

Appendix 4D
BikeExchange Ltd
ABN 24 625305 240

Results for Announcement to the Market

Half-year ended 31 December 2023

(Previous corresponding period: Half-year ended 31 December 2022)

		31 December 2023 A\$	31 December 2022 A\$
Revenue from contracts with customers from continuing operations	Up 50% to	3,905,822	2,599,549
(Loss) for the half-year after tax from continuing operations	Down 46% to	(1,810,791)	(3,327,629)
(Loss) for the half-year after tax from discontinued operations	Down 98% to	(183,497)	(8,485,735)
Net (loss) for the half-year attributable to members	Down 83% to	(1,994,288)	(11,876,769)

The Directors have not proposed the payment of an interim or final dividend in respect of the half year (2022: \$Nil).

	31 December 2023	31 December 2022
Net tangible assets backing per ordinary share	(6.38) cents	11.54 cents ¹

1. Restated numbers are explained in Note 9 in the Half-Year 31 December 2023 Financial Report.

Other information required by Listing Rule 4.2A

Other information requiring disclosure to comply with Listing Rule 4.2A is contained in the Half-Year 31 December 2023 Financial Report.

Half-Year Report
31 December

20
24



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Lodged with the ASX under Listing Rule 4.2A, this information should be read in conjunction with the 30 June 2023 financial Statements for BikeExchange Limited.

This half-year financial report does not include all the notes of the type normally included in an annual financial report.

Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by BikeExchange Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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Throughout this report Company refers to BikeExchange Limited, and Group refers to the BikeExchange Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2023.

Directors' Report

The Directors present their report together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'BikeExchange') consisting of BikeExchange Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during the half year ended 31 December 2023. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The following persons were directors of the company during the half year and up to the date of this report unless otherwise stated:

- Dominic O'Hanlon
- Gregg Taylor
- Elizabeth Smith
- Andrew Ryan

Principal activities

The principal continuing activities of the Group are providing online cycling marketplaces that operate globally in six countries across three geographical areas. The marketplaces provide efficient, technology driven platforms to connect consumers with retailers of bicycle products and accessories through a convenient, transparent and efficient user experience. Revenues from the platforms include eCommerce commission and subscriptions from retailers on the platform. The Group also operates 3PL and boxed delivery services through the Kitzuma operations in North America. During the current half year, the Group ceased operating the online cycling marketplace in Colombia.

Use of non-IFRS measures

The Directors believe the additional information on non-International Financial Reporting Standards (IFRS) measures included in this report are relevant and useful in measuring the financial performance of the Group. In particular, the presentation of 'Total Transaction Value' and Normalised EBITDA.

Results of Operations

The Group continued to deliver on its eCommerce growth strategy with a focus on onboarding quality sellers, driving performance via inventory management and eCommerce conversion driven by technology improvements and customer service.

Market

The global bike industry continues to experience an inventory oversupply, and a post-covid normalisation of consumer demand across all markets.

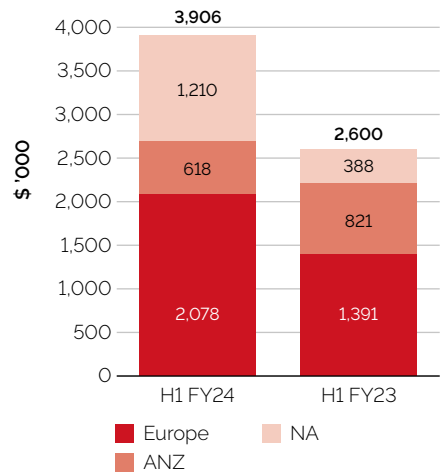
Revenue from Continuing Operations

BEX markets in North America (NA), Europe and Australia (ANZ), reported a 50% increase (\$1.3 million vs pcip) in Net Revenues to \$3.9 million.

e-Commerce revenue growth was underpinned by the signing of a significant number of new brand, distributor and bike retailers, as well as an improved return on advertising spend. Improvements were achieved across key health indicators of our marketplace business: conversion rates up 17% to 0.26%, Average Order Values up 22% to \$1,066 and Average Commission rates up to 10.8% from 7.7%.

Europe was the most significant contributor to the group results with revenues growing 49% to \$2.1 million. North American revenues grew 112% to \$1.2 million following the successful restructuring and re-purposing of North America to offer a combined Marketplace with 3PL and Boxed logistics solutions provided via Kitzuma.

Net Revenues from Continued Operations

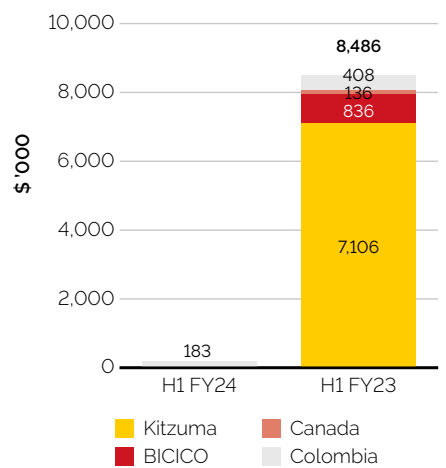


Discontinued Operations

Colombian eCommerce Business – BikeExchange Colombia S.A.S

The Group further reviewed and rationalised its Colombian operations taking into account the difficult economic conditions in that region. As a result, BikeExchange Colombia S.A.S ceased operations with effect from 1 December 2023. The overall loss recognised in the current half year from the discontinued Colombian operation was \$183k.

Net Losses from Discontinued Operations



Costs from Continuing Operations

The BEX cost base has stabilised following prior period restructures with total costs from continuing operations of \$5.8 million inline with pcp of \$5.8 million.

Employment costs was \$2.8 million which was inline with pcp of \$2.8 million.

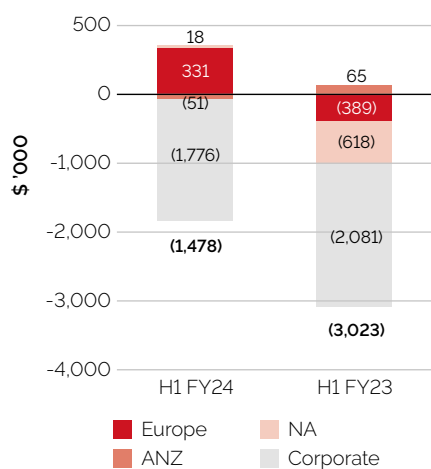
Marketing related costs reduced by \$0.1 million to \$0.6 million as a result of further improvements in marketing efficiency and return on advertising spend.

Other operating expenses was \$1.9 million which was inline with pcp of \$1.9 million.

EBITDA by business unit

Europe generated a positive EBITDA of \$331k (pre-corporate overhead) from a loss of \$389k in pcp. Similarly, North America generated \$18k positive EBITDA (pre-corporate overhead) from loss of \$618k in the pcp and Australia reported a \$51k EBITDA loss for the half. The rollout of the AI storefront in both Australia and North America over the coming half is expected to increase revenue growth and EBITDA in region with a focus on execution, and optimisation within the new technology. Corporate overheads reduced by \$305k to \$1.8 million from \$2.1 million in pcp.

The EBITDA/(Loss) from Continuing Operations



Normalised EBITDA Loss from Continuing Operations

In order to provide more information to shareholders in relation to how costs are being reduced and the impact of this on future profitability, the company is reporting the Normalised EBITDA from underlying operations in addition to statutory EBITDA results.

Normalised EBITDA from continuing operations includes profits or losses from business operations that are planned to continue but exclude one off restructuring costs, technology spend and share options expenses.

Normalised EBITDA from continuing operations has improved by \$1 million versus PCP to \$1.4 million (versus \$2.5 million in PCP), after removing non-recurring technology and executive share options expense.

\$A thousands	Dec 2023	Dec 2022	Variance \$	Variance %
Revenue	3,906	2,600	1,306	50%
Other income	419	165	254	154%
Cost of sales	(440)	(285)	(155)	54%
Employment costs	(2,817)	(2,821)	4	(0%)
Marketing costs	(619)	(738)	119	(16%)
Other operating costs	(1,927)	(1,944)	19	(1%)
Total Costs	(5,803)	(5,788)	(13)	0%
EBITDA	(1,478)	(3,023)	1,545	(51%)
Normalisation adjustments:				
R&D tax offset grant	(303)	–		
Non recurring employment costs	–	289		
Technology build costs	120	44		
Non recurring other costs	–	64		
Share based payments*	242	175		
Total non recurring costs, net	59	571	(512)	(90%)
Underlying BikeExchange EBITDA	(1,419)	(2,452)	1,033	(42%)

* Share based payments include share options and STI expenses paid in shares.

Financing activities

The Group successfully raised \$2.4 million of capital (after costs) from professional and sophisticated investors to fund the ongoing operations of the business.

Other items

Depreciation and amortisation was \$0.3 million which was inline with pcp of \$0.3 million. Net finance costs increased by \$14k on pcp to \$21k reflecting the additional finance costs on leased assets.

Outlook

BikeExchange commences Q3 2024 with strong momentum, having delivered six consecutive quarters of improved marketplace health metrics and an AI Storefront that is already delivering improved eCommerce performance in its largest market, Europe.

Following the rollout of the AI storefront to all verticals, the BikeExchange Marketplace and eCommerce teams will focus on execution, and optimization within the new technology, for the remainder of H2.

For marketplace teams, this means connecting the right sellers, products and prices, and driving improved marketplace performance. For eCommerce, this is about optimising, iterating and scaling with the new platform to scale through conversion.

Beyond that, BikeExchange sees a significant opportunity to strengthen its technology position by owning its technology IP, adding a material potential financial upside to its EBITDA performance through reduced license costs as well as extending its revenue model through new solutions that solve problems within the bike industry.

BEX will continue to focus its efforts on executing against the 5 strategic pillars it defined at the beginning of 2024 to drive the business to profitable growth:

- Execute on new consumer platform
- Connect new seller partnerships
- eCommerce profitability and growth
- Operational efficiency via centralisation, optimisation
- Develop Competitive Advantage via Technology

The Directors have plans to raise further capital and have been in active discussions with a number of sophisticated investors around providing further funding to the Group resulting in the announcement of commitments for a share placement and accelerated non-renounceable rights issue totaling \$1.8 million to be settled on 5 March 2024. In addition, sophisticated investors have indicated strong appetite to participate in any shortfall over and above their rights allocations, subject to there being a shortfall to allocate. This proposed funding will be used to fund operations including working capital and further investment in technology.

Events subsequent to the balance sheet date

The Directors are planning to raise additional capital and have been actively discussing with numerous sophisticated investors regarding further funding for the Group. This has led to the announcement on 28 February 2024 that the Company has received firm commitment for a share placement of \$680k (before costs). A further \$1.1 million (before costs) has been committed by way of major shareholders exercising their rights in the accelerated non renounceable entitlement to be settled in conjunction with the share placement on 5 March 2024. Of this amount, \$344k has been committed by Director, Andrew Ryan, and related entities. In addition, sophisticated investors have indicated strong appetite to participate in any shortfall over and above their rights allocations, subject to there being a shortfall to allocate.

There are no other matters or circumstances which have occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

Dividends

There were no dividends paid, recommended or declared during the half year (2022: nil). There is no dividend reinvestment plan operated by the Company.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 08.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is signed in accordance with a resolution of the directors made pursuant to s. 306 (3) of the *Corporations Act 2001*.



Dominic O'Hanlon

Director

Melbourne

28 February 2024

Auditor's Independence Declaration



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of BikeExchange Limited for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'A L Whittingham'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'A L Whittingham'.

A L WHITTINGHAM
Partner

Dated: 28 February 2024
Melbourne, Victoria

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2023

	Notes	31 December 2023 \$	31 December 2022 \$
Revenue	3	3,905,822	2,599,549
Other income		419,167	165,389
Cost of sales		(440,161)	(285,033)
Employee benefits expense		(2,816,883)	(2,821,313)
Marketing expenses		(618,911)	(738,259)
Other operating expenses		(1,922,151)	(1,946,442)
(Loss)/Profit on disposal of assets		(4,394)	2,887
(Loss) before Interest, Tax, Depreciation and Amortisation		(1,477,511)	(3,023,222)
Depreciation and amortisation expense		(312,270)	(297,875)
Finance income		15,671	12,693
Finance costs		(36,593)	(19,225)
(Loss) before income tax expense		(1,810,703)	(3,327,629)
Income tax expense		(88)	–
(Loss) for the half year from continuing operations		(1,810,791)	(3,327,629)
Discontinued Operations			
(Loss) for the half year from discontinued operations	4	(183,497)	(8,485,735)
(Loss) for the half year		(1,994,288)	(11,813,364)
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign exchange differences on translation of foreign operations		59,334	(63,405)
Other comprehensive income/(loss) for the half year, net of tax		59,334	(63,405)
Total comprehensive income/(loss) for the period attributable to members		(1,934,954)	(11,876,769)
(Loss)/Earnings Per Share:			
Basic			
– From continuing operations		(0.14)	(0.48)
– From discontinued operations		(0.01)	(1.22)
Total	6	(0.15)	(1.70)
Diluted			
– From continuing operations		(0.14)	(0.48)
– From discontinued operations		(0.01)	(1.22)
Total	6	(0.15)	(1.70)

The above condensed consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

As at 31 December 2023 and 30 June 2023

	Notes	31 December 2023 \$	30 June 2023 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,589,530	1,897,192
Trade and other receivables		1,838,450	1,645,937
Prepayments		157,347	293,123
Financial assets		72,300	107,943
Total Current Assets		3,657,627	3,944,195
Non-Current Assets			
Right-of-use assets	7	566,647	734,828
Plant and equipment		63,498	82,801
Intangible assets	8	210,676	247,912
Total Non-Current Assets		840,821	1,065,541
Total assets		4,498,448	5,009,736
LIABILITIES			
Current Liabilities			
Trade and other payables		4,273,542	5,365,957
Deferred income		167,997	113,967
Financial liabilities		31,846	120,913
Lease liabilities		488,453	520,861
Provisions		158,852	208,711
Total Current Liabilities		5,120,690	6,330,409
Non-Current Liabilities			
Lease liabilities		121,433	266,874
Provisions		1,815	1,815
Total Non-Current Liabilities		123,248	268,689
Total Liabilities		5,243,938	6,599,098
Net Liabilities		(745,490)	(1,589,362)
Equity			
Share capital	9	66,450,594	63,758,691
Other reserves		(7,475,811)	(7,622,068)
Accumulated deficiencies		(59,720,273)	(57,725,985)
Total Deficiency		(745,490)	(1,589,362)

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December 2023

	Share capital \$	Other reserves \$	Translation reserve \$	Accumulated deficiencies \$	Total equity \$
Balance at 1 July 2022	56,003,195	(6,695,170)	(778,663)	(41,213,255)	7,316,107
(Loss) for the half year	–	–	–	(11,813,364)	(11,813,364)
Other comprehensive (loss) for the half year	–	–	(63,405)	–	(63,405)
Total	–	–	(63,405)	(11,813,364)	(11,876,769)
Transactions with owners, recognised directly in equity					
Issue of share capital	6,329,632	–	–	–	6,329,632
Cost of issuing share capital	(488,095)	–	–	–	(488,095)
Deferred equity to be issued	299,920	(299,920)	–	–	–
Share-based payments	–	64,567	–	–	64,567
Total	6,141,457	(235,353)	–	–	5,906,104
Balance at 31 December 2022	62,144,652	(6,930,523)	(842,068)	(53,026,619)	1,345,442
Balance at 1 July 2023	63,758,691	(6,769,457)	(852,611)	(57,725,985)	(1,589,362)
(Loss) for the half year	–	–	–	(1,994,288)	(1,994,288)
Other comprehensive profit for the half year:	–	–	59,334	–	59,334
Total	–	–	59,334	(1,994,288)	(1,934,954)
Transactions with owners, recognised directly in equity					
Issue of share capital	2,728,450	–	–	–	2,728,450
Cost of issuing share capital	(36,547)	–	–	–	(36,547)
Share-based payments	–	86,923	–	–	86,923
Total	2,691,903	86,923	–	–	2,778,826
Balance at 31 December 2023	66,450,594	(6,682,534)	(793,277)	(59,720,273)	(745,490)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

For the half year ended 31 December 2023

	31 December 2023 \$	31 December 2022 \$
Cash flows from Operating Activities		
Receipts from customers	24,066,470	19,410,820
Payments to suppliers and employees	(26,700,055)	(25,145,357)
Other income	303,266	174,263
Interest received	15,670	13,908
Interest paid	(30,972)	(32,783)
Net cash used in operating activities	(2,345,621)	(5,579,149)
Cash Flows from Investing Activities		
Payments for intangible assets	(256)	(64,001)
Payments for plant and equipment	(2,887)	(43,913)
Proceeds from sale of plant and equipment	720	27,923
Proceeds from sale of business	64,221	–
Payment of security deposit	–	(17,297)
Net cash provided by/(used in) investing activities	61,798	(97,288)
Cash flows from Financing Activities		
Proceeds from share issue	2,450,000	5,914,714
Payments for leases	(280,995)	(478,200)
Receipts from leases	–	48,063
Payments for other financial liabilities	(142,143)	(146,700)
Costs related to share capital issuance	(36,547)	(769,335)
Net cash provided by financing activities	1,990,315	4,568,542
Net decrease in cash held	(293,508)	(1,107,895)
Cash and cash equivalents at the beginning of the financial period	1,897,192	4,888,822
Effects of exchange rates changes	(14,154)	16,219
Cash and cash equivalents at the end of the financial period	1,589,530	3,797,146

The above consolidated condensed statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements

For the period ended 31 December 2023

Note 1. General Information

(a) Statement of Compliance

BikeExchange Limited (the Company or parent entity) is an Australian Public Company limited by shares, incorporated and domiciled in Australia.

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

For the purposes of preparing the condensed consolidated financial statements, the Company is a for-profit entity.

(b) Basis of Preparation

The condensed financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2023 annual financial report for the financial year ended 30 June 2023. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The comparative income statement and segment reporting note have been represented as if the operations discontinued during the current period had been discontinued from the start of the comparative period (see Note 4). Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation in the current financial period.

New and amended accounting Standards that are effective for the current period

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going Concern

The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the financial report, the Group has incurred a net loss after income tax of \$2.0 million and has cash outflows from operating activities of \$2.3 million for the half-year ended 31 December 2023, and as of that date, the Group had net current liabilities of \$1.5 million and net liabilities of \$0.7 million.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Note 1. General Information (continued)

The Directors believe that there are reasonable grounds that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Group holds cash and cash equivalents of \$1.6 million as at 31 December 2023;
- The Group has demonstrated its capacity to raise funds in support of its business plan. Notably, subsequent to the half-year (please refer to Note 10), the Company has received firm commitment for a share placement of \$680k (before costs). A further \$1.1 million (before costs) has been committed by way of major shareholders exercising their rights in the accelerated non renounceable entitlement offer to be settled in conjunction with the placement on 5 March 2024. Of this amount, \$344k has been committed by Director Andrew Ryan and related entities. In addition, sophisticated investors have indicated strong appetite to participate in any shortfall over and above their rights allocations, subject to there being a shortfall to allocate;
- Management and the Directors have prepared a cash flow forecast for the next 12 months from the date of this report, operating cash outflows are expected to significantly improve over the next twelve months as management continues to enhance its technology to support eCommerce and logistics revenue growth. Additionally, if needed, management can deploy a cost optimisation plan to further reduce operating cash requirements by cutting discretionary expenditure; and
- The Group's operating loss from continuing operations of \$1.8 million was substantially lower than the prior comparative period of \$3.3 million. This significant reduction was primarily achieved from eCommerce and logistics revenue growth and a reduction in operating costs.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Note 2. Segment 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. The office supports the Group websites that offer services to customers in Australia and New Zealand.
- 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 and the Group's 3PL and boxed delivery services provided under the Kitzuma brand.
- Colombia: This segment includes BikeExchange Colombia S.A.S which operates from Medellin Colombia and principally services the Colombian market with eCommerce marketplaces. Effective 1 December 2023, the Colombian business became a discontinued operation and is expected to be completely discontinued by the end of the financial year.
- The unallocated segment contains any items that are not able to be allocated to any individual segment, and includes any costs/assets from the Group's holding companies being Bike Exchange Ltd (domiciled in Australia), Bike Exchange Holdings Pty Ltd (domiciled in Australia) and BikeExchange Pte Ltd (domiciled in Singapore).

Note 2. Segment Reporting (continued)

	Continuing Operations					Discontinued Operations			
	Australia and New Zealand \$	Europe \$	North America \$	Unallocated \$	Total Continuing \$	North America \$	Colombia \$	Total Discontinued \$	Total \$
Half year ended 31 December 2023									
Total Transaction Value	2,145,245	12,426,927	3,301,872	-	17,874,044	-	274,548	274,548	18,148,592
Revenue	617,623	2,077,648	1,210,551	-	3,905,822	-	62,264	62,264	3,968,086
EBITDA/(Loss)	(51,243)	331,592	17,860	(1,775,720)	(1,477,511)	-	(179,941)	(179,941)	(1,657,452)
Finance income	232	-	-	15,438	15,671	-	-	-	15,671
Finance costs	(6,493)	(2,056)	(22,811)	(5,233)	(36,593)	-	(3,556)	(3,556)	(40,149)
Depreciation and amortisation expense	(59,182)	(42,041)	(211,047)	-	(312,270)	-	-	-	(312,270)
Income tax expense	-	-	(88)	-	(88)	-	-	-	(88)
(Loss) for the half year	(116,686)	287,495	(216,085)	(1,765,515)	(1,810,791)	-	(183,497)	(183,497)	(1,994,288)
Segment Assets	484,448	2,173,983	1,054,060	578,797	4,291,288	-	207,160	207,160	4,498,448
Segment Liabilities	(699,025)	(2,277,386)	(1,376,529)	(672,778)	(5,025,718)	-	(218,220)	(218,220)	(5,243,938)
Half year ended 31 December 2022									
Total Transaction Value	2,206,017	9,542,646	2,036,922	-	13,785,585	1,061,281	1,230,356	2,291,637	16,077,222
Revenue	820,870	1,390,917	387,762	-	2,599,549	1,061,283	696,276	1,757,559	4,357,108
EBITDA/(Loss)	64,804	(389,099)	(618,108)	(2,080,819)	(3,023,222)	(6,991,819)	(1,223,435)	(8,215,254)	(11,238,476)
Finance income	128	-	234	12,331	12,693	-	18	18	12,711
Finance costs	(8,646)	-	(6,010)	(4,569)	(19,225)	(55,263)	(4,877)	(60,140)	(79,365)
Depreciation and amortisation expense	(72,697)	(12,847)	(212,331)	-	(297,875)	(194,974)	(15,385)	(210,359)	(508,234)
Income tax expense	-	-	-	-	-	-	-	-	-
(Loss) for the half year	(16,411)	(401,946)	(836,215)	(2,073,057)	(3,327,629)	(7,242,056)	(1,243,679)	(8,485,735)	(11,813,364)
30 June 2023									
Segment Assets	468,493	2,008,689	1,092,222	1,119,457	4,688,861	-	320,875	320,875	5,009,736
Segment Liabilities	(688,217)	(2,887,431)	(1,543,728)	(1,078,768)	(6,198,144)	-	(400,954)	(400,954)	(6,599,098)

Note 2. Segment Reporting (continued)

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 eCommerce transactions).

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 eCommerce 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 considers it a better representation of the gross orders transacted via the BikeExchange websites.

Note 3. Revenues From Contracts with Customers (from Continuing Operations)

	31 December 2023 \$	31 December 2022 \$
Revenues from types of goods and services:		
• eCommerce commission revenue	1,689,786	933,926
• Subscriptions	1,336,471	1,344,571
• Logistics	836,276	107,988
• Media, sale of goods and other services revenue	43,289	213,064
Total revenue from contracts with customers	3,905,822	2,599,549

eCommerce commission revenue, Logistics and Media, sale of goods and other services revenue is recognised at a point in time when a revenue generating transaction occurs. Subscription revenues are recognised evenly over the period to which they relate.

	31 December 2023 \$	31 December 2022 \$
Disaggregated by geographic markets		
• Australia and New Zealand	617,623	820,870
• Europe	2,077,648	1,390,917
• North America	1,210,551	387,762
Total revenue from contracts with customers	3,905,822	2,599,549

Note 4. Discontinued Operations

In H2 FY23, the consolidated entity ceased operating the Kitzuma bike deliveries business; dissolved BikeExchange Canada Inc., the dormant Canadian subsidiary; and via its subsidiary BikeExchange Colombia S.A.S., sold its interest in BICICO S.A.S, part of the Colombian business segment operating retail stores. These segments were not a discontinued operation or classified as held for sale as at 31 December 2022 and the comparative income statement and segment reporting has been restated to show the discontinued operations separately from continued operations.

During the current financial period, the consolidated entity further reviewed and rationalised its Colombian operations taking into account the difficult economic conditions in that region. As a result, the consolidated entity decided to shut down its Colombian marketplace and BikeExchange Colombia S.A.S. ceased operations with effect from 1 December 2023. The segment was not a discontinued operation or classified as held for sale as at 31 December 2022 and the comparative income statement and segment reporting has been restated to show the discontinued operation separately from continuing operations.

The financial performance of the discontinued operations for the period are presented below.

(i) Financial performance information

	Discontinued Operations	
	31 December 2023 \$	31 December 2022 \$
Revenue	62,264	1,757,557
Other income	–	5,334
Cost of sales	(25,509)	(2,017,046)
Employee benefits expense	(111,193)	(1,151,047)
Marketing expenses	(19,611)	(134,346)
Other operating expenses	(58,984)	(965,427)
Impairment losses*	–	(5,710,276)
(Loss) on disposal of asset	(26,908)	–
(Loss) before Interest, Tax, Depreciation and Amortisation	(179,941)	(8,215,251)
Depreciation and amortisation expense	–	(210,360)
Finance income	–	17
Finance costs	(3,556)	(60,141)
(Loss) before and after income tax expense	(183,497)	(8,485,735)
Income tax expense	–	–
(Loss) from discontinued operations	(183,497)	(8,485,735)

* Impairment losses for the period ended 31 December 2022 comprises \$424,780 from the Colombian segment and \$5,285,496 from North America (Kitzuma bike delivery business).

(ii) Cashflow information

	31 December 2023 \$	31 December 2022 \$
Net cash (used in) operating activities	(380,818)	(2,536,511)
Net Cash provided by/(used in) investing activities	73,832	(3,418)

Note 5. Dividends

There were no dividends paid or declared to equity holders during or since the half year ended 31 December 2023. There were no dividends paid during the comparative period.

Note 6. Earnings Per Share

	31 December 2023 \$	31 December 2022 \$
Loss after income tax attributable to the owners of BikeExchange Limited	(1,994,288)	(11,813,364)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	13,269,572	6,964,289
Weighted average number of ordinary shares used in calculating diluted earnings per share	13,269,572	6,964,289
	\$	\$
Basic Earnings Per Share	(0.15)	(1.70)
Diluted Earnings Per Share	(0.15)	(1.70)

A total number of 369,483 share options (2022: 423,314 share options) are excluded from calculation of dilutive earnings per share as they were anti-dilutive.

There are no adjustments in relation to the effects of all dilutive potential ordinary shares due to the current loss-making position of the Group. The consolidation of the issued ordinary shares was completed on 11 December 2023 on the basis of every hundred (100) ordinary shares being consolidated into one (1) share. The comparative income statement is re-presented as if the shares consolidation had been incurred at the beginning of the comparative period.

Note 7. Right-of-Use Assets

	31 December 2023 \$	30 June 2022 \$
At cost	1,252,156	1,332,500
Less accumulated depreciation	(685,509)	(597,672)
Total written down amount	566,647	734,828

Right-of-use assets relate to office and warehouse premises.

Note 8. Intangible Assets

	31 December 2023 \$	30 June 2022 \$
Software		
At Cost	772,849	788,580
Less accumulated amortisation	(562,173)	(540,668)
Carrying amount at end	210,676	247,912

Software included in intangible assets is purchased from 3rd parties and supports features and functionality on the websites operated by the Group.

Note 9. Issued Capital

	\$	Shares
Movement in ordinary share capital		
Balance at 1 July 2022	56,003,195	5,437,791
Issue of shares	8,373,041	5,772,043
Costs of issuance of share capital	(617,545)	–
Balance at 30 June 2023	63,758,691	11,209,835
Issue of shares	2,728,450	3,773,859
Costs of issuance of share capital	(36,547)	–
Balance at 31 December 2023	66,450,594	14,983,694

The Company does not have a limited amount of authorised capital and issued shares do not have a par value. Fully paid ordinary shares carry one vote per share and carry a right to dividends.

The consolidation of the issued ordinary shares was completed on 11 December 2023 on the basis of every hundred (100) ordinary shares being consolidated into one (1) share. The comparative income statement is re-presented as if the shares consolidation had been incurred at the beginning of the comparative period.

Note 10. Events Occurring After the Condensed Consolidated Statement of Financial Position Date

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

The Directors are planning to raise additional capital and have been actively discussing with numerous sophisticated investors regarding further funding for the Group. This has led to the announcement on 28 February 2024 that the Company has received firm commitment for a share placement of \$680k (before costs). A further \$1.1 million (before costs) has been committed by way of major shareholders exercising their rights in the accelerated non renounceable entitlement to be settled in conjunction with the share placement on 5 March 2024. Of this amount, \$344k has been committed by Director, Andrew Ryan, and related entities. In addition, sophisticated investors have indicated strong appetite to participate in any shortfall over and above their rights allocations, subject to there being a shortfall to allocate.

Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on page 09 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The basis of preparation confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.



Dominic O'Hanlon
Director

Melbourne
28 February 2024

Independent Auditor's Review Report



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of BikeExchange Limited

Conclusion

We have reviewed the accompanying half-year financial report of BikeExchange Limited ("the Company") and its controlled entities (together referred to as "the Group") which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of BikeExchange Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates the Group incurred a loss of \$1,994,288 and had net cash outflows from operating activities of \$2,345,621 for the half year ended 31 December 2023 and as at that date the Group had net current liabilities of \$1,463,063 and net liabilities of \$745,490. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of BikeExchange Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in dark ink, appearing to read 'A L Whittingham'.

RSM AUSTRALIA PARTNERS

A handwritten signature in dark ink, appearing to read 'A L Whittingham'.

A L WHITTINGHAM
Partner

Dated: 28 February 2024
Melbourne, Victoria

Corporate Directory

Company's registered office

BikeExchange Limited
Level 5, 126 Phillip Street
Sydney NSW 2000

Company's principal place of business

Central House
101 Moray Street
South Melbourne VIC 3205

Share Registry

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

Auditor

RSM Australia Partners
Level 21, 55 Collins Street
Melbourne VIC 3000

Stock exchange listing

BikeExchange Limited shares are listed on the Australian Securities Exchange (ASX code: BEX).

Website and Investor Relations

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