



## Thanksgiving demonstrates AHL's positive contribution strategy is on track

**New York, USA and Sydney, Australia – 12<sup>th</sup> December 2016:** (ASX: AHL) ("AHA" or the "Company"), a digital marketplace for premium lifestyle products, is pleased to announce a new company record for the highest sales achieved in one day and a positive variable contribution<sup>1</sup> from sales over the Thanksgiving weekend.

### Positive Contribution Strategy

Sales over Thanksgiving weekend reached a total of US\$310,000, including a record day of US\$118,000 on Cyber Monday. Despite total sales being 10% down on the prior year, the contribution from those sales improved from a loss in FY16 to a positive variable contribution<sup>1</sup> in FY17 as a combined result of AHA's customer acquisition strategy and operational improvements which have reduced operating costs.

After several years of building the AHA brand and registered users, the focus for AHA is on acquiring and converting *profitable* customers. This means selecting specific marketing channels that target customers who repeat most frequently and therefore generate a higher life time customer value. It also means reducing costly investment in paid marketing channels to focus on those segments that generate a positive ROI on the customer's first transaction.

AHA has also recently implemented operational improvements that include reduced marketing offers and promotions, reduced shipping costs, the introduction of a minimum order value threshold for free shipping and the increased automation of roles and processes – enabling the company to protect cash reserves as it strives towards break even.

Key data for the holiday period:

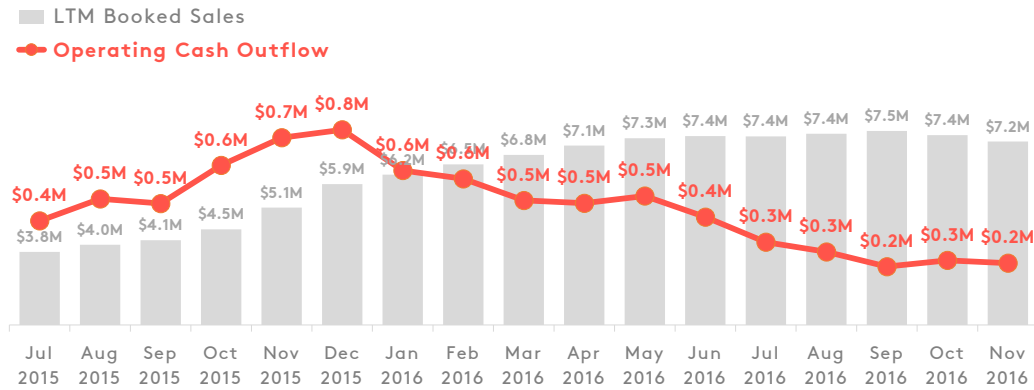
	Thanksgiving 2016	Thanksgiving 2015	
Average Order Value	US\$205	US\$196	✓
Product Margin	50%	47%	✓
Offers & Discounts	16%	20%	✓
<b>Gross Margin</b>	<b>43%</b>	<b>37%</b>	✓
Shipping Charges	6.1%	10.0%	✓
Paid Search Advertising	US\$17k	US\$83k	✓
Revenue Return on SEM <sup>2</sup> Spend	\$4.50 revenue per \$1 spent	\$1.78 revenue per \$1 spent	✓

<sup>1</sup> Variable Contribution is defined as: Booked Sales minus; Product Cost, Offers & Discounts, Shipping Charges, Credit Card Fees and Direct Search Advertising. Variable Contribution does not take into account fixed overheads.

<sup>2</sup> "SEM" is an abbreviation of Search Engine Marketing which refers to paid keyword advertising on search engines such as Google, Bing and Yahoo. It also includes other Cost-Per-Click advertising such as Facebook and Pinterest.



## Operating Cash Outflow (EBITDA loss) (US\$M)



*Note: Cash on hand at the end of November was US\$2.7M, US\$0.1M higher than the previous month.*

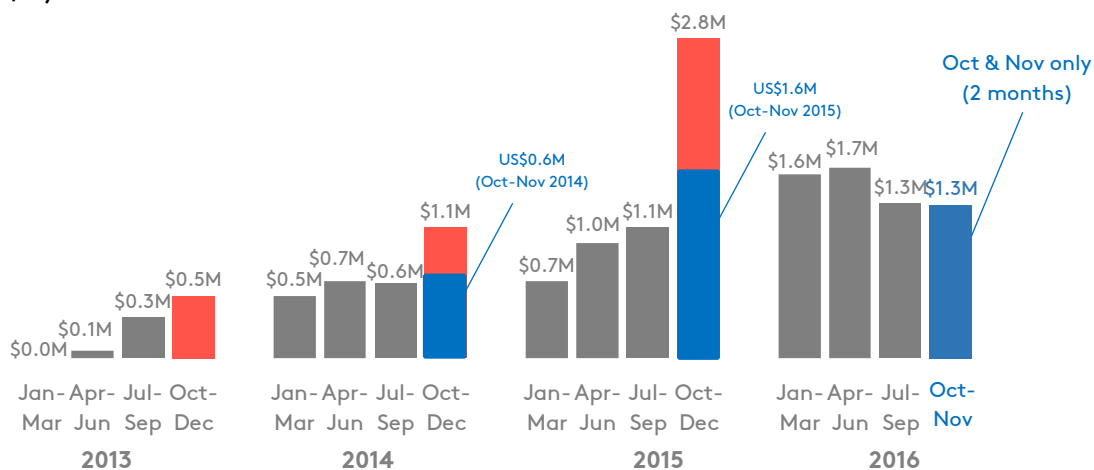
## Technology Performance

During Thanksgiving the AHA site received 15,000 visits per day on average with approximately 380 orders placed per day without interruption or stress placed on the platform, via desktop or the App.

In trading in the first quarter to date, AHA has generated revenue of US\$1.3M versus US\$1.6M for the corresponding period in FY15 which reflects the reduction in paid advertising on unprofitable customers. Through continued operational improvements, AHA has reduced operating cash outflow to its lowest levels since listing.

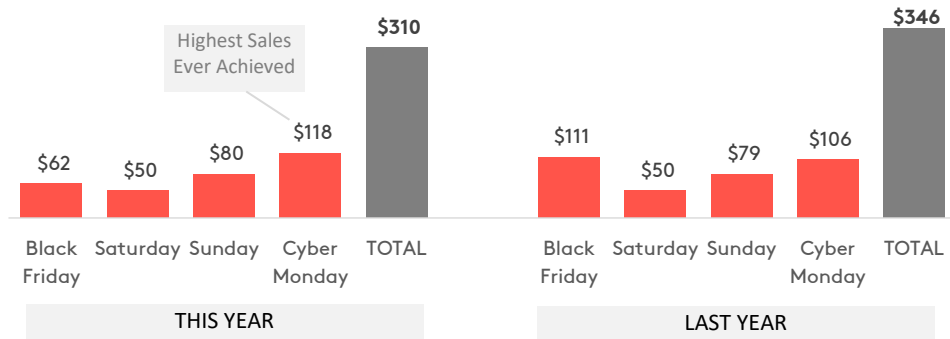
## Supporting Data & Charts

### BOOKED SALES BY QUARTER (US\$M)

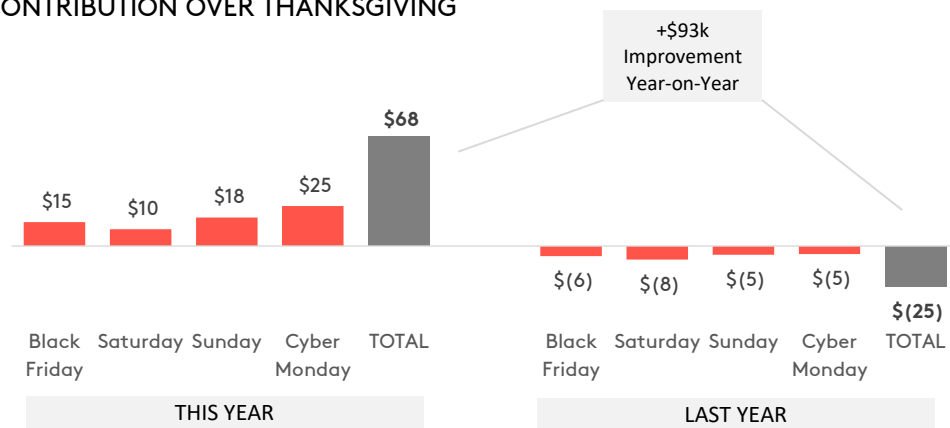




## BOOKED SALES OVER THANKSGIVING (US\$000)



## VARIABLE CONTRIBUTION OVER THANKSGIVING (US\$000)



End

For more information

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Investor Relations

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## About AHA

AHALife Holdings Limited (ASX: AHL) is a digital marketplace for consumers of luxury items and designer products. The Company's 50,000 customers purchase items directly from a community of 4,000+ handpicked designers and artisans in 45 countries. AHA's business model is a drop-ship approach, allowing wholesalers to ship directly to customers leaving no inventory risk for the Company. For more information, please contact AHA Investor Relations on the details above.

A large rectangular banner for AHA. It features a central text area surrounded by a grid of small images. The images include various objects like a handbag, glasses, a watch, a dartboard, and portraits of people. The text is centered and reads: 'AHA IS THE PREMIERE CURATED MARKETPLACE FOR CREATIVE &amp; INSPIRING OBJECTS', 'SHOP THE WORLD'S MOST UNIQUE DESIGNERS &amp; ARTISANS', 'AHA is a curated destination for discovering 4000+ designers &amp; artisans in 45+ countries. We scour the globe to find exceptional, quality objects for every single aspect of your life.', and 'WHAT WILL BE YOUR NEXT AHA MOMENT?'. At the bottom center is a red button with the text 'SHOP NOW'.