

1. Company details

Name of entity: AHALife Holdings Limited
ABN: 15 006 908 701
Reporting period: For the half-year ended 31 December 2018
Previous period: For the half-year ended 31 December 2017

2. Results for announcement to the market

The consolidated entity has adopted Accounting Standards AASB 9 'Financial Instruments' and AASB 15 'Revenue from Contracts with Customers' for the half-year ended 31 December 2018. The Accounting Standards were adopted using the modified retrospective approach and as such comparatives have not been restated.

				US\$
Revenues from ordinary activities	down	29.4%	to	2,157,725
Loss from ordinary activities after tax attributable to the owners of AHALife Holdings Limited	down	2.7%	to	(1,267,915)
Loss for the half-year attributable to the owners of AHALife Holdings Limited	down	2.7%	to	(1,267,915)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to US\$1,267,915 (31 December 2017: US\$1,302,766).

For further commentary please refer to the ASX announcement accompanying this Appendix 4D.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.22	0.21

The net tangible assets per ordinary security is calculated based on 162,041,695 ordinary shares on issue as at 31 December 2018 and 159,665,312 on issue as at 31 December 2017.

4. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

5. Attachments

Details of attachments

The Interim Report of AHALife Holdings Limited for the half-year ended 31 December 2018 is attached.

6. Signed



Michael Hill
Chairman

28 February 2019
Sydney

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AHALife Holdings Limited

ABN 15 006 908 701

Interim Report - 31 December 2018

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of AHALife Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

Directors

The following persons were directors of AHALife Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Michael Hill - Chairman
Michael Everett
Christopher Colfer
Arnaud Massenet

Principal Activities

During the financial half-year the principal continuing activity of the consolidated entity was the online sale of premium lifestyle items from independent and emerging brands via the Company's proprietary marketplace technology platform.

The consolidated entity owns and operates eCommerce marketplaces that connect emerging designers with discerning consumers seeking premium lifestyle goods. The consolidated entity comprises two lifestyle marketplaces (ahalife.com and kaufmann-mercantile.com) focused on quality products in the categories; **Jewellery & Accessories, Home & Dining and Beauty & Wellness**. Customers can select from a virtual catalogue of over 50,000 items from 4,000+ hand-selected independent & emerging designers from all over the world, shipping directly to the customer without the need for the Company to hold inventory.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to US\$1,267,915 (31 December 2017: US\$1,302,766).

During the half year, the company made strong progress towards its path to profitability with a significant reduction in its cash burn. This was demonstrated with a 15% or US \$0.4M reduction in overheads in the six months to December 2018 against the prior corresponding period ("pcp").

Key Metrics

- Continued operational improvement with a gross margin lift from 39.8% to 40.3% pcp (an increase of 0.5pps).
- Employee benefit expense reduction of 11% to US\$766k (31 December 2017: US\$851k).
- Robust cash & cash equivalents on hand at 31 December 2018 of US\$2,261,132.

For further commentary please refer to the ASX announcement accompanying this Directors' report.

Going Concern

The directors consider the consolidated entity to be a going concern. The attached financial statements detail the performance and financial position of the consolidated entity's half-year ended 31 December 2018. It also contains an independent auditor's review report.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 follows this Directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) (a) of the Corporations Act 2001.

On behalf of the directors



Michael Hill
Chairman

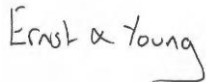
28 February 2019
Sydney

Auditor's Independence Declaration to the Directors of AHAlife Holdings Limited


As lead auditor for the review of AHAlife Holdings Limited for the half-year ended 31 December 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of AHAlife Holdings Limited and the entities it controlled during the financial period.



Ernst & Young



Julian M. O'Brien
Partner
28 February 2019

AHALife Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2018

AHL
 AHALIFE HOLDINGS LIMITED

	Note	Consolidated	
		31 Dec 18 US\$	31 Dec 17 US\$
Revenue			
Total sales revenue		2,157,725	3,057,741
Cost of goods sold		(1,287,852)	(1,840,761)
Gross margin		869,873	1,216,980
Other revenue	4	176,130	190,000
Interest revenue calculated using the effective interest method		77	572
Expenses			
Employee benefit expenses		(765,715)	(851,019)
Marketing expenses		(603,763)	(724,820)
Technology expenses		(152,729)	(154,538)
Freight and warehousing expenses		(285,702)	(377,147)
Occupancy and administrative expenses		(311,158)	(391,752)
Professional fees		(66,165)	(95,488)
Depreciation and amortisation expenses		(69,333)	(95,909)
Other expenses		(55,894)	(14,963)
Finance costs		(3,536)	(4,682)
Loss before income tax expense		(1,267,915)	(1,302,766)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of AHALife Holdings	8	(1,267,915)	(1,302,766)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(33,577)	(5,312)
Other comprehensive income for the half-year, net of tax		(33,577)	(5,312)
Total comprehensive income for the half-year attributable to the owners of AHALife Holdings		(1,301,492)	(1,308,078)
		Cents	Cents
Basic earnings per share		(0.19)	(0.35)
Diluted earnings per share		(0.19)	(0.35)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

AHALife Holdings Limited
Statement of financial position
As at 31 December 2018

AHL
 AHALIFE HOLDINGS LIMITED

	Note	Consolidated	
		31 Dec 18	30 Jun 18
		US\$	US\$
Assets			
Current assets			
Cash and cash equivalents		2,261,132	3,237,233
Trade Debtors		4,341	25,581
Inventories		93,921	60,532
Other current assets		101,845	98,046
Total current assets		2,461,239	3,421,392
Non-current assets			
Property, plant and equipment		91,627	146,812
Intangibles		2,611	16,042
Security deposits		57,140	57,790
Total non-current assets		151,378	220,644
Total assets		2,612,617	3,642,036
Liabilities			
Current liabilities			
Trade and other payables	5	729,379	605,180
Deferred revenue		146,015	100,241
Other current liabilities	6	91,917	56,043
Total current liabilities		967,311	761,464
Non-current liabilities			
Lease make-good provision		68,000	68,000
Other		57,000	57,000
Total non-current liabilities		125,000	125,000
Total liabilities		1,092,311	886,464
Net assets		1,520,306	2,755,572
Equity			
Contributed equity		52,499,915	52,499,914
Reserves		693,679	649,173
Accumulated losses		(51,673,288)	(50,393,516)
Total equity		1,520,306	2,755,572

The above statement of financial position should be read in conjunction with the accompanying notes

AHALife Holdings Limited
Statement of changes in equity
For the half-year ended 31 December 2018

AHL
 AHALIFE HOLDINGS LIMITED

Consolidated	Contributed equity US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2017	47,607,791	650,411	(47,702,056)	556,146
Loss after income tax expense for the half-year	-	-	(1,302,766)	(1,302,766)
Other comprehensive income for the half-year, net of tax	-	(5,312)	-	(5,312)
Total comprehensive income for the half-year	-	(5,312)	(1,302,766)	(1,308,078)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	4,892,123	-	-	4,892,123
Share-based payments	-	(9,543)	-	(9,543)
Balance at 31 December 2017	52,499,914	635,557	(49,004,822)	4,130,649

Consolidated	Contributed equity US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2018	52,499,915	649,173	(50,393,516)	2,755,572
policy (note 2)	-	-	(11,857)	(11,857)
Balance at 1 July 2018 - restated	52,499,915	649,173	(50,405,373)	2,743,715
Loss after income tax expense for the half-year	-	-	(1,267,915)	(1,267,915)
Other comprehensive income for the half-year, net of tax	-	(33,577)	-	(33,577)
Total comprehensive income for the half-year	-	(33,577)	(1,267,915)	(1,301,492)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	-	-	-	-
Share-based payments	-	78,083	-	78,083
Balance at 31 December 2018	52,499,915	693,679	(51,673,288)	1,520,306

AHALife Holdings Limited
Statement of cash flows
For the half-year ended 31 December 2018

AHL
 AHALIFE HOLDINGS LIMITED

	Consolidated	
	31 Dec 18	31 Dec 17
	US\$	US\$
Cash flows from operating activities		
Receipts from customers	2,224,739	3,162,976
Payments to suppliers and employees	(3,367,116)	(4,003,228)
Interest received	77	112
Other income	171,084	190,460
Interest and other finance costs paid	(3,536)	(4,682)
Net cash used in operating activities	<u>(974,752)</u>	<u>(654,362)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(1,999)	(2,319)
Proceeds from release of security deposits	650	1,025
Net cash used in investing activities	<u>(1,349)</u>	<u>(1,294)</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	5,227,992
Share issue transaction costs	-	(335,868)
Net cash from financing activities	<u>-</u>	<u>4,892,124</u>
Net increase/(decrease) in cash and cash equivalents	(976,101)	4,236,468
Cash and cash equivalents at the beginning of the financial half-year	<u>3,237,233</u>	<u>993,520</u>
Cash and cash equivalents at the end of the financial half-year	<u>2,261,132</u>	<u>5,229,988</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover AHAlife Holdings Limited ('company' or 'parent') as a consolidated entity consisting of AHAlife Holdings Limited and the entities it controlled at the end of, or during, the half-year ('consolidated entity'). The financial statements are presented in United States dollars, which is AHAlife Holdings Limited's presentation currency. The functional currency of AHAlife Holdings Inc. is United States dollars and AHAlife Holdings Limited is Australian dollars.

AHALife Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
c/- Automic Level 5, 126 Phillip Street Sydney, NSW 2000 Australia	Suite 205 939 N High Street Columbus OH 43201, United States of America

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28th February 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Note 2. Significant accounting policies (continued)

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 July 2018, using the option not to restate comparatives. The standard introduced new classification and measurement models for financial assets.

- A financial asset shall be measured at amortised cost if it is held within A business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.
- A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.
- All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

For trade receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Note 2. Significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2018, using the modified retrospective approach.

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below.

Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

The Group has adopted Accounting Standards AASB 9 and AASB 15 for the half-year ended 31 December 2018. The Accounting Standards were adopted from 1 July 2018 using the transitional rules available and therefore comparatives have not been restated.

The adoption of AASB9 had no material impact on the consolidated entity's trade receivables or cash and cash equivalents due to the implementation of ECL.

The adoption of AASB15 resulted in the following adjustments:

- deferred revenue and customer loyalty liabilities are now classified as contract liabilities (reclassification only); and
- revenue is now recognised on receipt to the customer (revenue is recognised later resulting in higher inventory asset and higher contract liabilities). Under AASB118 revenue was previously recognised at the point of dispatch to the customer.

Note 2. Significant accounting policies (continued)

The impact of adoption of these accounting standards on opening accumulated losses as at 1 July 2018 was as follows:

	1 July 2018 US\$
Contract Liability	(42,789)
Inventory	27,682
Trade Payables	3,250
	<hr/>
Impact on opening accumulated losses as at 1 July 2018	<u>(11,857)</u>

The impact of AASB 15 compared with the previous AASB 118 'Revenue' on the current reporting period results is as follows:

	AASB 15 US\$	AASB 118 US\$	Difference US\$
Sale of goods	2,157,725	2,150,804	6,921
Cost of goods sold	(1,287,852)	(1,281,660)	(6,192)
Other revenue	176,130	176,130	-
Interest revenue calculated using the effective interest method	77	77	-
Employee benefit expenses	(765,715)	(765,715)	-
Marketing expenses	(603,763)	(603,763)	-
Technology expenses	(152,729)	(152,729)	-
Freight and warehousing expenses	(285,702)	(284,500)	(1,202)
Occupancy and administrative expenses	(311,158)	(311,158)	-
Professional fees	(66,165)	(66,165)	-
Depreciation and amortisation expenses	(69,333)	(69,333)	-
Other expenses	(55,894)	(55,894)	-
Finance costs	(3,536)	(3,536)	-
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Loss before income tax expense	(1,267,915)	(1,267,442)	(473)

Going Concern

For the period ended 31 December 2018 the Group generated a loss for the financial half-year ended 31 December 2018 of US\$1,267,915 (31 December 2017: US\$1,302,766) and a net operating cash flow of US\$974,752 (31 December 2017: US\$654,362).

The directors believe that the consolidated entity will continue to operate as a going concern.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer and is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Revenue from the sale of goods includes revenue earned from the shipment of goods to customers which is also recognised on delivery of goods or services.

For each contract with a customer, the consolidated entity: identifies the contract with a customer at the point when the customer has placed an order on the website and has received a confirmation of their order including details on the delivery of their goods or services; identifies the performance obligations in the contract; determines the transaction price which takes into account the advertised selling price of each good or service contained within the customer's order and any variable consideration such as promotional discounts the redemption of store credit or gift cards; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when the transfer of control of goods or services takes place which is generally when the goods have been delivered.

Variable consideration, within the transaction price, reflects concessions provided to the customer such as promotional discounts, the right of the customer to return the goods or services, the redemption of store credit, or the redemption of gift cards. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Rental income

Rental income is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Revenue recognition (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity operates in one segment being the sale of premium artisan goods online. The operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The operating segment information is the same information as provided throughout the financial statements and are therefore not duplicated.

The information reported to the CODM is on a monthly basis.

Note 4. Other revenue

	Consolidated	
	31 Dec 18 US\$	31 Dec 17 US\$
Rental income	176,130	171,000
Other	-	19,000
Other revenue	<u>176,130</u>	<u>190,000</u>

Note 5. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 18 US\$	30 Jun 18 US\$
Trade payables	534,595	427,108
Accrued expenses	169,090	178,072
Other payables	25,694	-
	<u>729,379</u>	<u>605,180</u>

Note 6. Current liabilities - other

	Consolidated	
	31 Dec 18 US\$	30 Jun 18 US\$
Sales tax payable	44,619	3,700
Deferred Rent	47,297	52,343
Deferred Revenue	-	86,991
Revenue received in advance	-	13,250
	<u>91,916</u>	<u>156,284</u>

Note 7. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 8. Earnings per share

	Consolidated	
	31 Dec 18 US\$	31 Dec 17 US\$
Loss after income tax attributable to the owners of AHAlife Holdings Limited	(1,267,915)	(1,302,766)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	677,360,673	367,316,831
Weighted average number of ordinary shares used in calculating diluted earnings per share	677,360,673	367,316,831
	Cents	Cents
Basic earnings per share	(0.19)	(0.35)
Diluted earnings per share	(0.19)	(0.35)

Note 9. Events after the reporting period

On 31 January 2019 the consolidated entity entered into a binding agreement to acquire all assets relating to Design Milk, the globally recognised, US-based digital media platform dedicated to modern design.

Total upfront consideration for the transaction is US\$0.77m, with US\$0.5m to be paid in cash and \$0.27m to be paid in options in Ahalife Holdings Ltd. The transaction also includes deferred consideration of US\$1.3m, with US\$0.5m to be paid in cash 6 months from the date of completion, and US\$0.63m to be paid across 3 tranches of options in Ahalife Holdings Ltd, which vest in a minimum of 24, 36 and 48 months and are subject to revenue hurdles.

Design Milk founder Jaime Derringer will join the Ahalife executive team as Chief Creative Officer post-completion.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) (a) of the Corporations Act 2001.

On behalf of the directors



Michael Hill
Chairman

28 February 2019
Sydney

Independent Auditor's Review Report to the Members of AHAlife Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of AHAlife Holdings Limited, which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

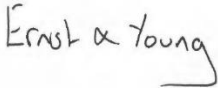
Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of AHAlife Holdings Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

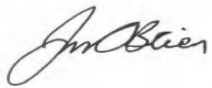
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.



Ernst & Young



Julian M. O'Brien
Partner
Sydney
28 February 2019

Directors	Michael Hill - Non-Executive Chairman Michael Everett - Non-Executive Director Christopher Colfer - Non-Executive Director Arnaud Massenet - Non-Executive Director
Key Management Personnel	Robert Mancini - Chief Executive Officer
Company secretary	Andrew Whitten
Registered office	c/- Automic Level 5, 126 Phillip Street Sydney, NSW 2000 Australia
Principal place of business	Suite 205 939 N High Street Columbus, OH 43201 United States of America
Share register	Automic Registry Services Level 5, 126 Phillip Street Sydney, NSW 2000 Tel: 1300 288 664 Email: hello@automic.com.au
Auditor	Ernst & Young 200 George Street Sydney NSW 2000
Stock exchange listing	AHALife Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: AHL)
Websites	www.ahalife.com www.kaufmann-mercantile.com www.design-milk.com

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