

28 February 2020 | ASX/Media Release

## Cleansing notice under section 708AA of the Corporations Act 2001 (Cth)

This notice is provided by AHALife Holdings Limited (**Company**) in connection with the Company's proposal to undertake a partially underwritten, non-renounceable, pro rata entitlement offer (**Entitlement Offer**) to existing eligible shareholders of the Company (**Eligible Shareholders**) on the basis of 1 new fully paid ordinary share in the Company (**Shares**) for every 2 Shares held on the record date, being 7.00pm (AEDT) on Thursday, 5 March 2020 (**Record Date**), to raise up to approximately \$2.80 million (subject to rounding) via the issue of up to approximately 560,675,364 shares (subject to rounding) at an issue price of 0.5 cents per share.

Eligible Shareholders will only be those who are shareholders on the share register as of the Record Date with a registered address in Australia or New Zealand, and to institutional and professional investors with a registered address in certain other jurisdictions to the extent the Company has determined to extend the Entitlement Offer to such shareholders (currently intended to be the United Kingdom and Jersey only).

The Company gives this notice under section 708AA(2)(f) of the *Corporations Act 2001 (Cth)* (**Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and states the following:

1. The Shares to be issued under the Entitlement Offer will be issued without disclosure to investors under Part 6D.2 of the Act.
2. As at the date of this notice, the Company has complied with:
  - a. the provisions of Chapter 2M of the Act as they apply to the Company; and
  - b. section 674 of the Act.
3. As at the date of this notice, there is no excluded information for the purposes of sections 708AA(8) and 708AA(9) of the Act.
4. The potential effect the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. As it is a pro rata offer and the size of the underwriting is relatively small (approximately A\$230K), the Entitlement Offer is not expected to have a material effect on the control of the Company. The potential effect on control is summarised below:
  - a. If all Eligible Shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no effect on the control of the Company.
  - b. If some Eligible Shareholders do not take up all of their entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders in the Company will be diluted.

# AHL

AHALIFE HOLDINGS LIMITED

---

- c. The proportional interests of shareholders of the Company who are not Eligible Shareholders will be diluted because such shareholders are not entitled to participate in the Entitlement Offer.
- d. Eligible Shareholders who apply for additional Shares under the shortfall facility (under which any shortfall between applications received and the number of Shares proposed to be issued under the Entitlement Offer may be applied for by those who have accepted their entitlements in full) may increase their interests beyond their entitlement. This could result in the dilution of holdings of those who failed to accept their entitlements in full and those who failed to apply for additional Shares under the shortfall facility.
- e. Each of the current Directors of the Company have agreed to participate in the Entitlement Offer. Arnaud Massenet and Michael Everett have agreed to take up their full rights entitlement and underwrite part of the Entitlement Offer for up to approximately A\$230K. The total amount committed by the Directors, including the partial underwritten amount, is approximately A\$575K. Accordingly, if the minimum is raised under the Entitlement Offer (via these commitments and partial underwriting), the voting power of the Directors (in particular, Arnaud Massenet and Michael Everett ) are projected to increase, however, the increases are not expected to have a material effect on the control of the Company.

This announcement has been authorised for release by the Board.

For further inquiries, please contact:

Robert Mancini (CEO):	+1 (347) 210-6741
Andrew Whitten (Company Secretary)	+61 (2) 8072 1400
AHL Investor Relations	ir@ahalife.com

## **About AHAlife Holdings Limited (ASX:AHL)**

AHL owns and operates multiple e-Commerce brands that support independent brands and designers from around the world: Design Milk, a world-renowned, award-winning digital media company that has thrived through the support of an engaged community over the past 13 years: Ahalife, an eCommerce website and blog supporting premium lifestyle designers and brands: Kaufmann Mercantile, a blog and eCommerce website dedicated to independent craftsman and brands focused on sustainable manufacturing and product lifecycles.

For more information, please contact AHL Investor Relations.

---

For personal use only