



ASX ANNOUNCEMENT

AHALife achieves 140% sales growth in Q3 to 31 March 2016

New York, United States and Sydney, Australia – 13th April 2016: AHAlife Holdings Limited (ASX: AHL) (“AHA” or the “Company”) grew booked sales by 2.4 times (140% growth) for the quarter ended 31 March 2016, compared to the previous corresponding period (PCP). The Company posted US\$1.6m (A\$2.1m) in booked sales compared to US\$0.7m (A\$0.9m) for the same corresponding period in 2015. Today the Company also released its Appendix 4C.

AHALife is pleased to advise it has continued to improve its customer acquisition and retention strategies during the quarter to 31 March 2016 (Q3 2016), with users more than doubling over the last 12 months to 748,000. Brands also grew by 51% over the last 12 months to 3,700, an average of 24 new brands each week. The continued expansion of users and brands on AHAlife.com comes from both organic growth and the successful integration activities from its acquisition of Bezar.com in February 2016.

AHALife Chief Executive Officer and founder Shauna Mei said: “This quarter’s growth in booked sales demonstrates our rapid pace of growth. Despite typically being the low season for AHAlife, this quarter delivered a high level of sales, second only to the record-breaking sales we had previous quarter, which was high due it being the Christmas shopping period. We’ve maintained this momentum into Q3 FY16, acquiring new users and improving the effectiveness of our customer strategies such as the AHA gifting app, which will continue to drive our future growth regardless of retail seasonality.”

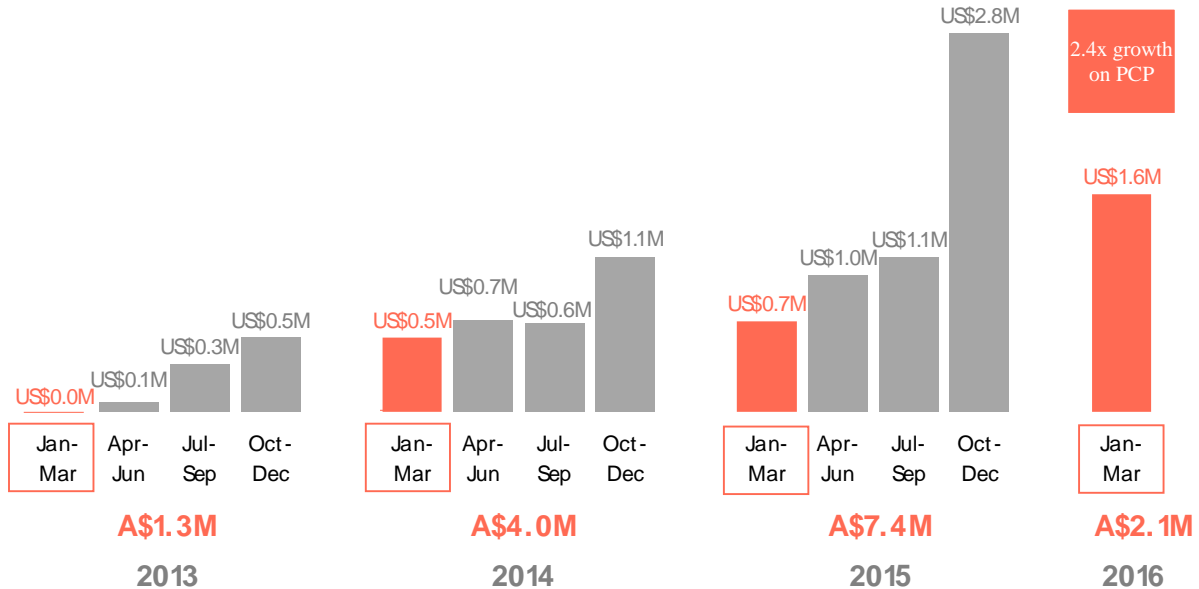
Appendix 4c

Please refer to the separate announcement and specific comments on the Appendix 4c Cash Flow for the quarter to 31 March 2016. Please note, operating cash outflow appears to have increased this quarter but is simply a result of the timing lag between cash received for orders placed in Q2 (a record quarter for AHL) and the payment to suppliers 30 days post the delivery of goods to the customer. The result of which was a total of US\$1.5M of Q2 supplier costs paid out in Q3. Adjusting for this natural lag effect, management are pleased with reduction in fixed costs and the monthly cash burn reducing in Q3, and within the quarter itself, month on month.



Operational Highlights

Quarterly booked sales in USD for the calendar years 2013-2016 are as follows and highlights the continued growth momentum achieved to date:



Key operating metrics for the quarter ended 31 March 2016:

- Users grew by **214%** over the last 12 months to **748,000**;
- **2.4x or 140%** growth in Q3 booked sales compared to PCP (US\$1.6m / A\$2.1m in Q3 FY16 compared to US\$0.7m / A\$0.9m in Q3 FY15);
- Brands grew by **51%** over the last 12 months to **3,700** (an average 24 new brands each week);
- Average return rates remained low at 4%, in line with prior year;
- Average Order Value (AOV) increased by **+7%** on the PCP; and
- Gifting App achieves 4x engagement rate of website.

Strategic Highlights

User growth was boosted in Q3 FY16 by the acquisition of leading international marketplace for consumers of luxury items and designer products, Bezar.com. The acquisition was a cost effective customer acquisition strategy, adding approximately 150,000 users to AHAlife. This acquisition has had an immediate impact on the business, as demonstrated by the key operating metrics stated above.

AHAlife also expanded its gifting app, making it available globally in both iOS and Android to approximately 96% of the global smartphone market¹. The AHA app allows the Company to be less dependent on traditional retail shopping events such as Christmas by tapping into the general gifting market, worth more than US\$200 billion in the US alone. Already the app has proven to be successful in engaging and converting users for AHAlife, delivering

¹ IDC Worldwide Quarterly Mobile Phone Tracker, February 24, 2015



double the conversion rate as compared to the AHAlife website and approximately 4x the engagement rate as compared to the website.

The Company also appointed luxury and e-commerce veteran Christopher Colfer to the Board of Directors. Mr Colfer will serve an important advisory role and bring his strong expertise in luxury and e-commerce to further drive the success of the AHAlife marketplace.

Note: All USD financials converted to AUD at the constant rate of US\$0.75

For further information regarding AHAlife's financials, investors should visit the Company's investor center at www.ahalifeholdings.com.au or the ASX website.

-ENDS-

For more information

AHAlife

Shauna Mei

Founder and CEO

Tel: +1 (646) 454-1110

Email: shaunamei@ahalife.com

Investor and media relations

Cristina Fletcher

WE Buchan

Tel: +61 (3) 8866 1204

Email: cfletcher@buchanwe.com.au

About AHAlife

AHAlife Holdings (ASX: AHL) is a digital marketplace for consumers of luxury items and designer products. The Company's 748,000+ users purchase items directly from a community of more than 3,700 handpicked designers and artisans in 70 countries. AHAlife's business model involves a drop-ship approach, allowing wholesalers to ship directly to customers leaving no inventory risk for the Company.