

BikeExchange Operational and Entitlement Offer Update

9th June, 2022

BikeExchange Limited (ASX:BEX) is pleased to provide the following operational and capital raising update:

- BikeExchange achieves another record month in Europe for e-commerce transaction value in May 2022 and is on track for a record Q4 FY22;
- BEX's 100% owned subsidiary Kitzuma has launched ready-to-ride consumer bike shipping services in North America;
- The Group's restructuring and cost reduction programme announced in April 2022 is largely completed with the benefits expected to be felt from Q1 FY23; and
- BEX has received strong support to date from major shareholders and directors of the company for the Entitlement Offer announced in May 2022, with ~\$2.5M of indicative commitments and applications received to date.

BikeExchange's Acting CEO, Sam Salter said: "These updates demonstrate the progress made by the business in the quarter with the development of Kitzuma consumer delivery services a key milestone on our pathway to profitability."

Record month in Europe for e-commerce transaction value

Our online marketplace continues to resonate with customers with more bike purchases on our e-Commerce sites than ever before. We have achieved record e-Commerce transaction value in Europe in May 2022 and are on track for a record quarter in Q4 FY22. Europe continues to see seasonally strong demand for bikes with average order value continuing to rise, reflecting the increasing preference of consumers to transact online. The quality of stock and e-commerce enabled listings continue to grow, offering customers greater choice with a wide variety of bikes across the whole price spectrum.

Kitzuma launches ready-to-ride consumer bike shipping services in North America

Consumers will immediately be able to ship their ready-to-ride, fully assembled bikes to several events across the US using Kitzuma's network of Travel Hubs - a growing network of over 50 quality local bike retailers. Booking for further events will be opened up progressively, and Kitzuma expects to further expand its services over the coming months. This will allow consumers to use Kitzuma Travel Hubs for all of their bike-shipping needs, including training, holidaying, personal travel or any other purpose.

Consumer shipments are expected to grow rapidly over the Northern Hemisphere summer period and assist with achieving Kitzuma's gross margin break-even point (~1,200 shipments / month) by Q1 FY23.

Kitzuma CEO Taylor Essick commented: "We are thrilled to launch our consumer services, starting with these events. Over the coming months we'll open up our network so everyone will have the freedom to ship their bike from one Kitzuma Travel Hub to another. We're building it to be similar to booking a flight, with a modern, simple-to-use interface, and this is going to provide an option for riders to travel with their bikes without the hassle of bagging or boxing their bike or carting it through an airport."

BEX Group restructure and cost reduction programme

The integration of BikeExchange's North American operations and the Kitzuma business is well underway with cost synergies being achieved and a strong pipeline of opportunities across the combined businesses as the Group leverages its unique end-to-end e-commerce to delivery model.

The Group's restructuring and cost reduction programme announced in April 2022 is largely completed with the benefits expected to be felt from Q1 FY23. Further centralisation of skills and teams across functional areas and further leveraging EU skills across product mapping, integrations and seller success is now well underway.

BEX Entitlement Offer

BEX has received strong support to date from major shareholders and directors of the company for the Rights Entitlement announced in May 2022, with ~\$2.5M of indicative commitments and applications received to date. The actual amount raised remains to be determined (and therefore, subject to change), however, the Board is encouraged by the support received to date. This is in addition to the \$347,863 of proceeds raised from the placement undertaken by the company on 25 May 2022. The company is also in progressed discussions with a number of interested parties about participation in any shortfall.

Eligible BEX shareholders have until 5:00pm (AEST) on Tuesday 14 June 2022 to participate in the offer.

Shareholders are encouraged to refer to the Offer Document and Investor Presentation released to the market on 26 May 2022 for more details.

ENDS

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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.

AUTHORISED BY BikeExchange Ltd Board of Directors.