



29 July 2022

Q4 FY22 Quarterly Report

Sydney, Australia – Aumake Limited (**ASX:AUK, Aumake, or the Company**), operator of an emerging Australian-based social e-commerce marketplace that connects Asian influencers and consumers with high-quality and authentic Australian and New Zealand brands, is pleased to release its consolidated quarterly cashflow and activities report for the quarter ended 30 June 2022 (Q4 FY22).

Covid (and its differing variants) has and continues to impact the Company and its operations. Whilst Australia and the rest of the world are ending many imposed restrictions and opening up travel and tourism, the return to a new normal is still uncertain. In response, Aumake has pivoted from the traditional model that more retail stores are better to extending, improving and enhancing its e-commerce capabilities and product offerings.

Financial

- With a flattening of Covid (Omicron strain) infections in NSW in mid-March, Aumake is pleased to report that revenue from its 3 stores + online sales increased in Q4 FY22 to \$1.5m (an increase of 14% from Q3 FY22).
- The business has and will continue to be impacted by Covid (and its differing variants) and the lack of tourism until at least Q2 FY23. As such, Aumake will continue to identify cost savings and revenue generating opportunities in order to maximise cash reserves.
- The *NSW Retail and Other Commercial Leases (COVID-19) Regulations* ceased on 13 March 2022. Consequently, Aumake is no longer eligible for rent relief and started paying rent at full value during the quarter. Total rental payments for Q4 FY22 were \$568k, compared with \$137k in Q3 FY22.
- During the quarter, a decision was made to exit from the World Square store in Sydney (which was finalised in July) and discussions are underway to exit the Q1 Surfers Paradise store in Q1 FY23. Aumake's plan is to have 3 profitable stores (namely, Burwood, Chatswood and Market City) operating by the end of Q1 FY23.
- Staff costs for the quarter fell by 10% to \$540k (Q3 FY22: \$601k).
- Primarily as a result of rental payments, net cash outflows for the quarter increased from \$753k in Q3 FY22 to \$888k in Q4 FY22.
- The Company ended the quarter with a cash position of \$3.043m (Q3 FY22 \$3.755m).

Operational

- Aumake continues to investigate ways to further engage with its customer base, both locally and internationally. In that regard, Aumake is expanding its product offerings by introducing 'on-trend products' such as pet products. Specifically, during the quarter, the Company invested \$50k to establish its entry into the lucrative pet market, which has boomed during Covid.
- On 9 May 2022, the Company appointed Lisa Goodhand as its Chief Operating Officer. Lisa is a fluent Mandarin speaker and has a Bachelor's Degree in Chinese Studies (ANU) and a Master's Degree (SYDU). Lisa has over 30 years industry experience in Australia - China business relations, consulting on market entry and cross border trade strategies during this time. Having been a former Branch Manager

of the Australia China Business Association and member of numerous trade and industry groups, Lisa brings with her an extensive network of connections into both mainland China and South East Asian markets.

Corporate

- On 31 May 2022, Mr Jacky Yang moved from his Executive Director role to a Non-Executive Director position and Mr Ian Thubron resigned as Non-Executive Director. These actions further reducing Aumake's operating costs.
- On 8 June 2022, ASX granted official quotation to 75.5m options each exercisable at \$0.045 and expiring 31 May 2025.

Expenditure

Aside from the Company's e-commerce and retail activities, there were no other substantive business activities during the quarter.

During the quarter, a total of \$266k was paid to related parties of the Company as follows:

- Director fees paid to Board members (current and previous holders) of \$156k
- accrued employee entitlements paid out to a Director or his related party of \$49k
- service fees paid to Directors or related parties of Directors under arm's length and customary commercial terms of \$61k.

Aumake Managing Director, Joshua Zhou commented:

"The tourism industry is slowly picking up and international students are returning. We are seeking to combine the Company's core resources with artificial intelligence technology to cultivate more individual influencers, unite more tourism resources and brands to underpin local businesses. Those influencers are both Australian native consumers and the promoters of Australian tourism resources and brands. Aumake's artificial intelligent platform, once developed, will empower us to provide domestic and overseas tourists with more convenient, easier, smarter and authentic Australian and New Zealand travel experiences and products."

This announcement has been authorised for release by the Board of Aumake Limited.

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About Aumake Limited

Aumake Limited (ASX:AUK) operates a social e-commerce marketplace that directly connects Asian influencers with high-quality and authentic Australian and New Zealand brands. It offers the best possible prices, end-to-end customer service and a comprehensive product range – all on one integrated platform. Aumake also operates physical stores delivering a fully integrated online and in-store shopping experience for Asian consumers.