

18 February 2021

1H FY21 results summary

Sydney, Australia – Aumake Limited (**ASX: AUK, Aumake, or the Company**), operator of an online platform that connects Asian influencers with high-quality and authentic Australian brands, has released its financial results for the six months ended 31 December 2020 (1H FY21).

Business Performance

Business performance during 1H FY21 reflected the continued impact of COVID-19 with limited visitation from international students and tourists (influencers) due to the closure of Australia's international border.

This disruption provided a strategic opportunity for the Company to shift to a "capital-light" online business model, enabled by prudent cashflow management and rationalisation of its legacy business while increasing investment into key operational areas to drive online growth.

In early October 2020, the Company launched the first stage of its social e-commerce marketplace connecting influencers in China with Australian and New Zealand brands.

Revenue

Total revenue of \$7.2 million reflected the continued impact of COVID-19 on the business. Online Gross Merchandise Value (GMV) grew to \$4.4 million, representing 61% of total revenue as active users purchased more products from the Company's new online platform.

Gross Profit

Gross profit of \$1.01 million was a result of decreased total revenue and competitive pricing of popular, traditionally low-margin products to attract active user traffic to the first stage of the Company's social e-commerce marketplace.

Operating EBITDA¹

Operating EBITDA loss of \$2.67 million resulted primarily from decreased gross profit. The Company reduced non-core operating expenditure and benefited from increased government subsidies (e.g., JobKeeper) which limited further EBITDA loss. In addition, the Company invested \$1.1 million into marketing, technology and supply chain operational teams to develop and support the first stage of its social e-commerce marketplace.

Inventory

Inventory book value of \$2.1 million as at 31 December 2020 (\$1.7 million at 30 June) reflected adequate inventory levels to support the launch of Aumake's social e-commerce marketplace.

Cash at bank

Cash at bank of \$9.04 million as at 31 December 2020 with a further \$0.895 million pending shareholder approval for tranche 2, following successful \$7 million raise via an over-subscribed placement.

¹ Operating EBITDA excludes the impact of AASB 16 lease accounting to better demonstrate the underlying trading performance of the business and, in the case of AASB 16, to aid comparisons with prior periods.

Commentary & Outlook

With the transition from a retail business to an online marketplace, Aumake will continue to increase its investment in its marketing, technology, and online operational teams to drive active user and GMV growth.

As part of this transition, the Company will also continue to rationalise its physical store footprint while monitoring the status of international borders and COVID-19 vaccine rollout, which may positively impact international student and tourist visitation.

The Company advises that it currently assessing key strategic growth initiatives to provide step change opportunities for the business. Aumake will update the market as material developments occur.

ENDS

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 an online platform that directly connects Asian influencers with high-quality and authentic Australian 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, located in key precincts on Australia's east coast and in New Zealand, delivering a fully integrated online and in-store shopping experience for Asian consumers.