

FY20 Trading Update

February 3, 2021 (SYDNEY): Based on the preliminary assessment of the unaudited financial results of the Group for Financial Year 2020 ("FY20")¹ and other information currently available to the Board of Directors (the "Board") of eCargo Holdings Limited (ASX:ECG) ("ECG", "eCargo" or the "Group"), the Board advises that the Group expects to record at least a 20% increase in revenue and a substantial change to EBITDA compared to Financial Year 2019 ("FY19").

Highlights:

- > Strong increase in revenue expected of at least 20% in FY20 (FY19 Revenue: A\$32.5 million)
- > Positive EBITDA generated - a substantial improvement on prior results (FY19 EBITDA: loss of A\$1.2 million)
- > The improved revenue and EBITDA growth is mainly attributable to:
 - Strong demand in online sales experienced in China in the second half of FY20 driven by the Double 11 and Double 12 events in Q4 and increased demand for overseas products
 - Shift in product categories, increased focus on key brands and continued growth in the group's retail distribution network in China
 - Improved business efficiencies in Q4 and implementation of a strong cost management culture resulting in a notable decline in Q4 operational expenses
 - Strong performance in Amblique's business following the impacts from COVID-19 with the shift of consumer spending to online in Australia

eCargo Chief Executive Officer, Lawrence Lun stated: "We have seen a strong turnaround in the results for the final quarter of this financial year driven by a significant improvement in eCargo's distribution trading and B2B eCommerce enabling business services. This was positively impacted by shifting our business to be more focused on selected brands, reorganisation of the group and the shift in consumer spending behaviour to be more online. Our business is well positioned to continue to benefit in 2021 from continued demand for overseas products from Chinese consumers as we broaden our product and brand portfolio.

"This year has been challenging on many fronts for eCargo as we navigated the impacts from the coronavirus pandemic and established a new management team to drive the business forward."

¹ The information contained in this announcement is based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the 12 months ended 31 December 2020 and is not based on any figures or information audited or reviewed by the Company's independent auditors and may be subject to amendments and adjustments.

"We have refined our business offering and have realised significant operational efficiencies across the business resulting in a decrease in operational expenditure. The results seen in the last quarter of this financial year are encouraging and although we remain conservative in our expectations for the coming financial year given the current economic conditions, we are confident we have the right structure, strategy, plans and team now in place."

eCargo has an established distribution, enabling and trading platform specialising in cross-border product sales into mainland China. Over the course of the last financial year, demand for offshore products has continued to grow with a notable increase in sales of certain product categories in health, beauty and personal care. The full end-to-end enabling services and quality of products ECG provides, alongside its proprietary technologies, enable streamlined distribution to meet the continuous growth in consumer demand in mainland China.

eCargo will provide further details on the results and outline its strategy and outlook for Financial Year 2021 at its full year results released to the market by the end of February.

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This ASX announcement was approved and authorised for release by John Lau, Executive Chairman.

About eCargo Holdings Limited

eCargo Holdings Limited is an ASX-listed company specialising in sales and marketing strategy, execution and distribution in China. With a broad range of capabilities across; logistics and fulfilment, eCommerce, management and operations, Online to Offline (O2O) distribution and wholesale, as well as strategic advice.

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