



Ensogo on track; Thailand operations EBITDA positive in Q2

Wednesday, 29th July 2015. Leading Asian e-commerce company, Ensogo Limited, today released its quarterly appendix 4C for the period 1 April to 30 June 2015. Key financial metrics include:

- Cash collections during the period amounted to \$29.9m (net of refunds), representing 29% growth over the 1st quarter
- The cash balance as at the end of the quarter was \$45.6m
- Thailand generated positive EBITDA for the entire second quarter

Mr. Kris Marszalek, co-founder and CEO of Ensogo commented: “While our upcoming investments in customer acquisition, improvements in customer experience and logistics may impact profitability in the short term, the 2nd quarter result of our Thailand operation gives us confidence that profitability is within our reach. We have an improved cost-base with staff costs down 33% year on year, from \$7.01m in Q2 2014 to \$4.66m in Q2 2015. Coupling that with better assortments, a better customer experience and a clear path to growth in our customer base is our recipe for a profitable and sustainable e-commerce business.”

The Company has laid the foundations during the second quarter to improve our customer experience.

- “Cash on delivery” has been deployed in Thailand, Philippines and Malaysia
- Ensogo now delivers to Tier 2 and Tier 3 cities in Thailand, Philippines and Malaysia.
- New, improved iPhone and Android applications are live in the respective app stores, allowing for easier and faster purchase on the go
- A new checkout process has been deployed across all channels with one-click payment options for returning customers.

“I’m pleased with the progress we’ve made on the customer experience front. The third quarter will see further improvements, including a completely new website and application launch”, added Mr. Marszalek. “Putting a spotlight on key product categories such as fashion, beauty and cosmetics, home and living will improve “discoverability” for our consumers and help us accelerate improvements in quality and quantity of assortment. This is all expected to drive growth in conjunction with our increased spend on customer acquisition in the second half of 2015 and beyond.

“Ensogo enters the second half of the year with a healthy balance sheet, strong support from strategic investor, Vipshop, one market EBITDA positive and a clear focus on customer experience and product assortment expansion. We are well positioned to continue to capitalize on the tremendous market

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opportunity of flash sales in Southeast Asia and intend to use the funds raised in Q2 to significantly increase our customer base over the next 18-24 months. “

-END-

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About Ensogo Limited (www.ensogo.com)

Listed on the Australian Securities Exchange, Ensogo Limited (ASX:E88) owns and operates a network of leading e-commerce websites. Headquartered in Singapore with operations in Singapore, Malaysia, Hong Kong, Thailand, Philippines and Indonesia, Ensogo sells discounted branded consumer products online and connects over 138 million consumers to retailers by providing 'best price' volume discounts on a wide variety of goods. Ensogo's vision is to create ASEAN's leading e-commerce retailer.

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Ensogo Limited

CAN

165 522 887

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	29,862	52,985
1.2 Payments for		
(a) staff costs	(4,668)	(8,826)
(b) advertising and marketing	(1,274)	(1,978)
(c) research and development	-	-
(d) leased assets	(804)	(1,437)
(e) merchant payments	(28,455)	(48,650)
(f) other working capital	(2,930)	(5,493)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15	18
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(8,254)	(13,381)

+ See chapter 19 for defined terms.

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	Current quarter \$A'000	Year to date \$A'000
1.8 Net operating cash flows (carried forward)	(8,254)	(13,381)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(35)	(50)
(d) physical non-current assets	(18)	(26)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	2	2
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(51)	(74)
1.14 Total operating and investing cash flows	(8,305)	(13,455)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	46,424	52,714
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other	-	-
Net financing cash flows	46,424	52,714
Net increase (decrease) in cash held	38,119	39,259
1.21 Cash at beginning of quarter/year to date	7,491	6,351
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	45,610	45,610

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Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	27
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Item 1.24 – payments of company secretarial fees to a company associated with Nick Geddes. Directors' fees of \$271k were accrued, not paid.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	44,067	7,491
4.2 Deposits at call	1,543	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	45,610	7,491

Acquisitions and disposals of business entities

5.1 Name of entities	
5.2 Place of incorporation or registration	
5.3 Consideration for acquisition	
5.4 Total net liabilities	
5.5 Nature of business	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: [Original signed] Date: 29th July 2015.
(Director/Company secretary)

Print name: NJV Geddes

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

+ See chapter 19 for defined terms.

2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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