

Q3 FY18 - 4C and Business Update

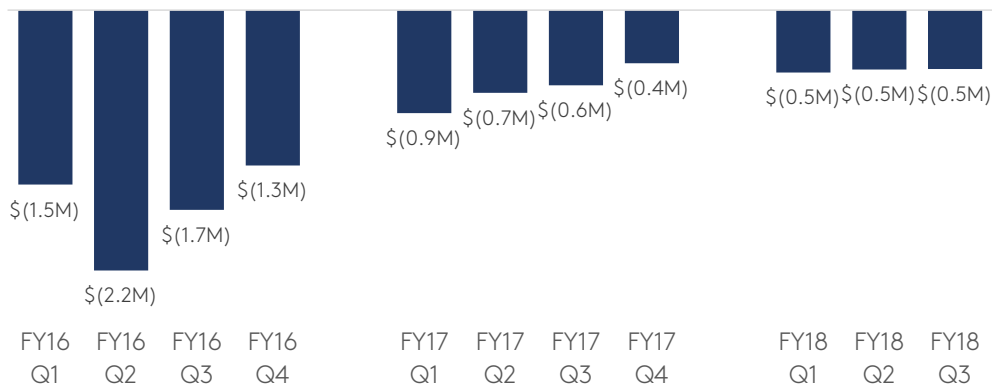
New York, USA and Sydney, Australia – 30th April 2018

Ahalife Holdings Limited (ASX: AHL), the online platform known for its world leadership in premium lifestyle goods from emerging international designers, today announces its Q3 cash flow statement (Appendix 4C) for the financial year 2018 ("FY18").

Key Summary for the Year to Date "YTD" (July 2017 – March 2018)

- Ongoing sales momentum on a normalised basis.
- Booked Sales up +23% for the 9 months YTD, US\$5.5M vs. US\$4.5M.
- **20%** increase in orders YTD.
- Continued cost improvement: overheads down 35%, from US\$2.5M to US\$1.6M.
- EBITDA improvement of 30%, equivalent to a saving of \$0.7M YTD

AHL Group: Quarterly EBITDA (USD \$M)



Cash Flow

Operating cash outflow was US\$1.32M for the March 2018 quarter and US\$1.96M for the 9 months to date, **an improvement of +37%** on the same period last year. Traditionally Q3 typically has the highest operating cash outflow each year due to the timing of vendor payments for goods shipped to customers during the previous quarter's holiday sales.

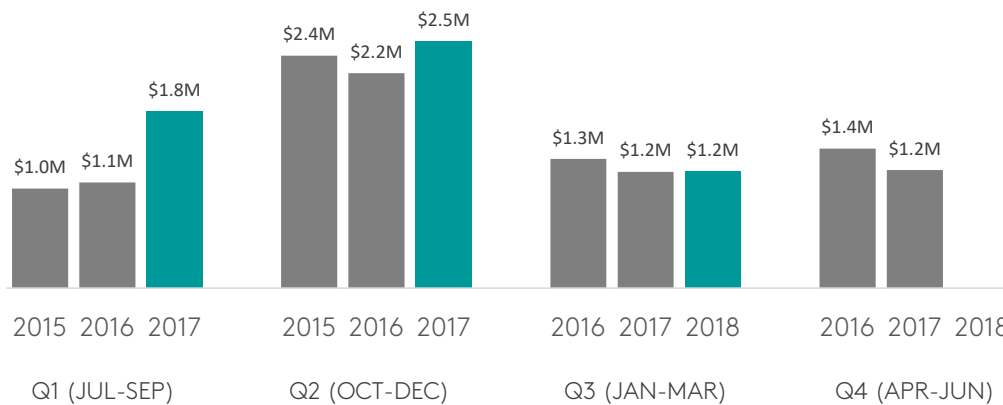
The closing cash position at **31st March 2018** was **US\$3.9M (AUD \$5.1M)**. Further details regarding the Company's cash flows can be found in the Appendix 4C, annexed to this announcement.

Key Metrics YTD

(USD \$M)	Q3 2018	Q3 2017	Change
Normalised Booked Sales	\$5.5M	\$4.5M	+\$1.0M
Product Margin	49.5%	48.4%	+2.1%
Cancellations & Returns	6.5%	8.2%	-1.7%
Offers	20.1%	8.4%	+11.7%
GM%	40.3%	46.5%	-6.2%
EBITDA	(\$1.5M)	(\$2.3M)	+\$0.8M
Closing Cash	\$3.9M	\$1.4M	+\$2.5M

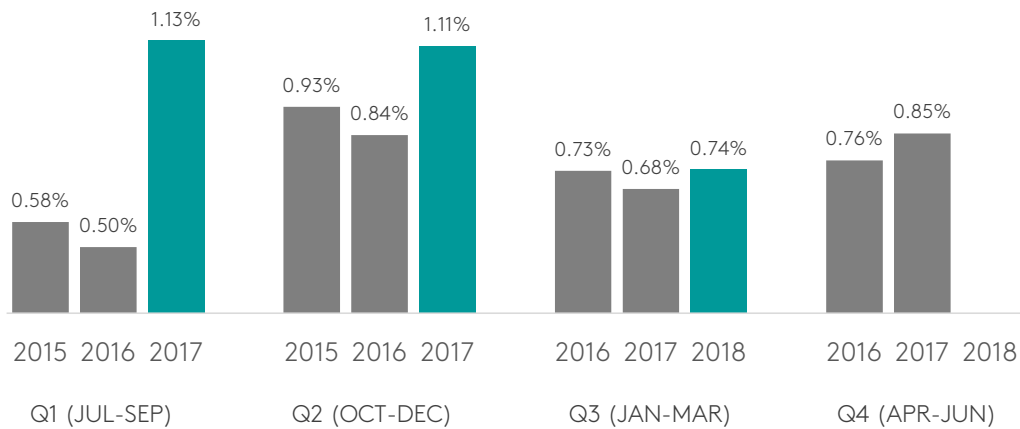
¹ Normalised Booked Sales excludes products removed from the website during the site review process in 2017. All figures are currently unaudited.

Quarterly Booked Sales (US\$M)



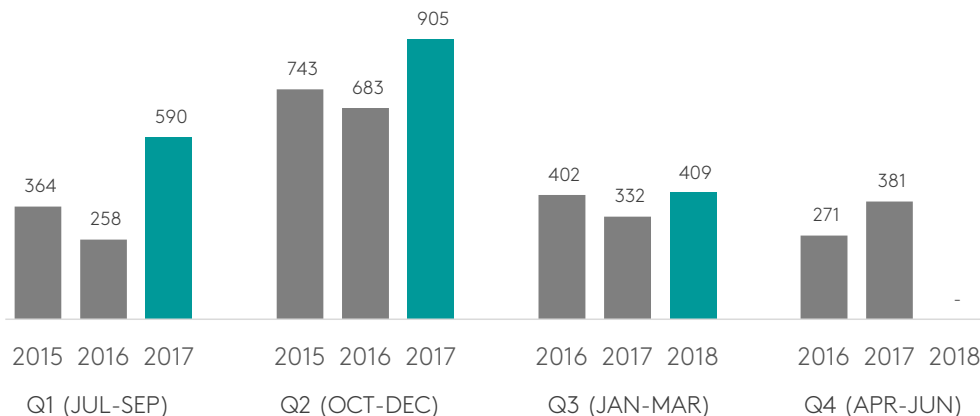
Note: 'Booked Sales' represents the total sales value of all orders placed, 'Gross Receipts' per the 4C represents sales for **delivered** orders (net of cancellations, returns and sales discounts). Booked Sales are normalised in the FY16 & FY17 years for products removed from site during 2017, to enable a more accurate like for like comparison with FY18.

Quarterly Conversion Rates



The ability for AHL to convert traffic visits into customers online continued to improve in Q3 FY18 by 0.06% on the prior year to reach a total conversion rate of **0.74%** for the quarter. Q3 is typically a low season in the retail calendar following the holiday and Christmas period in Q2.

Repeat Customers: 90-Day Period (Number of Customers)



Within the quarter, the company continued to seek out and introduce high quality merchandise on site whilst deepening the core categories of Women, Men, Beauty and Home – all sourced from a selection of some of the world's best emerging designers. As a result, customer relevancy continues to climb as demonstrated in the number of repeat customers recorded within a 90-day time frame. The Q3 repeat customer count was the highest recorded over the past three years, for the fourth quarter in a row.

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AHL

AHALIFE HOLDINGS LIMITED

For further inquiries please contact:

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Andrew Whitten (Company Secretary):	+61 (2) 8072 1400
Investor Relations:	ir@ahalife.com

About AHAlife

AHALife Holdings Limited (ASX: AHL) owns and operates a proprietary eCommerce marketplace for the premium lifestyle goods market. The Company currently operates two curated dropship marketplace brands (Ahalife and Kaufmann Mercantile) within its proprietary technology. Each brand consists of carefully selected designers and artisans who create and manage curated storefronts offering premium items in the categories of Women, Men, Beauty and Home.

Customers can choose from a virtual catalogue of over 80,000 items from 4,000+ carefully selected independent and emerging designers from all over the world who ship directly to the customer.

For more information, please contact AHL Investor Relations on ir@ahalife.com.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

AHALIFE HOLDINGS LIMITED

ABN

15 006 908 701

Quarter ended ("current quarter")

31-Mar-18

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	911	4,046
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,139)	(3,050)
(c) advertising and marketing	(240)	(947)
(d) leased assets	102	276
(e) staff costs	(492)	(1,305)
(f) administration and corporate costs	(451)	(976)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(3)	(7)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,315)	(1,965)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
	(d) intellectual property		
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets	2	(1)
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	2	(1)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	0	5,228
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	0	(338)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	0	4,890

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	5,230	994
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,315)	(1,965)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	4,890
4.5	Effect of movement in exchange rates on cash held	(8)	(8)
4.6	Cash and cash equivalents at end of quarter	3,910	3,910

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1 Bank balances	3,910	5,230
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,910	5,230

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$US'000

133

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter
\$US'000

13

Residual purchase of cost of goods from the Kaufmann Mercantile company.
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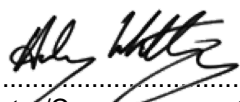
8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash flow for next quarter	\$US'000
9.1 Research and development	0
9.2 Product manufacturing and operating costs	(811)
9.3 Advertising and marketing	(221)
9.4 Leased assets	86
9.5 Staff costs	(335)
9.6 Administration and corporate costs	(385)
9.7 Other (customer receipts)	1,325
9.8 Total estimated cash flows	(341)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2018
(Director/Company secretary)

Print name: Andrew Whitten

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.