

AHALife Restructure and Half Year Results Announcement

New York, USA and Sydney, Australia – Monday, 27th February 2017

AHALife Holdings Limited (ASX:AHL) (“AHALife” or “the Company”) announced today the appointment of Sebastian Kaufmann as the Company’s CEO, effective immediately. Mr Kaufmann has been Chief Curation Officer of AHALife since the company acquired Kaufmann Mercantile in August 2016.

Shauna Mei (CEO and Founder) and Sachin Devand (CTO and Co-Founder) have mutually agreed with the board to pursue other endeavours and cease being executives of the Company. Shauna and Sachin have also agreed to resign as directors effective immediately.

Stuart Halls will continue in his role as CFO & COO. Both Stuart and Sebastian are supported by the board, which includes Christopher Colfer, former Chief Executive of Alfred Dunhill and NED of NET-A-PORTER and current NED of LYST

The change in management follows a strategic review of the Company’s performance by the non executive members of the board. The management changes coincide with a strategy to refocus the Company on delivering on its long-term opportunity as a leading luxury on-line marketplace, while also further reducing its cost structure.

Mr Mike Hill, AHALife’s Chairman, said *“Our goal is to improve our customer’s experience and implement a cohesive merchandising plan that builds on the key elements that make AHA an attractive operating model, namely the combined strengths in the merchandise and brand strategies of Kaufmann Mercantile and AHALife’s high-end technology, drop-ship model.”*

The attractive underlying metrics of the business which has high margins, high order values and highly curated items, will remain.

The changes to management and the cost base is expected to allow the Company to operate with a more efficient and leaner organisational structure with reduced operating expenditure.

Under new leadership, the Company’s merchandise strategy will work hand-in-hand with marketing to improve customer retention, attract audiences with a high Customer Lifetime Value (LTV) and enhance our website engagement and conversion.

Returning its focus on a clearly defined customer, AHALife will execute on a strategy centered on its original ethos of offering hard to find luxury items. Our marketing activities aim to activate increased revenue from unpaid channels, with a particular focus on SEO and partnerships, whilst increasing the Company’s potential to take advantage of ongoing developments in data analytics,

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automation and personalisation. These initiatives are targeted to increase retention and customer conversion.

Mr Kaufmann said "I'm delighted to be appointed as AHAlife's CEO. I have always believed in a curated marketplace of hard to find, interesting and unique products. My aim, as CEO, is to bring focus to the platform we have already, with over 4,000 vendors and 60,000 customers, to provide quality products that our customers build an emotional connection to for themselves or as a gift."

Shauna Mei added "Sachin and I have truly enjoyed building a phenomenal company that connects thousands of independent artisans and designers with discerning consumers in a greatly scalable and valuable technology platform. As large shareholders of the Company, we are excited for this next phase at AHAlife and are fully supportive of our team's new leadership and in aiding a smooth transition."

Mike Hill added "We would like to thank Shauna and Sachin for their efforts in establishing and building AHAlife to this point and wish them well in their future endeavours. However, we believe these changes are in the interests of the Company longer term as it seeks to monetise the investment in its platform and brand, and execute a more focused merchandising plan"

Half Year Results

Today the Company releases its FY2017 Half Year Interim Report to 31st December 2016. At the beginning of the period, and announced previously, AHA embarked on a positive contribution strategy which included a focused paid advertising program to acquire profitable, returning customers, along with a number of significant operating improvements to improve margins and reduce cash outflow. AHA is pleased to announce its success against this strategy with the following key metrics:

	Six Months to 31 st December 2016	Six Months to 31 st December 2015	Change	
Gross Margin	46.6%	37.5%	+10.7pps	✓
Product Margin	48.2%	44.5%	+3.6pps	✓
Average Order Value	US \$194	US \$191	+1.6%	✓
Offers & Discounts	8%	19%	+11.4pps	✓
Shipping Costs	9%	11%	+1.6pps	✓
Total Sales Revenue	US \$3.0M	US \$2.8M	+9.4%	✓
Loss after income tax expense	US \$2.8M	US \$10.8M	+74%	✓
Cash Outflow	US \$2.0M	US \$2.4M	+US \$0.4M	✓

Cash on hand at the end of the six month period to 31 December 2016 was US\$2.53M.

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For further details, please refer to the Appendix 4D and Interim Financial Report released today.

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Biography of Key Management

Sebastian Kaufmann Sebastian Kaufmann earned a business degree in Marketing and International Market Management from the University of Muenster in 1999. After graduating he worked in branding and production for Neue Sentimental Film.

Relocating to Los Angeles, he then in 2005 co-founded the production company Draw Pictures with offices in L.A. and London. He ran the L.A. offices as CEO and Executive Producer. In 2011 the company was successfully sold to a trade buyer.

In 2009, Sebastian founded a design and quality centric eCommerce store, Kaufmann Mercantile. The company published a book which made Amazon's list of "Best Books 2015", and launched its own line of furniture and home goods whose release was featured, among others, in the New York Times. The company was extremely successful in generating a large volume of unpaid organic traffic from media, brand partners and SEO.

The company grew to offer over 2,000 thoroughly researched, edited and globally sourced lifestyle products. He ran the company as CEO and Merchandising Director until its acquisition by AHAlife in July 2016. By this point the company had raised a total of US \$4.6M from a consortium of venture capital firms and angel investors.

Prior to his appointment as CEO, Sebastian served as AHAlife's CCO (Chief Curation Officer) and oversees the merchandising, editorial and design.

Stuart Halls (CFO & COO) has led the finance, operations and customer service teams at AHAlife in New York for the past 18 months. He has 20+ years' experience in senior financial and operational roles. He joined AHA in July 2015 from Ironbridge Capital (Private Equity) as Portfolio Manager working across multiple businesses and industries. Most recently a former CFO for Recreational Tourism Group, he led a successful turnaround and trade sale in April 2015 before joining AHA.

Stuart was born in the UK and began his career at Unilever where he qualified as a chartered management accountant. He then spent 12 years working in large branded multinationals in



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various commercial and accounting roles in both the UK and then later in Australia after emigrating to Sydney in 2003. His experience covers Coca-Cola Amatil, Kellogg's and Arnott's (Campbell Soups Co.).

Stuart holds an MBA from the Australian Graduate School of Management (AGSM) and is a fully qualified Chartered Accountant.

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About AHA

AHALife Holdings Limited (ASX: AHL) is a curated online marketplace for consumers of unique and designer items. Customers purchase directly from a market of over 4,000 handpicked designers and artisans in 45 countries. AHALife built and operates the scalable, enterprise-grade technology platform that allows hand-selected sellers to create and manage their own storefronts, inventory and pricing. Sellers ship directly to consumers from around the globe. For more information, please contact AHA Investor Relations on ir@ahalife.com.

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