

ASX Announcement
Joint Media Release
12 April 2021

BOOKTOPIA AND ZOOKAL ENTER NEW PARTNERSHIP AS THEIR EDUCATION SALES HIT RECORD HIGH

- Booktopia becomes exclusive supplier and fulfillment partner for Zookal
- Agreement covers approximately \$22 million of annual sales and 185,000 titles
- Full benefit of increased revenue and profits to be achieved in FY22
- Continues expansion into educational book sales sectors
- Booktopia's education and corporate sales have reached a record high of \$53 million (to date) in the current year, excluding any additional sales which will be generated as part of the Zookal partnership

Australia's leading online book retailer Booktopia (ASX: BKG) is pleased to announce it has finalised an agreement to become the exclusive supplier and fulfillment partner for the global online education technology company Zookal.

Under the terms of the consumer direct fulfillment (CDF) agreement, Booktopia will source, supply and distribute all of Zookal's physical book orders from a range of approximately 185,000 titles. With the current academic book sales season coming to a close, Zookal is forecasting annual book sales revenue of approximately \$22 million this financial year.

The agreement commences on 1 May 2021, with the full financial benefits for Booktopia to be felt in FY22.

The agreement is revenue and earnings accretive in FY22. It provides greater strategic relationships with suppliers as well as improved asset utilisation and economies of scale at the company's state-of-the-art distribution centre at Lidcombe in Sydney's west. Zookal's Alexandria distribution centre will be decommissioned.

Booktopia today also reported a new record for academic sales as universities and schools return to the classroom following the heavily disrupted 2020 year. For the current financial year to date, the company has achieved total academic and corporate book sales of approximately \$53 million, up more than 30% over the \$40 million achieved in FY20.

The strong academic sales leave the company on track to achieve its previously announced upgraded full year revenue forecast for the 12 months to 30 June 2021, of \$217.6 million.

Booktopia Chief Executive Officer Tony Nash said the Zookal partnership would extend the company's exposure to the lucrative and growing educational book market.

"Education remains one of our fastest growing segments and our partnership with Zookal will ensure we are continuing to grow our penetration into this sector," Mr Nash said.

"Like Booktopia, Zookal has established a strong reputation for holding an extensive range of titles and delivering to customers in a timely fashion. As their exclusive supplier and fulfillment partner, we look forward to maintaining these high standards."

Zookal was established in 2011 to provide students with affordable access to educational resources and tools. In recent years the company has grown quickly to become one of the leading education technology platforms in Asia Pacific with a range of value-added digital services making it one of the largest and fastest growing student platforms in Asia reaching over one million students and over two hundred thousand paying customers.

Zookal Co-CEO Ahmed Haider said the company had investigated a range of options to outsource the order fulfillment component of its online textbook business but chose Booktopia for their proven ability to hold a large range of titles and deliver orders quickly.

“Handing the fulfillment function to Booktopia allows us to focus on the continued growth of our SAAS ed-tech platform which has surged in recent times due to COVID and leave book delivery to a trusted partner. The deal also allows Booktopia customers to have exposure to our innovative education tools Zookal Study, Homework Help, Test Prep and Textbook Answers adding significant value to their customer base.”

Booktopia, which was established in 2004, has grown to become Australia’s largest listed online book retailer. In the year to the end of 30 June 2020, about 25% of Booktopia’s total sales were in the education and corporate sales market.

The Australian educational book sector was estimated to account for \$804 million of sales in the consumer book market in FY2020¹. Combined with the books to business and books to government (B2B/B2G) sector, Booktopia estimates the total educational book market exceeded \$1 billion in FY2020.

In 2020, Booktopia completed the acquisition of assets from the University Co-op Bookshop, increasing its presence and establishing a more extensive connection with leading universities, TAFEs and other academic institutions.

Booktopia believes there is a substantial growth opportunity for it to increase sales in the pre-school, primary, secondary and tertiary sectors and will continue to seek opportunities to extend its reach in the sector.

Authorised for lodgment by Chris Beare, Chairman on behalf of the Board.

ENDS

Media enquiries to:

Booktopia Group
Ben Ready
RGC Media & Mktng
0415 743 838
ben@rgcmm.com.au

Zookal
Ahmed Haider
Co-founder and CEO
+65 8401 8916
media@zookal.com

1. PwC, Consumer and Educational books, 2019 (accessed from <https://www.pwc.com.au/industry/entertainment-and-media-trends-analysis/outlook/consumerand-educational-books.html>).

About Booktopia

Booktopia Group is the largest Australian-owned online book retailer by market share. It is an Australian home-grown business having sold items to more than five million customers since establishment, with 2.3 million repeat



customers. Since FY2012 Booktopia Group has sold more than 32.6 million items to its growing customer base.² While approximately 85% of the items the Company sold in FY2020 were books, Booktopia Group also sells eBooks, DVDs, audiobooks, magazines, maps, calendars, puzzles, stationery and cards. The Company sold one item approximately every 4.7 seconds and shipped approximately 6.5 million items in the 12 months to 30th June 2020, averaging 25,000 items per business day. The company listed on the Australian Securities Exchange (ASX) in December 2020 after completing a \$43.1 million capital initial public offering.

About Zookal

Zookal is a leading education technology platform in Asia Pacific, which aims to make learning effortless for students by providing the services and resources they need in a format they are used to. The platform started with a focus on providing physical textbooks to students to capture first year students and has now incorporated value-added digital services such as Zookal Study making it one of the largest and fastest growing student portals in Asia reaching over 1,000,000 students and 200,000 paying customers. For more information visit <https://www.zookal.com/>