

Rights Issue Offer Booklet

AHL
AHALIFE HOLDINGS LIMITED

AHAlife Holdings Limited
ACN 006 908 701

A partially underwritten 1 for 2 non-renounceable pro rata entitlement offer of Shares in AHAlife Holdings Limited at A\$0.005 per Offer Share to raise up to A\$2.80 million (subject to rounding).

You should read this Booklet in full

This Booklet contains important information. You should read this Booklet in full and seek advice from your stockbroker, accountant or other professional adviser if you have any questions about your investment in the Company or about the impact of the transactions described in this Booklet. If you have any questions in relation to how to participate in the Entitlement Offer after reading this Booklet, please contact the Company's registry, Automic Pty Ltd on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia).

This Booklet does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

This Booklet may not be distributed outside of Australia or New Zealand except in such other countries and to the extent contemplated under this Booklet.

Not for release or distribution in the United States

These materials do not constitute an offer of securities for sale in the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation S under the United States *Securities Act of 1933*, as amended (**Securities Act**)) and may not be sent or disseminated, directly or indirectly, in the United States or to any U.S. Person in any place. The Offer Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered, sold or otherwise transferred in the United States or to, or for the benefit of, any U.S. Person except in compliance with the registration requirements of the Securities Act and any other applicable state securities laws or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Legal Adviser
Automic Legal Pty Ltd



For personal use only

IMPORTANT INFORMATION

This Booklet has been prepared by AHAlife Holdings Limited ACN 006 908 701 (**Company**).

This Booklet is not a prospectus under the *Corporations Act 2001* (Cth) (**Corporations Act**) and has not been lodged with ASIC. This Booklet is dated 10 March 2020 and a copy was lodged with ASX on that date.

This Booklet and the accompanying Entitlement and Acceptance Form relate to a partially unwritten 1 for 2 (1 new Offer Share for every 2 existing Shares) non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company to ASX on 28 February 2020 (**Entitlement Offer**).

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.

No cooling off rights

Cooling off rights do not apply to an investment in Offer Shares. You cannot, in most circumstances, withdraw your Application once it has been accepted. Further, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

No Entitlements trading

The Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

Not financial product advice

The information contained in this Booklet is not financial product advice, does not purport to contain all the information that you may require in evaluating a possible acquisition of Offer Shares in the Company and has been prepared without taking into account the investment objectives, financial situation or needs of you or any particular investor.

You should conduct your own independent review, investigation and analysis of the Company and the Offer Shares which are the subject of the Entitlement Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

Risks

Please refer to Section D of this Booklet, which includes a non-exhaustive summary of the risk factors associated with an investment in the Company.

Foreign jurisdictions

This Booklet is being sent to all Shareholders on the share register as at 7pm (AEDT) on 5 March 2020 (**Record Date**) with a registered address in Australia, New Zealand, Jersey or the United Kingdom (in each case to Shareholders that are not acting for the account or benefit of a person in the United States) (**Eligible Shareholders**).

The Entitlement Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer and no action has been taken to register the Offer Shares or otherwise permit a public offering of the Offer Shares in any jurisdiction other than Australia, New Zealand, Jersey and the United Kingdom. Return of the Entitlement and Acceptance Form shall be taken by the Company to constitute a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed. This document does not constitute an offer of shares of the Company in any jurisdiction in which it would be unlawful. In

particular, this Booklet may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

New Zealand

This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This Booklet is not an investment statement, prospectus or product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that an investment statement, prospectus or product disclosure statement under New Zealand law is required to contain.

The Offer Shares are not being offered or sold to the public in New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand, to whom the offer of Offer Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

Jersey

No offer or invitation to subscribe for Offer Shares may be made to the public in Jersey.

United Kingdom

Neither this Booklet nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Offer Shares.

The Offer Shares may not be offered or sold in the United Kingdom by means of this Booklet or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Offer Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Booklet is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Booklet relates are available only to, and offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Booklet or any of its contents.

United States

This Booklet must not be taken into, distributed or released in the United States or distributed to any U.S. Person or to any person acting for the account or benefit of a U.S. Person. Persons who come into possession of this Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The information in this Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any Offer Shares in the United States or to any U.S. Person. Offer Shares may not be offered or

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sold in the United States absent registration or an exemption from registration under the Securities Act. The Offer Shares to be offered and sold in the Entitlement Offer have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Offer Shares in this Entitlement Offer may only be offered and sold outside the United States, to persons that are not U.S. Persons or acting for the account or benefit of U.S. Persons.

Nominees

Nominees and custodians may not distribute this Booklet, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia and New Zealand except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

Governing law

This Booklet, the Entitlement Offer and the contracts formed on receipt of your Application are governed by the law applicable in New South Wales. Each Shareholder who applies for Offer Shares submits to the non-exclusive jurisdiction of the courts of New South Wales.

Future performance

This Booklet may contain certain forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "objective", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors (many of which are beyond the control of the Company) that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should also have regard to the "Risk Factors" in Section D of this Booklet.

Past performance

Past performance information given in this Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Financial data

All dollar values are in Australian dollars (A\$) except where otherwise indicated.

Disclaimer of representatives

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Booklet.

Any information or representation that is not in this Booklet may not be relied on as having been authorised by the Company or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Booklet.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving Offer Shares. This Booklet does not contain or constitute tax advice and does not take account of the individual circumstances of particular Eligible Shareholders. The Company recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

Privacy

The Company collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Registry.

Trading Offer Shares

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Offer Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Registry or otherwise, or who otherwise trade or purport to trade, Offer Shares in error or which they do not hold or are not entitled to.

Defined terms

Capitalised terms used in this Booklet have the meaning given to those terms in the glossary in Section F of this Booklet.

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LETTER FROM THE CHAIR OF THE BOARD

10 March 2020

Dear Shareholder,

On behalf of the Directors, I am pleased to offer you the opportunity to participate in a partially underwritten 1 for 2 (1 new Offer Share for every 2 existing Shares) non-renounceable, pro rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company to ASX on 28 February 2020 to raise up to approximately A\$2.80 million (subject to rounding and before costs) (**Entitlement Offer**). Each of the current Directors of the Company have agreed to participate in the Entitlement Offer, committing a total of up to approximately A\$575K which includes agreeing to partially underwrite the Entitlement Offer for an additional A\$230K above their Entitlements.

The Entitlement Offer forms part of a wider capital raising conducted by the Company. On 28 February 2020, the Company announced completion of a private placement to sophisticated and professional investors for A\$1.0 million (**Placement**). Please refer to the Company's announcement of the same date for further details of the Placement.

As a result of the commitments and partial underwriting referred to above, the Company will raise at least \$1.6 million (approximate) from the Placement and the Entitlement Offer. The proceeds from the Placement and the Entitlement Offer are intended be used by the Company as follows:

- to invest in the Company's growth strategy;
- continue to support the recent launch of new Design Milk websites; and
- for general working capital purposes.

Offer details

Under the Entitlement Offer, Eligible Shareholders are being offered the opportunity to subscribe for 1 Offer Share for every 2 existing Shares held on the Record Date of 7pm (AEDT), 5 March 2020 at the Issue Price of A\$0.005 (0.5 cents) per Offer Share.

The Entitlement Offer includes a shortfall facility under which Eligible Shareholders who take up their full Entitlement will be invited to apply for additional Offer Shares in the Entitlement Offer from a pool of those Entitlements not taken up by other Shareholders of the Company (**Shortfall Facility**). There is no guarantee that Applicants under this Shortfall Facility will receive all or any of the additional Offer Shares that they applied for under the Shortfall Facility. The Board of the Company reserves its right to alter the allocation policy and to allocate and issue additional Offer Shares under the Shortfall Facility at their discretion.

Participation in the Entitlement Offer is optional and open to Eligible Shareholders, being holders of fully paid ordinary shares in the Company on the Record Date of 7pm (AEDT), 5 March 2020 whose address on the share register is in Australia, New Zealand, Jersey or the United Kingdom. As the Entitlement Offer is non-renounceable, your right to participate in the Entitlement Offer is not transferable. You may not trade your Entitlement on ASX or transfer it to another person.

Eligible Shareholders who do not take up their Entitlement will not receive any value for their Entitlement and their proportionate economic interest in the Company will be diluted. All Offer Shares will rank equally with existing Shares in the Company.

The terms and conditions of the Entitlement Offer and your personalised Entitlement and Acceptance Form are provided in this Booklet. I urge you to read these materials in their entirety and seek your own financial, taxation and other professional advice in relation to the Entitlement Offer, before you

decide whether or not to participate. The Entitlement Offer opens on 10 March 2020 and is expected to close at 5pm (AEDT) on 24 March 2020.

If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Registry on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia) or consult your financial or other professional adviser.

On behalf of the Directors, I invite you to consider participating in the Entitlement Offer and look forward to your ongoing support of the Company.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'M Hill', followed by a period.

Michael Hill
Chairman
AHAlife Holdings Limited

A. KEY DATES FOR THE ENTITLEMENT OFFER*

Event	Date*
Trading halt	Wednesday, 26 February 2020
Announcement of Placement and Entitlement Offer	Friday, 28 February 2020
Company is released from trading halt	Friday, 28 February 2020
Settlement of Placement	Friday, 28 February 2020
Issue of Placement Shares	Tuesday, 3 March 2020
Ex-date for Entitlement Offer	Wednesday, 4 March 2020
Record Date	Thursday, 5 March 2020
Entitlement Offer Opening Date Dispatch of Booklet and Entitlement and Acceptance Form	Tuesday, 10 March 2020
Closing Date	Tuesday, 24 March 2020
Entitlement Offer Shares quoted on a deferred settlement basis	Wednesday, 25 March 2020
Announcement of results of Entitlement Offer Notification of any undersubscriptions	Friday, 27 March 2020
Issue and allotment of Entitlement Offer shares (including underwritten shares)	Tuesday, 31 March 2020
Dispatch of shareholding statements	Tuesday, 31 March 2020
Offer Shares commence trading on ASX	Wednesday, 1 April 2020

**The above timetable is indicative only and subject to change. The quotation of Shares is subject to ASX approval. Subject to the ASX Listing Rules and the Corporations Act and other applicable laws, the Company reserves the right to vary these dates, including the Closing Date, without notice, including extending the period of the Entitlement Offer or accepting late applications, either generally or in particular cases or bringing forward the Closing Date at its discretion. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Shares. All dates and times in the timetable above are in Sydney, Australia time.*

B. HOW TO APPLY

1 Please read the whole of this Booklet

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) which allows rights issues to be offered without a disclosure document or prospectus, provided certain conditions are satisfied.

As a result, it is important for Shareholders to read and understand the publicly available information on the Company and the Entitlement Offer prior to accepting their Entitlement. In particular, in considering whether or not to accept their Entitlements, Shareholders should refer to the attached materials, plus the Company's other periodic and continuous disclosure announcements available at www.asx.com.au.

2 Consider the Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent financial adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. In particular, please refer to the risk factors in Section D of this Booklet which describe some of the key risks in relation to an investment in the Company.

3 Who is eligible to participate?

The Entitlement Offer is being extended to Shareholders that meet all of the following criteria (**Eligible Shareholders**):

- (a) they were registered as a holder of Shares on the Record Date;
- (b) they have a registered address in Australia, New Zealand, Jersey or the United Kingdom;
- (c) they are not in the United States or a U.S. Person or acting for the account or benefit of such persons; and
- (d) they are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Entitlement Offer is not being extended to any Shareholder with a registered address outside Australia, New Zealand, Jersey or the United Kingdom. By returning a completed Entitlement and Acceptance Form, making a payment in accordance with the instructions in the Entitlement and Acceptance Form, you will be taken to have represented and warranted that you satisfy each of the above criteria.

Eligible Shareholders who hold Shares in the capacity of trustee, nominee or custodian (or in any other capacity) for a person that would not satisfy the criteria of an Eligible Shareholder cannot take up Entitlements on behalf of that person.

Shareholders should note that the Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Nominees may not distribute this Booklet, the Entitlement and Acceptance Form, or any other material relating to the Entitlement Offer to anyone in the United States, anyone acting for the account or benefit of a person in the United States, or in any other jurisdiction in which it would be unlawful. Any failure to adhere to these restrictions may result in violation of applicable securities laws.

The Company reserves the right to reject any Application that it believes comes from a person who is not an Eligible Shareholder.

4 Ineligible Shareholders

Having regard to the number of such Shareholders, their holdings, the compliance costs required to extend the Entitlement to those Shareholders, the Company has determined that it is unreasonable to extend the Entitlement Offer to Shareholders of the Company who as of the Record Date are not an Eligible Shareholder (**Ineligible Shareholder**).

As the Entitlement Offer is non-renounceable, the shareholdings of Ineligible Shareholders will be diluted as a result of the Entitlement Offer.

5 Your options

Eligible Shareholders may take the following actions:

- (a) take up all of their Entitlement;
- (b) take up all of their Entitlement and apply for Additional Shares under the Shortfall Facility;
- (c) take up a proportion of their Entitlement and allow the rest to lapse; or
- (d) do nothing, in which case all of their Entitlement will lapse.

As your Entitlement is non-renounceable, you will not be able to trade your Entitlement on ASX or otherwise dispose of your Entitlement to any other party.

Shareholders who do not take up their Entitlements in full will not receive any payment or value from the Company for those Entitlements they do not take up. Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced.

Fractions arising in the calculation of Entitlements have been rounded down to the next whole number of Offer Shares.

6 Complete the accompanying Entitlement and Acceptance Form or pay by BPAY®

If you decide to participate in the Entitlement Offer, you may do so by completing and returning the Entitlement and Acceptance Form and attaching payment by following the instructions set out on the Entitlement and Acceptance Form.

Alternatively, you may participate by making payment via BPAY® in accordance with the instructions set out on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique customer reference number).

7 Acceptance of the Entitlement Offer and payment

You may take up all or part of your Entitlement by completing the Entitlement and Acceptance Form and attaching or making payment by following the instructions set out on the Entitlement and Acceptance Form.

Your completed Entitlement and Acceptance Form must be accompanied by one of the payment methods described on that Acceptance Form. If paying by cheque it must be in Australian currency for the amount of your Application monies, payable to "AHAlife Holdings Limited" and crossed "Not Negotiable". Details for BPAY® or electronic funds transfer are below.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application monies. If the amount of your cheque for Application monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of

Offer Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole Offer Shares as your cleared Application monies will pay for (and to have specified that number of Offer Shares on your Entitlement and Acceptance Form).

If your payment is being made by BPAY® or via electronic funds transfer:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations in that form;
- (b) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have accepted your Entitlement in respect of such whole number of Offer Shares which is covered in full by your Application monies; and
- (c) it is your responsibility to ensure that your payment is received by the Registry by no later than the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Any payment received for more than your final allocation of Offer Shares will be refunded after the Offer Shares are issued. No interest will be paid to Applicants on any payment received or refunded.

8 Shortfall Facility

Eligible Shareholders apply for Additional Shares in excess of their Entitlements. Additional Shares will only be available where there is a shortfall between Applications received from Eligible Shareholders and the number of Offer Shares proposed to be issued under the Entitlement Offer. Additional Shares will be issued at the same Issue Price as the Offer Shares (A\$0.005). However, there is no guarantee that Eligible Shareholders who apply for Additional Shares under this Shortfall Facility will receive all or any of the Additional Shares. The Entitlement Offer is partially underwritten by two Directors, Arnaud Massenet (up to \$202,884.62) and Michael Everett (up to \$31,352.75) (**Underwriters**) for collectively up to \$234,238.

The Directors reserve their right to alter the allocation policy and to allocate and issue Additional Shares under the Shortfall Facility at their discretion. Subject to any changes at the Directors' discretion, the allocation policy for Additional Shares subscribed for pursuant to the Shortfall Facility will be as follows:

- (a) Eligible Shareholders who have applied for Additional Shares through the Shortfall Facility will receive the Additional Shares they have applied for unless there is an oversubscription for Additional Shares through the Shortfall Facility, in which case Eligible Shareholders will receive Additional Shares on a pro rata basis having regard to their holdings as at the Record Date;
- (b) if any shortfall remains after the allocation to Eligible Shareholders as provided above, up to \$234,238 of the resulting shortfall will be acquired by the Underwriters, subject to the terms and conditions of the underwriting agreements (as summarised in Section E of this Booklet); and
- (c) if any shortfall remains, the resulting shortfall may be allotted at the discretion of the Board within 3 months of the Closing Date. In exercising this discretion, the Board will take into consideration a number of factors including the possible dilution to existing Shareholders, the financial needs of the Company, the issue price and the proposed use of funds.

Eligible Shareholders who apply for Additional Shares may be allocated a lesser number of Additional Shares than applied for, or may be allocated no Additional Shares at all, in which case excess Application monies will be refunded without interest.

Refund amounts in excess of \$1.00, if any, will be paid in Australian dollars. You will be paid by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders). Alternatively, you will be paid by direct deposit where the Registry holds bank account details in respect of your shareholding.

The Directors reserve their right to alter the allocation policy and to allocate and issue Additional Shares under the Shortfall Facility at their discretion.

If you wish to subscribe for Additional Shares in addition to your Entitlement, then you should nominate the maximum number of Additional Shares you wish to subscribe for on the Entitlement and Acceptance Form and make payment for your full Entitlement plus the Additional Shares (at A\$0.005 per Offer Share).

If your payment is being made by BPAY® or via electronic funds transfer:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations in that form; and
- (b) if your payment exceeds the amount payable for your full Entitlement, you are taken to have accepted your Entitlement in full and to have applied for such number of Additional Shares which is covered in full by your Application monies.

If you apply for Additional Shares under the Shortfall Facility and your Application is successful (in whole or in part) your Additional Shares will be issued at the same time as other Offer Shares are issued under the Entitlement Offer.

In addition, no Shares under the Entitlement Offer will be issued to any Eligible Shareholder if, in the view of the Directors, to do so would result in a breach of the ASX Listing Rules, the Corporations Act or any other applicable law.

9 Mail or deliver

It is important to note that the Entitlement Offer is scheduled to close at 5pm (AEDT) on 24 March 2020. To participate in the Entitlement Offer, your payment must be received no later than this date. Your completed Entitlement and Acceptance Form, together with Application monies, should be delivered as follows:

Mailing address:
AHAlife Holdings Limited
C/- Automic Group
GPO Box 5193
Sydney NSW 2001

Hand delivery address: **(Please do not use this address for mailing purposes)**
AHAlife Holdings Limited
C/- Automic Group
Level 5, 126 Phillip Street
Sydney NSW 2000

If your payment is being made by BPAY® or electronic funds transfer, you do not need to mail or deliver the personalised Entitlement and Acceptance Form.

10 If you wish to do nothing and allow your Entitlements to lapse

If you do not wish to take up your Entitlement, you can simply do nothing. As this Entitlement Offer is non-renounceable, you cannot trade your Entitlement on the ASX or any other exchange, nor can they be privately transferred.

If you have not completed your personalised Entitlement and Acceptance Form and it has not been received by the Registry at the address above by the Closing Date (or alternatively have not made a payment through BPAY® or by electronic funds transfer before that time), then your Entitlement will lapse.

11 Entitlement and Acceptance Form

A payment made through BPAY® or electronic funds transfer or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application monies constitutes a binding offer to acquire Offer Shares on the terms and conditions set out in this Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid Application for Offer Shares. The Company's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form, is final and binding.

By making a payment by BPAY® or electronic funds transfer, or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application monies, you will also be deemed to have given the following acknowledgements, representations and warranties on behalf of each person on whose account you are acting:

- (a) you acknowledge that you have read and understood this Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Booklet and the Company's Constitution;
- (c) you authorise the Company to register you as the holder(s) of Offer Shares allotted (and any Additional Shares, where applicable) to you;
- (d) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) you acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application monies via BPAY® or electronic funds transfer, you may not withdraw your Application or funds provided except as allowed by law;
- (g) you agree to apply for and be issued up to the number of Offer Shares specified in the personalised Entitlement and Acceptance Form (including any Additional Shares where applicable), or for which you have submitted payment of any Application monies via BPAY® or electronic funds transfer, at the Issue Price per Offer Share;
- (h) you authorise the Company, the Registry and their respective officers or agents to do anything on your behalf necessary for Offer Shares (and any Additional Shares, where applicable) to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;

- (i) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) you acknowledge that the information contained in this Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that Offer Shares (and any Additional Shares, where applicable) are suitable for you given your investment objectives, financial situation or particular needs;
- (k) you acknowledge that this Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (l) you acknowledge the statement of risks in the "Risk Factors" in Section D of this Booklet and that investments in the Company are subject to risk;
- (m) you acknowledge that none of the Company, its related bodies corporate, affiliates and directors, or their respective officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) you represent and warrant that the law of any place does not prohibit you from being given this Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for Offer Shares (or where applicable, Additional Shares) and that you are otherwise eligible to participate in the Entitlement Offer;
- (q) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue Offer Shares under the Entitlement Offer;
- (r) you acknowledge that the Offer Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws;
- (s) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States; and
- (t) you agree that, if in the future you decide to sell or otherwise transfer the Offer Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or who is acting for the account or benefit of a person in the United States.

12 Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for Offer Shares under the Entitlement Offer or for Additional Shares under the Shortfall Facility.

13 When will I receive my Offer Shares?

It is currently expected that the Offer Shares will be issued, and that confirmation of the issue of the Offer Shares will be dispatched, on or around 31 March 2020.

It is the responsibility of each Eligible Shareholder applying for Offer Shares to confirm their holding before trading in those Offer Shares (and any Additional Shares, where applicable) on a deferred settlement basis. Any person who sells Offer Shares before receiving confirmation of their holding in the form of their confirmation statement will do so at their own risk. The Company and the Registry disclaim all liability, whether in negligence or otherwise, to any person who trades in Offer Shares before receiving their confirmation statement, whether on the basis of a confirmation of allocation provided by the Company, the Registry, a broker or otherwise.

14 Enquiries

If you have any questions about whether to accept the Entitlement Offer, please consult your financial adviser, accountant or other professional adviser.

If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Registry on 1300 288 664 (callers within Australia) or +61 (0) 2 9698 5414 (callers outside Australia) or consult your financial or other professional adviser.

C. ANNOUNCEMENT

AHL

AHALIFE HOLDINGS LIMITED

28 February 2020 | ASX/Media Release

\$1m Placement & Launch of Non-Renounceable Entitlement Offer

AHALife Holdings Limited (Company or AHALife) is pleased to announce that:

- The Company has successfully completed a placement of new shares at an issue price of 0.5 cents per share to sophisticated and professional investors to raise approximately A\$1 million (before costs) (Placement).
- The Company is undertaking a partially underwritten 1 for 2 (1 new share for every 2 existing shares) non-renounceable pro-rata entitlement offer to raise up to a further A\$2.80 million (before costs) (Entitlement Offer).
- Each of the current Directors of the Company have agreed to participate in the Entitlement Offer, committing a total of up to approximately A\$575K which includes agreeing to underwrite part of the Entitlement Offer for an additional A\$230K above their entitlements.

The proceeds from the Placement and the Entitlement Offer will be used by the Company as follows:

- to invest in the Company's growth strategy;
- continue to support the recent launch of new Design Milk websites; and
- for general working capital purposes.

All shares issued under the Placement and the Entitlement Offer will rank equally with existing fully paid ordinary shares in the Company as of the date of this announcement.

Placement

The Company has agreed to issue 200,000,000 fully paid ordinary shares in the Company at an issue price of 0.5 cents per share to sophisticated and professional investors to raise A\$1,000,000 (before costs and expenses).

The Placement will be completed by utilising the Company's existing capacity as follows: 99,050,005 shares under ASX Listing Rule 7.1, and 100,949,995 shares under ASX Listing Rule 7.1A.

Entitlement Offer

The Company is undertaking a partially underwritten 1 for 2 (1 new share for every 2 existing shares) non-renounceable pro-rata entitlement offer to raise up to A\$2.80 million (before costs) via the issue of up to approximately 560,675,364 shares (subject to rounding) at an issue price of 0.5 cents per share, which is the same issue price as the Placement shares.

Each of the current Directors of the Company have agreed to participate in the Entitlement Offer, committing a total of up to approximately A\$575K which includes agreeing to underwrite part of the Entitlement Offer for an additional A\$130K above their entitlements.

The Entitlement Offer will be open to those shareholders of the Company on the share register as of the Record Date (Thursday, 5 March 2020):

- with a registered address in Australia or New Zealand; and
 - to those who are 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),
- (collectively, referred to as the Eligible Shareholders).

The Entitlement Offer is non-renounceable meaning the rights will not be traded on the ASX or otherwise be transferable. Eligible Shareholders who do not take up their entitlement in full or in part will not receive any value in respect of those entitlements not taken up.

Eligible Shareholders wishing to participate in the Entitlement Offer should carefully read the Entitlement Offer Booklet and accompanying personalised Entitlement and Acceptance Form which are expected to be dispatched on or around Tuesday, 10 March 2020. Copies of the Entitlement Offer Booklet will be available on the Company's ASX website.

The Entitlement Offer is currently scheduled to close on Tuesday, 24 March 2020; however, the timetable is subject to change and therefore shareholders are encouraged to lodge their applications ahead of the advertised Closing Date.

Key dates of the Placement and the Entitlement Offer

An indicative timetable for the Placement and the Entitlement Offer is provided below:

Event	Date*
Trading halt	Wednesday, 26 February 2020
Announcement of Placement and Entitlement Offer	Friday, 28 February 2020
Company is released from trading halt	Friday, 28 February 2020
Settlement of Placement	Friday, 28 February 2020
Issue of Placement Shares	Around Tuesday, 3 March 2020
Ex-date for Entitlement Offer	Wednesday, 4 March 2020
Record Date	Thursday, 5 March 2020
Entitlement Offer Opening Date	Tuesday, 10 March 2020
Dispatch of Booklet and Entitlement and Acceptance Form	
Closing Date	Tuesday, 24 March 2020
Entitlement Offer Shares quoted on a deferred settlement basis	Wednesday, 25 March 2020
Announcement of results of Entitlement Offer	Friday, 27 March 2020
Notification of any undersubscriptions	
Issue and allotment of Entitlement Offer shares (including to the Underwriters)	Tuesday, 31 March 2020
Dispatch of shareholding statements	Tuesday, 31 March 2020
New Shares commence trading on ASX	Wednesday, 1 April 2020

* Please note: The dates set out above are indicative only and are subject to change without notice. Any change in the timetable does not affect any rights or obligations a shareholder has as a result of accepting the Entitlement Offer.

This announcement has been authorised for release by the Board.

AHL
AHALIFE HOLDINGS LIMITED

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.

D. RISK FACTORS

This section identifies the areas the Directors regard as the main risks associated with an investment in the Company.

Eligible Shareholders should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Eligible Shareholders should read the whole of this Booklet and consult with their professional advisers for legal, business, financial or tax advice in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Offer Shares.

The following is a non-exhaustive summary of the key risks associated with an investment in the Company:

1 Specific Risks

(a) **History of operating losses:** The Company has incurred net losses every year and has yet to turn an operating profit since its inception in 2010. There is a risk that the Company may not achieve profitability in the future or at all. There is a possibility that the Company's operating expenses may continue to rise as it hires additional employees, increases its marketing efforts, expands its operations and continues to invest in the development of its technology platform, including new services and features for its customers. These costs may prove costlier than the Company had originally budgeted and the Company's revenue may not increase sufficiently to turn an operating profit and become cash flow positive.

(b) **Customers and competition:** The Company's business is built around attracting, retaining and increasing the engagement levels of its customers. There is a risk that failure to retain its customers may result in decreased revenue. The Company's market position and customer relationships may be affected by competitors. The luxury goods market and wider retail industry is highly competitive, and it is anticipated that competition will increase in the future. Although the Company will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the projects and business of the Company.

Many of these competitors will have longer operating histories, greater resources, better name recognition or more customers than the Company. The Company will be competing against these competitors for both customers and revenue. If it is unsuccessful in doing so, there will likely be a real material adverse impact on the Company as a result.

(c) **Significant dilution of existing Shareholdings in the Company:** Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced. The exact amount of dilution will depend on the level of shareholder participation. Given the structure of the Entitlement Offer (1 new Offer Share for every 2 existing Shares) this will mean that the dilution to existing Shareholders who do not take up their Entitlements in full may be significant. At completion of the Entitlement Offer, if the full Entitlement is taken up, it is anticipated that the Company's share capital will increase from 1,209,499,955 Shares (which includes the Placement Shares issued on 3 March 2020) to approximately 1,770,175,319 Shares. In circumstances where the Entitlement Offer is fully subscribed as a result of the Shortfall Facility being fully utilised, those Shareholders

who do not take up their Entitlement will have their percentage interest in the Company reduced by up to approximately 32% as compared to their percentage interest in the Company as at the Record Date.

- (d) **Constantly evolving operating environment:** The Company operates in the online design and lifestyle goods market and online retail market industries. These industries are characterised by rapidly changing technology, new service and product offerings and evolving consumer demands. Remaining innovative and developing new and unique offerings is costly and complex, which may erode the Company's competitive position in the industry, and adversely affect the growth and profitability of its business.
- (e) **Ability to attract and retain skilled personnel:** The responsibility of overseeing the day to day operations and the strategic management of the Company is substantially dependent upon its management and its key personnel. Whilst key personnel generally enter into service agreements with the Company, there may be a detrimental impact on the Company if they cease their employment or involvement with the Company. The future success of the Company also depends upon its continuing ability to attract and retain highly qualified personnel. Generally, the failure to attract and retain the necessary personnel could have a material effect upon the Company's business, results of operations and financial condition.
- (f) **Technology, other systems and security:** The Company generates revenue streams from operating an online marketplace. As a result, its ability to provide reliable services largely depends on the efficient and uninterrupted operation of its core technologies, which include software systems, its websites and hardware configurations. The Company's information technology environment is a complex one. The coding underlying the Company's digital marketplace platforms is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been released. It is also dependent on reliable telecommunication and information technology provision by third parties. The Company's core technologies and other systems operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, hacking, power or telecommunication provider failures, fire, natural disasters, terrorist acts, war, human error or court ordered injunction in the event of an alleged breach of third party intellectual property rights. Events of that nature may cause one or more of those core technologies to become unavailable due to the high level of integration between the disparate software systems that make up the Company's information technology environment. If the Company was to experience a significant security breach or systematic failure, then it is likely that its ability to deliver services to its customers could be delayed or interrupted. This in turn may impact its ability to attract and retain Customers, generate new business and protect its brand.
- (g) **Reliance on sellers:** Through its online marketplaces, the Company adopts an inventory-less model whereby it connects sellers with customers. Whilst the Company manages the overall integrity of the platform and marketplace, the Company relies on its sellers to provide a fulfilling experience to customers. If marketplace transactions do not proceed satisfactorily because of faults of the sellers, this may generate negative publicity for the Company. Whilst the Company endeavours to resolve such issues, they do not remain entirely within the Company's control. There is a risk that this could adversely affect the reputation of the marketplace and undermine its integrity.

- (h) **Payment systems dependent on third-party providers:** The Company has engaged third-party service providers to perform underlying card processing, currency exchange, identity verification and fraud analysis services. If these service providers do not perform adequately or if its relationships with these service providers were to terminate, the integrity of the Company's marketplaces may be compromised, which may hurt the Company's reputation and its business.

Furthermore, the laws and regulations related to payments are complex and vary across different jurisdictions. There is a risk that any adverse changes to the laws and regulations will materially affect the operations of the Company.

- (i) **Protection of intellectual property and associated costs:** Companies in the internet and technology industries (such as those in which the Company operates in) are frequently subject to litigation based on allegations of infringement or other violations of intellectual property rights. Moreover, the risk of being the subject of intellectual property claims rises as the Company gains greater public recognition. Litigation regarding intellectual property rights is inherently uncertain due to the complex issues involved, and the Company may not be successful in defending itself in such matters, if they arise. Costs associated with such actions could be substantial and materially adverse to the Company's financial position.

2 General Risks

- (a) **Nature of investment:** Any potential investor should be aware that subscribing for Offer Shares (and any Additional Shares, where applicable) involves risks. The Offer Shares (and any Additional Shares, where applicable) to be issued pursuant to this Entitlement Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those Offer Shares (and any Additional Shares, where applicable). An Applicant may not be able to recoup their initial investment. Specifically, the risks include:
- (i) the price at which the Applicant is able to sell the Offer Shares (and any Additional Shares, where applicable) is less than the price paid due to changes in market conditions; and
 - (ii) the Applicant is unable to sell the Offer Shares (and any Additional Shares, where applicable).
- (b) **Economic factors:** The operating and financial performance of the Company is influenced by a variety of general local and global economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.
- (c) **Exchange rates:** The Company may be exposed to rapid and material movements in exchange rates, which could affect its balance sheet and cash position. The risk is particularly pertinent to the Company as a majority of its income is derived from customers based in the United States.
- (d) **Business risks:** There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's operations.

- (e) **Future capital needs:** Further funding may be required to advance the business objectives of the Company or for working capital purposes. At present, the Company's marketplace is predominately generating revenue in the United States, but the Company continues to seek expansion into other markets. This will require significant investment to attract and retain new members, develop localised services and form relationships with local sellers and other third party service providers. There is a risk that despite efforts from the Company and its management, expansion efforts will fail, which will adversely affect the Company's growth and profitability. Moreover, there can be no assurance that additional funding will be available on satisfactory terms or at all. Any inability to obtain funding may adversely affect the financial condition of the Company and consequently, the value of its Shares.
- (f) **Share market conditions:** The price of the Company's Shares will be influenced by international and domestic factors which may cause the market price of the securities to fall and may be subject to varied and unpredictable influences on the market for equities. Shareholders should be aware that there are risks associated with any securities investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

E. ADDITIONAL INFORMATION

1 Placement

On 28 February 2020, the Company announced the raising of A\$1,000,000 via a placement of 200,00,000 Shares to sophisticated and professional investors at an issue price of \$0.005 (0.5 cents) per Share, being the same price as an Offer Share under Entitlement Offer.

2 Director Commitments

Each of the current Directors of the Company have agreed to participate in the Entitlement Offer. In particular, Arnaud Massenet and Michael Everett have agreed to take up their full Entitlements and partially underwrite the Entitlement Offer for up to approximately A\$234,238. The total amount committed by the Directors, including the partial underwritten amount, is at least A\$575,000. Further details of the partial underwriting is set out below.

3 Partial underwriting information

Arnaud Massenet (up to \$202,884.62) and Michael Everett (up to \$31,352.75) (**Underwriters**) have agreed to partially underwrite for collectively up to \$234,238 of the Entitlement Offer which comprises the shortfall. This is in addition to each of the respective Directors subscribing for their full entitlement under the Entitlement Offer.

As is customary for these type of arrangements, the Underwriters' obligations to partially underwrite the Entitlement Offer is subject to satisfaction of certain conditions and the usual representations and warranties.

In connection with the underwriting, there is no fee payable to the Underwriters by the Company.

4 Quotation and trading

The Company has lodged an Appendix 3B in relation to the Offer Shares in accordance with the ASX Listing Rules. Subject to lodgement of an Appendix 2A and approval being granted by ASX, it is expected that normal trading of Offer Shares will commence on or about 1 April 2020.

5 Ranking of Offer Shares

Offer Shares (including any Additional Shares) issued under the Entitlement Offer will rank equally with existing Shares on issue.

6 Withdrawal

The Company reserves the right to withdraw all or part of the Entitlement Offer at any time, subject to applicable laws. If the Company exercises this right, it will refund Application monies in relation to Offer Shares not already issued in accordance with the Corporations Act without the payment of interest.

7 Use of funds

If the Entitlement Offer is fully subscribed, the Company will raise A\$2.80 million (subject to rounding and before costs and expenses). The Company intends to apply the funds to the following purposes:

- (a) to invest in the Company's growth strategy;
- (b) continue to support the recent launch of new Design Milk websites; and
- (c) for general working capital purposes.

8 Effect on capital structure

Assuming that the Entitlement Offer (to raise up to approximately A\$2.80 million) is fully subscribed and all Offer Shares (including any Additional Shares) are issued and allotted, the Company's issued share capital will increase from 1,209,499,955 Shares (which includes the Shares issued under the Placement) to approximately 1,770,175,319 Shares (subject to rounding).

9 Potential effect on control

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 the Entitlement Offer is a pro-rata offer and the size of the partial underwriting is relatively small (approximately A\$234,238), the Entitlement Offer is not expected to have a material effect on the control of the Company. The risks associated with dilution and/or control are also set out in Section D of this Booklet.

The potential effect on control from the Entitlement Offer is summarised below:

- (a) If all Eligible Shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant 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.
- (c) The proportionate 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 that 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 the interests of shareholders of the Company who do not accept their entitlements in full, who do not apply for additional Shares under the Shortfall Facility, and shareholders of the Company who are not Eligible Shareholders.
- (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 Entitlements 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.

10 No cooling off rights

Cooling off rights do not apply to an investment in Offer Shares (nor to Additional Shares, where applicable). You cannot, in most circumstances, withdraw your Application once it has been accepted. Further, as the Entitlement Offer is non-renounceable, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

11 Taxation

The Directors do not consider it appropriate to give Eligible Shareholders advice regarding the taxation consequences of applying for Offer Shares (including any Additional Shares) under this Booklet.

Taxation implications will vary depending upon the individual circumstances of individual Eligible Shareholders. Eligible Shareholders are strongly recommended to obtain their own professional advice (including taxation advice) before deciding whether to accept the Entitlement Offer or apply for Additional Shares under the Shortfall Facility.

Neither the Company, nor any of its officers or employees or advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences, of the Entitlement Offer or the acquisition or disposal of securities in connection with the Entitlement Offer.

F. GLOSSARY

In this Booklet, the following capitalised terms have the following meanings (unless the context requires otherwise).

Additional Shares	Offer Shares which comprises the shortfall, which may be applied for by Eligible Shareholders in excess of their Entitlement.
Applicant	An Eligible Shareholder who submits an Entitlement and Acceptance Form.
Application	An application for Offer Shares lodged in accordance with the instructions in this Booklet and the Entitlement and Acceptance Form.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the market operated by it as the context requires.
ASX Listing Rules	The listing rules of the ASX.
Booklet	This entitlement offer booklet.
Closing Date	5pm (AEDT) on 24 March 2020, or such other date as the Company determines.
Company or AHL	AHAlife Holdings Limited ACN 006 908 701.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Eligible Shareholder	A Shareholder who is a registered holder of Shares on the Record Date with a registered address in Australia, New Zealand, United Kingdom or Jersey.
Entitlement and Acceptance Form	The personalised application form enclosed with this Booklet (Eligible Shareholders only).
Entitlement	The number of Offer Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer (ignoring the Shortfall Facility).
Entitlement Offer	The partially underwritten 1 for 2 (1 new Share for every 2 existing Shares) non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price set out in this Booklet and the Entitlement and Acceptance Form as announced by the Company to ASX on 28 February 2020.
Ineligible Shareholder	A Shareholder who is not an Eligible Shareholder.
Issue Date	31 March 2020, or such other date as the Company determines.

Issue Price	A\$0.005 (0.5 cents), being the price per Offer Share.
Offer Period	The period commencing on the Opening Date and ending on the Closing Date.
Offer Shares	The new Shares offered under the Entitlement Offer.
Opening Date	10 March 2020.
Record Date	7pm (AEDT) on 5 March 2020.
Register	The register of Shareholders.
Registry	Automic Pty Ltd.
Section	A section in this Booklet.
Securities Act	The United States <i>Securities Act of 1933</i> , as amended.
Share	A fully paid ordinary share in the Company.
Shareholder	A registered holder of a Share.
Shortfall Facility	The mechanism by which the Company may place the shares that comprise the shortfall as described in paragraph 8 of Section B.
Underwriters	Arnaud Massenet and Michael Everett.
U.S. Person	a “U.S. Person” as defined in Regulation S under the Securities Act.

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