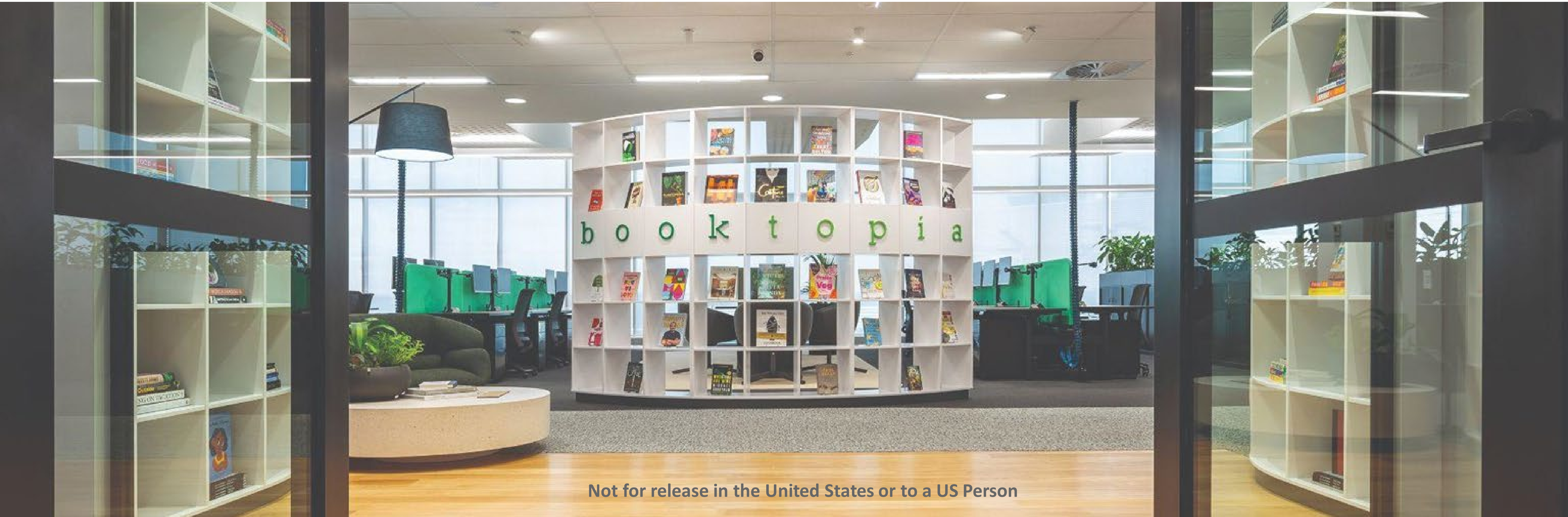
booktopia

An e-commerce leader

Investor Presentation

10 July 2023



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(a) an initial tranche of 13,735,930 fully paid ordinary shares ('New Shares') at $0.12 per New Share and 6,867,965 attaching unquoted Options, each with an exercise price of $0.23 expiring two years from the date of issue, to raise $1.65 million within the Company's current 15% placement capacity under Australian Securities Exchange (ASX) Listing Rule 7.1 ('Tranche 1'); and

(b) a second tranche of 63,776,535 New Shares at $0.12 per New Share and 31,888,267 attaching unquoted Options, each with an exercise price of $0.23 and expiring two years from the date of issue, to raise a further $7.65 million, with the issue being subject to and conditional upon Shareholder approval under ASX Listing Rule 7.1 ('Tranche 2') (together, 'the Placement').

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- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
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Board of Directors

Peter George
Chairman & Independent Non-Executive Director

Paul Welch
Independent Non-Executive Director

Abigail Cheadle
Independent Non-Executive Director

Tony Nash
Non-Independent Non-Executive Director

Stephen Ezekiel
Independent Non-Executive Director

Steven Traurig
Executive Director & Chief Commercial Officer

Executive Management

David Nenke
Chief Executive Officer

Fiona Levens
Chief Financial Officer

Alistair Clarkson
General Counsel & Company Secretary

Executive Summary

Booktopia is conducting an Offer of approximately $10.9m[1] via a two-tranche placement of shares[2] with attaching unquoted options to professional and sophisticated investors and a debt-to-equity conversion[3]

Highlights

- FY24 Underlying EBITDA Forecast of $13.5m[4]
- Business improvement initiatives worth $12-15 million of annualised earnings improvements have been initiated[5]
- New Next Gen Customer Fulfillment Centre (Next Gen CFC) to drive operational efficiency, lower costs, faster shipping times and improve customer experience[6]
- Proven robotics technology and commercial Warehouse Management System (WMS) software solution are expected to fundamentally improve business economics[6]

Use of Funds

- To assist in funding the completion of the new Next Gen CFC
- Working capital contribution
- The costs associated with the capital raising

Transaction Summary [7]

- Offer of approximately $10.9m[1] comprising a $9.3m two-tranche placement of shares and a $1.6m debt to equity conversion (Partial Conversion of AFSG Capital Loan)
- 1 free attaching option (unquoted) for every 2 new shares issued at an exercise price of $0.23 expiring two years from the date of issue

AFSG Capital Loan [8]

- 3 year extension to the loan at an interest rate of 10% pa expiring 3 years from the date the deed of amendment to the original loan agreement (Amendment Deed) is executed
- Reduction of remaining debt owed following the conversion of $1.6m of the $5m loan to equity subject to shareholder approval. If not approved an additional 10% pa premium is payable at the end of the term
- If not repaid within 2 years, additional 5% pa redemption premium payable at the end of the term

1. *Offer comprises a $9.3 million two-tranche placement, subject to the Board's discretion to accept oversubscriptions, and a $1.6 million debt to equity conversion*
2. *Tranche 2 is subject to shareholder approval*
3. *Debt to equity conversion is subject to shareholder approval*
4. *Further details on the Underlying EBITDA forecast can be found on slide 21*
5. *As announced on 23rd January 2023. Further details on the business improvement initiatives can be found on slide 13*
6. *Further details on the Next Gen CFC can be found on slide 15*
7. *Key offer details provided on slide 24*
8. *Further details on the loan can be found on slide 25*

Overview

Opportunity at a Glance

Booktopia is a leading player in the market

- Category-leading position with more than 5 million customers and 1.6 million active customers[1]
- More than 64 million group website sessions in CY2022[2]
- Over 101,000 titles in stock[3] with access to total stock list of >6 million titles[4]

Australian book market continues to grow

- Overall sales for CY2022 up 7% on CY2021[5]
- Bricks and mortar stores grew market share (at the expense of online) in 2022 as a natural consequence of the correction in consumer behaviour post Covid[6]

Refocus on efficiency and business economic improvements to drive return to earnings growth

- Next Gen CFC to deliver economic improvements to the business through driving operational efficiency, lowering costs and improving customer experience[7]
- Ongoing rationalisation of lease obligations including sublease of CFC2[8] in Enfield in May 2023 and exit from CFC1[8] in October 2023
- Other, previously announced, business improvement initiatives executed include margin optimisation; postage recovery; refocused advertising strategy; and organisational restructuring[9]

1. *Active customers are defined as any customer having purchased from Booktopia or Angus & Robertson websites within the last 12 months*
2. *Per Google Analytics for Booktopia and Angus & Robertson website*
3. *As at 31 May 2023 in Booktopia combined warehouses including consignment stock*
4. *As at 2 June 2023 on Booktopia and Angus & Robertson websites*
5. *Per Nielsen BookData Research Report June 2023*
6. *Books + Publishing "2022 Australian Market Overview" https://www.booksandpublishing.com.au/articles/2023/02/21/226736/2022-australian-market-overview/*
7. *Refer slide 15 for further details*
8. *Refer Glossary Definitions*
9. *As announced on 23rd January 2023. Refer slide 13 for further details*

What Sets Booktopia Apart

Online market presence servicing book-loving customers for almost 20 years

Australian Owned Business
A household name in online book buying

Understanding of Book Readers
An in-depth understanding of customer online purchasing behaviour

A Wide Range of Titles
By demography, reading habits and promotional preferences

Strategic Relationships with Other Ecosystem players
Creating opportunities with publishers, influencers and in the education space

Automating Distribution Centre
For managing large volumes and to minimise cost of operations

Intelligent Inventory Management
Ongoing careful management of pricing algorithms, stock levels and reorder points to avoid stockouts and optimise sales margins

A Digital First Focus with User Experience at the Centre
Delivering through a modern, responsive user interface, accessible across device types

Booktopia – A Recent History

Note: This slide contains forward-looking statements relating to FY23 and as such should be read in conjunction with the Future-Looking Forward Statements & Risks section in the Important Notice and Disclaimer provided on slide 3

FY2019	• Pre Covid / Pre IPO • Units shipped 5.4m[1] • Revenue growth 16% PCP[1]	• Steady state business
FY2020	• Q4 Covid Lockdown • Units shipped 6.5m[1] • Revenue growth 28% PCP[1]	• Incremental CFC Labour costs due to reduced productivity from Covid precautions, screening, social distancing and increased absenteeism
FY2021	• Covid Lockdown • Units shipped 8.2m[2] • Revenue growth 35% PCP[2]	• CFC1 was in a Covid area of concern creating increased staffing challenges and labour management • Committed to additional CFC2 to handle increased demand and mitigate global supply chain issues • Increase in office head count in anticipation of a similar future growth trajectory
FY2022	• Q3 / Q4 Covid Unwind • Units shipped 8.5m[3] • Revenue growth 7.5% PCP[3]	• Incremental costs due to double handling inventory between sites • WMS limitations to handle multisite management • Omicron impact
FY2023	• Return to Pre Covid Consumer Trends • Units shipped 7.1m[4]	• Christmas challenges due to changes in CFC operational flow • Retire goods to person robotics in January 2023 due to insurance coverage issue • Board refresh • Established a $7m trade finance facility and $5m short term unsecured debt facility with AFSG[5] • Reset overheads cost base in February 2023 following a period of negative growth • ACCC case settled in March 2023 after the Federal Court ordered Booktopia to pay total pecuniary penalties of $6 million in instalments over five years[6] • Next Gen CFC lease commenced March 2023 and CFC2 sublet in May 2023 • CEO appointed May 2023

1. *Booktopia Group Limited Prospectus 2 November 2020 page 63*
2. *Annual Report for the Year Ended 30 June 2021 page 3*
3. *Annual Report for the Year Ended 30 June 2022 page 4*
4. *Units shipped is calculated as actual units shipped for the period July 2022 to April 2023 together with management's forward estimates for May 2023 and June 2023*
5. *Refer ASX announcement 1 February 2023 for further details*
6. *Refer ASX announcement 10 March 2023 for further details*

Current Focus

Implementation of January 2023 Business Update [1]

Note: This slide contains forward-looking statements relating to FY23 and FY24 and as such should be read in conjunction with the Future-Looking Forward Statements & Risks section in the Important Notice and Disclaimer provided on slide 3

	Business Improvement Initiatives	FY23	FY24
Margin Optimisation	Margin optimisation is expected to realise approximately $2-3m in annual earnings improvement	✔ Realised $0.6m of additional margin across 5 months[2]	Estimated impact of $2.2m across 12 months[3]
Postage Recovery	Increasing postage charges is expected to realise $4-5m in annual earnings improvement	✔ Increased postage charges to customers resulting in an additional $1.6m of revenue[4]	Price increase expected to deliver additional revenue of $4.4m[5]
Advertising Costs	Refocused advertising strategy is expected to deliver $1-2m of annualised cost savings	✔ Partnership with Qantas dissolved in May 2023	Projected savings expected of $1m based on the revenue forecast for FY24[6]
Welbeck	Exit investment in Welbeck ANZ resulting in a cash payment of $1.5m	✔ $1.5 million realised in FY23[7]	No further Impact
Leases Rationalisation	Rationalisation of leasing obligations is expected to deliver $2-3m of annualised cost savings	✔ CFC2 sublet from May 2023	Expected to offset leasing costs by $3m[8]
Overheads	Organisational restructure expected to result in $4-5m in annualised cost savings	✔ 2-stage restructure resulted in savings of $3.2m in FY23[9]	Annualised savings of over $5m[10] expected

1. *Refers to the Business Update lodged with the ASX on 23 January 2023*
2. *Based on an additional margin of $0.29 per unit (compared to PCP) over the period January 2023 to May 2023 multiplied by 2m units shipped*
3. *Additional margin per unit as calculated above multiplied by 7.6m units forecast to be shipped for FY24*
4. *In December 2022, the postage charged to customers was increased from $7.99 to $9.99 per order. Additional postage revenue of $1.6m is calculated as the additional revenue per order of $1.82 (ex GST) multiplied by the estimated number of orders over the period December 2022 to April 2023*
5. *Additional postage revenue of $4.4m is calculated as the additional revenue per order of $1.82 (ex GST) multiplied by the estimated number of orders over the 12 month period to June 2024*
6. *Savings based on historical proportion of revenue that attracts Qantas Frequent Flyer points restated for FY24 forecasts*
7. *Refer ASX announcement 2 December 2022*
8. *Based on agreement in place with tenant*
9. *First stage implemented in June 2022 resulting in 13 redundancies saving salaries (inc. on-costs) of $1.3m over 12 months. Second stage executed in February 2023 resulting in 28 redundancies plus vacant roles not replaced saving $1.9m in FY23*
10. *Second stage restructure equated to annual savings of $4m in salaries (inc on-costs), together with the $1.3m in savings from the June 2022 restructure*

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Next Gen CFC

Next Gen CFC will underpin the Company's future distribution capacity and operational efficiency

April 2023
Exit CFC2 / Next Gen go live

- Partial Operating Certificate
- Install long span shelving
- Move Booktopia Publisher Services (BPS) to new site
- Move 1st CMC packing machine
- Install Flap'It and Locus charging stations
- Receive 1st round of Locus bots
- Finalise integrations testing
- BPS DotWMS Go Live 24th April (putaway)

May 2023
Systems Integration In Place

- BPS WMS Go Live 1st May (picking)
- Install bulk of shelving
- Install inbound sorter
- Finalise install and integrations of Flap'It 1 and CMC 1
- Training and User Acceptance Testing (UAT) for June 1 new processes

June 2023
Partially operational CFC

- Booktopia Go Live with DotWMS 14th June
- Installation of conveyor
- Start moving shelving from CFC1
- Start receiving Booktopia stock at Next Gen
- Locus robots in test mode

July to August 2023
Train Test and Go Live August 2023

- Move remaining inventory and shelves from CFC1
- Install remaining two Flap'It machines
- Move 2nd CMC machine from CFC1
- Move outbound sorter and iPack machines from CFC1
- Training
- Full site UAT
- Locus Go Live with productive picks
- Conveyor commissioned
- Go Live!

PLANNED GO LIVE AUGUST 2023! *

✓ **Grant Thornton team embedded with internal team to ensure successful Project Management and Delivery**

✓ **Proven and Flexible Robotics Technology expected to deliver significant improvements in unit economics**

** Subject to successful completion of tranche 2 of the placement following approval at the upcoming general meeting of shareholders*

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Next Gen CFC Deliverables

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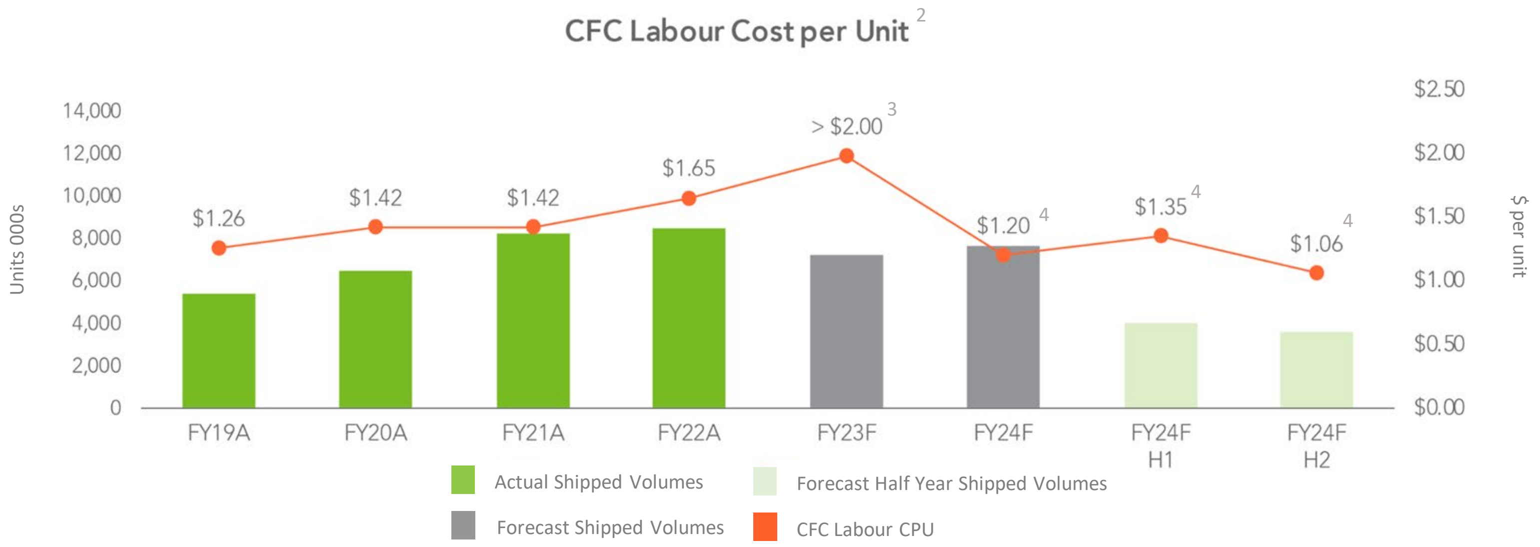


- Project spend estimated at $10.8m with unaudited spend to date[1] of $5.1m
- Simplified layout with room for expansion and further automation opportunities
- Provides a better customer outcome by enabling fast and consistent shipping times
- Locus robotics solution allows the business to flex the number of robots up and down with seasonal requirements
- Savings projected across all core warehouse functions of receiving, putaway, picking and packing
- FY24 H1 CFC Labour CPU of $1.35[4] per unit expected during the commissioning and optimisation phase
- CFC Labour CPU is expected to stabilise at $1.06[4] per unit in H2

1. *Represents project cash spend to 28 June 2023 net of fitout incentives received from the landlord inclusive of one-off operating costs associated with the transition and system implementation*
2. *CFC Labour Cost per Unit (CFC Labour CPU) is calculated as the salaries and wages (excluding on-costs) of staff directly attributable to the CFC including contract labour costs divided by the number of units shipped*
3. *The FY23 forecast CFC Labour CPU is based on actuals for the period July 2022 to April 2023, with management estimates for the months of May 2023 and June 2023.*
4. *The FY24 forecast CFC Labour CPU is based on internal management and external vendor models and forms part of the Board-approved budget for FY24. H1FY24 assumes commissioning takes place in accordance with the timetable as outlined on slide 14*

FY24 Focus

FY24 Focus

Deliver Next Gen CFC (Now – Oct 23)

- 20,000 sqm greenfield site custom-designed to optimise the efficient flow of product with space set aside for future expansion
- Investment will allow for business growth
- A "go-live" date August 2023[1], it is projected to deliver significant improvements in labour costs[2] once fully commissioned
- Make good and exit CFC1 in October 2023

Optimise Christmas Season Performance (Oct 23 – Dec 23)

- With November and December historically representing approximately 19%[3] of annual shipped units, successful execution of Christmas is critical
- Ensure early engagement of BPS, Corporate and Bookstore customers
- Review supplier lead times and safety stock levels, pre-order Christmas inventory required to service demand
- Review and monitor site pricing on top titles against our competitive set
- Supplier-funded Christmas catalogue

Focus and Execute the Basics (Jan 24 – ongoing)

- Website Architecture – improve page load times and web vital scores leading to a projected increase in conversion rates. Upgrade technology stack to enhance scalability, deployment and faster deliverability
- Inventory Initiatives – refine pricing and inventory strategy. Capitalise on being an "Australian Retailer" with unique selection, signed books, online local content, unique distribution capability and B2B partnerships
- Brand and Website Refresh – provide customers a better experience using our data and algorithms based on browse history, purchases and cohorts

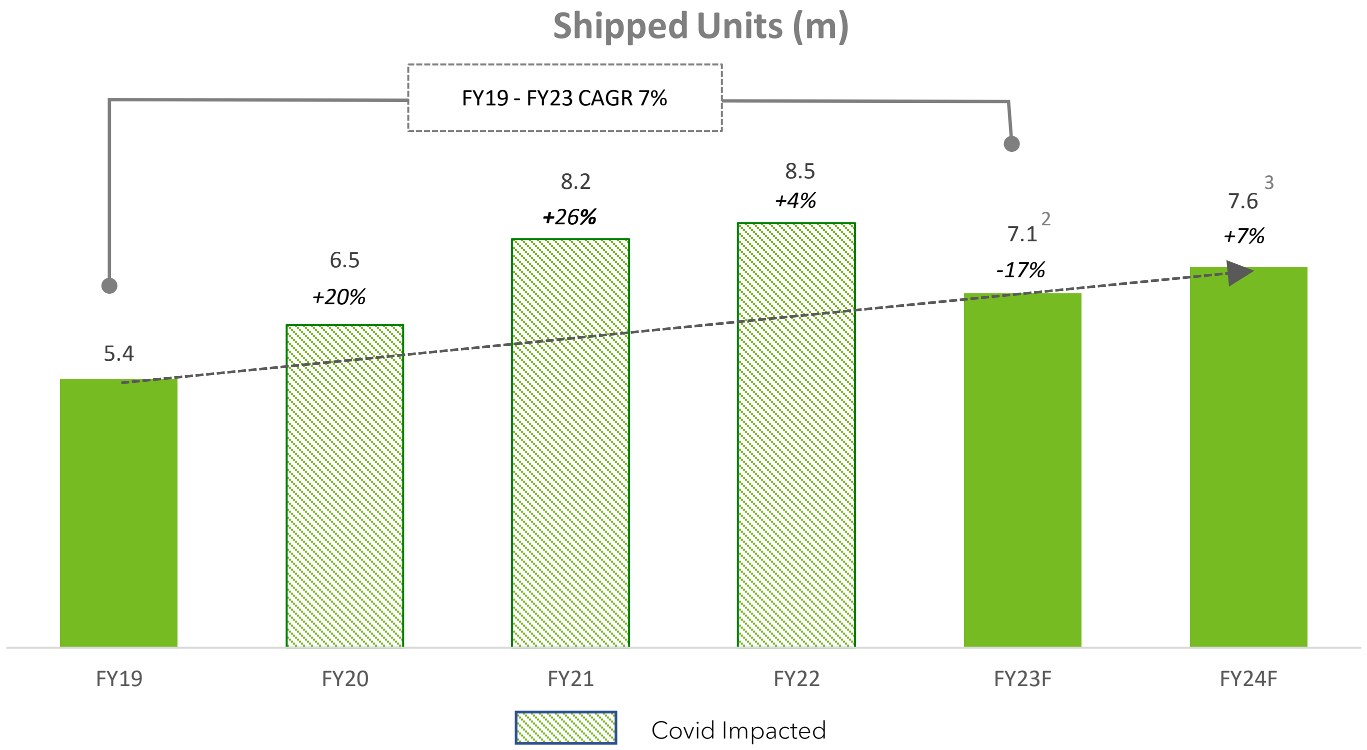
1. *Subject to successful completion of tranche 2 of the placement following approval at the upcoming general meeting of shareholders*
2. *Refer slides 15 and 20 for further details on CFC labour costs*
3. *Based on the units shipped in November and December as a % of total units averaged over the 4 years FY19 to FY22*

Unaudited Financials

Forecast Shipped Volumes

Note: This slide contains forward-looking statements relating to FY23 and FY24 and as such should be read in conjunction with the Future-Looking Forward Statements & Risks section in the Important Notice and Disclaimer provided on slide 3

- **4-Year unaudited CAGR (excluding COVID peaks) of 7%[1]**
- **FY24 unaudited volumes projected to grow 7% on FY23[3]**



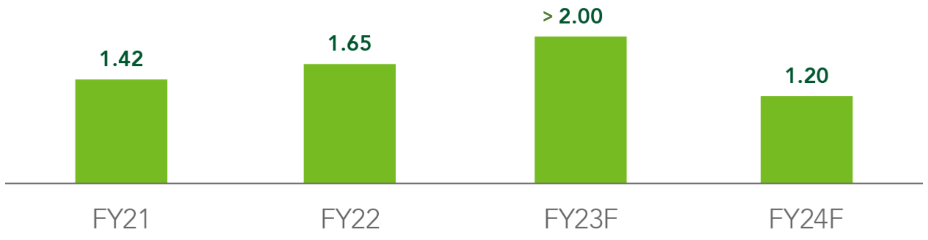
1. *Calculated as the compound annual growth rate between FY19 and FY23F volumes*
2. *Represents actual units despatched from CFCs over the period July 2022 to April 2023 together with management forward estimates for May 2023 and June 2023.*
3. *Based on management's monthly bottom-up build of FY24 volumes taking into account historical growth rates*

Key metrics

Note: This slide contains forward-looking statements relating to FY23 and FY24 and as such should be read in conjunction with the Future-Looking Forward Statements & Risks section in the Important Notice and Disclaimer provided on slide 3

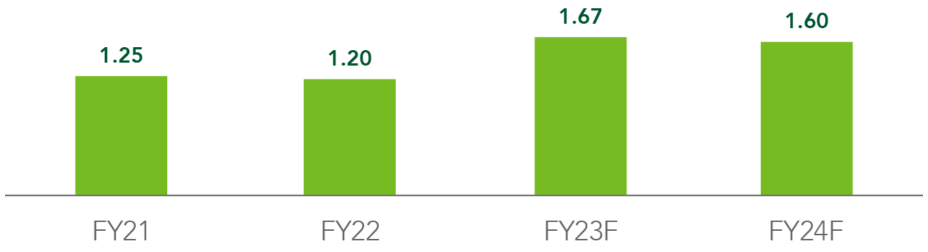
CFC Labour cost per unit shipped ($)[1]

Fully operational Next Gen CFC is expected to deliver $1.06 per unit by the end of FY24



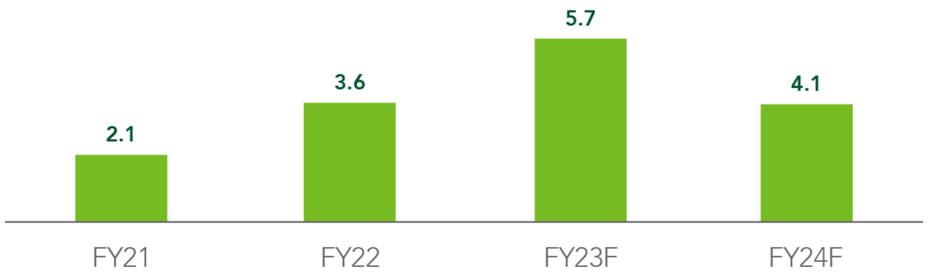
Marketing cost per unit shipped ($)[3]

Marketing spend curtailed during Covid period. Returns to normal levels in FY23/FY24



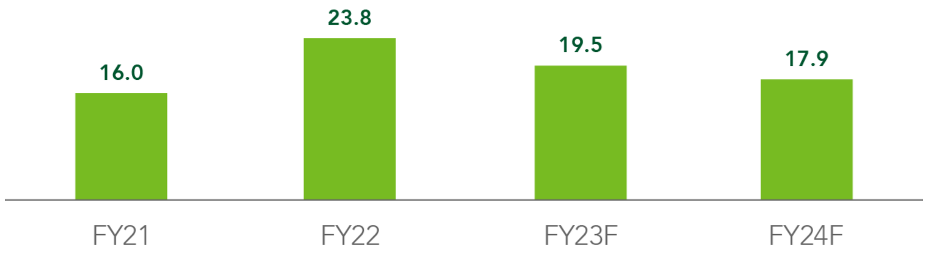
Net rent paid ($m)[2]

Return to 2 leases by the end of FY24



Office employment costs ($m)[4]

Restructuring completed in FY23. Full benefit of those cost savings realised in FY24

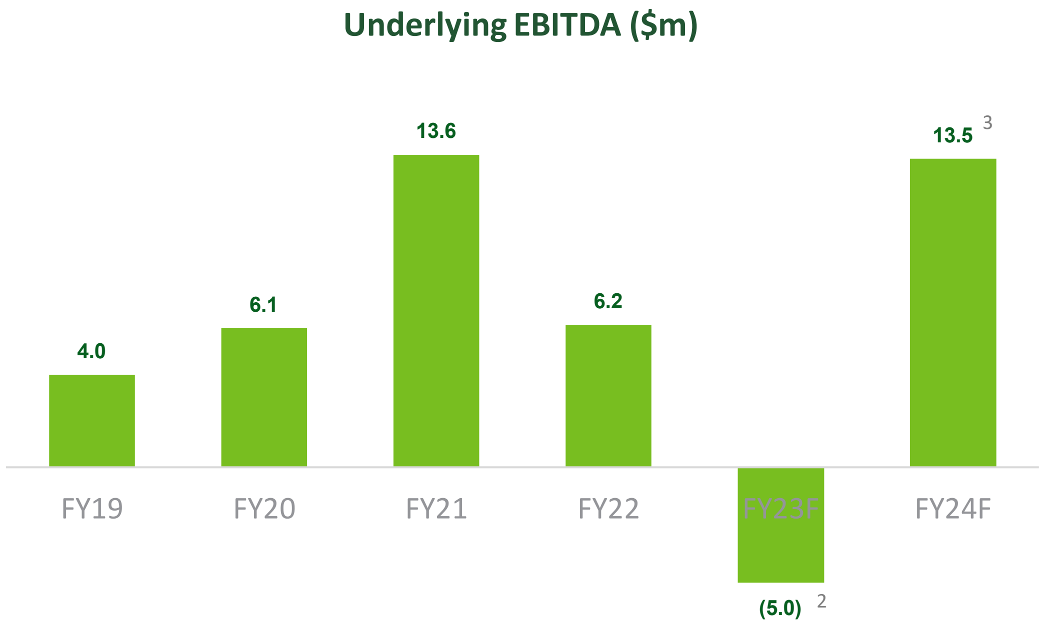


1. *CFC Labour Cost per Unit (CFC Labour CPU) is calculated as the salaries and wages (excluding on-costs) of staff directly attributable to the customer fulfilment centre including contract labour costs divided by the number of units shipped. The forecast for FY23 is based on actuals for the period July 2022 to April 2023, with management estimates for the months of May 2023 and June 2023. The FY24 forecast CFC Labour CPU is based on internal management and external vendor models and forms part of the Board-approved budget for FY24. H1FY24 assumes commissioning takes place in accordance with the timetable as outlined on slide 14*
2. *Cash rent paid net of sublease income excluding lease fitout incentives received & outgoings. FY24F includes four months of CFC1 lease which terminates in October 2023.*
3. *Marketing expenses per unit means marketing expenses per statutory account classification divided by the number of units shipped*
4. *Office employment costs include all non-CFC related labour and are shown net of capitalised development costs*

Underlying EBITDA[1] Guidance

Note: This slide contains forward-looking statements relating to FY23 and FY24 and as such should be read in conjunction with the Future-Looking Forward Statements & Risks section in the Important Notice and Disclaimer provided on slide 3

Business expected to deliver an underlying EBITDA of $13.5m in FY24 off the back of 7% volume growth, business improvement initiatives to reduce costs including CFC Labour costs and other overheads



1. *Underlying EBITDA is a financial measure which is not prescribed by the Australian Accounting Standards ('AASBs') and represents the profit/(loss) under AASBs adjusted for specific items. For historical years FY19 to FY22, the reconciliation between statutory results and underlying EBITDA can be found in the respective financial statements.*
2. *FY23 forecast underlying EBITDA result is based on the underlying EBITDA result reported in the Interim Financial Report for the Half-Year Ended 31 December 2022 together with the unaudited actual results for the four months January 2023 to April 2023 and management forecasts for the months of May 2023 and June 2023 after adjusting for one-off non-underlying costs.*
3. *FY24 forecast is based on management's internal forecast which reflects the volume increase assumption set out on slide 19, together with an improvement in the average selling price and postage revenue recovery, along with the benefit of margin improvements and cost reductions including those set out on slides 13 and 20.*

Unaudited FY23 Pro-forma Balance Sheet Extract

Note: This slide contains forward-looking statements relating to FY23 and as such should be read in conjunction with the Future-Looking Forward Statements & Risks section in the Important Notice and Disclaimer provided on slide 3

$m	FY23F[1]	FY22A[2]	FY21A[2]
Working Capital[3] excluding cash	(19.4)	(19.4)	(12.3)
Cash and cash equivalents	3.6	8.5	12.0
Debt	(10.8)	-	-
Lease Balances	(9.7)	(8.6)	(2.9)
Other Assets and Liabilities[4]	42.7	34.0	33.6
Net Assets	**6.4**	**14.5**	**30.4**
Issued capital	61.0	50.9	51.7
Share based payments	0.2	0.1	0.2
Accumulated losses	(54.8)	(36.5)	(21.5)
Shareholders Equity	**6.4**	**14.5**	**30.4**

FY23 Pro-forma Balance Sheet Assumptions:

- Assumes funds from an equity raise of $9.3m (less $0.8m in costs) are received in FY23
- AFSG Capital loan extended for 3 years with $1.6m of debt to convert to equity[5] on the same terms as the equity raise in FY23
- Net $10.1m added to equity (after costs)
- AFSG loan remains fully drawn at 30 June 2023
- $7m Trade Finance facility remains fully drawn at 30 June 2023

1. *Based on actuals through to April 2023 and management projections for May 2023 and June 2023*
2. *Annual Report 2022 page 46*
3. *Working capital includes inventories, trade and other payables and receivables and contract liabilities*
4. *Other assets and liabilities includes plant & equipment, intangible assets, term deposits and other assets, liabilities and non-lease provisions*
5. *Subject to shareholder approval*

Capital Raising

Key offer information

Offer structure and size

- Booktopia is conducting an Offer of $10.9m[1] by way of a $9.3m two-tranche placement to professional and sophisticated investors and a $1.6m debt to equity conversion, comprising:
  - $1.65 million via the issue of 13.74 million New Shares at $0.12 per New Share and 6.87 million attaching unquoted Options at an exercise price of $0.23 and expiring two years from the date of issue, within the Company's 15% placement capacity under ASX Listing Rule 7.1; and
  - $7.65 million via the issue of 63.78 million New Shares at $0.12 per New Share and 31.89 million attaching unquoted Options at an exercise price of $0.23 and expiring two years from the date of issue, on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting and subject to shareholder approval at an Extraordinary General Meeting ('EGM')
  - $1.60 million via a debt to equity conversion, which involves an issue of 13.3 million fully-paid ordinary shares at $0.12 per share and 6.6 million attaching unquoted options at an exercise price of $0.23 and expiring two years from the date of issue[3], subject to shareholder approval at an EGM ('Partial Conversion of AFSG Capital Loan') (together the 'Offer').
- New Shares issued under the Placement will rank pari passu with existing shares on issue
- The Options are intended to be unquoted with an exercise price of $0.23 and the exercise date for the Options shall expire two years from the date of issue

Pricing

Offer at a fixed price of $0.12 per New Share ('Offer Price'), representing (as at 28 June 2023):

- 25.0% discount to the last close price of $0.16
- 25.6% discount to the 5-day VWAP of $0.16
- 40.1% discount to the 3-month VWAP of $0.20

Partial Conversion of AFSG Capital Loan

The short-term loan established with AFSG Capital in February 2023[2], included funding from major shareholders Tony Nash and Steven Traurig, has been extended to a 3 year term with $1.6m of the debt being converted to equity on the same terms as the equity raise, subject to shareholder approval. This facility remains unsecured at a rate of 10% pa. Refer to next slide for further details.

1. *Subject to the Board's discretion to accept oversubscriptions*
2. *Refer ASX Announcement 1 February 2023*
3. *Refer to Partial Conversion of AFSG Capital Loan on this slide and slide 25*

AFSG Capital Loan

Summary of Terms

- Binding and non-conditional term sheet for a 3 year extension (commencing on the date the Amendment Deed is signed) to the unsecured loan[1] at an interest rate of 10% pa payable monthly
- Under the terms of the original AFSG Loan that have not changed, if the Company fails to pay amounts due, a default interest rate of 18% pa accruing daily is payable on all outstanding amounts
- Reduction of remaining debt owed following the conversion of $1.6m of the $5m loan (plus costs capitalised on the loan) to equity, subject to shareholder approval ("loan conversion") with $800,000 of shares and attaching Options issued to each of Tony Nash and Steven Traurig related entities
- Conversion of debt to equity is on the same terms as the equity raise in that the respective parties will be issued both shares and attaching Options
- If shareholder approval is not received the $5m loan will remain outstanding for the extended term and incur additional interest at 10% pa capitalised and repaid along with the outstanding principal amount at the end of the term
- If the loan is not repaid within 2 years an additional 5% pa redemption premium is payable at the end of the term
- Extension fee of 2.5% (plus GST) payable to AFSG within 3 days after the EGM which Booktopia may elect to capitalise into the principal amount

Impact on Interested Directors' Shareholding[2]

	Pre-raise	After tranche two[3]	Conversion of debt[3]	After Options exercised[4]
Antony Nash	14.7%	9.40%	11.8%	11.0%
Steven Traurig	15.1%	9.60%	12.0%	11.2%
Total shares on issue (millions)	**137.4**	**214.9**	**228.2**	**273.6**

1. *Refer ASX Announcement 1 February 2023 for material terms of the original unsecured loan agreement*
2. *Assuming completion of both the Placement at $9.3m at a price of $0.12 per New Share and the loan conversion*
3. *Subject to shareholder approval*
4. *Assuming all Options are exercised and no other changes in the share registry after tranche 2 and loan conversion*

Indicative Timetable

Indicative timetable *

Trading halt	29 June 2023
Placement bookbuild closes	30 June 2023
Placement results announced and shares resume trading	3 July 2023
Settlement of New Shares and Options under the Placement (Tranche 1)	6 July 2023
Allotment of New Shares and Options under the Placement (Tranche 1)	7 July 2023
Shareholder EGM to approve Tranche 2	16 August 2023
Settlement of New Shares and Options under the Placement (Tranche 2)	18 August 2023
Allotment of New Shares and Options under the Placement (Tranche 2)	21 August 2023

** All dates are subject to change and are indicative only. Booktopia, in consultation with the Joint Lead Managers, reserves the right to vary these dates without prior notice.*

Source and Use of Funds

Proceeds from the Offer will be applied to:

- Assist in funding the completion of the CFC consolidation to a single site with simplified layout and enhanced customer outcome by enabling faster and consistent shipping times
- Proven robotics technology and a commercial WMS solution which is intended to fundamentally change the business economics
- Working capital contribution [1]
- The costs associated with the capital raising

Sources

Tranche 1 Placement	$1.6 million
Tranche 2 Placement	$7.7 million
Total Sources	**$9.3 million**

Uses

Remaining capital expenditure on Next Gen CFC[2]	$3.8 million
Costs of the Offer	$0.8 million
Working Capital	$4.7 million
Total Uses[3]	**$9.3 million**

1. *To improve the cash position and re-establish existing payment terms with suppliers*
2. *Total estimated project costs of $10.8m consisting of $8.1m in capex and $2.7m in opex. Spend to date (inclusive of lease fitout incentives) on capex is $4.3m with remaining spend of $3.8m*
3. *Any funds received from oversubscriptions will be directed to working capital*

Key Risks

Key risks

This section sets out some of the key risks associated with any investment in Booktopia. The risks are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Booktopia. These risks include risks specific to Booktopia and general risks that may apply to Booktopia and the industry in which it operates. These risks may affect the future operating and financial performance of Booktopia and the value of Booktopia shares.

The risks described below:

- are not, and should not be considered to be or relied on as, an exhaustive list of the risks that the shareholders of Booktopia (Shareholders) may face; and
- are general in nature and regard has not been had to the investment objectives, financial circumstances, tax position or particular needs of any individual investor.

Additional risks and uncertainties that Booktopia is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Booktopia's operating and financial performance and the value of Booktopia shares.

It is also important to note that there is no guarantee that Booktopia will achieve its stated objectives or that any forward-looking statements, expectations, illustrations or forecasts contained in this investor presentation (Investor Presentation) will be realised or otherwise eventuate.

Investors should note that the occurrence or consequences of many of the risks described in this section are partially or completely outside the control of Booktopia, its directors and management. Further, investors should note that this section focuses on the key risks and does not purport to list every risk that may be applicable to Booktopia or Booktopia shares now or in the future.

Nothing in this Investor Presentation constitutes financial product advice and this document has been prepared without taking into account of your investment objectives or personal circumstances. All potential investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances, tax position and particular needs.

Risk	Description
Material uncertainty	Should: • Booktopia be unable to achieve its operating cash flow forecasts and/or fails to meet creditor payment terms and/or breaches debt covenants; • Booktopia be unable to obtain the funding it seeks to raise through the Placement; and/or • Moneytech withdraws its facility before alternative financing is secured; a material uncertainty would exist that may cast significant doubt as to the ability of Booktopia to continue as a going concern which is likely to have a material adverse effect on Booktopia's financial and operational performance and the value of Booktopia shares. In the event of any liquidation or winding up of Booktopia, the claims of Booktopia's secured and unsecured creditors will rank ahead of shareholders. Under such circumstances, Booktopia will first repay or discharge all claims of its creditors. Any surplus assets will then be distributed to shareholders. All shareholders will rank equally in their claim and will be entitled to an equal share per share. If there is a shortfall of funds on a winding up of Booktopia, shareholders will lose all or some of their investment.
Next Gen CFC	There is a risk that the completion of Next Gen CFC for the transition from the existing customer fulfilment centre may be delayed or the benefits may not be fully realised. This may occur due to: technical issues e.g. Information technology and automations systems not functioning or integrating as required; performance of third party contractors; and the transition from the existing warehouse. This may cause delays in processing customers' orders resulting in customer dissatisfaction and the customer fulfilment centre labour cost per unit may increase. This may have a material adverse effect on Booktopia's operational and financial performance and the value of Booktopia shares.
Distribution centre	There is a risk that a major disruption to Booktopia's Next Gen CFC caused by fire, flooding, power interruption, industrial action or other similar events could impact Booktopia's ability to deliver products to schedule. Further, Booktopia's automation program may experience delays or failure that could reduce service levels, stock availability and delay despatch times. Other risks in relation to the Next Gen CFC include: • The failure of primary machine systems, such as packing, conveyor and compressor machines; • Failure of the warehouse management system; • Extensive damage to stock; • Theft of stock; and • Interruption to leasehold or other property related matters. Each of these risks may have a material adverse effect on Booktopia's operational and financial performance and the value of Booktopia shares.

Key risks

Risk	Description
Financial indebtedness	On 1 February 2023, Booktopia entered into a short-term unsecured debt facility of $5,000,000 (AFSG Facility) with AFSG Asset Management Pty Ltd (AFSG). Booktopia has renegotiated the terms of the AFSG Facility and entered into a binding term sheet with AFSG on the following material terms: ● subject to Shareholder approval under ASX Listing Rule 10.11 at the Extraordinary General Meeting, in satisfaction of $1.6 million of the $5 million drawn down under the AFSG Facility, Booktopia will issue: ○ 6,666,667 New Shares at $0.12 and 3,333,333 attaching unquoted Options at an exercise price of $0.23 to Tony Nash Enterprises as Trustee for the A L Nash Family Trust; and ○ 6,666,667 New Shares at $0.12 and 3,333,333 attaching unquoted Options at an exercise price of $0.23 to Roxygal Pty Ltd as trustee for the Benten Trust; ● the AFSG Facility shall be extended for a further 3 years at an interest rate of 10% pa ● extension fee of 2.5% (plus GST) payable to AFSG within 3 days after the EGM which Booktopia may elect to capitalise into the principal amount ● if the issue is not approved by shareholders under ASX Listing Rule 10.11, $5 million drawn down under the AFSG Facility will remain outstanding for the extended 3-year term and an additional 10% pa premium is payable at the end of the term ● if the AFSG Facility is not repaid within 2 years, an additional 5% pa redemption premium is payable at the end of the term. Should Booktopia breach the terms of the Amended Loan Agreement it may be required to immediately repay the amount drawn down under the AFSG Facility, which may have a material adverse effect on Booktopia's financial and operational performance and the value of Booktopia shares.
Performance and reliability of Booktopia's websites, databases and operating systems	There is a risk that Booktopia may experience a prolonged disruption (for example due to systems failure) to its websites, databases or operating systems (Information Technology Systems). This could also directly damage the reputation and brand of the relevant platform and could reduce visitors to the affected website and directly influence sales to customers. Booktopia's Information Technology Systems are hosted on platforms provided by third party providers. A catastrophic failure in the systems of a third party provider may have a materially adverse impact on the systems and operations of Booktopia, cause data loss and impact sales. Such events may also lead to customer disenchantment or reputational damage. There is a risk that Booktopia's databases and electronically stored information, including its customer and third party supplier databases and data analytics information are affected by or subject to computer viruses, electronic theft, physical terminal theft or physical damage resulting in a loss of data, employee language programming errors, operating system failures, third party provider failures and similar disruptions. Booktopia's Information Technology Systems could also be adversely affected by factors such as the failure to adequately plan for disaster recovery and business continuity, power interruptions, interruption or failure of server stack hardware or software, failure of wired and wireless network infrastructure, server or workstation virus outbreaks or interruptions to call centre capability through failure of external phone service, internet service outage, or site denial-of-service attacks. Any of these events could materially adversely affect Booktopia's financial and operational performance and the value of Booktopia shares.
Hacking attacks and website and technology platform failure	Booktopia may experience material disruptions to its websites and information technology platforms on which it relies to display content to customers from targeted hacking attacks, cyber attacks, ransomware attacks distributed denial-of-service attacks or other disruptive attacks. Booktopia is also exposed to the risk of interference with internet services generally or as a result of the failure of the systems of third party IT service providers. Unavailability of its websites or technology platform could lead to a loss of revenue which could have an adverse impact on Booktopia's operational and financial performance and the value of Booktopia shares.
New and existing competitors could adversely affect prices and demand for books and decrease Booktopia's market share	There is a risk that existing international and domestic competitors, including traditional (physical shop) retailers, physical store and online retailers, and other online only retailers, compete aggressively against Booktopia, including on pricing or by strengthening their Australian presence through the establishment or enlargement of Australian distribution centres, or through financial or operational investments. Some of Booktopia's competitors are many times larger than Booktopia. This may increase Booktopia's costs of customer acquisition and lower its margins due to pricing pressure. Further, Booktopia's market share in the online book retailing segment may decline if competitors increase their focus on growing online sales through investments in that channel. An increase in competitive pressures may have a material adverse effect on Booktopia 's financial and operational performance and the value of Booktopia shares.
Attracting, retaining and converting customers	Booktopia's business model is based on generating revenue through attracting and retaining customers to its website and converting those customers into new and repeat customers. Booktopia may be unable to encourage sales from existing and new customers including its larger government and education customers at their current volume of orders over the timeframes or with the pricing Booktopia currently expects. Booktopia may fail to encourage repeat sales from existing customers for a number of reasons, such as the failure to meet customer expectations, poor customer service, technology disruptions, pricing, competition or if the brand equity Booktopia has built since inception is eroded for any reason. Booktopia's ability to generate recurring revenue from existing customers may also be impacted by broader factors, including macro-economic conditions, levels of economic activity or changes in the regulation of Booktopia's business or those of its government and education customers more generally. If any of these occur, it may materially adversely impact Booktopia's operational and financial performance and the value of Booktopia shares.

Key risks

Risk	Description
Booktopia's historical growth rates may not be indicative of future growth	Booktopia's growth depends upon many factors such as the growth of the book market, customer service, the ability to efficiently ship orders and the ability to acquire customers in a cost-effective manner. The online retail market (in particular, the book segment in Australia) and Booktopia itself, are subject to factors outside Booktopia's control, including Australia's outlook for economic growth, consumer sentiment, global economic outlook, foreign economic shocks, and adverse exchange rate movements. The risks listed in this Investor Presentation may materially adversely impact the ability of Booktopia to maintain its previous growth rates. In addition, Booktopia's historical growth rates may not be indicative of future growth or performance. Failure to maintain revenue growth could have a material adverse effect on Booktopia's operating and financial performance and the value of Booktopia shares.
Booktopia's websites may be excluded from or ranked lower in organic search results due to changes to search engines' algorithms or terms of services	Many customers access Booktopia's websites through search engines, such as Google, by clicking on a link in the search engines' "organic" listings (being listings that are not dependent on advertising or other payments). Booktopia's websites may be excluded from or ranked lower in search engine results due to changes to a search engine's algorithms or other ranking criteria that are outside of Booktopia's control. Booktopia endeavours to enhance the relevance of its websites to common search queries and thereby improve the rankings of Booktopia's websites in search engines, a process known as Search Engine Optimisation (SEO). These algorithms and ranking criteria are unknown to Booktopia, and Booktopia may not understand or have access to complete information on the methods used to rank its websites. Similarly, Booktopia provides a subset of its products to third party shopping platforms, such as Google's Shopping Feed. The details of the algorithms and shopping criteria within these platforms are unknown to Booktopia. If Booktopia cannot promptly adapt to such changes in search engine or shopping platform algorithms, or if Booktopia's SEO or shopping platform activities are no longer effective for any reason, the traffic coming to the Booktopia websites could significantly decrease and Booktopia's conversion rates may decrease which, in turn, could have a material adverse impact on Booktopia's financial and operational performance and the value of Booktopia shares.
Changes in customer preferences	Booktopia derives its revenue from the sale of books, eBooks and related products online, to consumers, government, academic and corporate customers. Retail consumer spending is primarily discretionary in nature, and customers may allocate this discretionary spend across different product categories or other services from time to time. Failure by Booktopia to accurately predict or respond to customer preferences could result in lower sales or margins and could have a material adverse effect on its financial and operational performance and the value of Booktopia shares.
Booktopia may experience a significant increase in the cost of, or become more reliant on, search engine marketing	A proportion of Booktopia's revenues were attributable to customers who accessed Booktopia's websites by clicking on links that Booktopia paid to list on search engine's results pages. Under the bidding system, the order in which websites appear in a search engine's paid search results is determined by a combination of the price bid by the website and the historical and expected rate at which consumers click through to the website. If Booktopia's websites were to experience a reduction in natural search visibility in search engines (i.e. a fall in its websites' organic search ranking), it may increase Booktopia's reliance on search engine marketing. If this was to occur there is no guarantee that Booktopia's websites natural search visibility will improve in a timely manner or at all. Booktopia's business, financial and operational performance, and the value of Booktopia shares may be materially adversely affected by any increase in the cost of, or in reliance on, search engine marketing, or any decrease in the effectiveness of its search engine marketing.
Internet and data security breaches	Sophisticated tools and methods used by hackers and cyberterrorists may result in a failure by Booktopia to adequately protect sensitive customer and supplier information it collects, transmits and stores. In an effort to protect sensitive information, Booktopia relies on a variety of security measures. There is a risk that the preventive measures which Booktopia takes to address these risks become more costly in the future, which may materially adversely affect its operational and financial performance and the value of Booktopia shares. Booktopia transmits personal and financial information from customers and other website users to various third party suppliers of services, including 'Software as a Service' and 'Infrastructure as a Service' providers and other cloud based technology providers. Booktopia is reliant on the adequacy of the security safeguards of these third parties to keep confidential information, such as user personal and financial information, secure. A material data security breach by Booktopia or one of its suppliers may result in significant regulatory action, reputational damage, irrecoverable loss of information, and loss of sales or access to suppliers. This may have a material adverse impact on Booktopia's operational and financial performance and the value of Booktopia shares. If Booktopia or any of its third party service providers experience security breaches that result in the loss or unauthorised disclosure of sensitive information, people may become unwilling to provide Booktopia the information necessary to become registered users. Existing customers may also decrease their purchases or close their accounts. Booktopia could also face potential liability and litigation. Any of these results could harm Booktopia's reputation, and could have a material adverse impact on Booktopia's operational and financial performance and the value of Booktopia shares
Compliance with laws	Booktopia must comply with a range of laws, regulations and industry standards, including in relation to fair trading and consumer protection, privacy, data protection, unsolicited communications, employment, work health and safety, industrial relations and taxation. Failure by Booktopia to comply with laws, regulations and industry compliance standards may result in litigation, regulatory enquiry or investigation, fines and penalties, or significant reputational damage, which could have a material adverse effect on Booktopia's operational and financial performance and the value of Booktopia shares. Booktopia may also become subject to new laws, regulations or industry standards, or new or changed interpretations of existing laws, regulations or industry standards, or enhanced supervisory expectations regarding the management of legal and regulatory compliance risks associated with such laws, regulations and industry standards.An interpretation of existing laws, regulations or industry standards by Booktopia which is contrary to that of a relevant regulator or authority in Australia may give rise to fines, penalties or other additional amounts being payable. New or amended laws, regulations or industry compliance standards, or new or changed interpretations of existing laws, regulations or industry standards, could restrict Booktopia's ability to provide its services, result in changes to Booktopia's business model, limit or restrict the amount of fees charged by Booktopia or make compliance more difficult or expensive, any of which may have a material adverse impact on Booktopia's operating and financial performance and the value of Booktopia shares.

Key risks

Risk	Description
Risk of litigation, claims, disputes and regulatory investigations or changes	Booktopia may be subject to litigation, claims, disputes and regulatory investigations or changes both in Australia and overseas. These matters may result in fines, sanctions, claims, settlements, indemnity and operational impacts if unsuccessfully defended by Booktopia. With recent amendments to the Fair Work Act the company may experience disruptions with its workforce ultimately resulting in greater than budgeted costs in its Next Gen CFC. This may have a material adverse effect on Booktopia's financial and operational performance and the value of Booktopia shares.
Shareholder activism	Booktopia may be subject to shareholder activism, which can lead to substantial additional costs, distract management, and impact the manner in which Booktopia operates its business in other ways that it cannot currently anticipate. If Booktopia is subject to any shareholder activism, it may have a material adverse effect on Booktopia's financial and operational performance and the value of Booktopia shares.
Recruitment and retention of key personnel and other employees	Booktopia's success is dependent on its ability to retain and attract individuals that will complement its culture and retain experienced key management personnel. There is a risk that competition within the online retail market could increase the demand and cost for quality employees. Booktopia 's financial and operational performance and the value of Booktopia shares could be materially adversely affected if it cannot attract and/or retain employees or key management personnel to implement its strategy and maintain its market position.
Marketing strategy	Booktopia engages with customers through targeted email and social media campaigns. The frequency of sending marketing emails may be underestimated or overestimated and have the direct result of reducing sales conversion rates. If Booktopia does not efficiently utilise its data analytics, update its segment listings and decide accurately when to deploy re-engagement campaigns to improve performance metrics for both email and social media this could have a material adverse effect on Booktopia 's financial and operational performance and the value of Booktopia shares.
Seasonal trading patterns may change	Booktopia experiences a degree of seasonality in trading conditions. Misjudgments in customer preferences during peak months could materially adversely impact Booktopia's financial and operational performance and the value of Booktopia shares. Seasonal trading also necessitates a level of investment to cater for peaks.
Booktopia relies on third-party suppliers for its products	Booktopia has a large number of suppliers that provide a broad range of products. Its supply agreements are not based on long-term contracts and vary from case to case, with many terminable at will or on short notice. Some of these contracts also expire within the next 12 months. There is a risk that Booktopia's relationships or terms of trade with these suppliers deteriorate or these suppliers are unwilling or unable to renew contractual agreements, or that they are unwilling to continue dealing with Booktopia on the same credit and other terms of trade as they currently do, which may have a material adverse effect on Booktopia's financial and operational performance and the value of Booktopia shares. Third party suppliers may also have a "stock out" during which they may have insufficient quantities of products available in a timely manner, or they may encounter financial or material difficulties or labour shortages, which may adversely affect the supply of products to Booktopia. They may also enter into preferential or exclusive arrangements with Booktopia's competitors. Booktopia's suppliers may also incur unforeseen costs, or seek changes in credit terms. These factors may adversely impact Booktopia and have an indirect adverse effect on purchase volumes of Booktopia's customers, which in turn may also have a material adverse effect on Booktopia's financial and operational performance and the value of Booktopia shares. Additional related risks that Booktopia may face include: • the inability to source new suppliers as Booktopia grows its business; and • "remainder companies" may close down as publishers reduce excessive print runs (reducing excess stock).
Booktopia relies on services provided by third party payment and logistics providers	Booktopia relies on the services provided by third party banking and payment providers such as credit card companies. It also relies on the services of third party logistic providers to deliver products to customers. Booktopia has limited ability to influence these third parties and the contracts with these providers are generally short term in nature. Any system or service failure that causes an interruption to Booktopia's ability to effect payment transactions or receive payments could adversely affect its business. A system or service failure that affects the delivery of products to customers could adversely affect the customer experience and reduce the attractiveness of the relevant website to customers and limit future sales. Any of these system or service failures could have an adverse impact on the reputation and brand of the business which could materially adversely affect Booktopia's operational and financial performance and the value of Booktopia shares.
Changes in technology and technology updates	Booktopia may be unable to effectively maintain and update its technology and logistic platforms and infrastructure. Further, maintaining and updating its technology and infrastructure could involve a significant cost and there is a risk that Booktopia will not have the capital required to develop new technologies and infrastructure in the future that are required to maintain competitive advantage or its market share.
Inventory management and business systems	Booktopia relies on its data analytics and inventory management system to manage its business, in particular its stock levels and stock purchasing. If Booktopia's systems including those relating to inventory management system or data analytics fail or provide inaccurate information, the company may experience a disproportion in demand and supply for specific products or be exposed to other loses.

Key risks

Risk	Description
Protection of intellectual property and third party infringement	Booktopia has business names, trademarks, domain names and a social media presence on which its business relies. There is a risk that Booktopia will be unable to register or otherwise protect these business names, trademarks, domain names, social media presence or any new intellectual property it develops in the future. The loss of, or infringement by third parties of any of these rights could have a material adverse impact on Booktopia's operational and financial performance and the value of Booktopia shares. The leakage or loss of confidentiality in Booktopia's software, including the algorithms that enable dynamic pricing and maintenance of demand-driven stock levels to enhance stock turnover and enable faster delivery times and increased revenues that are central to the success of the business, may adversely impact its competitive advantages. Booktopia faces a risk of third party IP infringement arising through the display of third party content sourced from its suppliers on its websites. Domain names are held via third party domain registries. Loss of these names or the registration of similar names could result in the loss of traffic and have an adverse effect on the business' reputation. In addition, retail stores using a Booktopia name or a similar name could adversely affect sales and any available legal action against those stores could prove costly. If Booktopia is unsuccessful in obtaining domain names, trademarks or reasonable terms of use in a particular country it enters in the future, it may be forced to incur costs associated with the creation, rebranding and development of new materials and packaging to enter the foreign market. As a result this may have a material adverse effect on the Booktopia's financial and operational performance and the value of Booktopia shares.
Foreign currency risk and interest rate exposure	Booktopia's financial and operational performance may be influenced by fluctuations in foreign exchange rates in which income is generated or expenses incurred. The vast majority of sales are recorded in Australian dollars, with the remainder recorded in New Zealand dollars. A substantial amount of inventory is purchased in USD and GBP. Depreciation of the Australian dollar relative to these currencies increases the cost of purchasing stock for Booktopia. Adverse movements in market interest rates could cause Booktopia to incur losses which may reduce its profitability.
Financial market conditions	General economic conditions (both domestically and internationally) may adversely impact the price of Booktopia shares, as well as Booktopia's ability to pay dividends. This may include an increase in unemployment rates, negative consumer and business sentiment, an increase in interest rates, changes to fiscal, monetary and regulatory policies that affect consumer confidence and discretionary spending on Booktopia's products, and fluctuations in international and local stock markets, among other factors. These factors may cause Booktopia shares to trade at prices above or below the price at which the shares were initially acquired. There is no assurance that the price of Booktopia shares will increase.
Dilution	In the future, Booktopia may elect to issue Booktopia shares or engage in fundraisings and also to fund, or raise proceeds, for acquisitions that Booktopia may decide to make. Shareholder interests may be diluted and Shareholders may experience a loss in value of their equity if Booktopia issues its shares as consideration for acquisitions, if Booktopia funds acquisitions through raising equity capital by placing shares with new investors or if Booktopia engages in fundraisings for any other reason, including the repayment of debt.
Taxation changes	Tax laws in Australia are complex and are subject to change periodically, as is their interpretation by the courts and the tax revenue authorities. Any change to the tax laws or tax rates imposed on Booktopia in Australia gives rise to uncertainty and may therefore affect Shareholder returns. An interpretation of the taxation laws by Booktopia which is contrary to that of a revenue authority in Australia may give rise to additional tax being payable.
Australian Accounting Standards	There is a risk that interpretations of AAS, including those relating to the measurement and recognition of key income statement and balance sheet items such as revenue and receivables, may differ. Changes to AAS issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in Booktopia's consolidated financial statements.
Force majeure events	Events could occur within or outside Australia that could impact the global economy and the Australian economy, the operations of Booktopia and the trading price of Booktopia shares. These events could include health crises (such as pandemics or epidemics), war (including the Ukraine-Russian war), acts of terrorism, international hostilities, labour strikes, fires, floods, earthquakes and other natural or man-made events or occurrences that could have a material adverse effect on the demand for Booktopia's services and its ability to conduct business. Booktopia has only a limited ability to insure against some of these risks.
Investment in Booktopia shares	An investment in Booktopia shares is an investment in Booktopia and may be affected by the ongoing performance, financial position and solvency of Booktopia. Booktopia shares are not guaranteed by any government, government agency or compensation scheme in Australia or by any other person or any other jurisdiction. The market price of Booktopia shares may be volatile and may fluctuate over time as a result of a number of factors, which may impact a Shareholder's ability to sell them at a later date. As a consequence, Shareholders who wish to sell shares may be unable to do so at an acceptable price, or at all, if the market for shares is illiquid. In addition, there is no guarantee that Booktopia shares will remain continuously quoted on ASX. Trading of ASX-listed securities may be suspended in certain circumstances.

Key risks

1. General risk factors outside Booktopia's control which may have a significant impact on the future performance of Booktopia include, but are not limited to the following:
   - economic conditions in Australia and internationally
   - major structural issues affecting many developed economies, particularly those countries with high sovereign debt levels
   - market volatility, especially given the present uncertainties in international trade, financial and political conditions;
   - the ongoing volatility posed by the conflict between Russia and Ukraine, and the impact this continues to have on Australia's economy and the economies of other nations;
   - changes in government policy, regulations or laws;
   - changes in the earnings of companies in Australia (whether as a result of general weakness in economic conditions or otherwise);
   - a slowdown in emerging markets, including China, which may impact economic growth in Australia;
   - changes in investor sentiment and perceptions in local and international stock markets;
   - changes in interest, exchange and inflation rates;
   - changes in commodity prices;
   - changes in domestic or international fiscal, monetary, regulatory and other government policies, including changes to the taxation of company income and gains and the dividend imputation system in Australia, changes in other general world, economic and political factors may also adversely affect Booktopia, its future earnings and capital appreciation of Booktopia's investments; and
   - geo-political conditions such as acts or threats of terrorism, military conflicts or international hostilities.
2. There are risks associated with any investment in securities. The trading price of Booktopia shares may fall or rise with movements in the equity capital markets in Australia and internationally.
3. There is no guarantee that Booktopia shares will trade at or above their issue price. The historic share price performance of Booktopia shares provides no guidance as to the future market price of Booktopia shares.

GLOSSARY

BPS	Booktopia Publisher Services
CFC	Customer Fulfilment Centre
CFC1	Customer Fulfilment Centre located at Unit E1-E3, 3-29 Birnie Ave, Lidcombe
CFC2	Customer Fulfilment Centre located at Building 1, The Junction Industrial Park, 1 Cleveland St, Strathfield South
CMC	Brand of Packing Machine. Booktopia have to two of these machines, CMC1 and CMC2
DotWMS	Brand name of new commercial Warehouse Management System being implemented as part of the Next Gen Project
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
Flap'It	Brand of Packing Machine
Locus Robotics	Company that provides the robotics solution including the charging stations
Next Gen CFC	Customer fulfilment centre located at Building 2, The Junction Industrial Park, 34-38 Cosgrove Rd, Enfield
PCP	Prior Comparative Period
WMS	Warehouse Management System