



ASX: AHL



INVESTOR UPDATE

August 2016

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AHALIFE (ASX:AHL) HIGHLIGHTS

- Deployment of capital & two asset acquisitions has created a combined base of 130,000 customers and over 1.1M registered users and closed FY16 with US\$7.4m Booked Sales
- FY16 Data-driven testing across multiple marketing channels (online & offline) has led to an optimised marketing strategy for FY17
- Average Order Value (AOV) improvement
- Leveraging business growth for:
 - Significant product margin improvement
 - Material cost reductions in operating costs and overheads
- Acquisition of Bezar and Kaufmann Mercantile
- Chris Colfer joined AHA Board

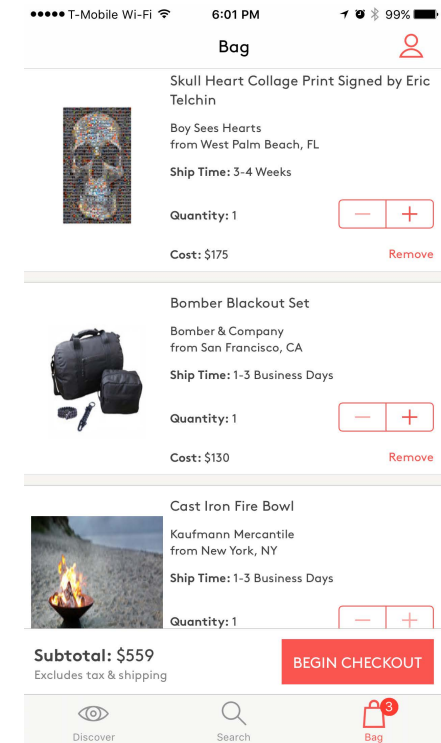
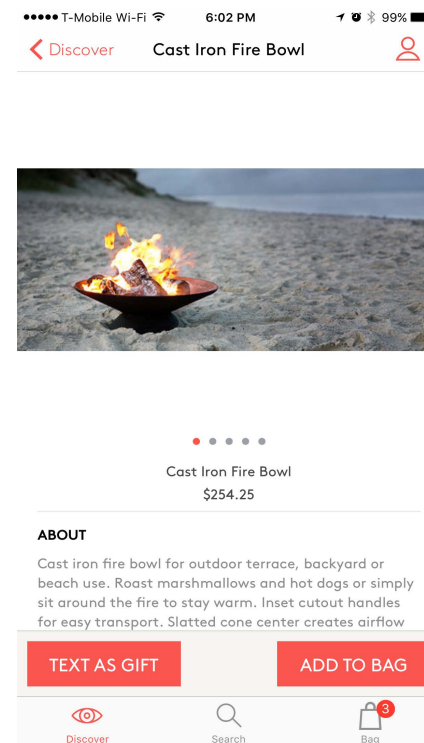
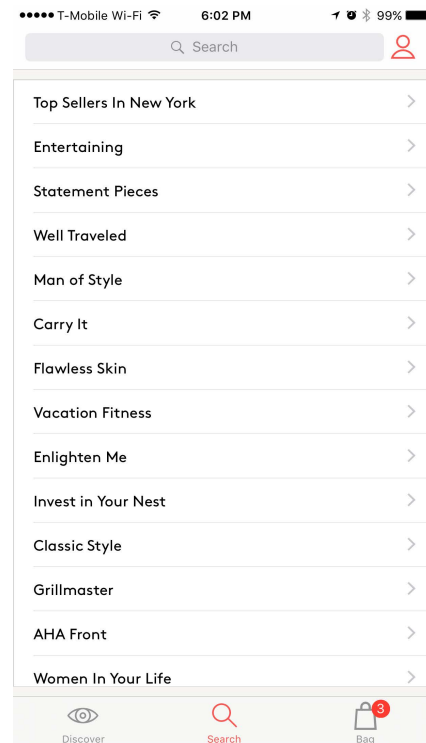
OUTLOOK

FY16-17 strategies will transition the P&L based on the following key areas of focus

↑	Revenue	Higher conversion, retention & AOV Increase - higher value customer mix
↓	Offers	Reduction in promotional spend - outside key seasons
↓	Product Costs	Increased product margin - stricter on-boarding criteria for brands
↑	Gross Margin	Resulting improvement in GM
↓	Variable Costs	Freight cost reduction - leveraging AHA business size for price benefit
↓	Marketing Spend	Higher ROI, greater % of unpaid revenue - ceasing unprofitable channels
↓	Fixed Cost	Operating efficiency & automation - leveraging proprietary technology
↑	EBITDA	Break even at lower revenue threshold

APP HIGHLIGHTS

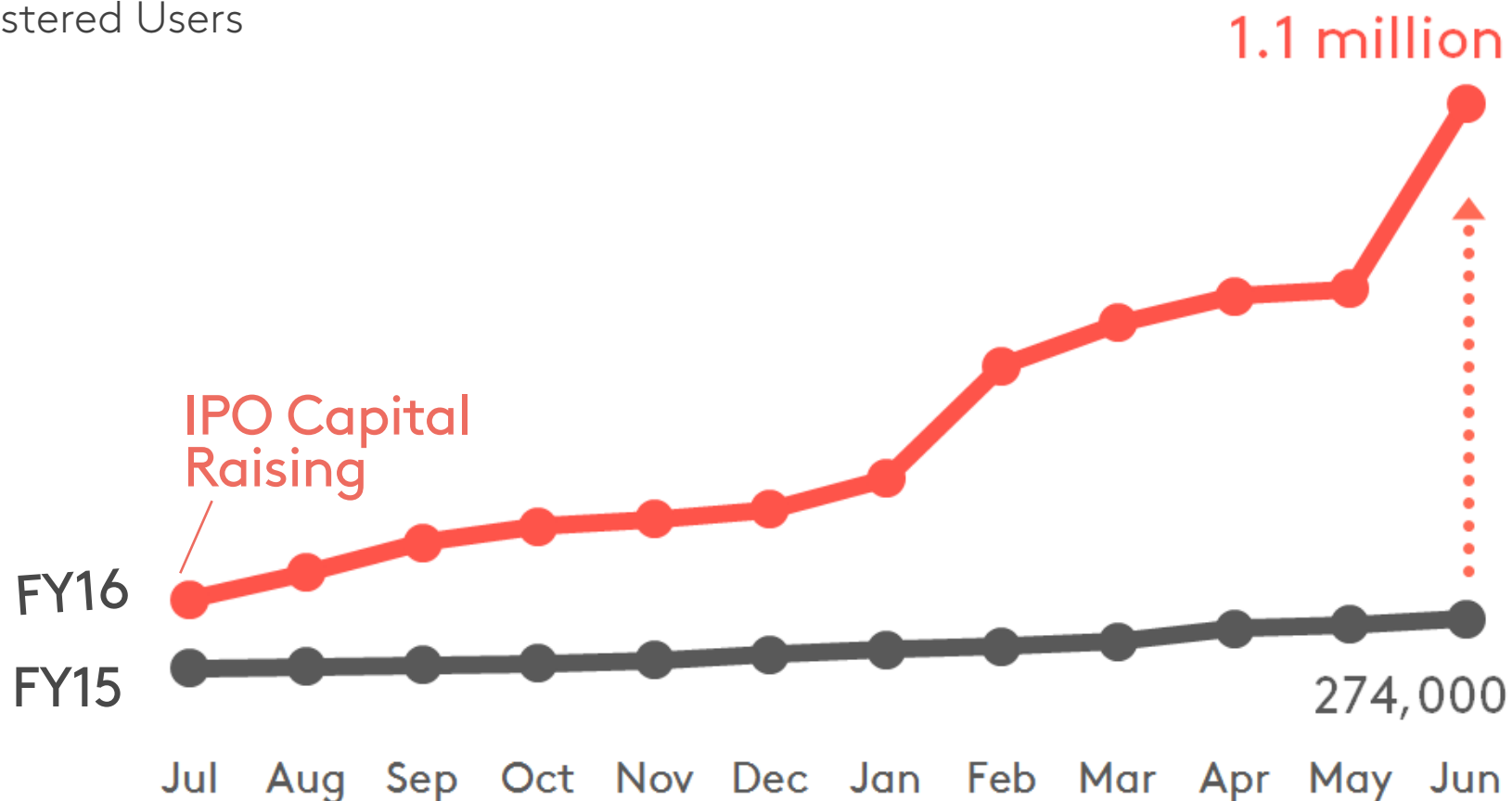
- New multiple-item basket functionality
- App AOV doubled
- App installs and revenue increasing each month

RAPID GROWTH IN NEW USER ACQUISITION

Market expectations of 1 million users by Dec 2016 was surpassed in July 2016

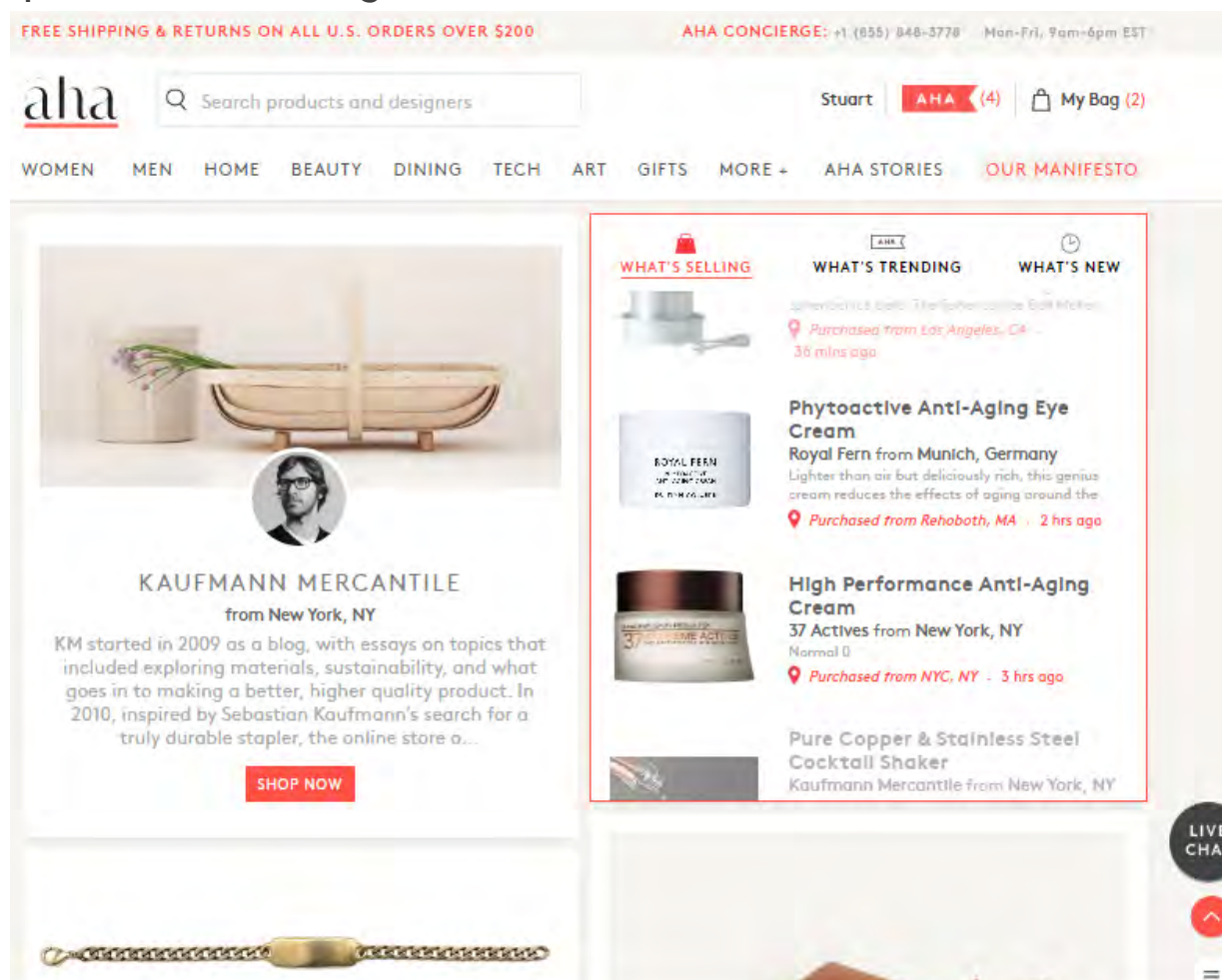
Registered Users



AHA fiscal year end June 30th

OUR SITE

- New homepage launched in April - infinite scroll and personalized curation of products
- New delivery mechanism will drive discovery shopping and increase engagement
- Continuous Improvements being rolled out for user interface and functionality



KAUFMANN ACQUISITION - JULY 2016

Growth Acceleration Strategy



- A complementary US online retailer, which sources globally but holds inventory in the U.S.
- Bolt-on of additional 270,000 users with a predominantly male audience.
- More mature business having been in operation for 5 years and with stronger organic revenue channels
- Maintain brand as store front within AHAlife.com
- Acquisition of user base plus website revenues
- 100% scrip based transaction to the value of **US\$140K**
- AOV of **US\$150**, Product Margin **50%+**
- On-boarding process more simple and efficient following the Bezar transition. Website retained in the near-term.

BEZAR ACQUISITION - FEBRUARY 2016

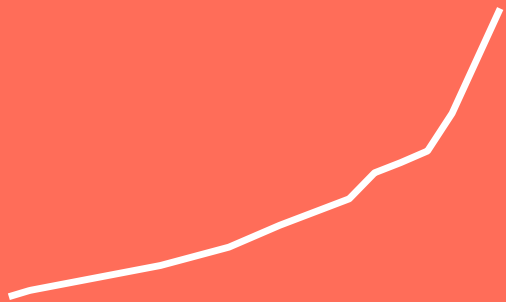
Growth Acceleration Strategy



- A complementary US online design marketplace, which connects niche designers directly to buyers via the same drop-ship model as AHA.
- Cements AHAlife as the clear leader in the international marketplace for luxury items & designer products
- 30% immediate increase in registered users - 150,000 new users, 500 new brands
- Acquisition of all Bezar assets and supplier relationships
- 100% scrip based transaction to the value of US\$200K
- AOV of US\$150, Product Margin 50%+
- After 8 weeks, base run rate of \$500K p.a. additional booked sales for calendar year 2016 before applying AHA technology and strategies

AHALIFE DELIVERS CONTINUED MOMENTUM

Users



+300%

GROWTH
on LY

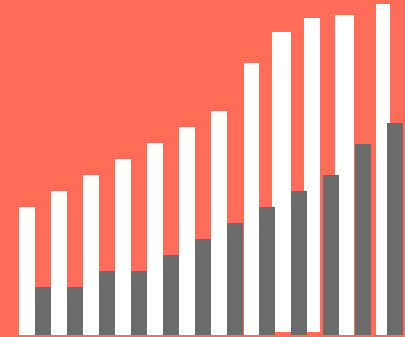
Sales



+113%

GROWTH
on LY

Brands



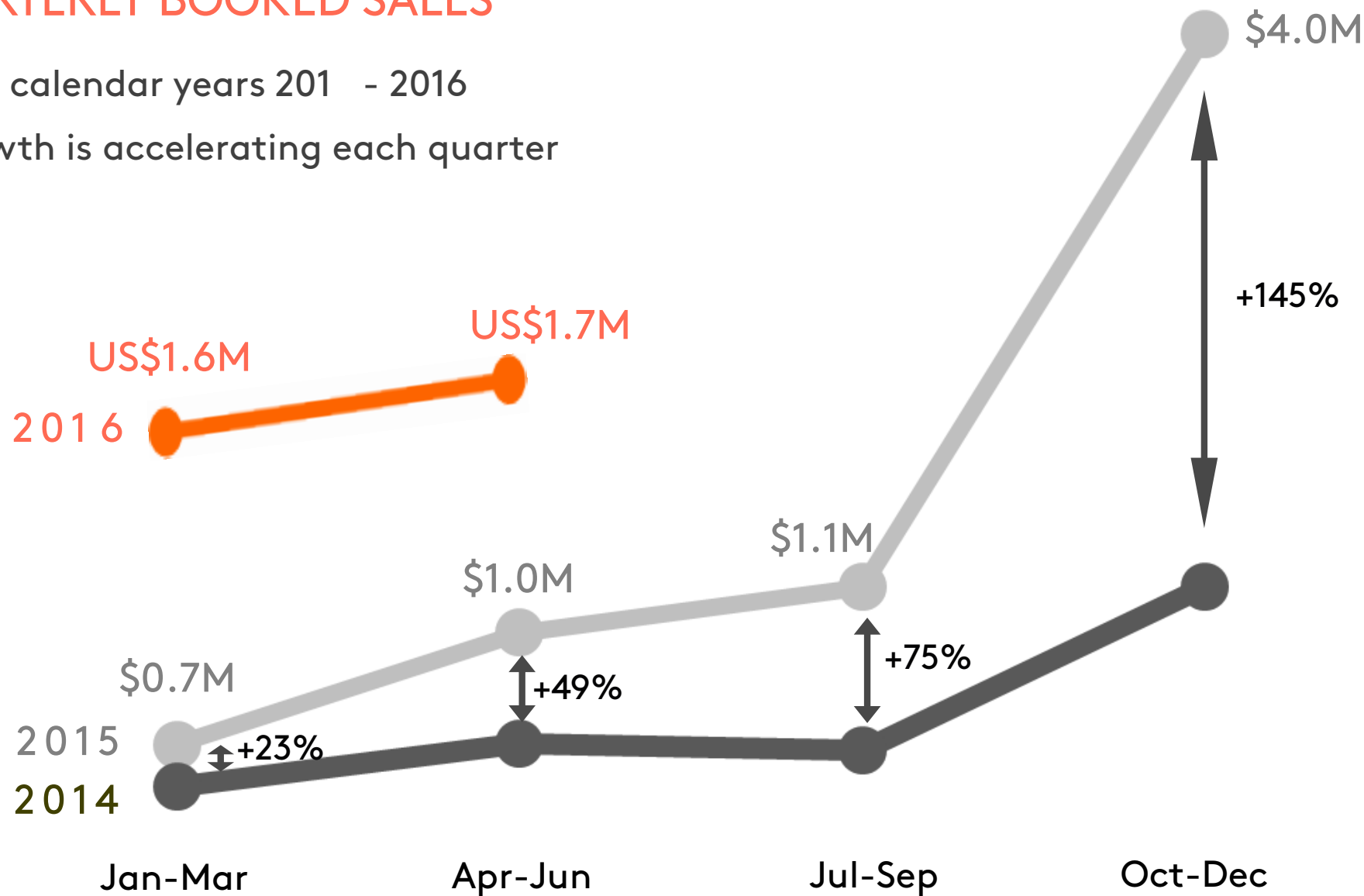
+52%

GROWTH
on LY

QUARTERLY BOOKED SALES

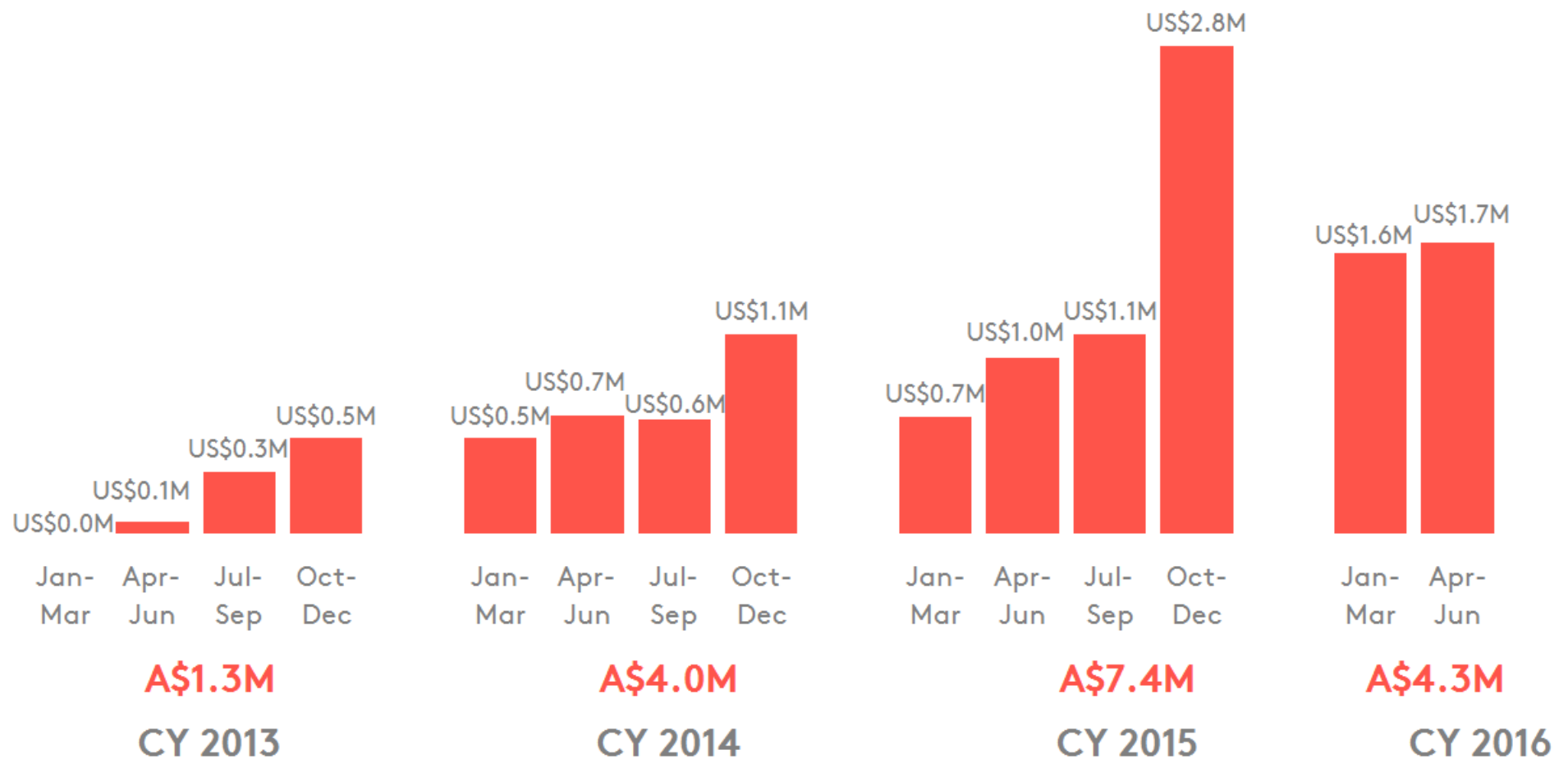
For the calendar years 2014 - 2016

- Growth is accelerating each quarter



BOOKED SALES PER CALENDAR QUARTER

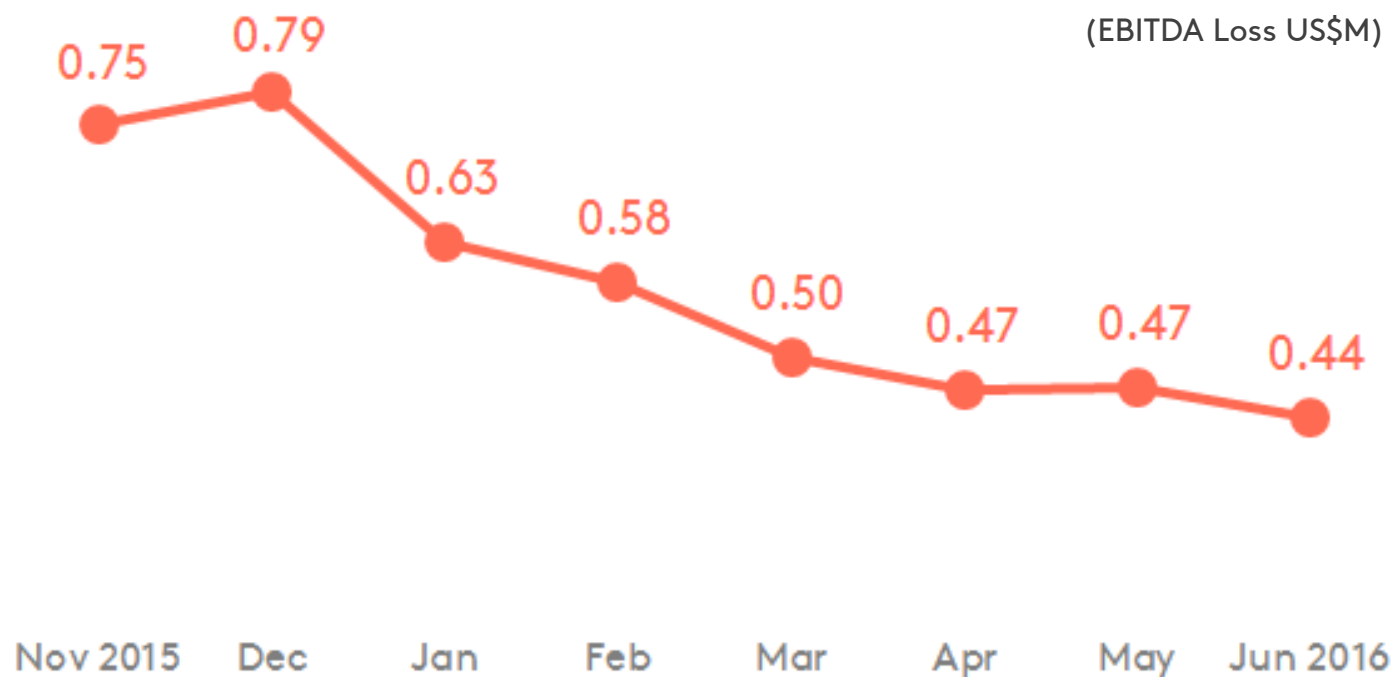
Calendar Years 2013 - 2016



Progress towards Profitability

Targeting break even at a lower revenue hurdle:

- Minimum spend threshold for free shipping introduced
- Leveraging recent business growth for better shipping rates and better product margins
- Strategic focus for higher AOV through brand on-boarding criteria and optimising marketing channels
- Operational efficiencies & automation for overhead reduction



Full Year FY16 Financial Results

USD 000s	FY16	FY15	% Chg on PCP
Booked Sales ¹	7,368	3,598	105 %
<i>Product Margin %</i>	<i>46%</i>	<i>46%</i>	
Orders Not Shipped	(191)	(71)	171 %
Returns & Cancellations	(795)	(466)	71 %
Gross Revenue ²	6,382	3,061	108 %
Offers & Discounts	(1,081)	(577)	87 %
Net Revenue	5,301	2,485	113 %
COGS	3,231	1,538	110 %
Gross Profit	2,070	947	119 %
GP%	39.1%	38.1%	
Other Income	82	221	(63) %
Expenses - Fixed ³	(8,734)	(5,423)	61 %
Expenses - Variable	(899)	(471)	91 %
Operating Loss	(7,480)	(4,726)	58 %
Cash on Hand	4,527	522	768 %
Operating Cash Flow	(6,692)	(4,373)	53 %

NOTES:

- ¹ Booked Sales is defined as orders placed during the period, inclusive of shipping revenue
- ² Gross Revenue is defined as orders shipped during the period, inclusive of shipping revenue.
- ³ FY16 began the deployment of capital raised in July 2015 on multiple paid marketing and customer acquisition channels
- FY16 Annual Report includes US\$6m non-cash deemed acquisition costs & \$1.1m non-cash Share Based Payment

Shallife

