VISION

Establish AHL as the leading design and lifestyle digital commerce and media group

Share exceptional content and news from across the world of art, architecture, interior design, furniture, fashion, and technology to our growing, engaged global audience

The addition of Design Milk to our brand portfolio further enables our support of the world’s best independent brands, emerging designers, and beautiful products

Deliver on our strategic goal to build multiple lifestyle-curated websites and services within our proprietary shared service eco-system
AHL GROUP PILLARS

Craftsmanship
We focus on beautiful, modern and timeless design

Community
We showcase the world’s best designers and makers and share their stories

Conscious Living
We encourage a more thoughtful, intentional lifestyle
1. Design Milk Acquisition
2. AHL Overview
3. H1 FY19 Highlights
Over years of focus on authentic, high-quality content, Design Milk has built a highly engaged audience across a variety of different lifestyle and design segments.

The global Design Milk community is broad and includes interior designers, architects, and other design industry professionals.

Design Milk founder Jaime Derringer and AHL are committed to maintaining Design Milk’s thought leadership in the world of design, ensuring we continue to share the latest news in art, architecture, interior design, furniture, décor, fashion, and technology.

This acquisition complements the AHL pillars of Craftsmanship, Community, and Conscious Living and offers an exciting opportunity for Design Milk to expand its reach through additional design-focused channels, websites, and services.
## Design Milk at a Glance

<table>
<thead>
<tr>
<th>Channel</th>
<th>AHL</th>
<th>Note: Based on CY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media</td>
<td>150k</td>
<td></td>
</tr>
<tr>
<td>(Aggregate across all sites)</td>
<td>7.2m</td>
<td></td>
</tr>
<tr>
<td>Direct traffic</td>
<td>1.0m p.a.</td>
<td></td>
</tr>
<tr>
<td>(Direct and Organic Search sessions)</td>
<td>3.5m p.a.</td>
<td></td>
</tr>
<tr>
<td>Email subscribers</td>
<td>600k</td>
<td></td>
</tr>
<tr>
<td>(Total subscribers)</td>
<td>200k</td>
<td></td>
</tr>
<tr>
<td>Email click through rate</td>
<td>0.3%</td>
<td></td>
</tr>
<tr>
<td>Free vs. Paid audience</td>
<td>Free: 57%, Paid: 43%</td>
<td></td>
</tr>
<tr>
<td>E-commerce</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Order Value</td>
<td>$207</td>
<td></td>
</tr>
<tr>
<td>(All transactions)</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Conversion rate</td>
<td>0.74%</td>
<td></td>
</tr>
<tr>
<td>(All transactions)</td>
<td>n/a</td>
<td></td>
</tr>
</tbody>
</table>
WHY DESIGN MILK?

• 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, 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.
**Design Milk Audience**

**Customer geography**  
*(based on users)*

- USA: 42%
- UK: 6%
- Canada: 5%
- Australia: 3%
- Other: 45%

**Age Distribution**  
*(based on users)*

- 18-24: 13%
- 25-34: 39%
- 35-44: 23%
- 45-54: 13%
- 55-64: 9%
- 65+: 4%
- 55-64: 9%

**Platform**  
**Followers**

- **Instagram**: 3.5m+¹
- **Twitter**: 2.3m
- **Facebook**: 868k
- **YouTube**: 6k
- **Pinterest**: 500k

**Total aggregate**: 7.2m

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¹ Includes all accounts associated with Design Milk

Note: (1) Includes all accounts associated with Design Milk.
Global online personal luxury goods market (EUR bn)

- Global online market for luxury personal goods continues to grow at very strong rate
- Market share of online spend is expected to be 10% in 2018 (2x 5 years ago)

Interior Design services industry (USD bn)

- Value of sales in the interior design services industry has increased 5.1% from 2016 to 2018, and is expected to grow another 8.4% between 2018 and 2020

Source: 2019 Outlook and State of Interior Design; American Society of Interior Designers
### Design Milk Today

<table>
<thead>
<tr>
<th>Website</th>
<th>Content</th>
<th>E-Commerce</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Milk</td>
<td>✓</td>
<td>x</td>
<td>• Design Milk (launched in 2006) is an award-winning digital media platform bringing the latest news in the world of modern design from around the world</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Social platform of over 7.0m (aggregate) followers; almost 2.0m web pageviews per month</td>
</tr>
<tr>
<td>Dog Milk</td>
<td>✓</td>
<td>x</td>
<td>• Dog Milk (launched in 2010) is a media site dedicated to modern dog design. Dog lovers can discover content and products from independent designers</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Instagram followers of c. 60k, over 115k web pageviews per month</td>
</tr>
<tr>
<td>Adorn Milk</td>
<td>x</td>
<td>✓</td>
<td>• Adorn Milk (launched in 2015) is a specialized jewelry e-commerce store</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Features independent and emerging designers who make design-forward handmade jewelry</td>
</tr>
</tbody>
</table>

### Future Design Milk Sites

<table>
<thead>
<tr>
<th>Future Design Milk Sites</th>
<th>Content</th>
<th>E-Commerce</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>✓</td>
<td>✓</td>
<td>• Establish additional e-commerce and content sites within the Design Milk ecosystem, providing more services, benefits, and news from across the world of design</td>
</tr>
</tbody>
</table>
STRATEGIC RATIONALE

Plug-and-play multi-website platform. Large portfolio of brands.

Operational and commercial expertise.

Platform and infrastructure

Centralized tech, commercial, marketing, merchandise, logistics, and finance services

B2C/B2B resources and knowledge

New audience. Strong market position.

Multiple sub-brand opportunities. Trade/B2B opportunities.

Authentic market position

Strong creative vision

Large engaged audience

Extensive content library

AHL

AHALIFE HOLDINGS LIMITED

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• A unique opportunity to engage with our global community across multiple commerce and communication channels

• Multiple curated websites, segmented and driven by authentic, informative content across all elements of the modern design and lifestyle world

• Recommendations of product for everyday use, travel, work, kids, pets, plus industry news, jobs and B2B, with additional service and commerce opportunities

• Expand our efforts to showcase and support independent brands, designers, and well-designed products from across the globe
INTRODUCING JAIME

• The AHL management team is excited to welcome Design Milk founder Jaime Derringer as Chief Creative Officer.

• With nearly two decades of experience in the design and media industries, Jaime brings a wealth of experience to the team.

• Jaime founded Design Milk in 2006, growing her brand’s audience to over 7M across social media channels.

• A thought leader in the modern design world who speaks regularly at major industry events, further supporting Design Milk as an authority in the field.

• Always looking to push into new creative arenas, Jaime co-hosts design podcast “Clever” and continues to exercise her passion as an accomplished artist.
1. Design Milk Acquisition

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**AHL GROWTH STRATEGY**

1. **H1 FY19**
   - Re-establish our brand values and pillars
   - Build customer engagement through compelling lifestyle content
   - Scale our brand portfolio through category expansion, acquisitions, and partnerships
   - Continue to refine our customer and channel marketing

2. **H2 FY19**
   - **Acquisition of Design Milk**
     - Integrate DM into the AHL ecosystem
     - Engage and retain customers through exceptional content
     - Grow Design Milk’s reach and audience through additional lifestyle website expansion
     - Diversify and grow revenue streams through paid advertising
     - Expand our B2B and trade services
     - Launch additional AHL websites

3. **FY20 Onwards**
   - Improve our shared service efficiency to accelerate scale as we introduce additional websites to the AHL platform
   - Establish a recurring revenue model through additional advertising and subscription-based services
   - Better utilize AI to create a highly targeted, personalized e-commerce experience
   - Expand our community touch points through new events and pop-up retail
AHL seeks growth opportunities through acquisition of businesses with:

- Complimentary lifestyle, commercial, content, or geographies
- Revenue range of US$2M to US$10M
- A proven, loyal customer base

Meets our group values of:

- Craftsmanship
- Community
- Conscious Living

Benefits from leveraging AHL’s core competencies of:

- Proprietary technology platform
- Operational shared service structure
- Data-enabled AI capabilities
- B2C and B2B marketing expertise

Common AHL Group brand values and mission

Each brand offers unique and curated content and products
Rob Mancini – Chief Executive Officer
• Appointed CEO in July 2018
• Extensive global luxury goods background across all disciplines of the retail industry, including at brands such as Victoria’s Secret, Alfred Dunhill and Richemont

Mike Hill – Chairman
• 20+ years Private Equity and Advisory experience in Australia and the UK
• Previously Operational Partner at Ironbridge Private Equity
• Currently Chairman of Janison Education, Director of Acrow Formwork and Construction Services

Mike Colfer – Director
• 20+ years experience in luxury goods, branded goods and e-commerce
• Longest serving Board Member of Net-A-Porter, led full acquisition by in 2010
• Currently sits on Board of a number of consumer goods companies, including LYST, Nude by Nature and Grown Alchemist

Mike Everett – Director
• 25+ years capital markets and advisor experience
• Established leading independent capital markets advisory firm, Reunion Capital in 2013
• Previously Managing Director of Equity Capital Markets at Goldman Sachs

Jaime Derringer – Chief Creative Officer
• Appointed Chief Creative Office upon acquisition of Design Milk in February 2019
• 18 years experience in the design and media industries
• A leading authority within the modern design community

Arnaud Massenet – Director
• Joined Board following capital raising completed in September 2017
• Founding partner of Net-A-Porter and an active Board member for 10 years
• Previously an Investment Banker with Morgan Stanley and Lehmann Brothers

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H1 FY19 Financial Highlights

40.6%
Gross margin up from 39.8% in 1H FY18

A$306
US$217
Average order value up from US$185 in H1 FY18

A$3.2m
A$2.3m
Cash balance at 31 December 2018

3.2 pps
Improvement in offer rates to 17.7%, down from 20.9% in 1H FY18

(23)%
Reduction in total expenses to US$1.7m (A$2.5m)

(27)%
Reduction in employee benefit expense from 1H FY18

Note: All figures converted from USD to AUD at 0.71c
BUSINESS UPDATE

ACQUISITION OF DESIGN MILK

• AHL has completed the acquisition of the globally recognized, design-focused digital media company, Design Milk

• Design Milk is highly complementary to AHL, giving us further opportunities to create new lifestyle-curated websites and engage with an audience of 7.2m aggregate followers across multiple social media platforms

• The AHL management team is excited to welcome Design Milk founder Jaime Derringer as Chief Creative Officer

OPERATIONAL EFFICIENCIES

• Successful relocation of our headquarters to Columbus, Ohio, in September 2018, resulting in significant cost reductions while providing access to a large tech and fashion talent pool

• Further operational savings through the closure of legacy third-party service providers, including the closure of a fulfilment facility subsequent to H1 FY19

STRATEGIC DEVELOPMENTS

• Implementation of new site features to improve customer experience, including Klarna, a pay-over-time checkout option, and a new global shipping offering that optimizes the international delivery process

• Improvements to our Brands Portal, giving our partners further opportunities to engage and attract customers
Top line impacted through aggressive adjustments to improve the core AHL business model, including focusing on higher profitability sales and reduction in offer rate.

While impacting sales, these adjustments restage the business and resulted in an 8pps increase in gross margin to 40.6% from 39.8%.

**Gross margin**

- Gross margin $ value is the sum of net revenue less cost of goods sold
- Gross margin % is the gross margin $ as a % of net revenue
- Net revenue is the sum of booked sales delivered during the period, less discounts/offers and cancellations

### Table: H1 FY19 Profit and Loss Summary

<table>
<thead>
<tr>
<th></th>
<th>FY17</th>
<th>FY18</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>$4.3</td>
<td>$3.0</td>
<td>(29.4%)</td>
</tr>
<tr>
<td>Cost of goods</td>
<td>($2.6)</td>
<td>($1.8)</td>
<td>(30.4%)</td>
</tr>
<tr>
<td>Gross margin</td>
<td>$1.7</td>
<td>$1.2</td>
<td>(27.9%)</td>
</tr>
<tr>
<td>Gross margin %</td>
<td>39.8%</td>
<td>40.6%</td>
<td>8.4 pps</td>
</tr>
<tr>
<td>Marketing,</td>
<td>($1.7)</td>
<td>($1.3)</td>
<td>(23.7%)</td>
</tr>
<tr>
<td>shipping and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>other variables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries²</td>
<td>($1.2)</td>
<td>($0.8)</td>
<td>(27.4%)</td>
</tr>
<tr>
<td>Other overheads</td>
<td>($0.3)</td>
<td>($0.3)</td>
<td>(1.0%)</td>
</tr>
<tr>
<td>Total expenses</td>
<td>($3.2)</td>
<td>($2.5)</td>
<td>(22.6%)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>($1.5)</td>
<td>($1.2)</td>
<td>16.4%</td>
</tr>
<tr>
<td>NPAT³</td>
<td>($1.8)</td>
<td>($1.6)</td>
<td>15.2%</td>
</tr>
</tbody>
</table>

Note: (1) All figures converted from USD to AUD at 0.71c; (2) Includes non-operating costs including share-based payments expenses, acquisition-related expenses and other income and expenses; (3) Excludes non-cash share based payment expense
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