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AHL  
AHALIFE HOLDINGS LIMITED

# INVESTOR PRESENTATION

January 2020



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# OUR VISION

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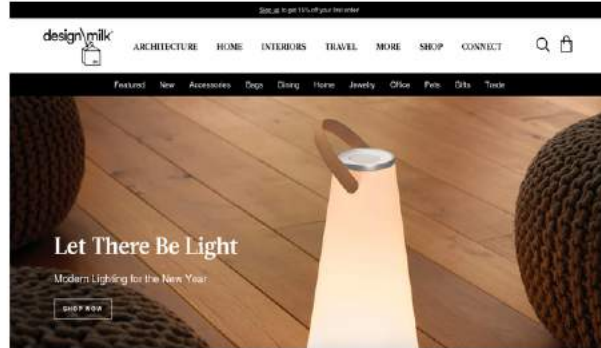
Establish our brand portfolio as the leading modern design, digital media, ecommerce and trade industry group.

Support the world's best independent brands, emerging designers, destinations, events and products.

Continue to share exceptional content from the worlds of art, architecture, interior design, furniture, fashion, and technology, that engages our global audience of 8 Million followers.

Increase our support and value to the design community through a comprehensive offer of commerce, trade, media, marketing and distribution services.





### Open eCommerce Platform

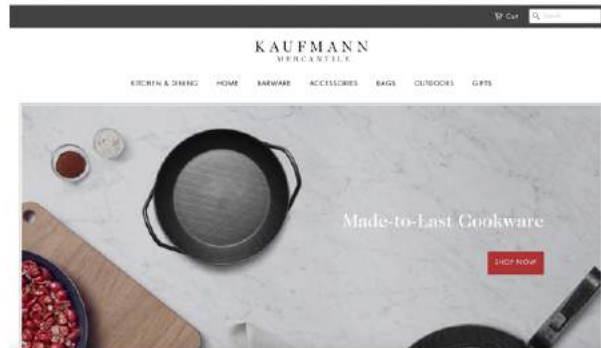
**Audience:** Men + Women. Modern Design and Architecturally inspired

**Categories:** Home Decor, Dining, Jewelry, Bags + Accessories, Pets, Tech

### Trade / B2B eCommerce Platform

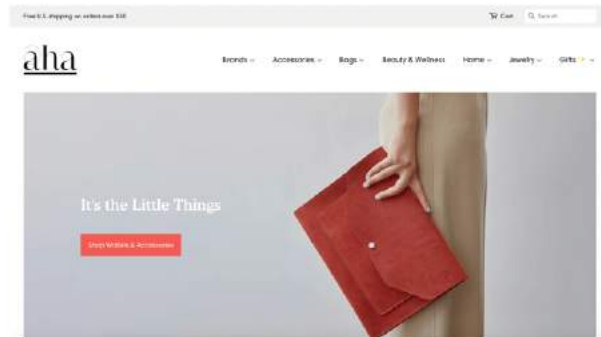
**Audience:** Interior Designers, Architects, Developers, Industry Professionals

**Categories:** Furniture, Home Décor, Lighting, Flooring, Custom projects



**Audience:** Men, casual, outdoors, with an appreciation of craftsmanship

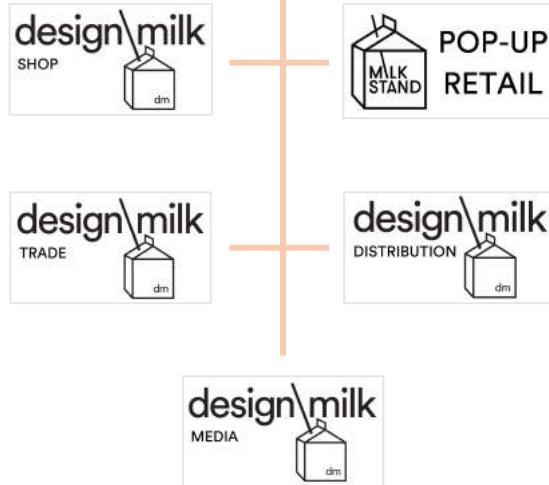
**Categories:** Home/Cabin, Bags, Accessories, Gadgets + Tools, Wellness



**Audience:** Women, urban, premium position

**Categories:** Jewelry, Bags, Accessories, Home Décor, Beauty + Wellness

## AHL AHALIFE HOLDINGS LIMITED



- With the acquisition of Design Milk, AHL now has four diversified revenue channels:
  - Design Milk - eCommerce and Pop-up Retail revenue
  - Design Milk - Advertising, Media and Event revenue
  - Aha - eCommerce revenue
  - Kaufmann Mercantile - eCommerce revenue
- Additional revenue channel planned:
  - Launch of a new Design Milk Trade / B2B platform by end of this fiscal

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AHL continues to seek growth opportunities through acquisition of businesses with:

- /// Complimentary lifestyle, revenue or geography
- /// Revenue range of US\$2M to US\$10M
- /// A proven, loyal customer base

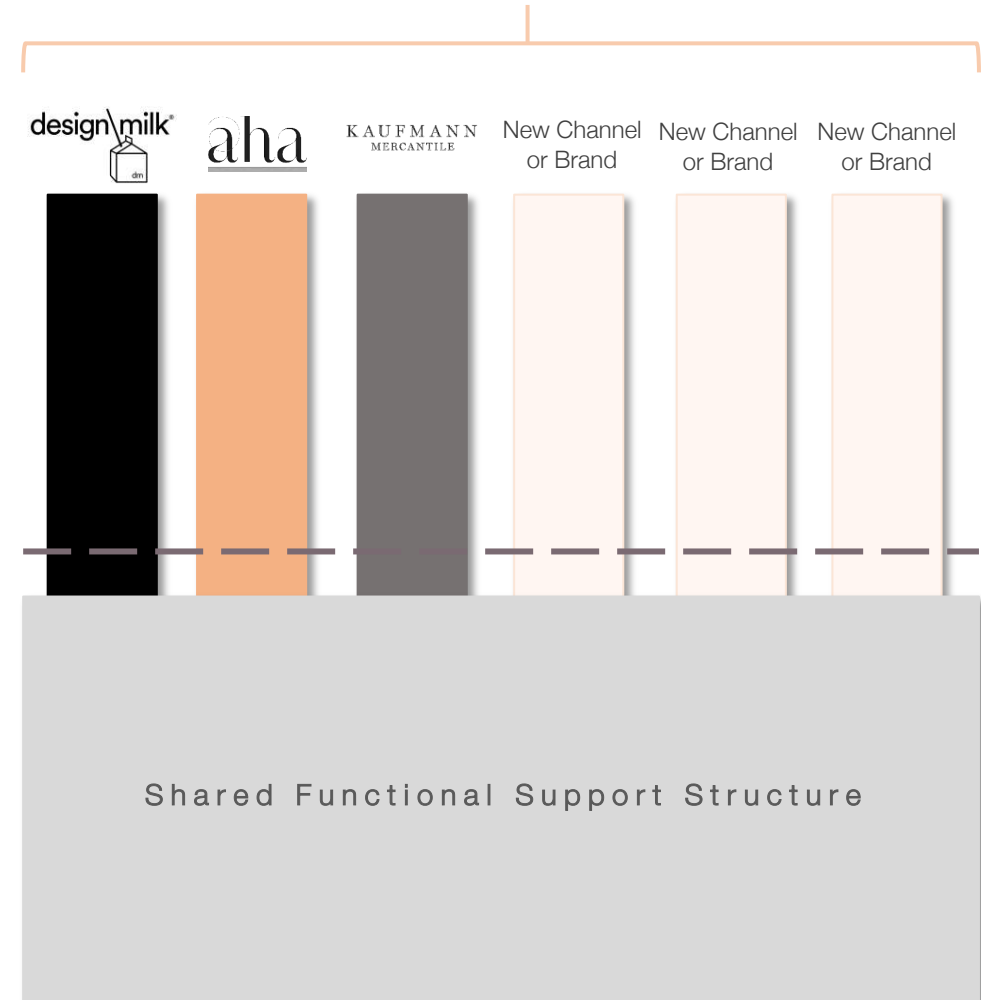
Meets our group values of:

- /// Craftmanship
- /// Community
- /// Conscious Living

Benefits from leveraging our core competencies of:

- /// Large global audience
- /// Operational shared service structure
- /// Industry, Trade and B2B expertise

## Common AHL Group brand values and mission



# OUR AUDIENCE



## KPI's

Social Media

7.2M

\*8.0M

95k

55k

Traffic (Sessions)

5.1M p.a

\*4.5M p.a

490k

273k

Email subscribers

200k

200k (refreshed)

376k

208k

Open Rate

12%

10%

3.4%

3.4%

Click Thru Rate

3%

4%

0.2%

0.2%

## eCommerce

Average Order Value

n/a

US \$95

US \$253

US \$165

Conversion Rate

n/a

0.003%

0.4%

0.4%

Pre-acquisition / Feb 19

Mar - Dec 2019

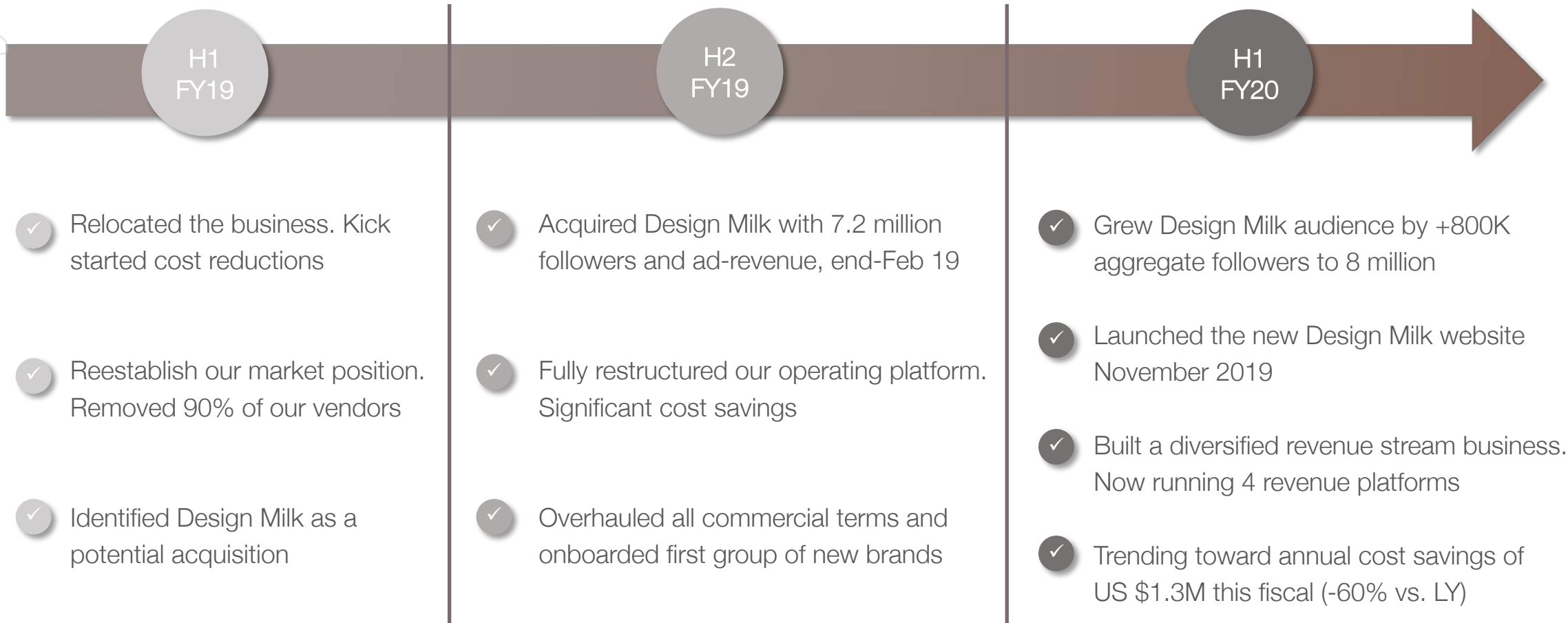
Mar - Dec 2019

Mar - Dec 2019

\* We lost 800K followers with closure of Google+ impacting our Sessions. We have since grown all Social Media channels, continuing to do so at approx. +1.3% per month.

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# DESIGN MILK - WHAT'S CHANGED ?

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- /// Launched Design Milk in November with only 40 brands and 5 lead categories – Jewelry, Home, Dining, Office and Pets
- /// Recently added 200+ more brands across 8 categories incl. Tech, Bags + Accessories. A new Wellness category launches in Feb
- /// We have established several unique or exclusive brand partnerships, such as Bang & Olufsen sound systems and accessories, Uniform Standard, a new London based footwear brand, and Qwstion, an award-winning Swiss Luggage + Accessory brand
- /// This month we launched international shipping and introduced Klarna payments (split-pay), further expanding our customer services
- /// Our new Trade/B2B platform will launch this quarter, introducing a curated assortment of furniture, lighting, customized products and other design services to our large professional, design industry community
- /// We are focused on growing our conversion rate through compelling and relevant content, brand partnerships and expanded services. Ensuring we avoid high customer acquisition costs in the process

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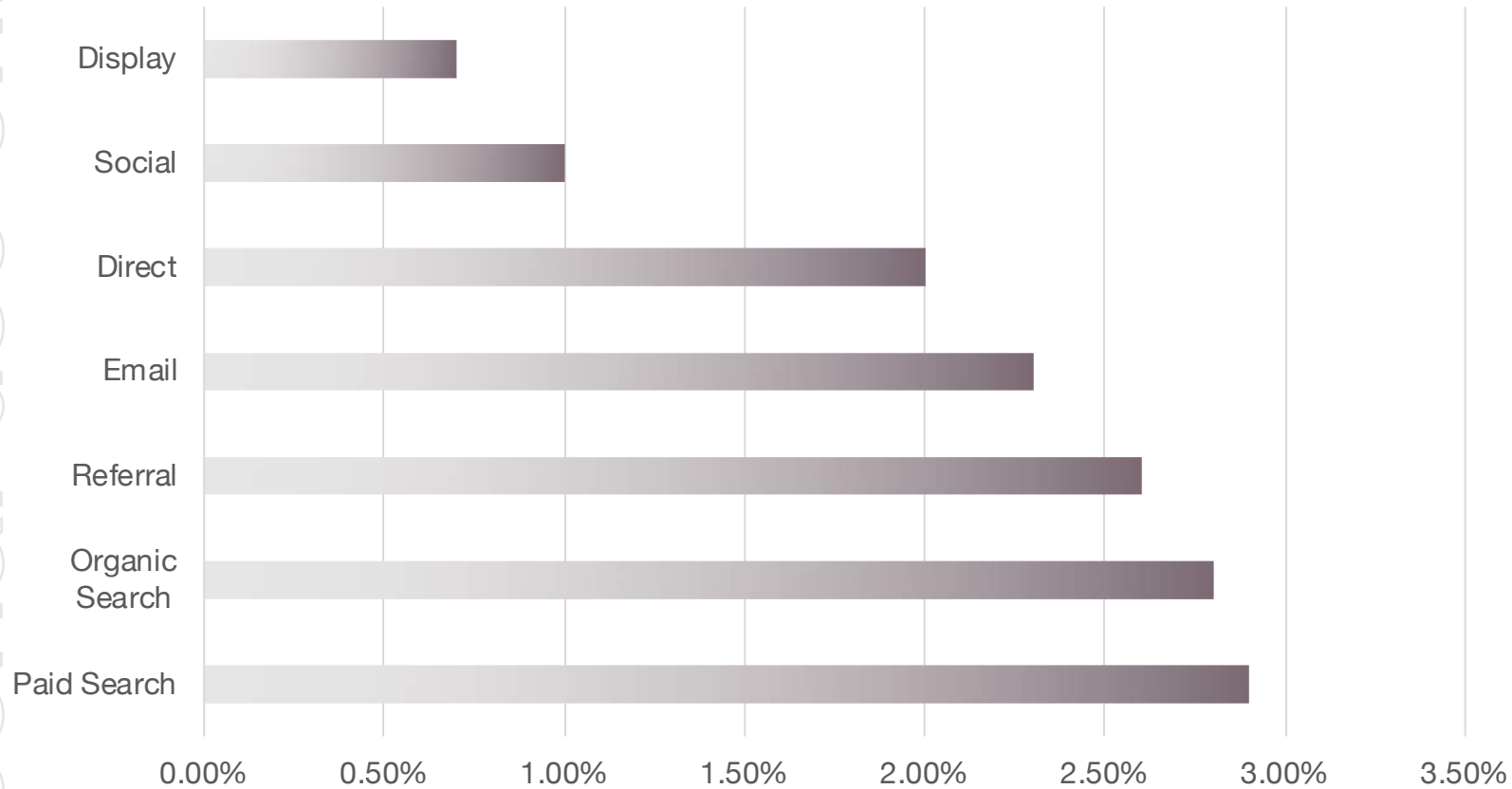
# AHA and KM - WHAT'S CHANGED ?

- Having audited and removed 90% of the old, inappropriate brands on site. We recently began adding new, complementary brands. Since December we've grown from 20 brands to over 80 today, with a target of 300+ per website
- Reengineering our vendor-portfolio is essential to defining and reestablishing our brand values and market position
- We are in the process of rebuilding both websites and their related editorial blogs. Through high-quality, lifestyle content we can engage our audience and reduce customer acquisition costs
- We have renewed all our vendor commercial terms, moving to a more reliable, healthier commission and shipping cost structure
- As we grow our vendor-portfolio we are increasing our marketing and communications, growing the sales without the high acquisition costs of the past
- Through our shared service structure we will rollout AHA and Kaufmann Mercantile pop-up retail locations, and generate additional affiliate revenue from complimentary 3<sup>rd</sup> party services or brands

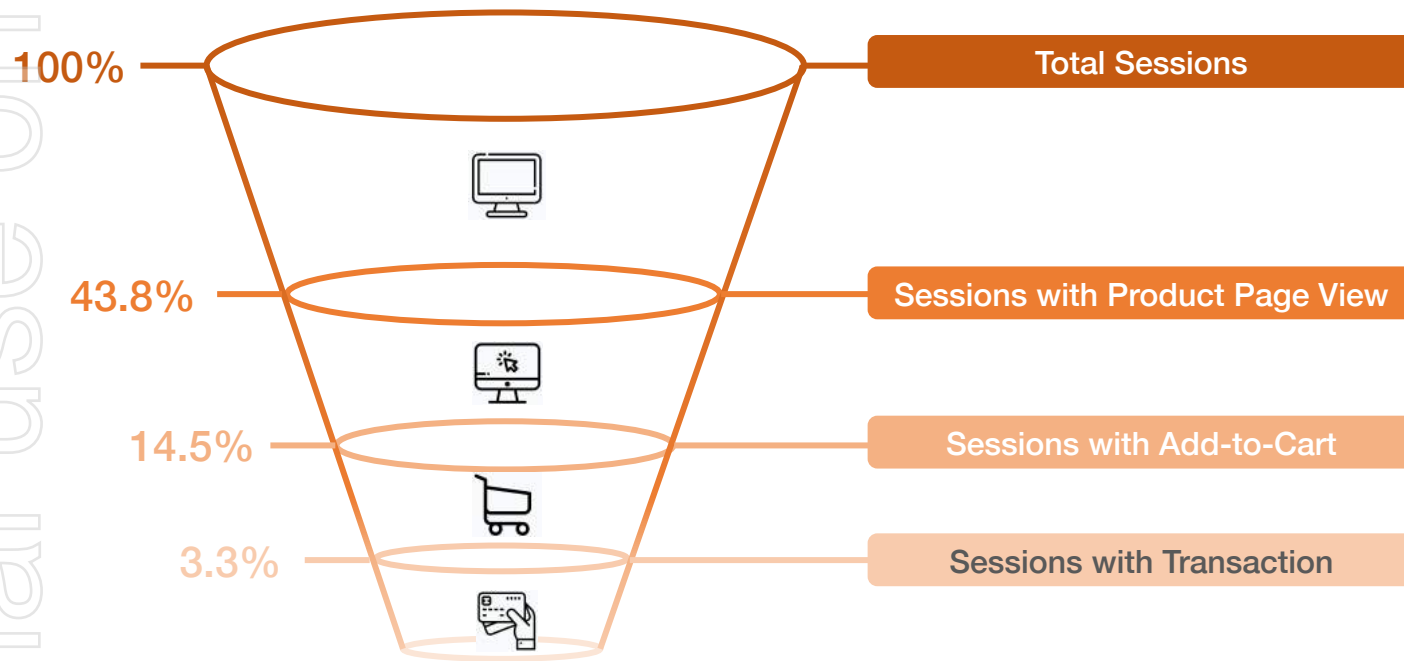
- /// Rebrand holding company to Design Milk by end 2020
- /// Continue positive steps toward a sustainable, profitable business within 12 months
- /// Maintain high margin advertising revenue. Increase +20% in FY 2020
- /// Expand the number of pop-up retail events we hold in the US and internationally
- /// Launch Design Milk Trade by end of this fiscal
- /// Redesign the Kaufmann Mercantile and AHA websites
- /// Grow the number of vendors / brands. Launched with 40 brands, today we have 240
- /// Continue to increase DM audience conversion rate. November = 0.003%. December = 0.008%  
Above 0.023% moves us to breakeven (*industry standard is 1% to 3%\**)

\*Source: [www.smartinsights.com](http://www.smartinsights.com) - a November 2019 study of 1.3 billion unique shopping sessions across 159 unique retail and consumer brand websites

## Conversion Rate by Channel



- Conversion rates are higher where customers have higher intent, i.e. they are searching for specific products
- Social conversion has grown over the last few years. Results improve with segmentation and targeted marketing



- This view of the conversion process shows the industry ratio of total sessions through to transactions
- Conversion of the audience to page views (driving customers to a specific page/category/product) results in higher transaction rates than broader website traffic driving exercises

## Conversion Rate by Channel

		Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Global	Desktop	4.12%	4.26%	4.79%	4.04%	3.90%
Global	Mobile Phone	2.00%	2.03%	2.23%	1.88%	1.82%
Global	Other	0.17%	0.15%	0.13%	0.06%	0.06%
Global	Tablet	3.72%	3.84%	4.05%	3.54%	3.49%
US	Desktop	4.50%	4.55%	5.23%	4.44%	4.14%
US	Mobile Phone	1.81%	1.85%	2.18%	1.79%	1.53%
US	Other	0.09%	0.09%	0.14%	0.06%	0.05%
US	Tablet	3.68%	3.82%	4.21%	3.58%	3.36%
GB	Desktop	5.12%	5.56%	5.28%	4.40%	4.97%
GB	Mobile Phone	3.30%	3.33%	3.27%	2.97%	3.35%
GB	Other	1.26%	0.98%	1.70%	1.30%	1.34%
GB	Tablet	4.65%	4.74%	4.50%	4.23%	4.48%

- Shoppers are increasingly using smartphones to purchase, although typically mobile commerce conversion is less than half that of desktop. This varies by category of product
- Smartphones are popular for browsing, and although mobile shopping experiences have improved the importance of desktop and its ability to research or view products in detail is a key conversion tool

- !!! We reengineered our operations + platform. The efficiencies are trending toward an annual cost reduction of -60% in FY19 vs. LY
- !!! Since acquiring Design Milk we have successfully built and launched 3 new eCommerce websites
- !!! Our audience has grown significantly since acquisition (+800K to 8 million followers)
- !!! We continue to share high quality editorial content and add new vendors, helping to increase conversion and grow our repeat-customer visits at a much lower acquisition cost
- !!! We will grow our high-margin advertising revenue. Our goal is to double advertising revenue in FY21
- !!! Added to our growing eCommerce and Ad-Revenue we will deliver additional growth through new revenue channels:
  - !!! New media services (in addition to the video production, editorial and other services we offer today)
  - !!! New affiliate partnerships, and additional pop-up retail events
- !!! We will launch our Trade/B2B platform this year – dedicated to our interior design, architect and industry professional audience. Expanding our product assortment and services into furniture, large-unit orders, or custom projects that we don't currently retail

# BOARD AND MANAGEMENT



**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 Ralph Lauren, Victoria's Secret, Alfred Dunhill and Richemont



**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



**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



**Chris Colfer – Director**

- 20+ years experience in luxury goods, branded goods and e-commerce
- Served as a Board Member of Net-A-Porter, and LYST
- Currently sits on the Board of several consumer goods companies, including Woolworths Holdings Group, 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



**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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