

Broadway & Kiwibuy Performance Update

(Sydney, Australia) – AuMake International Limited (“AuMake” or the “Company”) is pleased to provide an update on the performance of the Broadway and Kiwibuy businesses.

Broadway

Since the announcement of the acquisition of Broadway, AuMake has been working closely with Broadway management to integrate the two businesses, with effective control over the Broadway business set to occur on 1 July 2019.

Broadway management have also advised that trading conditions during the June quarter, have been better than expected.

A record number of Chinese travel agencies have reached out to Broadway since the announcement of AuMake’s acquisition, with significant momentum gathering for the September quarter. To this end, Broadway anticipates a 30% increase in the number of Chinese travel agencies engaging with the Broadway business (vs the September 2018 quarter).

Senior management of both AuMake and Broadway have been developing strategies to increase average sales and gross profit per customer, to be implemented during the September quarter including:

- Reinvigoration of existing Broadway product mix by adding new brands including AuMake owned brand products;
- Introduction of logistics services into each Broadway store to allow customers to purchase more than what could be normally be taken back via plane luggage; and
- The roll out of online sales functionality in Broadway stores to allow Broadway customers to purchase products online for the first time.

AuMake is highly encouraged by Broadway’s recent financial and operational performance.

Kiwibuy

The Company’s last significant store acquisition was the Kiwibuy store network in May 2018, which has been highly accretive for AuMake, providing a gross rate of return of over 520% on investment.

Since acquisition, Kiwibuy has generated in excess of \$10.8m revenue and \$2.2m gross profit with a gross margin of 20.4%, for the period between June 2018 and April 2019.

Of particular note, EBIDTA % of online sales was 2.4x EBITDA % of offline sales performance. Online sales growth is a key strategy for AuMake’s future growth.

FY20 outlook

The Company confirms group wide aspirational revenue target in excess of \$100 million and materially positive EBITDA for FY20. Significant growth in active online users, online sales as a % of total sales and AuMake owned brand product sales is expected to also occur in FY20.

AuMake looks forward to updating the market regularly on the growth of these key financial and operational metrics.

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