



BIKEEXCHANGE (ASX: BEX)

**H1 FY23
BUSINESS UPDATE**

28 February 2023



Agenda

H1 FY23 BUSINESS UPDATE

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Ryan McMillan
Chief Executive Officer



Dominic O'Hanlon
Non-Executive Director





**BIKE
EXCHANGE**

WHERE THE WORLD RIDES[®]

BIKEEXCHANGE (ASX:BEX)

BEX Overview

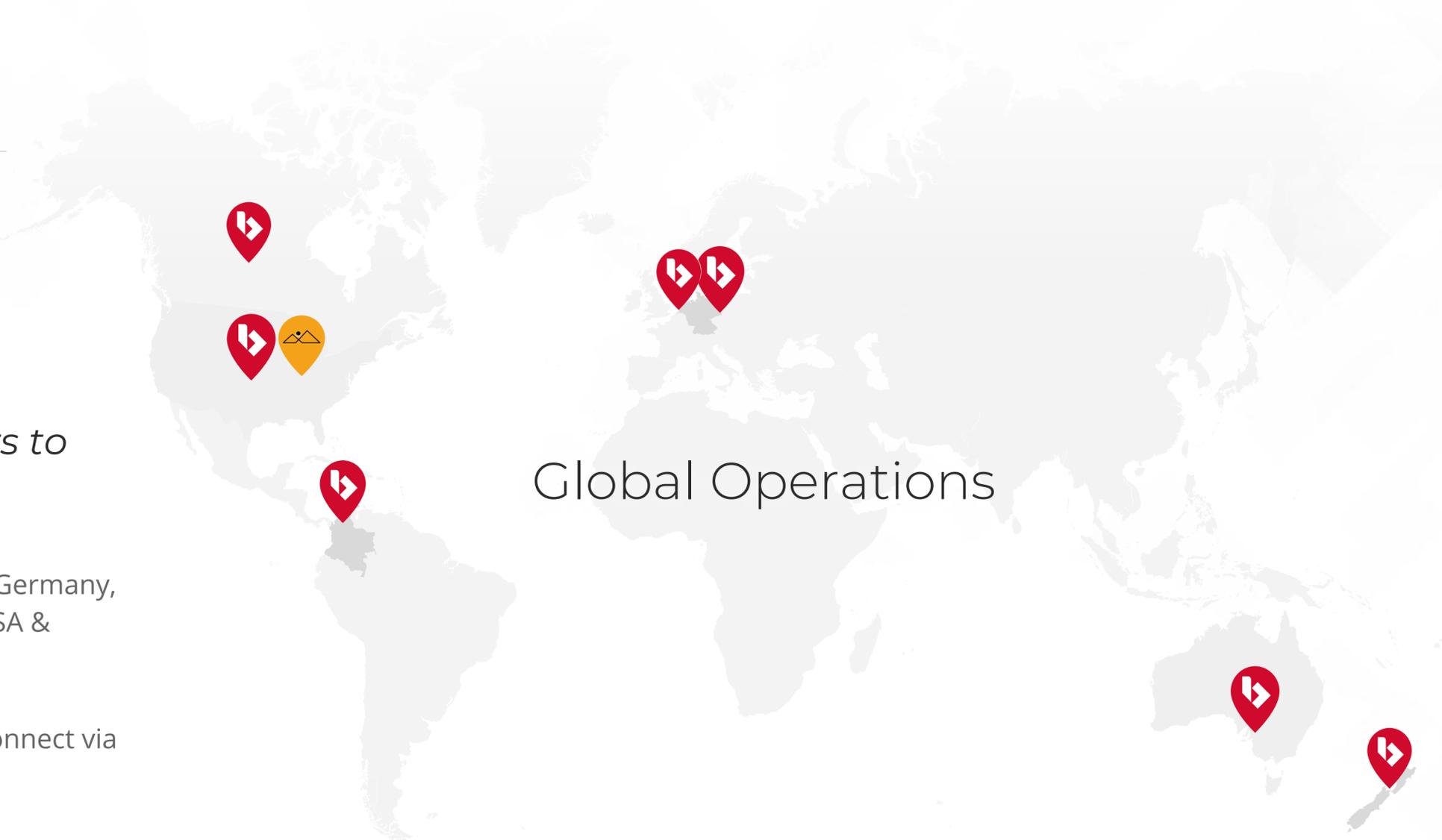


BEX Overview

WORLD'S LEADING ONLINE BICYCLE MARKETPLACE

“**BikeExchange** is the world’s leading online marketplace connecting consumers to products from bike stores and brands.”

- Operate in eight countries, from four regional hubs - ANZ, EU (Germany, Belgium & Netherlands), LatAm (Colombia) and NA (Canada, USA & Kitzuma)
- Enabling our network of brands, retailers and distributors to connect via single destination marketplaces.
- Focus on eCommerce transactions along with seamless bicycle logistics solutions.



18.5 million

Global Traffic

1,500+

Brands on Platform

1,711

Active Retail Accounts

\$ 836 million

Aggregate Product Enquiry Value

* All metrics for the 12 months period to 31 December 2022





BIKEEXCHANGE (ASX: BEX)

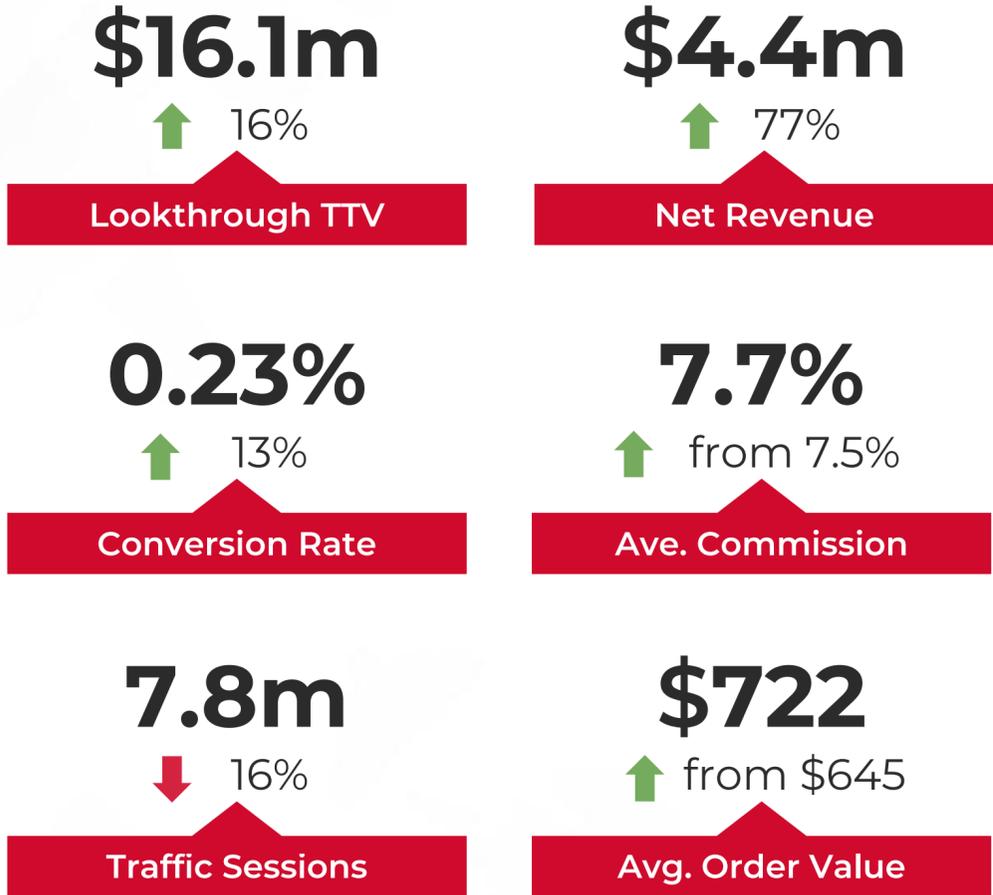
BEX H1 FY23 Performance



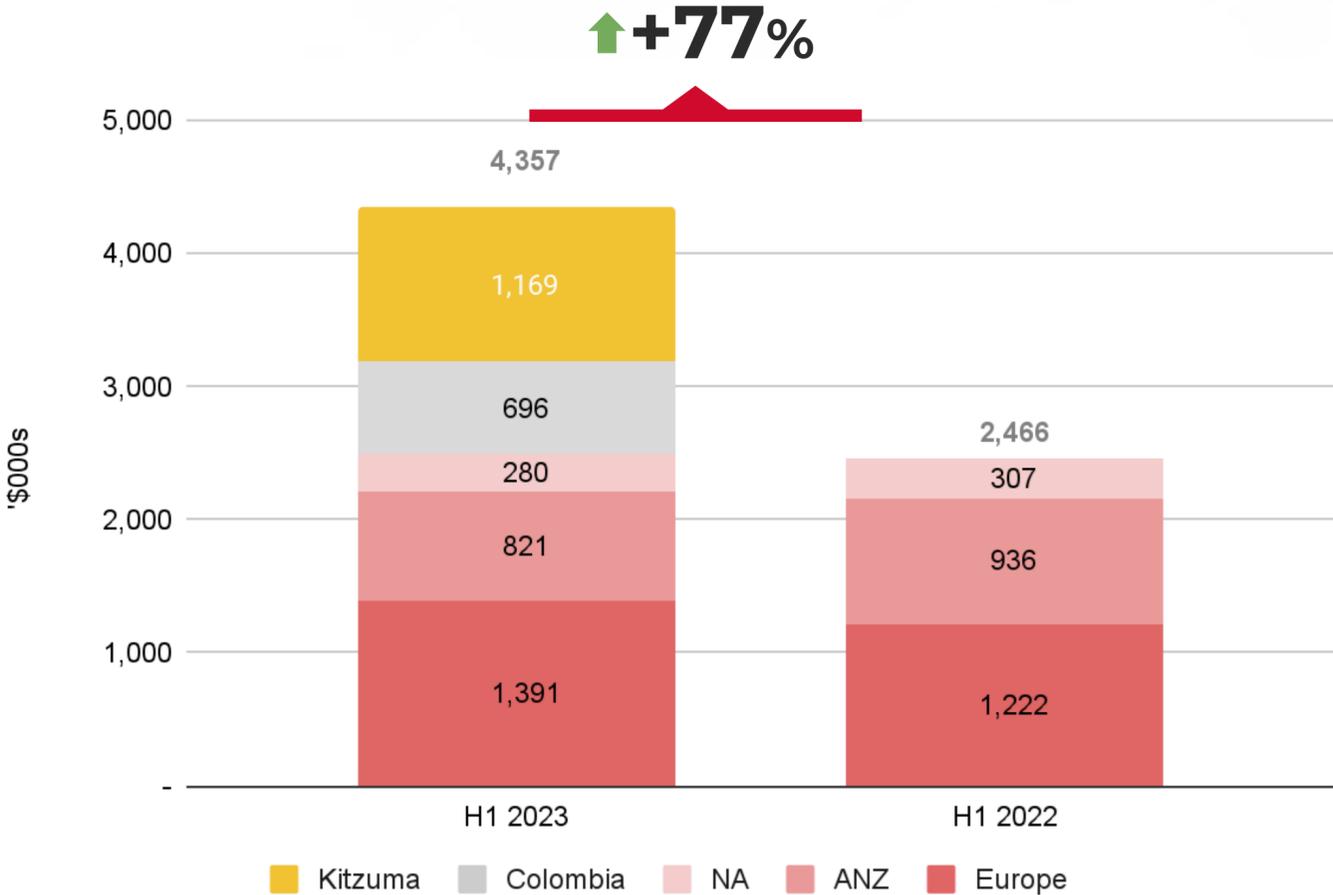
FY23, HY1 Group Highlights

REVENUE GROWTH OFF A REDUCED COST BASE: KEY METRICS vs FY22

Key HY1 FY23 Highlights



Net Revenue by Business Unit – HY1 FY23 vs HY1 FY22



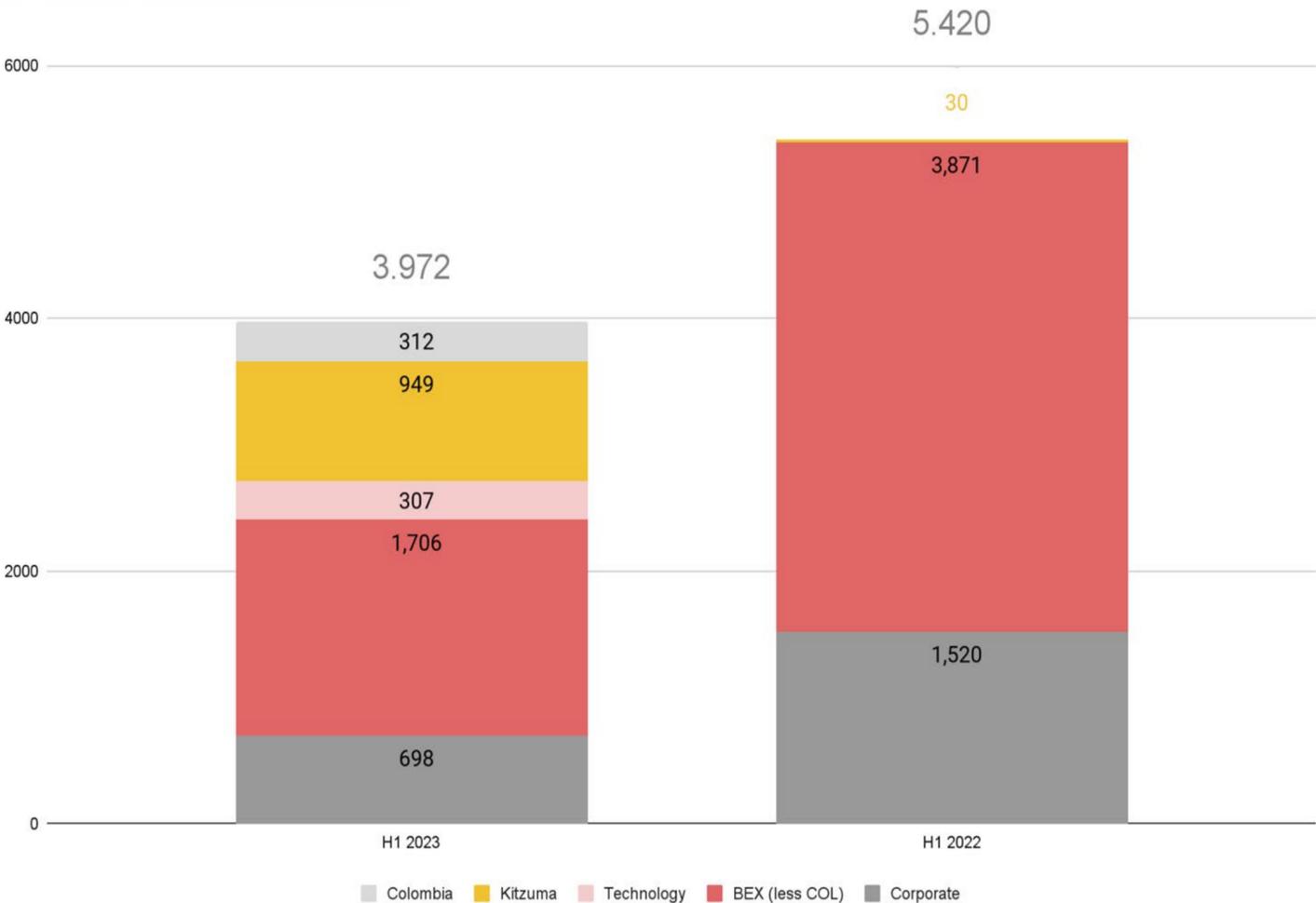
1. Lookthrough Total Transaction Value (TTV) includes 50% of BikeExchange Colombia’s TTV up to 2 March 2022, and 100% from then on (post acquisition). All metrics relating to FY22 exclude BikeExchange Colombia except for those marked as lookthrough.
 2. North America revenues include Kitzuma from 23 December 2021 (date of acquisition). Revenues for Q2FY23 include the addition of Kitzuma bike delivery services which were paused in November 2022.



Reduced Cost Base & Investment in Scalable Technology

OUR STRATEGY: REDUCED SPEND ON HEADCOUNT AND INCREASE INVESTMENT IN SCALABLE TECHNOLOGY

Employment Cost HY1 FY23 vs HY1 FY22



Investment in Scalable Technology

Reduced Employee Expenditure

Total employment costs at BEX Core (excl. Colombia) plus Corporate reduced by \$3m or 55% versus PCP. Offsetting this reduction were the following costs that resulted in total savings of \$1.4m versus PCP:

- Additional investment in BEX Technology team of \$0.3m
- Additional employment costs of 1.2m resulting from Kitzuma and Colombia acquisitions.

A significant reduction is expected in H2 FY23 as a result of the cessation of Kitzuma door deliveries

Investment: Upskilled Technology Team

BEX is investing in technology and developing bike industry specific foundational IP assets that can help generate scale and enterprise value.

- Continued upskilling of technology team throughout 2023
- The new consumer platform to be launched in Q4 is being built by a combined BEX plus Agency (Overdose) implementation team resulting in development of our team and ownership of critical IP
- Creating foundational & scalable IP that allow extension of functionality, services and markets



Kitzuma & Colombia

REVIEW OF OPERATIONS AND GOODWILL

\$A Thousands	H1, 2023	H1, 2022
Kitzuma		
Goodwill	5,099,766	-
Intangibles - software	136,163	-
Right of use assets	19,511	-
Property plant and equipment	30,056	-
	5,285,496	-
Colombia		
Goodwill	424,780	-
	424,780	-
Total Impairment losses	5,710,276	-

Kitzuma Corp

On 31 October 2022 we announced a pause in Kitzuma door deliveries pending a strategic review of the business. Following this review, the decision was taken to suspend the door delivery business indefinitely, leading to an impairment write-down of the goodwill and other assets relating to the door delivery business. Kitzuma continues to operate its Boxed delivery and warehousing / 3PL lines of business.

Colombia

Difficult trading conditions resulted in an EBITDA loss of \$0.8m in the region. Whilst the focus remains on continuing to reduce operating losses in the region, the goodwill in the business has been written down to reflect current trading conditions.



FY23, HY1 Normalised EBITDA LOSS

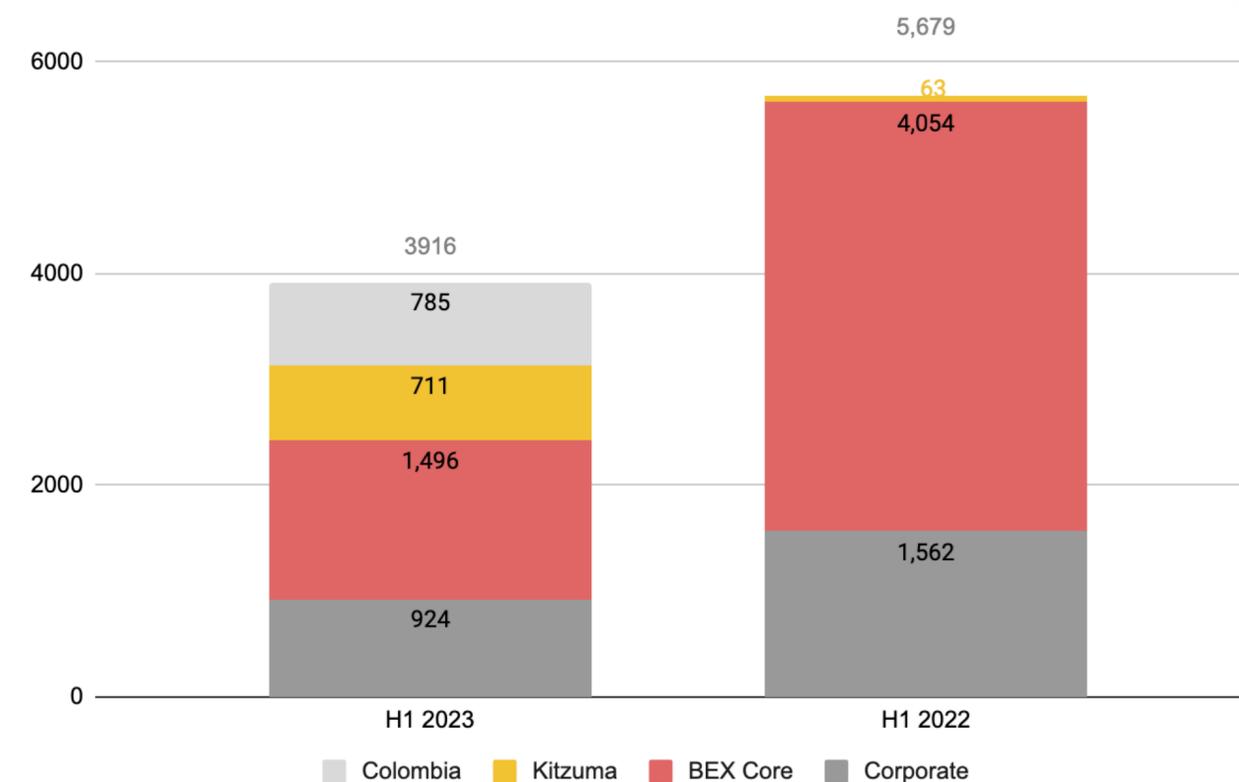
EBITDA LOSS FROM UNDERLYING OPERATIONS

\$A Thousands	H1, 2023	H1 2022	Variance \$	Variance %
Group TTV	16,077	13,445	2,632	20%
Revenue	4,357	2,466	1,891	77%
Other Income	171	0	171	-
Cost of sales	-2,302	0	-2,302	-
Employment costs	-3,972	-5,421	1,449	-27%
Marketing Costs	-873	-900	27	-3%
Other Operating Costs	-2,909	-2,532	-377	15%
Impairment Losses	-5,710	0	-5,710	-
Total Costs	-15,766	-8,853	-6,913	78%
EBITDA LOSS	-11,238	-6,387	-4,851	76%
<u>Normalisation adjustments:</u>				
Impairment Losses	5,710		5,710	
Non recurring employment costs	439		439	
Non recurring other costs	64		64	
Kitzuma door delivery	1,086		1,086	
Executive share options expense	24	709	-685	-97%
Total non recurring costs	7,323	709	6,614	933%
Underlying BikeExchange EBITDA Loss	-3,915	-5,678	1,763	-31%

EBITDA Loss from Underlying Operations

To provide a better illustration of cost base reductions and their impact on future profitability, the company is reporting normalised EBITDA Loss from underlying operations in addition to statutory EBITDA Loss.

- Underlying EBITDA loss of \$3.9m after normalisation adjustments (non recurring items) improving by \$1.8m versus pcp.
- Improvements are primarily driven by saving across BEX Core and Corporate underlying EBITDA loss of \$3.2m offset by the EBITDA losses from the acquisition of Kitzuma and Colombia (\$1.4m).



BIKEEXCHANGE (ASX: BEX)

**Industry Developments &
BEX Strategic Focus**



Industry & Market Developments

As Inventories Ramp-up, BEX is helping Sellers Looking for Channels to Market

FROM: SELLERS MARKET

TO: BUYERS MARKET

RECENT WINS

Industry

- Global supply shortages
- Empty brand warehouses

- Inventory ramp-up
- Brands & sellers become overstocked
- Brands look for D2C / new channels

Retail

- Bike stores quickly running out of stock
- Bikes sold at full margin

- Stores receiving 2-years of back-orders in months
- Increased price competition

Consumer

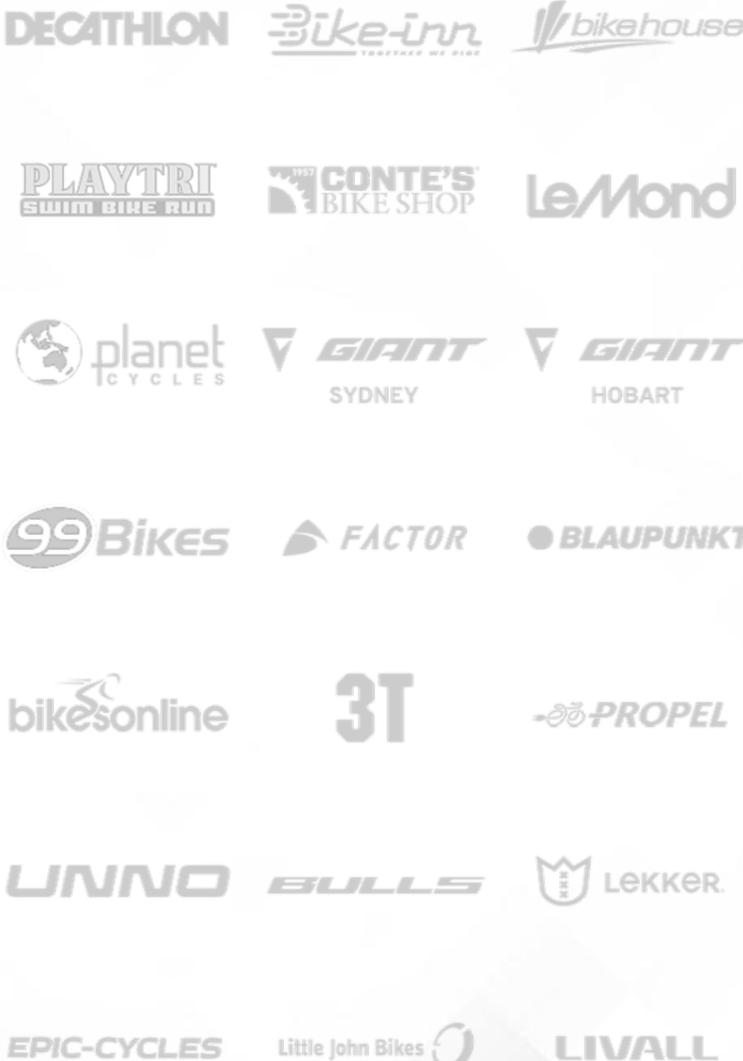
- High consumer demand
- Low availability, selection
- Consumers demand to buy online

- Normalization of demand to pre-covid levels
- Extensive product selection / choice
- Consumer search starts online

BEX

- BEX helps consumers find what they want
- BEX connects stores to ready-to-buy users
- BEX offers easy online channel access

- Provides Brands a D2C channel
- Provides Bike Stores access to millions active shoppers
- Consumers easily find the best deals in market



The BEX platform creates value in both market environments
BEX is well positioned to support Brands, Distributors and Retail Sellers looking for channel to market



FY23 Outlook: From Growth Focus to Pathway to Profit

5 Strategic Pillars Towards BEX Profitability



Driving Conversion Through Technology

AN ENHANCED EXPERIENCE FOR BUYER AND SELLER

In H2, FY23 BikeExchange will launch its new consumer storefront platform, significantly improving the buying and selling experience for consumers and retailers.

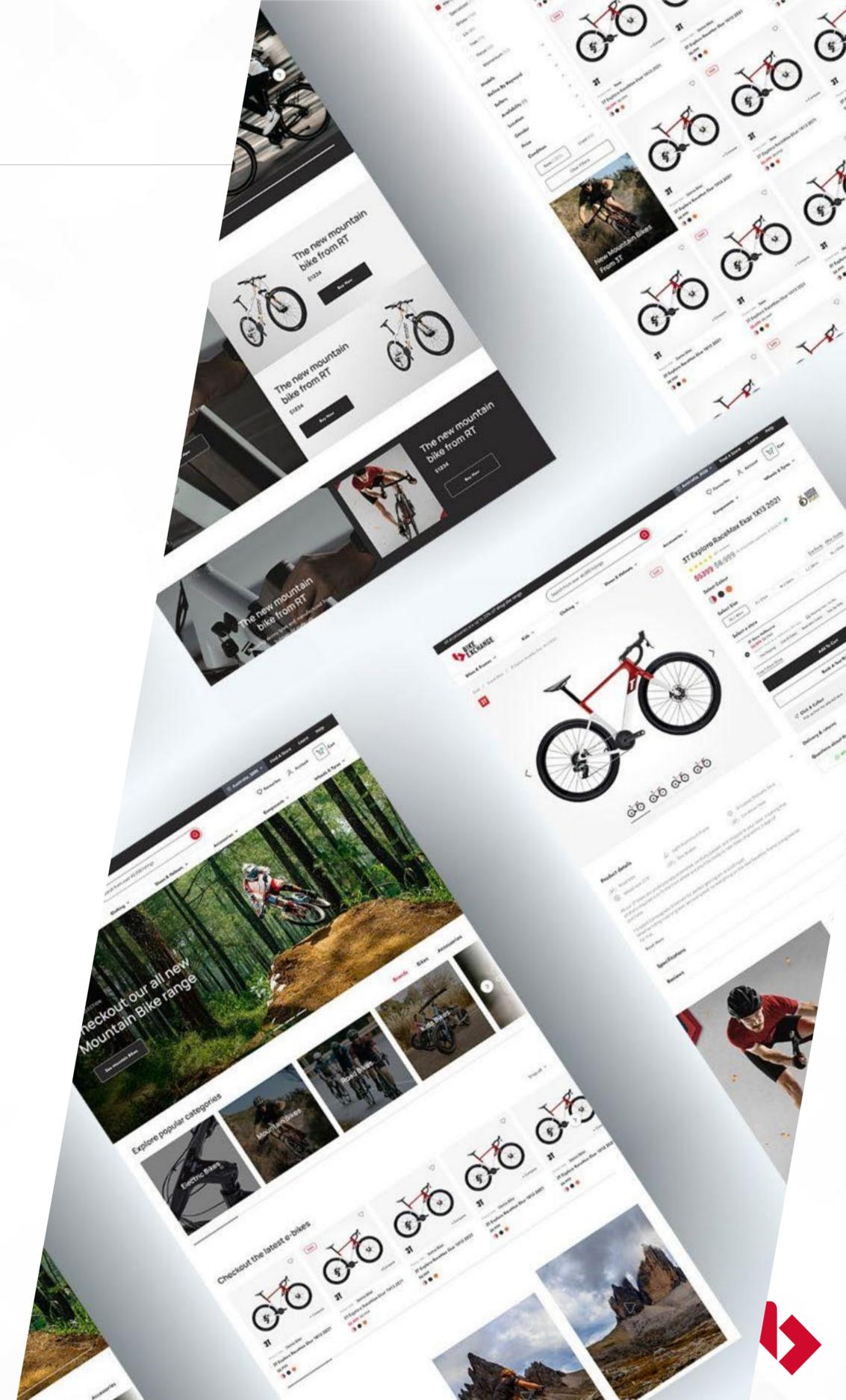
Partnering with commercetools and co-built with partner Overdose, BEX is upskilling its team and upgrading its technology stack to a best-in-class, composable commerce architecture, enhancing the experience for its users including search, content, payments, AI driven recommendations and personalisation.

Importantly this new experience will deliver us:

- Modern, extendible customer experiences for buyers and sellers
- Best-in-class MACH (Microservices, API_first, Cloud-native, Headless) technology architecture
- AI and machine learning across all key touch points to drive increased conversion
- Highly scalable cloud architecture that reduces our total cost of ownership
- Ability to scale into new markets and adapt to new business models
- Increased capabilities to manage our technology internally

Demo: BEX is planning a demo of its consumer Storefront and Roadmap
Timing: Week commencing 24.4 - BEX will send out invitations in due course

Technology Partners:
MARKETPLACER



Consumer Platform Developments

SINGLE PRODUCT VIEW | RESERVATIONS | RECOMMENDATIONS | ON PAGE CONVERSION

Continue Shopping

All accessories are up to 20% off shop the range Australia, 3000 Find A Store Learn Help



Search from over 40,000 listings



Bikes & Frames Kids Clothing Shoes & Helmets Accessories Components Wheels & Tyres

Road / Gravel Bikes / 3T Exploro RaceMax Ekar 1X13 2021...

Sale



3T Exploro RaceMax Ekar 1X13 2021

★★★★★ (89 reviews) \$5399 \$8,999 Or 4 fortnightly payments of \$324.75 GERMAN DESIGN AWARD 2022

Select Colour



Select Size Size Guide Other Guides

XS / 48cm S / 51cm M / 54cm L / 56cm XL / 61cm

Select a store

3T Store Melbourne \$5,099 \$8,999 Location: South Yarra, Melbourne | 3km Away Shipping times: 3-4 day Free Shipping Click & Collect Reservation Instore Free Test Ride

View 5 More Stores

Add To Cart

Book A Test Ride

Click & Collect Pick up from the selected store Reservation Instore Pay 10% now, pick up in store

Delivery & returns

Questions about the product?

WhatsApp Us Live Chat

Product details

- Road bike Light Aluminium frame Groupset Shimano Sora
- Wheel size 27.5" Disc Brakes Condition New

All our 3T bikes are professionally assembled, carefully packed, and shipped to your door, meaning that all that's required is to fit the front wheel and you'll be ready to ride! Bikes ship within 3 days of purchase.

It's in your cart

3T Exploro RaceMax Ekar 1X13 2021 Size: S Colour: Black Store: 3T Store Melbourne \$8,999

3T Exploro RaceMax Ekar 1X13 2021 Size: S Colour: Black Store: 3T Store Melbourne \$8,999

View & Checkout

Delivery or Click & Collect

1x Name of Bike	\$2939.00
Store: Name of Store 20Km Away	
Select Options:	
<input checked="" type="radio"/> Delivery \$50.00 Delivery Postcode: 1052 Change Estimated Delivery: 25th - 31st Jan. You will receive an email when the product is dispatched.	
<input type="radio"/> Click & Collect Free Pickup Location: 20 Augustus Terrace, Parnell 1022 You will receive an email with information on store opening times.	
<input type="radio"/> Reserve Instore Deposit Online: \$293 Pickup Location: 20 Augustus Terrace, Parnell 1022 You will receive an email with information on store opening times.	
<input type="radio"/> Book a Test Ride Free Pickup Location: 20 Augustus Terrace, Parnell 1022 You will receive an email with information on store opening times.	



Consumer Platform Developments

MULTI SELLER | MULTI PRODUCT COMPARISONS

Product details

More seller options

- 3T Store Melbourne**
 \$5,099 ~~\$8,999~~
 Location: South Yarra, Melbourne | 3km Away
 Shipping times: 3-4 day
 Free Shipping | Click & Collect | Reservation Instore | Free Test Ride
 Add To Cart
- 3T Store Melbourne**
 \$5,099 ~~\$8,999~~
 Location: South Yarra, Melbourne | 3km Away
 Shipping times: 3-4 day
 Free Shipping | Click & Collect | Reservation Instore | Free Test Ride
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 Add To Cart

3T Exploro RaceMax Ekar 1X13 2021 \$8,999

3T Exploro RaceMax Ekar 1X13 2021 \$8,999

3T Exploro RaceMax Ekar 1X13 2021 \$8,999

Compare Now

Compare products

3T Exploro RaceMax Ekar 1X13 2021 \$5399 ~~\$8,999~~ Buy Now

3T Exploro RaceMax Ekar 1X13 2021 \$5399 ~~\$8,999~~ Buy Now

3T Exploro RaceMax Ekar 1X13 2021 \$5399 ~~\$8,999~~ Buy Now

Popular Feature

- Road bike
- Wheel size 27.5"
- Light Aluminium frame
- Disc Brakes
- Groupset Shimano Sora
- Condition New

Description

All our 3T bikes are professionally assembled, carefully packed, and shipped to your door, meaning that all that's required is to fit the front wheel and you'll be ready to ride! Bikes ship within 3 days of purchase.

Product state: Demo Bike Compare Product state: New Compare Product state: Demo Bike Compare





Disclaimer

Important notice

The material in this presentation has been prepared by BikeExchange Limited (ASX: BEX) ABN 24 625 305 240 ("BikeExchange or the Company") and is general background information about BikeExchange's activities current as at the date of this presentation. The information is given in summary form and does not purport to be complete in every aspect.

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The financial information should be read in conjunction with the basis of preparation set out in the Appendix on [page 15](#).

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Basis of preparation

Basis of preparation

The information contained in this presentation is based on the historical financial information (BEX Financial Information) for the BikeExchange Group and should be read in conjunction with the BikeExchange Ltd FY22 Annual Report. It has not been reviewed or audited by the Group's auditor, Deloitte Touche Tohmatsu.

The BEX Financial Information in this presentation is that of BikeExchange Limited Group which is made up of a consolidation of all entities within the Group, except as specifically noted in this basis of preparation. The legacy BikeExchange Holdings Pty Ltd Group was acquired by BikeExchange Limited (previously RPro Holdings Ltd) on 5 February 2021, prior to the Group's listing on the ASX on 9 February 2021. The purpose of the BEX Financial Information is to show certain financial results of the Group for the 3 and 6 month financial periods ending 31 December 2022 (Q2 FY23 and H1 FY23 respectively), and 31 December 2021 as a comparative (Q2 FY22 and H1 FY22 respectively).

BikeExchange Limited generated no revenues and acted as an investment holding company prior to the transaction with the BikeExchange Group and so the acquisition of the BikeExchange Holdings Pty Ltd Group by BikeExchange Limited is treated as a reverse acquisition for accounting purposes. Therefore this presentation presents the consolidated results of BikeExchange Limited and the BikeExchange Holdings Pty Ltd Group for H1 FY23 and Q2 FY23 as well as comparatives for H1 FY22 and Q2FY22.

Non-IFRS financial information

BikeExchange's results are reported under Australian International Financial Reporting Standards (AIFRS). This presentation also includes certain non-AIFRS measures including "KPIs", and "look through". These measures are used internally by management to assess the performance of our business and our Joint ventures, make decisions on the allocation of resources and assess operational management. Non-AIFRS measures have not been subject to audit or review. The following non-AIFRS measures are defined below:

- **Total Transaction Value (TTV)** is the aggregate of revenues, net of sales taxes, generated from display/media sales, retail subscriptions and other online sales and the gross merchandise value for e-Commerce transactions that are executed on the BikeExchange network of websites.
- **Lookthrough basis** - For equity accounted joint ventures and consolidated subsidiaries, add the total revenue or TTV within the reporting period multiplied by the Group's % ownership. All entities are owned 100% by the Group with the exception of the Group's interest in BikeExchange Colombia, which was 50% owned for all periods up to 2 March 2022 when the Group acquired the remaining 50% and consolidated 100% of the entity from that date.
- **Average Revenue per account (ARPA)** is the total revenue for the period for subscriptions earned from retailers and affiliates divided by the average number of paying retailers accessing BikeExchange network of websites for the period, and does not include revenues or accounts relating to BikeExchange's 50% interest in BikeExchange Colombia, prior to the completion of the acquisition on 2 March 2022.
- **Unique Monthly sellers (Sellers)** is the average number of retailers for the period who fulfilled at least 1 e-Commerce order in a individual month.
- **Traffic** represents total unique sessions visiting the Group's network of sites across the period.
- **E-commerce transactions** are the total number of e-Commerce transactions occurring on BikeExchange network of websites in each period. A transaction is defined as a single item or basket of items paid for in a single payment transaction through the BikeExchange network of websites.
- **Average Order Value (AOV)** is the gross merchandise value for e-Commerce transactions that transact on the BikeExchange network of websites divided by the number of e-Commerce transactions for the financial period.
- **Average Commission Rate** - calculated as e-Commerce commission revenue divided by the gross e-Commerce transaction value for all transactions across the relevant period.
- **Prior corresponding period (pcp)** means the equivalent period in the previous financial year.





THANK YOU

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