

ruby Life Inc.
Report on Customer Statistics
For the Calendar Year 2018



ASHLEY MADISON®

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Background

ruby Life Inc. produced the following annual report for the calendar year 2018 showcasing the stability of its membership and business from a year-over-year perspective. Unlike other dating services (married or otherwise), ruby Life Inc. has produced the following report to provide insight, transparency, and clarity for those looking to understand or join its balanced community of like-minded individuals.

Throughout 2018, the company continued to see momentum from a membership perspective with an average of more than 14.5 thousand new members joining daily. Along with its ongoing active members, these new members generated an average of more than 39.5 thousand affairs a day*. Ashley Madison offers discretion for those seeking infidelity, and clearly, with strong results underscoring the company's growth, what they offer is in demand.

People cheat for a number of reasons. As Dr. Tammy Nelson, sex and relationship therapist and author of *The New Monogamy: Redefining Your Relationship After Infidelity* says, "many people cheat to stay in their marriage, in fact some say they do it because they want to keep their family together. They may find an outside partner rather than break up their marriage by getting divorced. It's rare for people to cheat without some consideration or thought to how this might benefit their monogamy. As paradoxical as this sounds, for some it's better to cheat than to leave."

This report summarizes the results for Customer Statistics for the Calendar Year 2018.

Summary of Findings

For the calendar year 2018:

- New registrations totaled 5,309,395 and on average, there were 442,449 new Ashley Madison accounts registered monthly during 2018 (Further detail by region is tabulated in Appendix A):
- This report focused on a sub-set of registered accounts as an indicator of activity (Further detail by region is tabulated in Appendix B). Not all registered accounts were actively used:
 - The global ratio between Active Paid Male Customer Accounts and Active Female Customer Accounts for Ashley Madison was 1: 1.11 and
 - The ratio is based on active accounts registered in 2018 and excluded activity from accounts registered in prior years.

*Number of affairs is based on unique connections, as represented by a net new conversation between members (with each sending and receiving at minimum one message).

Approach

Registrations

Management provided a schedule asserting the statistics for customer registrations.

Management identified the customer accounts based on criteria to measure customer activity.

More specifically, the customer registrations were those which:

- Registered in 2018 on Ashley Madison with or without a heterosexual preference;
- Certain customer accounts were excluded (to avoid overstating the true level of activity). For reasons that included, for example:
 - The account was flagged as irregular in the course of ongoing transaction monitoring. Irregular accounts are flagged based on criteria, such as those sending spam mail, or soliciting customers to join other sites;
 - The account was internally generated, for example for quality control testing; or
 - The account was clearly operated by a person with another account. For example, where the two accounts had certain information in common.

Active Customer Accounts

Management provided a schedule asserting the statistics for active customer accounts (“Active Customer Accounts”), based on the customer registrations and applying additional criteria to measure Active Customer Account activity.

More specifically, to identify the Active Customer Accounts to be included in the Male/Female ratios, the additional criteria applied to registered customer accounts included:

- Registered in 2018 on Ashley Madison with a heterosexual preference;
- Customers logged in again more than 24 hours after registration (as evidence of activity); and
- In the case of male accounts, had purchased credits (as further evidence of activity).

Appendices

Appendices	Appendix Description
Appendix A	Registrations by region for 2018
Appendix B	Ratio of Male to Female Active Customer Accounts by region for 2018

Appendix A – Registrations by region for 2018

Region	Average Monthly Registrations of Both Male and Female Accounts
Argentina	4,832
Australia	7,947
Brazil	124,567
Canada	20,929
Chile	7,332
Colombia	5,573
Hong Kong	1,485
Mexico	16,301
Japan	2,706
Korea	3,786
Spain	4,218
Taiwan	7,316
UK	14,592
US	183,472
Global	442,449

Appendix B – Ratio of Male to Female Active Customer Accounts by region for 2018

Region	Ratio of Active Paid Male to Active Female Customer Accounts
Argentina	1: 1.12
Australia	1: 0.82
Brazil	1: 2.55
Canada	1: 0.91
Chile	1: 1.26
Colombia	1: 2.33
Hong Kong	1: 0.93
Mexico	1: 2.06
Japan	1: 1.40
Korea	1: 1.99
Spain	1: 1.11
Taiwan	1: 2.07
UK	1: 1.08
US	1: 0.98
Global	1 : 1.11