

AHL

AHALIFE HOLDINGS LIMITED

Sydney, Australia and Columbus, OH, USA
30th April 2019: AHALife Holdings Limited (ASX: AHL)

Launch of two new Design Milk e-Commerce Websites and Q3 FY19 update

Following the acquisition of Design Milk on February 28th 2019 the Board and Management of AHL are very pleased to announce the launch of two new lifestyle curated websites; Design Milk Everyday and Design Milk Travels.

Design Milk Everyday is a carefully curated assortment of modern design objects for daily life. Design Milk Travels is a content and design focused site dedicated to travel and exploration.

Both sites will feature brands and makers that align with the Design Milk ethos of celebrating fun and accessible modern design and represent an extension of our popular Instagram accounts of the same names. Sitting alongside the Design Milk social media accounts, the two new websites deliver curated content to a large combined community of 7.2M followers, and the existing Design Milk website which receives 3.5M direct traffic sessions per annum (3.5x the direct traffic received by the Ahalife and Kaufmann Mercantile websites combined).

Design Milk is a globally recognized leader in the world of modern design that has thrived through the support of its engaged community of design enthusiasts. The new e-commerce sites will connect the global Design Milk community directly with the designers, makers, and independent brands that Design Milk has showcased over the years.

“As part of AHL it was a natural next step to blend our passions and introduce e-commerce and other services to the Design Milk community. Today, I am very excited to launch these new lifestyle websites. This is our first step toward building a broader Design Milk brand that supports our community through multiple websites, additional services and fun, engaging ways of connecting with the designers and makers we support.” - Robert Mancini, Chief Executive Officer – AHALife Holdings Limited

The launch of the new Design Milk e-commerce sites was possible because of our flexible shared service structure and operating model. Successfully building these websites in under two months was a big undertaking, I am grateful to the Board for their support and to the team for their energy and focus to achieve this.

Over the coming weeks and months we will continue introducing new designers and products to our Everyday and Travels community, with plans to expand later this year through new additional curated websites that share our design passion for pets, kids and fashion. We also acknowledge that a significant proportion of the Design Milk audience represent the large U.S. and international interior designer community, which creates an opportunity for us to expand our trade and corporate services in future.

AHL

AHALIFE HOLDINGS LIMITED

Design Milk at a glance

Channel	AHL	designmilk 
Social media <small>(Aggregate across all sites)</small>	150k	7.2m
Direct traffic <small>(Direct and Organic Search sessions)</small>	1.0m p.a.	3.5m p.a.
Email subscribers <small>(Total subscribers)</small>	600k	200k
Email click through rate	0.3%	3.0%
Free vs. Paid audience	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <p><i>Free</i></p> <p><i>Paid</i></p> </div>  </div>	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <p>1%</p> <p>99%</p> </div>  </div>
E-commerce		
Average Order Value <small>(All transactions)</small>	\$207	n/a
Conversion rate <small>(All transactions)</small>	0.74%	n/a

Note: Based on CY 2018

Q3 FY19 AHL Business Summary

The entire AHL team has been heavily focused on building a high-quality lifestyle curated website and experience for the Design Milk Everyday and Design Milk Travels audiences during Q3 FY19. This involved a significant change in our approach to driving revenue, moving away from the high-cost, low-return method that was utilized by the business in the past. Our Design Milk community is already highly engaged so the journey of communication and retention will therefore be different, and more cost effective.

As a result of the operational pivot, we have achieved our highest ever contribution margin of 26% in March 2019. We expect this contribution rate to remain higher than historical averages, bringing profitability for the business closer than before. The AHL team is very excited to introduce the Everyday and Travels sites to the Design Milk audience and expect to see significant growth in revenue.

----- END -----

AHL

AHALIFE HOLDINGS LIMITED

For further inquiries, please contact:

Robert Mancini (CEO):	+1 (347) 210-6741
Andrew Whitten (Company Secretary):	+61 (2) 8072 1400
Investor Relations:	ir@ahalife.com

About Ahalife Holdings Limited (ASX: AHL)

AHL owns and operates a proprietary e-Commerce platform for premium lifestyle and design products. The Company recently acquired Design Milk, a world-renowned, award-winning digital media company that has thrived through the support of an engaged community over the past 13 years. Together, AHL and Design Milk become the main supporter and global resource for independent brands, designers, and industry specialists across the worlds of art, architecture, interior design, furniture, fashion, and technology.

For more information, please contact AHL Investor Relations.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

AHALIFE HOLDINGS LIMITED

ABN

15 006 908 701

Quarter ended ("current quarter")

31-Mar-19

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	433	2,615
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(562)	(2,107)
	(c) advertising and marketing	(213)	(792)
	(d) leased assets	73	244
	(e) staff costs	(337)	(991)
	(f) administration and corporate costs	(416)	(962)
1.3	Dividends received (see note 3)		
1.4	Interest received	0	0
1.5	Interest and other costs of finance paid	(1)	(6)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(1,023)	(1,999)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(3)	(3)
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property	(500)	(500)
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(503)	(503)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	0	0

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,261	3,237
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,023)	(1,999)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(503)	(503)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	0
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of quarter	735	735
5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	735	2,261
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	735	2,261
6.	Payments to directors of the entity and their associates		Current quarter \$US'000
6.1	Aggregate amount of payments to these parties included in item 1.2		0
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3		
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2		
7.	Payments to related entities of the entity and their associates		Current quarter \$US'000
7.1	Aggregate amount of payments to these parties included in item 1.2		0
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3		
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2		
8.	Financing facilities available Add notes as necessary for an understanding of the position	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
9.	Estimated cashflows for next quarter		\$US'000
9.1	Research and development		0
9.2	Product manufacturing and operating costs		(398)
9.3	Advertising and marketing		(60)
9.4	Leased assets		88
9.5	Staff costs		(400)
9.6	Administration and corporate costs		(305)
9.7	Other (customer receipts)		780
9.8	Total estimated cashflows		(295)

+ See chapter 19 for defined terms
1 September 2016

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Director/Company secretary)

Date: **30 April 2019**

Print name: **Andrew Whitten**

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.