

November Trading Update: BikeExchange

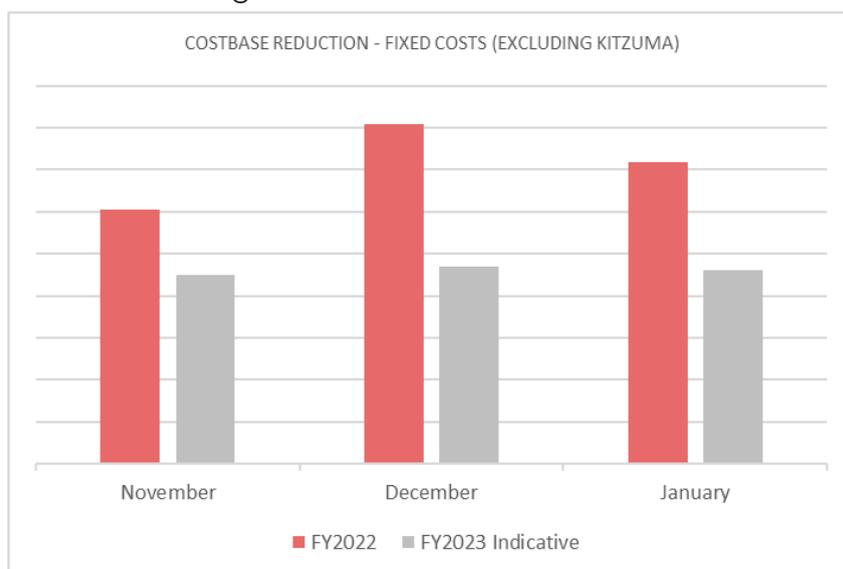
BikeExchange delivers ~57% revenue growth in November 2022 following successful annualised cost base reductions of ~\$5.6M

09 December, 2022

The Board of BikeExchange Limited (ASX:BEX), a leading global operator of online cycling marketplaces, advised shareholders at the AGM held on 27 October 2022 of the plans to deliver an organisational cost rebase. Following the implementation of the strategic plan including the significant cost rebase, the Board is now pleased to provide an update to shareholders on the positive business impacts which are reflected in the trading results for the month of November.

On the heels of recent partnership announcements, under the new leadership of Global CEO Ryan McMillan, key BikeExchange regions North America, Europe and Australia all recorded their highest-ever trading days during November. The unaudited revenue for November is up 57% on the pcp.

The successful implementation of BikeExchange's strategic global reorganisation, has not only resulted in meaningful cost base reductions but in growing eCommerce volumes, underpinned by a stable subscription business. Centralisation and consolidation of key skills and functions resulted in 34% of fixed cost savings¹ during November 2022 compared to PCP (excluding Kitzuma). Overall, fixed cost and corporate overhead reductions equate to ~\$5.6m in annualised cost savings².



¹ Fixed costs include corporate costs, employment, office and administration, fixed technology costs, marketing costs excluding direct search engine marketing, and exclude share based payments and depreciation.

² Annualised cost base reductions are based on fixed costs excluding Kitzuma, based on Nov 2022-Jan 2023 forecast fixed costs vs PCP.

While the bike industry grapples with post Covid inventory and consumer demand normalisation, retailers and brands are looking for additional channels to market. Against this backdrop, BikeExchange is pleased to see retailers and brands achieving excellent sales results both online and instore on our platform.

BikeExchange's focus remains on maintaining a streamlined cost base and achieving sustainable revenue growth by improving the customer experience and on-page conversion, setting the foundation for its pathway to profitability during FY24.

Highlights from November trading include;

- eCommerce GMV, net of refunds, up 43% in November versus pcp
- eCommerce trading day records (GMV)³ set in key verticals Germany, US and Australia
- Largest vertical Germany eclipsed its 2021 full calendar year GMV by 1 November 2022 and doubles its best ever trading day result on Black Friday with 157 orders and A\$414,131 (GMV), ending the month +66% versus PCP
- Increased Conversion Rate +45% and Average Order Value (AOV) by 30% versus PCP in Germany, US and Australia
- Return on Advertising Spend (ROAS) uplift of greater than 100% in each of Germany, US and Australia compared to prior year
- Reduced marketing spend by 11% in November 2022 versus PCP
- Reduced global headcount by 37 FTE (excluding BEX subsidiary Kitzuma) resulting in annualised employment cost savings of A\$4.3m.

Growth initiatives planned include an investment in the improvement of BikeExchange's technology platform, which should support the growth of eCommerce revenues and improve net operating cash flow.

BikeExchange's CEO Ryan McMillan commented: "Following a transitional Q1 '23 quarter, we have been squarely focussed on executing our strategic plan and 'bike-first' eCommerce strategy and are pleased to see it delivering solid results. Recent partnerships have contributed to our impressive online transactional figures during November with record-breaking trading days across our business."

"Our investment in customer service is paying off with the expansion of our eCommerce service teams resulting in improved conversion and happy customers.

³ Gross Merchandise value includes the total value of transactions ordered through the platform, including value added tax/goods and services tax and excluding refunds.

“By focusing on seller quality rather than quantity, and then working with those sellers to integrate their inventory, BEX has delivered consumers its best-ever selection of bikes and brands at competitive prices, driving foot traffic in-store and online sales for our sellers.”

BikeExchange will provide a Q2 '23 trading update in late January 2023.

This announcement has been authorised for release by the BikeExchange Board.

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ABOUT BIKEEXCHANGE

BikeExchange Limited (ASX: BEX) is a leading operator of global online cycling focussed marketplaces that enable a dedicated and growing global audience of consumers to connect and transact with thousands of retailers and brands. The Company was founded in Melbourne in 2007, with the aim of bringing together the fragmented global cycling industry to trade and scale. BikeExchange listed on the Australian Stock Exchange (ASX) in February, 2021. Today, it hosts over 1500 brands, 1650+ retailers and 900,000+ products globally, with an annual audience of 28+ million consumers.