

P R E S S R E L E A S E

Stockholm, April 23rd, 2020

BTS updates on financial and operational effects related to COVID-19

STOCKHOLM, SWEDEN - BTS Group AB (publ), a leading global strategy implementation firm, provides a trading update in response to the Corona crisis and withdraws the previously stated outlook regarding the full year 2020 that the "profit before tax is expected to be better than in the preceding year". No new outlook for the full year 2020 is provided.

As previously announced in the Q4 report, the COVID-19 crisis has led to cancellations of physical deliveries of programs in Asia in early 2020.

Due to the spread of COVID-19 to Europe, the US and the rest of the world, many of BTS's physical deliveries at the end of Q1 have been cancelled or postponed on short notice. This has led to lower revenues than expected while costs could only be marginally reduced during the quarter. BTS preliminary estimates for the first quarter is a revenue of just over 370 million SEK, approximately in line with 2019, and a profit before tax (EBITA) approximately 60 percent lower compared to the previous year.

BTS has taken measures to strengthen the already good cash position at the beginning of the year and implemented selective cost savings.

At the same time, the spread of COVID-19 has created an increased demand for digital and virtual deliveries. BTS is well positioned after many years of investments in digital products and services. The two acquisitions in 2019 of SwissVBS and Rapid Learning Institute have further strengthened BTS's position.

As of March 1, BTS has won more than 250 million SEK in new digital and virtual deliveries in more than 150 customer projects for delivery as of the second quarter.

Outlook

It is currently difficult to assess how revenues for physical, digital and virtual deliveries will develop during the rest of the year, however, due to the social distancing restrictions that COVID-19 is causing, revenues from physical deliveries during the year are expected to decrease compared to the previous year.

BTS is focused on coming out stronger long-term of the 2020 pandemic and recession with a larger customer base and a stronger organization. BTS is conducting marketing and sales campaigns to further grow digital and virtual deliveries in 2020.

"We believe that companies' transition to digital and virtual deliveries during the COVID-19 crisis creates new habits that will continue to persist after the crisis. This change in the market will provide additional growth opportunities for BTS within digital and virtual deliveries," says Henrik Ekelund, CEO of BTS Group. "At the same time, we believe that after the crisis there will be a pent-up need for the physical deliveries that many customers are now pushing forward".

"BTS is now focusing on virtual and digital deliveries combined with extensive up-skilling. In this way, it is our ambition that our organization will emerge stronger from the crisis and take advantage of growth opportunities in all three areas – virtual, digital and physical deliveries," adds Henrik Ekelund.

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About BTS Group AB

BTS is a global professional services firm headquartered in Stockholm, Sweden, with over 830 professionals at 35 offices located on six continents. We focus on the people side of strategy, working with leaders at all levels to help them make better decisions, convert those decisions to actions and deliver results. At our core, we believe people learn best by doing. For 30 years, we've been designing fun, powerful experiences™ that have a profound and lasting impact on people and their careers. We inspire new ways of thinking, build critical capabilities and unleash business success.

It's strategy made personal.

We serve a wide range of client needs, including: Assessment centers for talent selection and development, Strategy alignment and execution, Business acumen, Leadership and sales training programs, and On-the-job business simulations and application tools.

We partner with nearly 450 organizations, including over 30 of the world's 100 largest global corporations. Our major clients include, for example, AT&T, Chevron, Coca-Cola, Ericsson, Google, GSK, HP, HSBC, Salesforce.com, and Unilever.

BTS is a public company listed on the Nasdaq Stockholm exchange and trades under the symbol BTS B.

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