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AHALIFE HOLDINGS LIMITED

Sydney, 30th November 2020: AHAlife Holdings Limited (ASX:AHL)

CHAIRMANS ADDRESS

Welcome to the sixth AGM for AHAlife Holdings Limited.

Good morning Ladies and Gentlemen. In opening our 2020 AGM I would like to introduce the board and management team of AHAlife.

By Video / Phone

- Myself - Mike Hill: Non-Executive Chairman
- Chris Colfer: Deputy Chairman
- Mike Everett: Non-Executive Director
- Arnaud Massenet: Non-Executive Director (London, UK)
- Robert Mancini: Chief Executive Officer (Columbus, USA)

Stating the obvious, 2020 is an unprecedented year, although even in these troubled times we have uncovered opportunities and delivered very positive results.

Following the acquisition of Design Milk last year; the launch of Design Milk e-commerce; and the rebuilding and relaunch of both Ahalife and Kaufmann Mercantile websites, our goal of linking our audience of 9+ million followers, our 24,000+ published articles, and our three online shop(s) remains on track.

COVID-19 pushed us to reprioritize projects and shift some resources toward more immediate opportunities. We anticipated a drop in advertising and media revenue, although positively this decline wasn't as aggressive as we'd initially thought. We saw this revenue channel begin to recover in Q1 FY21 which is a very positive sign for the future.

With recovering advertising revenue and growing ecommerce sales our month-over-month performance continues to grow. October was our best ecommerce month since launch, and November is trending to beat that by double digits.

COVID-19 disrupted our pop-up retail expansion plans and shelved our Trade/B2B platform launch (built, but not released), simultaneously we accelerated other plans, including the launch of DMTV, our Instagram TV channel which has had nearly 700,000 views since launch, and recently received its first paid sponsored booking. We see DMTV as a strong future revenue generator, and an important link across Design Milk's various commercial moving parts.

Over the last 12 months Design Milk has grown to represent nearly 60% of our Group ecommerce sales and for the same period, including its advertising revenues now represents 72% of our total revenue. With the continued growth of Design Milk, and the additional, untapped expansion opportunities of the brand we hereby propose the name change of our listing company to Design Milk Co. Ltd.

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Having reset the entire business in FY20 the Board and I are very happy with the plans and progress made by Mr. Mancini and the Team throughout FY20. Despite the COVID curve balls we have achieved most of our strategic goals and remain agile around new opportunities.

With that summary, I will now hand over to Mr. Mancini to talk to the operational and trading updates. Following that update we will return to the formal resolutions being put forward at this AGM.

Thank you.

Mike Hill
Chairman

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CEO UPDATE

I'd like to start by thanking the Board and Team for their continued support during this troubled year. Purely from a business perspective there have been as many opportunities as challenges, and a key factor in how we've stayed on course and even surpassed some of our goals, is due to the creativeness and energy of the Team and the guidance of the Board.

The Company provided the following Q1 FY21 highlights to the market on 20th October 2020:

- Design Milk eCommerce sales increase of +1085% YoY
- Ahalife + Kaufmann Mercantile eCommerce sales increase of +111% YoY
- Operating Expenses decline of -33%
- Continuing EBITDA improvement of +52%
- Increased Audience and Pageviews of +2% and +18% respectively
- Quarterly vendor growth of +26%, with consistent AOV of -1% vs. Q4 2020
- Cashflow breakeven forecast in FY21

Our vision for the business is the creation of a scalable, multi-website ecosystem that combines editorial content and media services, with ecommerce, and a large engaged audience. By linking them we create multiple, diverse revenue channels, and a cost effective, circular re-engagement journey that brings our audience back via internally produced content, not expensive external marketing activities.

There are several foundational pillars to our growth:

Editorial Content

Design Milk is now 14 years old and has grown into an award winning digital media website focused on the world of modern design. We have published over 24,000 articles and built an audience of over 9 million aggregate followers. It is imperative we continue to produce high quality, trusted content. It is the reason why our community engages with us, why media partners advertise with us, and how we can legitimately recommend brands and products in our shops.

CAC

We always look for effective, creative ways to grow our audience. The brand strength and recognition of Design Milk allows us to do it at significantly lower costs than Ahalife. Today our Customer Acquisition Cost (CAC) is almost -80% lower than the pre-Design Milk days, with an even lower reengagement CAC (via content) once a customer is within our ecosystem. Now we have

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reasonable vendor base scale we are testing how to better link editorial content with our audience, maintaining our efficient CAC level.

Vendor Base

With our new platform and procedures, we can onboard new brands more efficiently. We grew from approx. 25 vendors at launch a year ago, to over 450 today, roughly double the rate of our old systems. As we expand our brand partnerships, we in turn attract more vendors, refine our curation needs and explore new categories. We have built the basics, in FY21 we will grow to the next stage, targeting 900+ vendors across all three websites. As we grow our base we can redirect more editorial content toward our shops, but to remain authentic this will never be 100%.

Advertising Revenue

Having declined in H2 FY20 our advertising revenue has bounced back, with the majority of the next 7 months already booked ahead of LY. As a digitally native platform with a large highly engaged audience Design Milk is well positioned to grow this revenue, and by establishing new communication channels such as DMTV we are expanding the menu of available ecommerce, and advertising partnership opportunities.

Despite the difficult macro-economic head wind we made a lot of positive progress in FY20, creating and establishing these websites and connecting a lot of dots. That said, we are just beginning, and there is a long runway of opportunities ahead. With each step we build more critical mass, and with it, further growth.

Thanks again to the Board and Team, I look forward to navigating the rest of this holiday season and the new opportunities we have throughout 2021.

Thank you. I will now pass this back to Mr. Hill for any formal resolutions.

Robert Mancini
CEO

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AHL owns and operates multiple eCommerce websites that support independent brands and designers from around the world through high quality editorial content delivered to our community of over 9 million followers

Design Milk, a world-renowned, award-winning digital media company focused on all aspects of modern design, across the worlds of architecture, art, technology, interior design, jewelry, and many other lifestyle categories.

Ahalife, a premium eCommerce website and blog supporting designers and brands who produce high quality, unique, 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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