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Bokusgruppen AB (publ) Interim Report January-March 2021

Q1 2021

- Net sales rose 4% to MSEK 462 (444)
- EBITA was MSEK -2.4 (0.8)
- EBITA LTM was MSEK 81.1 (84.3)
- The company reported a loss after tax of MSEK -15.2 (-13.4)

Significant events

- The second wave of the pandemic had a negative effect on sales in brick and mortar stores
- More than half of sales were online
- Extensive preparations ahead of the principal owner Volati's decision to spin off and list Bokusgruppen

Comments from the CEO

Increased sales and strong growth in online channels

Sales grew by 4% during the first quarter. The drastic shift in channels from stores to online due to the pandemic led to a 37% increase in sales in our online channels, which accounted for 54% of our total sales. EBITA amounted to MSEK -2.4 (0.8). In a time of reduced in-store visits, our broad range of channels and customer offerings demonstrated that we can respond quickly and effectively to major changes in our operating environment.

Online sales continue to display strong growth, which is very encouraging. During the first quarter, sales in our online channels increased a full 37% and accounted for 54% (41) of total sales. Total in-store sales declined 19% year-on-year. An important reason for this is that the operations were not affected by the pandemic at the beginning of last year, so the important first-quarter sales season, which is a key sales period for Swedish bookstores due to an annual national book sale, could proceed as usual.

Online sales growth compensated for the loss in in-store sales during the quarter, and overall sales increased 4%. The drastic shift in channels had an effect on earnings, however, especially during the important first-quarter sales season, since margins for online sales are lower than in-store sales. EBITA amounted to MSEK -2.4 (0.8).

Considering the current situation, this is a satisfactory performance. While it is a weaker result than in the preceding year, I'm pleased with how we managed to meet, and continue to meet, the challenges brought about by the pandemic.

Our goal is to continue to grow in our online channels. During the quarter, we decided on a long-term plan to strengthen Bokusgruppen's position in the market. This will also mean increased digital

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investments during the next few years. We are continuing to strengthen the customer experience in our various channels, including offering better delivery alternatives. Four stores closed during the quarter, but this was all part of a long-term plan to improve the store network and not because of the pandemic.

During the period, we also carried out extensive work to prepare Bokusgruppen to become an independent, listed company, should Volati AB's Annual General Meeting on 28 April resolve accordingly.

In that case, we will be ready and look forward to such a change. Becoming an independent company would strengthen our development opportunities and provide us with better conditions for accelerating our growth efforts.

Looking forward, I believe that the uncertainty stemming from the pandemic will continue. At the same time, I'm optimistic. There is a strong demand for our product categories, our complementary customer offering meets customers' needs and we have demonstrated that Bokusgruppen can handle a changing world.

Maria Edsman, CEO

Further information

Appendix: Interim Report January-March 2021

For more information please contact Maria Edsman, CEO, at +46 768 88 26 10 or Alexandra Fröding, Press Contact, at +46 707 75 27 83.

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About Bokusgruppen

Bokusgruppen AB (publ) is Sweden's market-leading book retailer which, with strong and complementary brands, reaches a very large share of Sweden's population. In addition to books in all channels and formats, a large and inspirational range of other products is also offered. Based on its vision - "Joy of reading for everyone, every day" - Bokusgruppen aims to satisfy the customers' varying requirements and be the preferred choice for as many as possible. Bokusgruppen has about 410 employees and an annual sales of approximately SEK 1.8 billion. Bokusgruppen AB is owned by Volati AB and parts of the executive management team.

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