

## Shoply Ltd - ASX:SHP

27 April 2015

### ASX and Media Release

## Revenue momentum continues to build

Shoply Limited (ASX: SHP) (**Shoply** or the **Company**) is pleased to present its consolidated Quarterly Cash Flow Report for the quarter ended 31 March 2015. Key highlights include:

- **Cash receipts \$4.7 million for the quarter up 351% on previous corresponding period (Q3 2014: \$0.9 million)**
- **Strong sales achieved in the month of March 2015 – \$1.9 million**
- **Operating cash-flow outflow of \$0.2 million, showing a positive trend towards becoming cash-flow positive**
- **Acquisition of premier e-commerce business technology retailer eStore**
- **Shoply reaffirms its revenue forecast of \$18.0 million in FY15, up 987% on FY14**

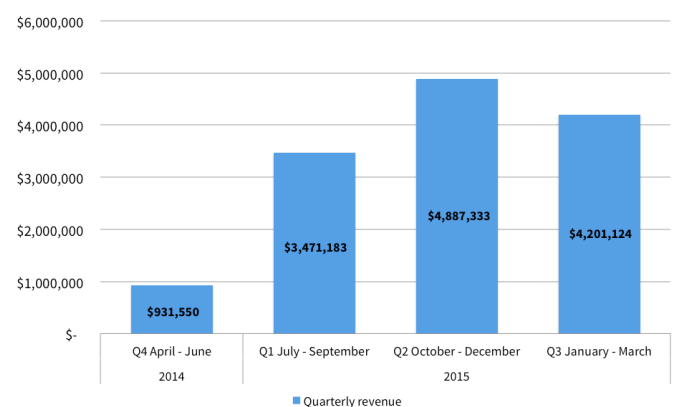
Commenting on the result, Shoply CEO Simon Crean said, "Given the rapid revenue growth that has been achieved through acquisitions, it was pleasing to see growing organic revenue within our businesses over the quarter. Shoply generated double digit growth compared to the September trading quarter, both of which represent non-seasonal normal sales."

"During the quarter Shoply acquired the eStore business, which was a very important step for the Company in further building scale in the office technology segment. eStore is a premier e-commerce technology retailer with a strong track record, and we look forward to fully integrating the business and capitalising on the Company's growing presence in the office technology segment."

### Post-Christmas trading continuing build momentum

Consistent with a typically slower trading period post-Christmas, cash receipts from customers were down 14% on the previous quarter to \$4.2 million (Q2: \$4.9 million). Very pleasingly, the month of March generated sales of \$1.9 million, and positions Shoply very well for the final quarter of FY2015.

Sales for the quarter included less than one month of revenue contribution from eStore following the completion of the acquisition on 13 March 2015.



## Cash at bank

Cash at bank as at 31 March 2015 was \$2.6 million, which leaves Shoply in a strong position to continue to pursue its dual track strategy of organic and acquisitive growth.

## Operating cash outflow

Net operating cash outflow for the quarter was \$0.2 million, highlighting a positive trend towards becoming operationally cash-flow positive. This trend is being driven by increased sales and carefully managed operating costs.

Over the quarter, major costs included working capital, staff, and advertising, all of which remain in line with expectations. Advertising and marketing costs include a re-allocation of some costs, explaining the increase this quarter.

## Investing activity cashflow

During the quarter Shoply purchased the assets of the eStore business. The investment in eStore was \$296k, with a further \$39K invested in intellectual property in the form of enhancements to the Shoply operating platform.

## Outlook

Shoply reaffirms it is on target to achieve \$18 million in sales revenue this financial year. Shoply anticipates continued growth in the current quarter driven by further organic growth, and an increased contribution in the office technology segment from a more scalable position and from a full quarter of eStore trading.

Shoply CEO Simon Crean said "The Company is continuing its dual track growth strategy and is moving closer towards a profitable operational scale. To that end, our immediate focus is to integrate and extract value from the eStore acquisition while continuing to explore other suitable opportunities that will build further scale in the business."

"Shoply is a growing business in a growing industry, and we remain confident about our future prospects of becoming a profitable Australian online retailer and mid-market consolidator."

**-ENDS**

For further information contact:

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## About Shoply Limited

Shoply's objective is to be a leading ASX listed online shopping company. Shoply is rapidly executing a dual, organic and acquisitive growth strategy, acquiring or creating positions in attractive retail categories.

<http://www.shoply.com.au>

# 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

**Shoply Limited**

ABN

**93 085 545 973**

Quarter ended ("current quarter")

**31 MARCH 2015**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A' 000
1.1 Receipts from customers	4,738	13,467
1.2 Payments for (a) staff costs	(418)	(1,426)
(b) advertising and marketing	(304)	(641)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(4,220)	(11,881)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	11	35
1.5 Interest and other costs of finance paid	-	(5)
1.6 Income taxes paid		
1.7 Other (provide details if material)	(11)	53
<b>Net operating cash flows</b>	<b>(204)</b>	<b>(398)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (9 months) \$A' 000
1.8 Net operating cash flows (carried forward)	<b>(204)</b>	<b>(398)</b>
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(39)	(156)
(d) physical non-current assets	-	(12)
(e) other non-current assets	(296)	(296)
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(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)	-	-
<b>Net investing cash flows</b>	<b>(335)</b>	<b>(464)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(539)</b>	<b>(862)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
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 (provide details if material)	-	-
<b>Net financing cash flows</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>(539)</b>	<b>(862)</b>
1.21 Cash at beginning of quarter/year to date	3186	3,509
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	<b>2,647</b>	<b>2,647</b>

+ See chapter 19 for defined terms.

**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	34
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

**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	5,000	
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	2,490	3,041
4.2 Deposits at call	145	145
4.3 Bank overdraft		
4.4 Other (provide details) Cash held in separate bank account, rental guarantee.	11	
<b>Total: cash at end of quarter (item 1.23)</b>	<b>2,647</b>	<b>3,186</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
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.

**Simon Crean**  
 Chief Executive Officer  
 27 April 2015

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## **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.
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.