

Sydney, Australia and Columbus, OH, USA

31<sup>st</sup> October 2019: AHAlife Holdings Limited (ASX: AHL)

**Quarter Trading Update Q1**

**Highlights:**

- Launch of the new, Design Milk eCommerce + Content website;
- Design-Milk acquisition consideration fully funded
- Continued increase in social audience for Design Milk c.+500,000 since acquisition
- Cash burn last 4 quarters continues to improve
- 4C Forecast positive cash flow for the quarter ending 31 December 2019

The Board and Management of AHL are very pleased to announce the launch of the new, combined Design Milk eCommerce and editorial content website.

The new Design Milk website allows our growing community of 7.5M followers to access the 21,000 articles we've published since 2006, and a new eCommerce experience that showcases a selection of curated brands and products. The site integrates social media, product recommendations and shopping with our well known and respected editorial content.

“This is phase one of our Design Milk website launch. We are approaching this carefully, ensuring we don't disrupt the high regard our community has for Design Milk. We soft launched less than 2 weeks ago with a limited selection of curated brands and product, we will expand the assortment and marketing throughout Q2 FY20. We added another layer to Design Milk recently with our first international “Milk Stand” pop-up retail concept in Europe at the London Design Festival. Milk Stand is the physical representation of our new website, showcasing and promoting a curated selection of modern-design focused brands and designers.” - Robert Mancini, Chief Executive Officer – AHAlife Holdings Limited.

Beyond the new Design Milk website launch we are looking toward the relaunch of both Kaufmann Mercantile and AHAlife in Q2 and Q3 respectively. Through a refined, curated approach we are confident both brands can comfortably sit alongside Design Milk, adding further revenue opportunities to the broader AHL business in future.

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# AHL

AHALIFE HOLDINGS LIMITED

## Q1 FY20 AHL Business Summary

Q1 FY20 sees a continuing effort to control operational costs. We have made significant changes to how the eCommerce platform functions resulting in a lower and predictable cost base. Some legacy costs remain but we anticipate moving away from these by the end of Q2 FY20.

Our advertising revenue remains solid. This revenue stream is very positive for the business, it has growth potential that we will consider alongside the broader Design Milk editorial content, eCommerce and pop-up retail businesses. Each channel will compliment and support the other.

As reported in the Q1 4C Statement it is evident now that the last 4 quarters operating cash flow burn is decreasing and moving into the largest trading quarter to 31 December 2019, and given the Design Milk site has now gone “live” for sales transaction activity, there is a positive cash flow forecast for the quarter ending 31 December 2019.

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For further inquiries, please contact:

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Investor Relations:	ir@ahalife.com

About Ahalife Holdings Limited (ASX: AHL)

AHL owns and operates multiple e-Commerce brands 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 over the past 13 years: Ahalife, an eCommerce website and blog supporting premium lifestyle designers and brands: Kaufmann Mercantile, a blog and eCommerce website dedicated to independent craftsman and brands focused on sustainable manufacturing and product lifecycles.

For more information, please contact AHL Investor Relations.

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## 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")**

30-Sep-19

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (3 months) \$US'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	261	261
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(277)	(277)
	(c) advertising and marketing	(174)	(174)
	(d) leased assets	30	30
	(e) staff costs	(309)	(309)
	(f) administration and corporate costs	(61)	(61)
1.3	Dividends received (see note 3)		
1.4	Interest received	0	0
1.5	Interest and other costs of finance paid	(2)	(2)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(532)</b>	<b>(532)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	0	0
	(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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(500)</b>	<b>(500)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	808	808
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	(40)	(40)
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)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>768</b>	<b>768</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (3 months) \$US'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	796	796
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(532)	(532)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(500)	(500)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	768	768
4.5	Effect of movement in exchange rates on cash held	0	0
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>532</b>	<b>532</b>

<b>5.</b>	<b>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</b>	<b>Current quarter \$US'000</b>	<b>Previous quarter \$US'000</b>
5.1	Bank balances	532	532
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>532</b>	<b>532</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$US'000</b>
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	

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$US'000</b>
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	

<b>8.</b>	<b>Financing facilities available</b>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
	<i>Add notes as necessary for an understanding of the position</i>		
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.		

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

<b>9. Estimated cashflows for next quarter</b>	<b>\$US'000</b>
9.1 Research and development	0
9.2 Product manufacturing and operating costs	(188)
9.3 Advertising and marketing	(21)
9.4 Leased assets	171
9.5 Staff costs	(358)
9.6 Administration and corporate costs	(247)
9.7 Other (customer receipts)	728
<b>9.8 Total estimated cashflows</b>	<b>85</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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: ...31 October 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.

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