

Sydney, Australia and Columbus, OH, USA
28 February 2019: AHAlife Holdings Limited (ASX:AHL)

COMPLETION OF ACQUISITION OF DESIGN MILK ASSETS

The Board and Management of AHAlife Holdings Limited (ASX: AHL) are pleased to announce that AHL has today completed the acquisition of all assets relating to Design Milk, the globally recognised, US-based digital media platform dedicated to modern design.

Acquisition Overview

Founded by Jaime Derringer in 2006, Design Milk is an award-winning digital media platform bringing the latest news in art, architecture, interior design, furniture, decor, fashion, and technology from around the world to its large and engaged audience. The Design Milk global audience includes over 7.2M aggregate social media platform followers.

Jaime is a leader in the modern design world who speaks regularly at major industry events and co-hosts the design podcast "Clever", and continues to exercise her passion as an accomplished artist

Total upfront consideration for the transaction is US\$0.77M, with US\$0.50M to be paid in cash and US\$0.27M to be paid in options in AHAlife. The transaction also includes deferred consideration of US\$1.13M, with US\$0.50M to be paid in cash 6 months from the date of completion, and US\$0.63M to be paid across three tranches of options in AHAlife, which vest in a minimum of 24, 36, and 48 months and are also subject to revenue hurdles.

Strategy

- AHL revenue is driven primarily by email, SEM and promotional offers through our affiliate partnerships. This involves significant investment in customer acquisition
 - Whilst we continue to attract customers through these channels they have become highly competitive, further lifting acquisition costs
 - The global Design Milk community has been built over years of high quality, authentic content delivered through multiple social media channels
 - There are many benefits to engaging with a large audience in this way. Legitimacy with an attractive pre-engaged demographic, lower acquisition costs, high content re-engagement and reduced promotional pressure
 - AHL's proven technology platform and shared-service structure supports a multi-website e-commerce model, providing access to curated lifestyle and design content and products referenced on Design Milk's sites
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AHL





AHALIFE HOLDINGS LIMITED

Highlights

- Design Milk founder Jaime Derringer will join AHL as Chief Creative Officer, bringing nearly two decades of experience in the design and media industries
- Large highly engaged global audience built over many years of focus toward authentic, high-quality content
- Bolsters AHL's already strong category offering with a focus on modern design in the areas of art, architecture, interior design, furniture, decor, fashion, and technology
- Delivers on AHL's stated strategy of lifestyle and product diversification through multiple brand websites supported by a single shared service platform
- Expands AHL's revenue mix through the introduction of paid advertising
- Complementary to AHL value pillars: Craftsmanship, Community, and Conscious Living

DESIGN MILK ENGAGED AUDIENCE

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LIMITED

Channel	 KAUFMANN MERCANTILE	
Social media (Aggregate across all sites)	150k	7.2m
Direct traffic (Direct and Organic Search sessions)	1.0m p.a.	3.5m p.a.
Email subscribers (Total subscribers)	600k	200k
Email click through rate	0.3%	3.0%
Free vs. Paid total audience	<div><div>Free</div><div>Paid</div></div>	<div><div>1%</div><div>99%</div></div>
E-commerce		
Average Order Value (All transactions)	\$207	\$0
Conversion rate (All transactions)	0.74%	0%

Note: Based on CY 2018

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About Ahalife Holdings Limited (ASX: AHL)

AHL owns and operates a proprietary eCommerce platform for premium lifestyle goods. The Company currently operates two curated dropship marketplace websites (Ahalife and Kaufmann Mercantile). We offer customers a virtual catalogue of over 50,000 items from a community of 4000+ independent, emerging designers and artisans from around the world who create and manage their own curated storefronts within the AHL ecosystem. For more information, please contact AHL Investor Relations.