



Ensogo takes its mobile marketplace app global after strong initial traction in first quarter

Friday, 29th of April 2016. Leading mobile shopping company, Ensogo Limited, today released its quarterly appendix 4C for the period 1 January to 31 March 2016, its first quarter as an open marketplace platform.

Key financial metrics

- Cash collections during the period amounted to \$22.6M (net of refunds) vs \$23.1M in the 1st quarter of 2015. A decrease of \$5.0M in receipts from the Company's unprofitable services and discount voucher business was offset by rapid growth in the marketplace business, delivering \$8.2M in cumulative GMV during the quarter at an average monthly growth rate of 109%.
- Marketing related payments increased from \$1.5M in Q4 2015 to \$1.9M as the company continues to invest in user acquisition, primarily through driving downloads of mobile apps.
- Cash outflows increased from \$8.9M in Q4 2015 to \$11.2M, as the Company invested in the marketplace business and increased spend on app downloads; Q1 results also include approximately \$1M in severance payments to retrenched staff from the legacy services and discount business.
- The cash position at 31 March was \$17.6M.

Key milestones achieved during 1st quarter

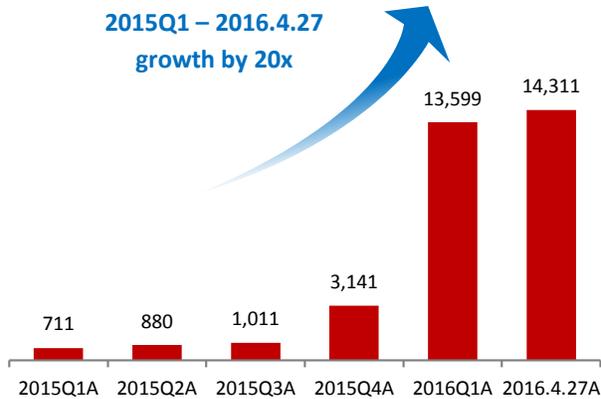
- The successful launch of the cross-border marketplace business on January 8th, 2016 contributed substantially to the growth in the number of suppliers and SKU assortment
- Increase of active suppliers from 3,141 at the end of Q4 to 13,599 at the end of Q1
- Increase in products available for sale from 77,268 at the end of Q4 to 4,274,698 at the of of Q1
- Rapid growth of new marketplace business averaging 109% MoM, resulting in 46% of total group GMV contribution in March
- Ensogo iOS and Android apps hit 500,000 downloads milestone

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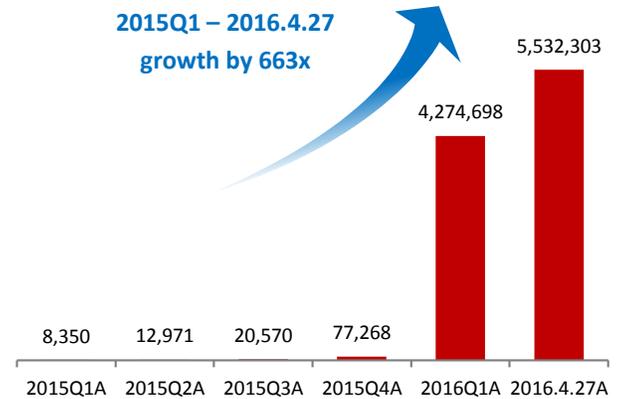
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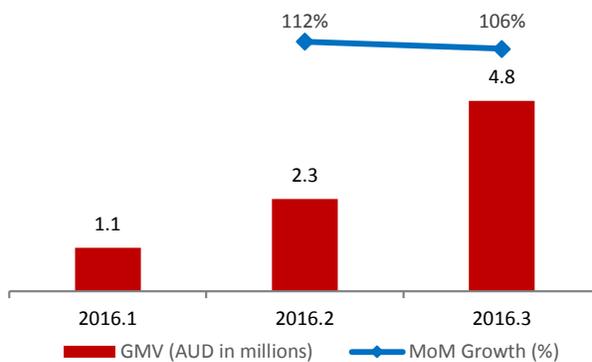
Total merchants growth over time:



Total SKUs growth over time:



Marketplace GMV in Q1



Successful launch of the marketplace business and the cross-border opportunity

Mr. Kris Marszalek, co-founder and CEO of Ensogo commented: “We are pleased with the results delivered in the first 3 months of our business as a marketplace. The team hit the ground running, first confirming that we can onboard sellers and drive SKU growth, then proving we can sell the assortment effectively. Explosive assortment growth and triple digit monthly GMV growth rates are all an early sign of strong traction.”

In particular, the cross-border segment of the business, represents a new opportunity for the Group. During the first quarter, Ensogo successfully on-boarded thousands of sellers from China, who collectively uploaded over 5m SKUs to our platform. Merchants from Korea began uploading products in April. Most

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importantly, a vast majority of the cross-border sellers are able to ship orders to 50+ countries worldwide, enabling Ensogo to rapidly take its mobile shopping app global.

Moving to a centralized operating model, slashing costs and cash burn

Mr. Marszalek added: "The business is in transition to a technology-driven platform able to operate globally from a single central location. This is one of the cornerstones of our marketplace strategy and allowed us to reduce our headcount substantially in Q1. We started the year with approximately 600 staff and are now below 300 and we expect to reduce the cash burn run-rate by 40% from Q1 to Q2 2016. Further reduction in cash burn is expected in Q3 and Q4."

Key Takeaway Points

In summary, during the first quarter, Ensogo has:

- Established the *Ensogo Marketplace* model
- Created cross-border revenue streams
- Launched a mobile app that has been downloaded more than half a million times
- Centralized operations while reducing headcount by 50%.
- Put in place plans for rapid geographic expansion of the customer base.

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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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