

2021 Interim Market Update

September 2021

Hong Kong | Shanghai | Shenzhen | Sydney | London

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1H21 Group Achievements



+139% yoy
(HK\$142m*)
GMV continues to rise



+74%
Strong Growth in Same
Client Sales (y.o.y)



HK\$31.7M Sales in
Online FMCG Business
Sales in key growth driver



1M+ orders processed
in eCoreOS® in H1
Significant Growth in
Technology Usage



30+ Distributors
Launch of JJX B2B
Marketplace



500+ Wines Stocked
Alpha Launch of PJF Wines
B2C Platform

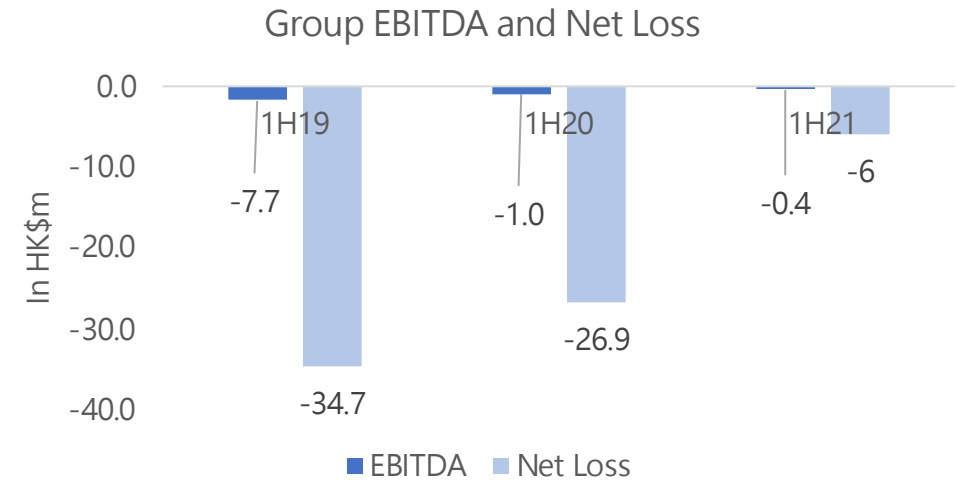
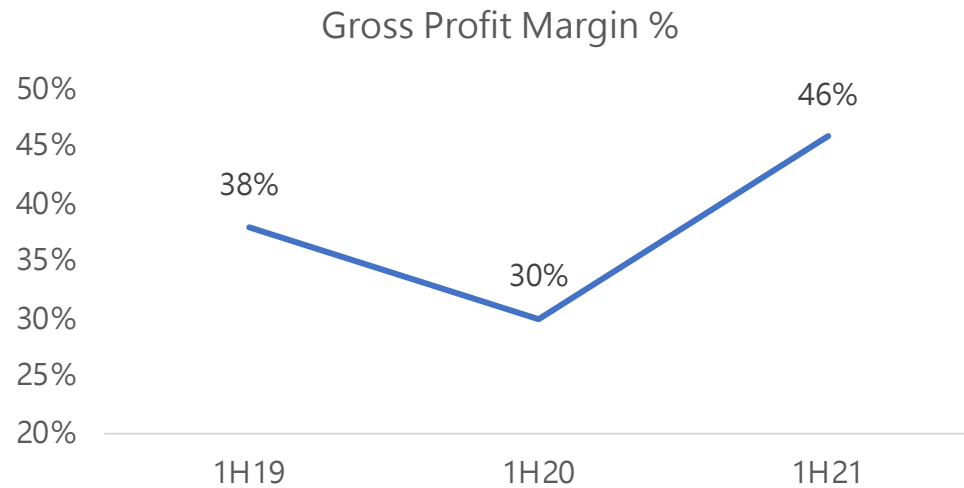


Exclusivity Deals with
10+ Brands
New brand partners for
2H21 kickoff



Malaysia & India
Entering new markets with
government support

Key Group Financial Metrics



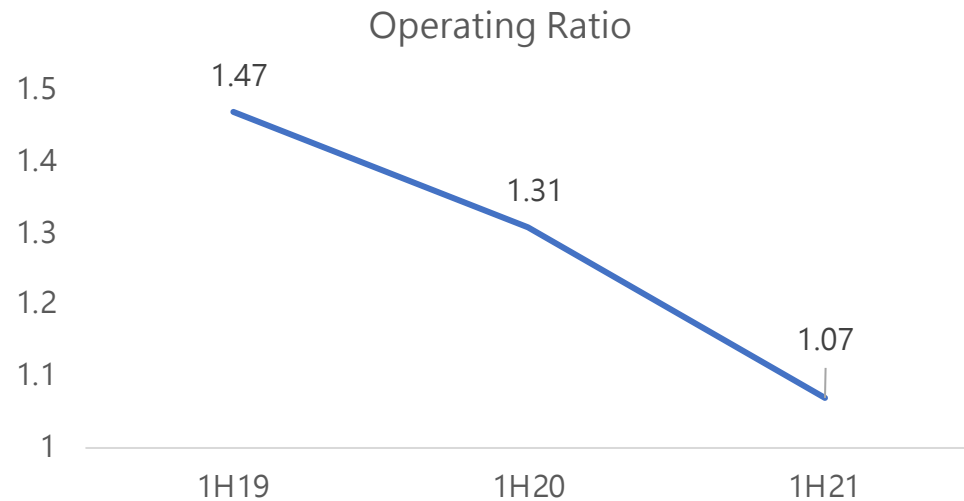
Generating Better Margins %

- Stopped working with low margin product categories and cleared stock in warehouse;
- Shifting portfolio to high-margin product categories
- Service margins improved as result of COVID-19 recovery

Improving EBITDA and Net Loss

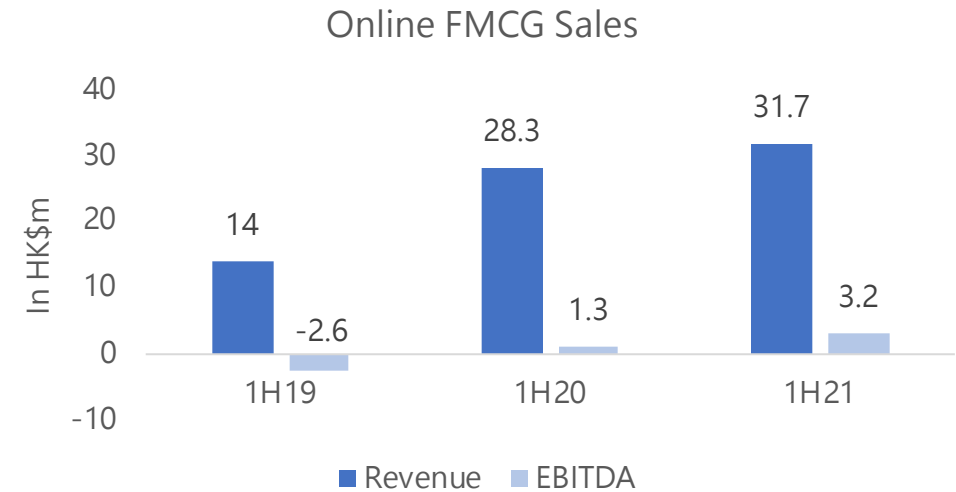
- Stronger cost control including reviewing overhead expenses e.g. moving warehouses to new locations
- Investments in R&D for technology and clearance of stock affected operating costs

Key Group Financial Metrics



Improving Operating Ratio

- Continuing to drive operational efficiencies across core businesses;
- Higher-margin product categories and better service margins contributed to better efficiencies



Growing FMCG Online Business

- Onboarding new global brands with strong existing brand awareness and sales in market;
- Expanding Private Channel Network business across new eCommerce platforms.

1H21 Business Performance Summary

HK\$ million	1H2021	1H 2020	2H 2020	2020	1H 2019	2H 2019	2019
Revenue	87.3	91.0	127.5	218.5	75.0	102.4	177.4
Gross Profit	40.2	27.6	41.7	69.3	28.9	34.1	63.0
Operating Expense	46.2	55.5	52.0	107.5	63.4	74.1	137.5
EBITDA	(0.4)	(0.9)	8.5	7.6	(7.7)	1.0	(6.7)
Net Profit/Loss	(6.0)	(26.9)	(12.6)	(39.5)	(34.7)	(39.9)	(74.6)

*Corporate overhead are included in 'Service' for illustration purpose

We help brands sell more.

We offer solutions that **connect global brands to new markets**, supported by proprietary technologies to streamline and accelerate growth.

eCargo Business Models

Growth
Business

Technology-Enabling (eCoreOS®)

Developing proprietary technologies to enable our two streams of businesses to create efficiencies and scale, license technologies and deepen relationships across the value chain.

Revenue derived from license fees, subscription fees and revenue share



Foundational
Business

Distribution & Trading

Taking distribution rights of brands to sell into established retail distribution network in markets we operate in.

Revenue derived from trade or % of sales.

eCommerce Enablement

Providing end-to-end services that enable brands to operate eCommerce business in China and Australia.

Revenue derived from service fees (project or retainer based) and % on sales

Core Business Update

Distribution & Trading

Taking distribution rights of brands to sell into established retail distribution network in markets we operate in.

- Onboarded Ella's Kitchen and ANC as exclusive China Master distributors for Online and Offline;
- JuliaXuan (JJX) B2B Marketplace launched with 30 distributors and over 100 brands – digitalising this business.

eCommerce Enablement

Providing end-to-end services that enable brands to operate eCommerce business in China and Australia.

- China: partnered with Bauer Hockey as exclusive eCommerce partner
- Australia: Amblique launches sites for Fisher & Paykel, Jeanswest, Barbeques Galore;
- Integrated eCoreOS[®] system with all points across supply chain.

2021 Strategy Objective

To strengthen the foundational business, accelerate and scale, and invest in technology-enablement.

Digitalisation
of Processes

Improving
Margins

Regional
Expansion

Supply Chain
Technology

Digitalisation of Processes

Scaling our B2B distribution and trading business

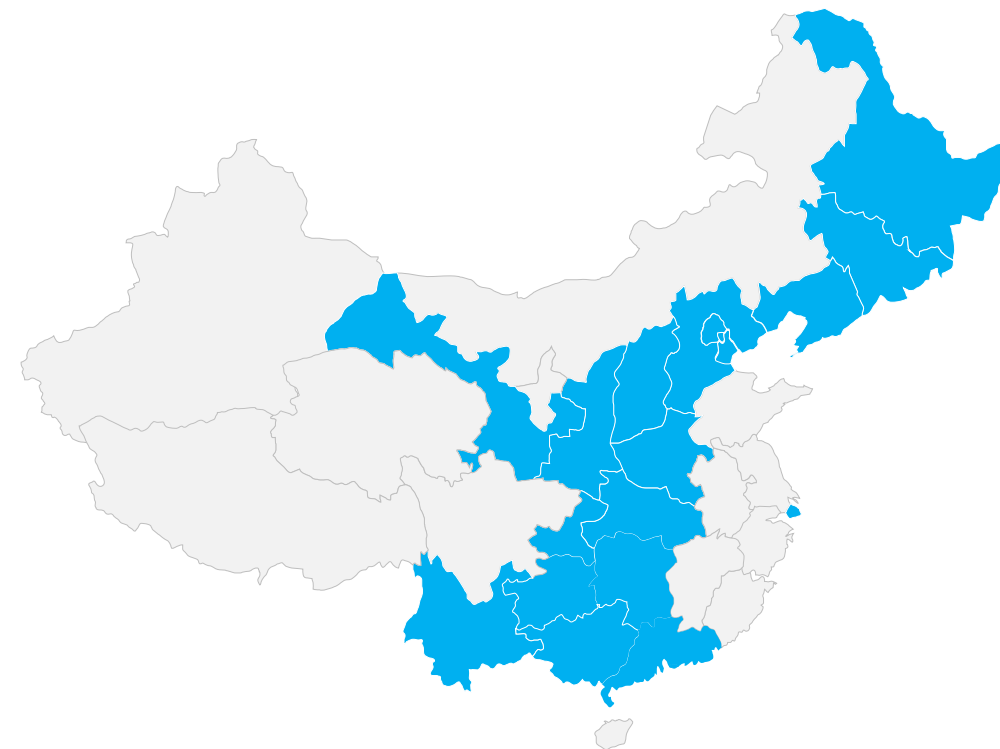


One-Stop China B2B Trading Platform

JuJiaXuan (JJX) is eCargo's integrated Wholesale Marketplace connecting FMCG brands to 100s of distributors and retailers around China.

It allows eCargo to **reach more suppliers and retailers** and **create more revenue streams**.

Full set of end-to-end services – **enabled by eCoreOS®** – allows suppliers and retailers to engage directly with no intermediaries required.



150M+
Households

2000+
Offline Retail
Stores

20
Provinces

Improving Margins

Shift business towards higher margins, large global brands

Key Strategic Changes

1. Immediately stopped low margin product categories and cleared stock in warehouse;
2. Shift business towards higher margin categories including, Hair care, Beauty/Cosmetics, Mum and Baby, Personal Care and CBD;
3. Reduced/closed unprofitable businesses;
4. Service margins improved on COVID-19 recovery across the Group.



FISHER & PAYKEL



JEANSWEST

Regional Expansion

Leveraging partners to grow and replicate business model in new markets

- 1 Government Support to launch brands into new markets, including Malaysia and India;
- 2 Joint-ventures with key strategic partners to develop further value propositions e.g. CN Logistics (PJF Wines B2C Platform);
- 3 ABG joint venture expansion to new product ranges and categories in Vietnam and Cambodia;

Supply Chain Technology – eCoreOS®

Using eCoreOS® to generate new revenue into business across the supply chain

Supplier



Consumer

Logistics & Fulfilment

eCoreOS is fully integrated with key systems across the supply chain, providing track & trace capability on shipments, PO management, warehouse management and fulfilment management.



Order and Sales Management

Omni-channel order management system that provides a retailer/brand access to all major marketplaces in Asia, giving one system control to orders, inventory and sales.



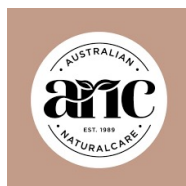
Consumer Facing

Headless technology that provides APIs for marketplaces, eCommerce platforms and CMS to integrate with to sell direct to consumers. Comes with a marketplace module to set up a dedicated marketplace platform.



Our Partners, Brands and Platforms

Brand Partners



Platforms and Retailers



Board of Directors

John Lau Chairman and Executive Director	<ul style="list-style-type: none">• Over 40 years experience in servicing trading, supply chain and logistics in China;• Founder and Group Managing Director of Cargo Services Far East and CS Logistics Holdings Limited (the largest privately owned integrated logistics service provider in China and Hong Kong)
Rupert Myer AO Independent Non-Executive Director	<ul style="list-style-type: none">• Director of Healthscope Limited, Amcil Limited and EVCH UK Limited (EV Cargo)• Chairman of Nuco Pty Limited, a private Myer family investment company• Board member of further family-owned investment companies• Chair of the Commonwealth Government's Australia Council for the Art
Yuming Zou Independent Non-Executive Director	<ul style="list-style-type: none">• Currently Senior Vice-President of Corporate Development at Jianke, managing finance, M&A, governance and controls• Over 15 years in Investment Banking, previous role as Executive Director at JP Morgan in Corporate Derivatives Trading
Von Lam Independent Non-Executive Director	<ul style="list-style-type: none">• Founder & Managing Partner at Falcon Partners, a Hong Kong-based technology investment firm;• Previously managed technology private equity investments at Clearlake Capital; a private equity investor with Warburg Pincus; as well as roles at Microsoft, UBS and JP Morgan.

Management Team

Lawrence Lun Group Chief Executive Officer	<ul style="list-style-type: none">• Over 10 years experience in digital activation, eCommerce, brand marketing and logistics supply chain• Part of the founding team of eCargo and set up of its cross-border eCommerce business• Previously held roles in Investment Banking, Digital Banking and Asset Management
Oscar Tsang Group Financial Controller	<ul style="list-style-type: none">• Over 10 years experience in finance and accounting, corporate finance and M&A investments• Certified Public Accountant and Chartered Accountants in England and Wales• Previously worked for China Financial Services Holdings Ltd, Hong Kong-listed company, as FC, PricewaterhouseCoopers and Ernst & Young in Hong Kong
Haiyun Chen Chief Product Officer	<ul style="list-style-type: none">• Over 13 years experience in buying and sourcing with Australia's leading retailers, including Woolworths, Big W and Metcash• Over 10 years experience in China on private label, product development and quality control• Supported the strategic development and execution of Metcash Asia's business in China
Stephanie Byrne Chief Executive Officer - Amblique	<ul style="list-style-type: none">• Client-focused leader with over 10 years' experience in the eCommerce industry• Implemented solutions for APAC retail leaders including Super Retail Group, Cotton On Group and The Warehouse Group
Flecht Yeh China Distribution Director	<ul style="list-style-type: none">• Over 10 years of operation and trade marketing experience in FMCG industry• Wealth of experience in working with brands and distributors in China, including Herbacin, Kanebo, FamilyMart and RT Mart
Philip Pau Brand Management Director	<ul style="list-style-type: none">• Over 16 years of experience in sales, marketing, digital commerce, and account management• Joined eCargo in 2019 as Business Development Manager, now leads the brand management function to support brands entry into China and accelerating their success

Thank You!

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The eCargo Group – ASX Listed ASX:ECG