



SYDNEY, 30 November 2017: AHAlife Holdings Limited (ASX:AHL)

MANAGEMENT TRADING UPDATE

SEBASTIAN KAUFMANN, CEO, AHALIFE

Customer Retention

Our retention cohorts are continuing to be strong. Every single cohort is up for the last 12 months especially our most recent cohorts from the period of Jun to Sep. They all have greater than 11% retention in month two. These are the highest rates we've seen since January 2016. Retention is one of our core performance indicators since it's directly related to the health the business and customer's satisfaction.

Core Marketing Channels

When restructuring the company in February, we determined to switch our marketing efforts to channels with lower Customer Acquisition Costs, these include Organic Search, Affiliate, Email and Referrals.

We're happy to see that we've been able to produce significant growth on these channels, while assisting in driving down the cost of customer acquisition. In the first months of this financial year our Year-over-Year Growth in Organic Search has been 68%, in Affiliate 104%, in Email 25% and Referrals 28%.

Core Merchandising Categories

Positive is also that the categories which we want to become known for are growing well. In the first months of the financial year 2018 revenue in beauty has grown 73%, Wellness has grown 72%, home 78% and Dining 28%.

Personalized and Automated Marketing

In the last months, we've been able to deliver on a big milestone in our strategy for personalized and automated marketing. We have successfully integrated our website with a cloud based data-hub.

We're now systematically collecting data on more events than ever before in the company's history. (Events include user behavior such as the products a user has browsed, searched, or saved).

Through this strategy we're able to send out real-time marketing messages to users and customers across multiple marketing channels as well as our website.

STUART HALLS, COO AND CFO, AHALIFE

Thanksgiving

Over the Thanksgiving long weekend (which includes Black Friday last week and up to Cyber Monday this week) we had some good results in the core product categories. The key categories of Home, Dining, Beauty & Wellness all grew on average more than 20% over the Thanksgiving long weekend.

We also broke another record for the company with Cyber Monday sales growing to their highest levels ever recorded. We reached a total of \$133k in sales on that one day alone.

While we saw a move toward lower price points for many orders this past weekend which brought down our average order value. This allowed us to capture a larger amount of first time customers.



With the higher retention rates we've experienced this year, our experience is these new customers will repeat in the coming months, and at higher price points.

Conversion rates continue grow each month over the prior year to reflect the relevancy of our merchandise to our core customers. For the Thanksgiving weekend we saw an increase of 7% on AHAlife and 15% on the Kaufmann Mercantile site.

The team is focussed on maximising sales and customer acquisition through this busy holiday season in the run up to Christmas and we look forward to reporting our first half results to Dec 17 in the early months of next year.