

AHL
AHALIFE HOLDINGS LIMITED

Trading Update

October 2020



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Sydney, Australia and Columbus, OH, USA

30th October 2020: Ahalife Holdings Limited (ASX: AHL)

Trading update, Name change and Share consolidation

Highlights

- MTD October e-Commerce sales rank #1 since launch, + 30% vs. September, and +53% vs. Q1 average monthly performance
- October advertising and media revenue + 60% vs. September, and +75% vs. Q1 monthly average. A strong recovery with solid future booked revenue into Q4 2021
- All three sites performing well, with Design Milk accelerating toward 70% of our e-Commerce revenue, and approx. 80% of total revenue
- Audience growth of +3% since the beginning of FY21 to approx. 9.1 million, with increasing daily website sessions: October +35% vs. Q1 average
- Order volumes have grown month-over-month in FY21, with consistent AOV , growing Traffic, Pageviews and Conversion

As we grow our vendor base, refine our marketing programs, and better connect editorial content with our shops we see strong double-digit growth across all three sites.

On top of our recently reported Q1 growth of +1085% on Design Milk, and +111% on Ahalife and Kaufmann Mercantile, our October MTD performance already positions it as our No.1 month since launch. A positive indication of the holiday season in front of us.

The recovery of our advertising and media revenue is another positive sign that we're on the right path, further boosting our confidence in achieving profitability in Q2/Q3 FY21.

With the strong growth of Design Milk, the proportion of revenue it now represents, and reflecting the multiple expansion opportunities of this brand we will propose, subject to Shareholder approval, a change of name to our listing company from AHL to Design Milk Co. Ltd (ASX : DMC), at our AGM on Monday, November 30th.

Further to this, and highlighting our confidence in the business, subject to Shareholder approval we plan to activate a share consolidation program within FY 2021.

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“October continues the positive results we’ve enjoyed since beginning the rebuild last year. This reflects our expanding vendor base, our evolving and more sophisticated marketing programs, the growth of advertising revenue, and the energy of our team.

We recently completed several system updates across all three websites and continue to look for opportunities to improve the customer experience and conversion. October’s projects include the introduction of post-purchase product reviews, the rebuild of our Pinterest content and email systems, and the testing of new tools to support our growing advertising revenue.

We remain focused on the holiday season in front of us. Being agile and proactive in this unpredictable trading environment is imperative. We are well positioned to maximize the opportunities, and I am confident we will achieve breakeven this year.

With much of the foundational rebuild work complete, and breakeven within reach, the Board and I are very excited about the potential of the business and the projects we have planned for 2021. Reflecting this confidence, the sales growth, and our focus on Design Milk, we are pleased to announce the listing name change to Design Milk Co.

As always, I remain grateful to our team and the Board for their continued support, effort and enthusiasm toward the success of this business.” Robert Mancini, C.E.O

For further inquiries regarding About Ahalife Holdings Limited (ASX: AHL) please contact:

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AHL owns and operates multiple e-Commerce websites that support independent brands and designers from around the world:

Design Milk, a world-renowned, award-winning digital media company that has thrived through the support of an engaged community of 8.6 million followers.

Ahalife, a premium eCommerce website and blog supporting designers and brands who produce female, urban, lifestyle products.

Kaufmann Mercantile, a blog and eCommerce website dedicated to independent craftsman and brands focused on sustainable manufacturing and product lifecycle.

For more information, please contact AHL Investor Relations.

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