businesses, and governments to operate. Across Australia and the world, travel, trade, business, working arrangements and consumption have been materially impacted by the pandemic. In addition, events relating to COVID-19 have resulted in significant volatility across financial, commodity and other markets, including in the prices of securities trading on the ASX and on other foreign securities exchanges.

Although BikeExchange has not been materially affected by the COVID-19 pandemic, there is a risk that further lockdowns or the implementation of further government restrictions in response to COVID-19 could have an impact on marketplace engagement. This could materially affect BikeExchange's operations, financial performance and/or growth, or a combination of these.

**Note 26. Contingent Liabilities**

Notwithstanding that the BikeExchange group of companies have incurred operating losses in every jurisdiction in which they operate, for the respective periods 30 June 2018, 2019 & 2020, as at the date of these financial statements, certain required tax filings have not been lodged with the respective taxation authorities.

As a result of the incomplete tax filings, there may be a potential for the respective taxation authorities to levy penalties and interest upon the BikeExchange group of companies for failing to lodge the tax filings within the prescribed period (notwithstanding the fact that the group has incurred operating losses).

Should such penalties and interest be levied, the Directors intend to seek remission of the penalties and interest. The directors consider this matter to meet the definition of a contingent liability, and is estimated to be in the range of \$0.2m to \$0.3m in respect of the US business and is not considered material in respect of other jurisdictions the Group operates in.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 27. Financial Risk Management

The Group's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. The Group's senior management oversees the management of these risks and considers the financial risks and the appropriate financial risk governance framework for the Group. The Group's senior management reviews the Group's activities regularly to ensure that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets	2020	2019	2018
	\$	\$	\$
Cash and cash equivalents	1,042,693	420,750	261,216
Other Financial assets	45,000	45,000	175,918
Financial assets at amortised cost:			
- trade and other receivables	262,152	338,764	528,957
Total financial assets	1,349,845	804,514	966,091

  

Financial liabilities	2020	2019	2018
	\$	\$	\$
Financial liabilities at amortised cost:			
- trade and other payables	1,126,492	1,769,235	655,853
Interest bearing financial liabilities at amortised cost:			
- lease liabilities	226,768	471,524	483,399
- loans from related parties	5,560,222	5,485,511	6,192,203
Total financial liabilities	6,913,482	7,726,269	7,331,455

a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 14 to 30 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Group's senior management has otherwise assessed as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Details with respect to credit risk of trade and other receivables are provided in Note 11.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 11.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 27. Financial Risk Management (continued)

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least BBB. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings:

	2020	2019	2018
	\$	\$	\$
Cash and cash equivalents:			
- AA rated	224,862	135,919	117,857
- BBB rated	426,922	185,225	39,914
- not rated	390,909	99,606	103,446
	1,042,693	420,750	261,216

Financial institutions that are not rated predominantly comprises of Fidor Bank AG (in Germany) and other payment processing providers who the Group uses to

b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liability. The Group does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timings of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

Financial Instruments	Maturing in					
	1 year or less			Over 1 to 5 years		
	2020	2019	2018	2020	2019	2018
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash and cash equivalents	1,042,693	420,750	261,216	-	-	-
Receivables	262,152	338,764	528,957	-	-	-
Term deposits	45,000	45,000	5,000			
Total anticipated inflows	1,349,845	804,514	795,173	-	-	-
Financial Liabilities						
Payables	1,126,492	1,769,235	655,853	-	-	-
Interest bearing borrowings	5,560,222	4,802,025	5,514,527	-	683,486	677,676
Lease liabilities	90,131	162,409	161,609	136,637	309,114	321,790
Total expected outflows	6,776,844	6,733,668	6,331,989	136,637	992,600	999,466
Net inflows/(outflows) on financial instruments	(5,426,999)	(5,929,154)	(5,536,816)	(136,637)	(992,600)	(999,466)



**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 27. Financial Risk Management (continued)

c) Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments. The financial instruments that expose the company to interest rate risk are limited to borrowings, listed shares, and cash and cash equivalents.

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities also assume that the movement in a particular variable is independent of other variables.

	Increase in rates		Decrease in rates	
Year ended 30 June 2018	Profit	Equity	Profit	Equity
1% change in interest rates	(55,229)	(55,229)	55,229	55,229
Year ended 30 June 2019	Profit	Equity	Profit	Equity
1% change in interest rates	(58,389)	(58,389)	58,389	58,389
Year ended 30 June 2020	Profit	Equity	Profit	Equity
1% change in interest rates	(34,790)	(34,790)	34,790	34,790

Fair value

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

**BikeExchange Pte Ltd Group**  
**Notes to the Aggregated Financial Statements**  
**for the Years Ended 30 June 2018, 30 June 2019 and 30 June 2020**

Note 27. Financial Risk Management (continued)

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost (ie trade receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the company.

Financial Instruments	2020		2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash and cash equivalents	1,042,693	1,042,693	420,750	420,750	261,216	261,216
Receivables	251,178	251,178	338,764	338,764	528,957	528,957
Term Deposits	45,000	45,000	45,000	45,000	5,000	5,000
Total assets	1,338,872	1,338,872	804,514	804,514	795,173	795,173
Financial Liabilities						
Payables	1,126,492	1,126,492	1,769,235	1,769,235	655,853	655,853
Interest bearing borrowings	5,560,222	5,560,222	5,485,511	5,485,511	6,192,203	6,192,203
Lease liabilities	226,768	226,768	471,524	471,524	483,399	483,399
Total liabilities	6,913,482	6,913,482	7,726,269	7,726,269	7,331,455	7,331,455

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables exclude amounts relating to the provision of annual leave, which is outside the scope of AASB 9.

Note 28.	Auditors Remuneration	2020	2019	2018
		\$	\$	\$
	Audit Services	-	-	-
	Other Audit Services	-	66,000	-
	Non-Audit Services	5,000	-	-
	Total	5,000	66,000	-

The above reflects fees paid to Deloitte Touche Tohmatsu in respect of professional services provided to any member of the aggregated group during the period from 1 July 2017 to 30 June 2020.

In FY21, Deloitte will be paid the following fees in relation to the audit of the aggregated financial statements as well as for non-audit services relating to the IPO:

	\$
Audit Fees	210,000
Tax Services	250,000
IPO Services	260,000
Total	720,000

Note 29. Company Information

Move Drive Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. The registered office and principal place of business is:

<u>Registered Office</u>	<u>Principal Place of Business</u>
134 Buckhurst St, South Melbourne, VIC 3205	Australia.

**BikeExchange Pte Ltd Group**  
**Directors' Declaration**

The directors of the entities of the Aggregated Group declare that:

- (a) In the Directors' opinion, the attached financial statements and notes are in accordance with the accounting policies outlined in Note 2 to the financial statements give a true and fair view of the financial position and performance of the Aggregated Group as at 30 June 2020, 30 June 2019 and 30 June 2018; and
- (b) in the Directors' opinion, there are reasonable grounds to believe that each entity within the Aggregated Group as at 30 June 2020, 30 June 2019 and 30 June 2018 will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Directors:

DocuSigned by:  
*Sam Salter*  
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Sam Salter

Tuesday, 15 December 2020

## **Independent Auditor's Report to the Directors of BikeExchange Pte Ltd**

### **Report on the Audit of the Financial Report**

#### *Opinion*

We have audited the financial report of BikeExchange Pte Ltd (the "Entity") and the aggregated entities as described in note 1 (the "Group") which comprises the aggregated statement of financial position as at 30 June 2020, 30 June 2019 and 30 June 2018, the aggregated statement of profit or loss and other comprehensive income, the aggregated statement of changes in equity and the aggregated statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies, and declaration by Directors as set out on pages 2 to 34.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Group's financial position as at 30 June 2020, 30 June 2019 and 30 June 2018 and of their financial performance and their cash flows for the years then ended in accordance with the basis of preparation and the accounting policies described in notes 1 and 2.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Emphasis of Matter – Basis of Preparation and Restriction on Distribution and Use*

We draw attention to note 2 of the financial report which described the basis of preparation. The financial report has been prepared solely for the use of the Group seeking admission into the Australian Stock Exchange through an initial public offering. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### *Responsibilities of Management and Directors for the Financial Report*

Management of the Entity is responsible for the preparation and fair presentation of the financial report in accordance with the basis of preparation and the accounting policies described in notes 1 and 2 and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

## *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with management and the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

A handwritten signature in blue ink, appearing to read 'Anneke du Toit', with a stylized flourish underneath.

Anneke du Toit  
Partner  
Chartered Accountants  
Melbourne, 15 December 2020