

ASX Announcement
26 April 2023

BOOKTOPIA APPOINTS DAVID NENKE AS CEO AND CONSULTANCY AGREEMENT WITH NON-EXECUTIVE DIRECTOR

Appointment of David Nenke as Chief Executive Officer

Australia's leading online book retailer Booktopia Group Limited (ASX: BKG) is pleased to announce the appointment of David Nenke as the company's new Chief Executive Officer (CEO). Mr Nenke will report to Mr Peter George, Chair of the Booktopia Board of Directors and will commence on 8 May 2023.

Australian-born Mr Nenke joins the company with more than 25 years of executive experience in building, scaling, and transforming digital-focused retail businesses, including the last 15 years working in the US for Amazon.com Inc. (NYSE: AMZN) and Barnes & Noble Education Inc. (NYSE: BNED).

Mr Nenke has a strong track record of driving enterprise value through strategic and operational innovation and bringing to companies his multi-faceted executive experience across finance, management, sales, marketing, product development, business development, web services, logistics and supply chain management.

Mr Nenke most recently served as President of Digital Student Solutions (DSS) at Barnes & Noble Education, where he was responsible for the company's direct-to-consumer DSS segment.

Before joining BNED, Mr Nenke spent more than 12 years as a senior executive with Amazon in Seattle. Mr Nenke's was General Manager of Amazon Explore, where he led a global team in developing and launching an interactive live-streaming retail service. Before that, Mr Nenke served as General Manager of Amazon Photos and General Manager of Amazon Grocery.

Prior to moving to the United States, Mr Nenke held senior finance positions at Coles Group Limited, Shopfast and Cable & Wireless Optus.

Mr Nenke holds a Bachelor of Business (Accountancy) from Curtin University and an MBA from the University of Sydney.

Booktopia Chairman Peter George said the company had undertaken an exhaustive international search to secure the right person to lead Booktopia into the future.

"David was the standout candidate from a very high calibre shortlist," Mr George said. "He has hands-on knowledge and extensive experience as a leader in technology-driven ecommerce businesses."

"We are confident Mr Nenke has the experience, capabilities and attributes to ensure Booktopia reaches its full potential."

Commenting on his appointment, Mr Nenke said, "Booktopia is a pioneer of e-commerce in Australia and remains a highly respected brand that is trusted by millions of book buyers every year".

"Steering the business through the post-COVID environment while transitioning to the Next Gen CFC presents a range of challenges and opportunities for the business. With the support of the

Board and the senior management team, I am confident we will be able to make Booktopia even better.”

Mr Nenke will replace Geoff Stalley, who has been Booktopia's Acting CEO since July 2022.

Mr George thanked Mr Stalley for his commitment and dedication to Booktopia during a period of high volatility and change.

The key terms of Mr Nenke's remuneration package are set out in Attachment A.

Consultancy Agreement with Non-Executive Director

Booktopia is also pleased to announce, for the purposes of ASX Listing Rule 3.16.4, that an entity associated with former CEO and Booktopia founder, Tony Nash, Tachyon Ventures Pty Ltd today entered into a short-term consultancy agreement with Booktopia Pty Ltd, an entity within the Booktopia group of companies (Consultancy Agreement). Mr Nash is currently a Non-executive Director on Booktopia's board and will remain in that position.

As first disclosed in Booktopia's Half Year Results on 28 February 2023, the Board has been actively engaged with Mr Nash through his associated entity Tachyon Ventures Pty Ltd for the provision of consulting services to Booktopia since 23 January 2023 and his entity has been providing ad hoc consultancy services since that time. Mr Nash's entity has not yet been paid for these services.

Under the Consultancy Agreement Mr Nash, through his entity is providing the company with advice on the development of, and assistance with the implementation of, revenue generation and gross margin optimisation strategies, tactics, campaigns, initiatives, and other measures. The Consultancy Agreement provides the Group with access to Mr Nash's extensive industry experience and his understanding of Booktopia's operations as it undertakes a range of initiatives to drive revenue and profitability.

Tachyon Ventures Pty Ltd will be paid a consulting fee of \$2,500 gross per day (exclusive of GST) for a maximum of 3 days per week, unless otherwise required by Booktopia, by notice in writing. The Company will also pay, or reimburse, the Consultant for reasonable out of pocket expenses incurred with prior approval and in accordance with the Company's expenses policy. The term of the Consultancy Agreement is taken to have commenced on 23 January 2023 and ends on 22 January 2024, unless terminated earlier by either party on the provision of 1 month's written notice or for cause. The agreement may be extended by a further one-year period by mutual agreement.

The Consultancy Agreement is on arms' length and usual commercial terms for agreements of this nature and includes customary provisions relating to confidentiality and intellectual property.

Summary of the material terms of the employment arrangements between Booktopia Group Limited and Mr David Nenke for the role of Chief Executive Officer (CEO)

	Employment Agreement Material Terms
Commencement:	Mr Nenke's employment will commence on 8 May 2023.
Position:	Booktopia will employ Mr Nenke in the position of Chief Executive Officer.
Term:	Mr Nenke will be appointed for an ongoing term subject to termination by either party (see below).
Fixed Remuneration:	\$500,000 per annum (inclusive of Superannuation).
Short Term Incentive:	<p>Mr Nenke will be eligible to participate in short term incentive (STI) arrangements offered by Booktopia from time to time.</p> <p>In relation to FY24, Mr Nenke is entitled to participate in Booktopia's STI Plan (STIP) for FY24, the key terms of which are as follows:</p> <ul style="list-style-type: none"> • Maximum opportunity will be \$500,000 per annum for FY24 • The gateway hurdle for the opportunity is achieving normalised FY24 EBITDA of at least 95% of the budgeted EBITDA for the year • 60% of the opportunity will be linked to the level of normalised FY24 EBITDA achieved, with 25% of that 60% payable at 95% of budgeted FY24 EBITDA, increasing on a straight-line basis to 100% at 120% of the budgeted FY24 EBITDA figure for the year being achieved • The remaining 40% will be available on achievement of predetermined KPIs (as determined by the Remuneration & Nomination Committee for each applicable year) at the same percentage as unlocked by the EBITDA achievement. • 70% of the STIP opportunity achieved will be payable as soon as practicable after being achieved. The remaining 30% will be deferred for payment 12 months following achievement.
Long Term Incentive:	<p>Mr Nenke will be eligible to participate in long term incentive (LTi) arrangements offered by Booktopia from time to time.</p> <p>In relation to FY24, Mr Nenke has been invited to participate in Booktopia's LTI Plan (LTIP) in FY24 in accordance with the LTIP Rules, pursuant to which Mr Nenke will be offered performance rights in Booktopia valued at \$500,000, subject to the terms of the offer, including subject to Mr Nenke's</p>

	<p>ongoing employment with Booktopia and the achievement of a 20 day volume weighted average price (VWAP) of Booktopia's shares on the ASX above 0.728, at any time between 1 July 2023 and the date of notice of Booktopia's AGM for the financial year ended 30 June 2026.</p> <p>Each performance right constitutes a right to receive one ordinary share in the capital of Booktopia, subject to the terms of the offer. The number of performance rights offered is 686,719 (being \$500,000 divided by the targeted share price of \$0.728).</p>
Clawback:	<p>The Board and the Remuneration & Nomination Committee reserves the right to cancel or clawback all or part of the STI payments or the LTI awards previously determined as owing to Mr Nenke in certain circumstances, including (but not limited to) where Mr Nenke has acted fraudulently or been dishonest.</p>
Other benefits:	<p>Booktopia has agreed to reimburse Mr Nenke for certain costs relating to the commencement of his employment with Booktopia and his associated relocation.</p>
Termination:	<p>The Agreement may be terminated by either party with the provision of six (6) months' notice in writing. Mr Nenke's employment may also be terminated by the company in circumstances of serious misconduct.</p>
Restrictive covenant:	<p>Mr Nenke is subject to non-compete and non-solicitation post-employment restraints which apply for a maximum of 6 months after the cessation of his employment with the company, and which apply in Australia and New Zealand.</p>

Authorised for lodgment by the Board of Directors.

ENDS

Media enquiries to:

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