

22 September 2017



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## **Completion of Placement, Launch of Fully Underwritten Renounceable Entitlement Offer and Board Changes**

AHALife Holdings Limited (ASX:AHL) (**Company** and **AHALife**) is pleased to announce that:

- The Company has successfully completed a placement of new shares at an issue price of 1.3 cents per share to certain sophisticated and professional investors to raise approximately A\$0.53 million (before costs) (**Placement**).
- The Company is undertaking a fully underwritten 2 for 1 (2 new shares for every 1 existing share) renounceable pro-rata Entitlement Offer to raise up to a further A\$5.35 million (before costs) (**Entitlement Offer**).
- The Company will raise a total amount of approximately A\$5.88 million (before costs) from the Placement and the Entitlement Offer.
- Arnaud Massenet, founding investor and previous board member of Net-A-Porter, will be joining the Board as a non-executive director from 1 October 2017. As part of his appointment, Mr. Massenet has agreed to subscribe for shares in the Placement and sub-underwrite a part of the Entitlement Offer.
- Christopher Colfer, current non-executive director of the Company, will assume the newly created role of Deputy Chairman from 1 October 2017, and will take a more active role in the overall running of the organisation. Mr Colfer has also agreed to sub-underwrite part of the Entitlement Offer.
- Each of the current and proposed Directors, CEO and CFO of the Company have agreed to take up their rights entitlement and subscribe for additional shares in the Entitlement Offer.

### **Placement**

The Company has agreed to issue 40,773,748 fully paid ordinary shares in the Company at an issue price of 1.3 cents per share to sophisticated and professional investors to raise A\$530,058 (before costs and expenses).

The Placement will be completed by utilising the Company's existing capacity under ASX Listing Rules 7.1 and 7.1A.

The issue price under the Placement represents the following discounts:

- 18.8% discount to the Company's last closing price of 1.6 cents (prior to entering into trading halt on 20 September 2017); and
- 22.1% discount to the 15-day trading VWAP of 1.668 cents (source: IRESS).

Funds raised from the Placement will be used by the Company to fund general working capital requirements.

Settlement of the Placement is expected to take place on or around Wednesday, 27 September 2017.

### **Entitlement Offer**

The Company is undertaking a fully underwritten 2 for 1 (2 new shares for every 1 existing share) renounceable pro-rata Entitlement Offer to raise up to A\$5.35 million (before costs) via the issue of up to approximately 411,892,834 shares (subject to rounding) at an issue price of 1.3 cents per share, which is the same issue price as the Placement shares.

The Entitlement Offer is fully underwritten by Blue Ocean Equities Pty Ltd (**Underwriter**). The Underwriter has entered into a series of priority and general sub-underwriting agreements with a number of non-associated sub-underwriters (**Sub-underwriters**), who will collectively commit up to the entire Entitlement Offer. Accordingly, as the clear majority of the Entitlement Offer will be sub-underwritten by a group of non associated Sub-underwriters, the Company is of the view that the Entitlement Offer will not affect the control of the Company, and no Shareholder, Underwriter or Sub-underwriter will individually obtain or exceed voting power of 20% or more, as a result of the Entitlement Offer.

The Sub-underwriters includes a group introduced by Christopher Colfer, who are each not associated with one another, and have committed to partially sub-underwrite the Entitlement Offer up to A\$2.96 million or approximately 55.3% of the Entitlement Offer. This group also includes investors of the Placement, Directors and key management of the Company. Accordingly, the overall subscription and commitment by this group represents up to A\$3.49 million or approximately 59.3% of the gross Entitlement Offer and Placement proceeds. Further details of the related parties and other notable sub-underwriters are set out below.

Each of the current and proposed Directors of the Company, the CEO and CFO have agreed to subscribe for their respective full entitlements under the Entitlement Offer, and have also agreed to subscribe for additional funds as sub-underwriters of the Entitlement Offer up to the value of A\$1.55 million. Including the amount subscribed for by Mr Massenet under the Placement as part of his appointment, the total subscription and commitment by these related parties and key management represents up to A\$1.7 million or approximately 28.9% of the gross Entitlement Offer and Placement proceeds.

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

- to fund the ongoing development of its leading on-line premium marketplaces [www.ahalife.com](http://www.ahalife.com) and [www.kaufmann-mercantile.com](http://www.kaufmann-mercantile.com);
- to invest in website engineering to improve user experience;
- to invest in selective marketing channels to grow traffic and revenue;
- to invest in improved usage of data and automation;
- to invest in initiatives to increase brand awareness; and
- to fund its general working capital requirements.

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

Eligible shareholders of the Company will only be those who are shareholders of the Company on the share register as of the Record Date (Friday, 29 September 2017):

- 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,
- (collectively, referred to as the **Eligible Shareholders**).

The Entitlement Offer is renounceable and the rights will be traded on the ASX and will be transferable.

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 3 October 2017. Copies of the Entitlement Offer Booklet will be available on the Company's ASX website.

### **Notable sub-underwriters**

Each of the sub-underwriters are sophisticated and/or professional investors, the majority of which have a deep understanding of e-commerce and marketplace platforms, including:

- Each of the current directors of the Company, which includes Christopher Colfer, who has extensive experience in eCommerce organisations and has taken a more active role in the strategy of the business since the senior management changes were announced in February 2017. Mr. Colfer was an investor in Net-A-Porter and served on its board for over eight years. Christopher also currently serves on the board of LYST, the global fashion search platform which has over 80 million shoppers annually from over 180 countries.
- Arnaud Massenet, founding investor and previous board member of Net-A-Porter, will join the Board of the AHAlife as a non-executive director from 1 October 2017.
- Sebastian Parcado, current President of Lane Crawford and previous CFO of Net-A-Porter.
- Mark Sebba, previous CEO of Net A Porter

Certain Sub-underwriters have requested that their maximum commitment amounts be fulfilled by the Company on a best endeavors basis. The combined maximum commitment of these Sub-underwriters is A\$3.49 million, including shares issued via the Placement. Practically, this means that after completion of the Entitlement Offer, which includes the fulfilment of any shortfall and underwriting (and sub-underwriting) commitments, to the extent that the maximum commitment amounts of each of these Sub-underwriters has not been fulfilled, the Company has agreed to use its best endeavors (subject to Shareholder approval if required) to take steps necessary to undertake an additional Placement to "top-up" each of their respective holdings up to their respective maximum commitment amount by either utilising its capacity (at the time, after completion of the Entitlement Offer) under Listing Rules 7.1 and/or 7.1A.

## **Key Dates of the Capital Raising**

<b>Event</b>	<b>Date</b>
Trading halt	Wednesday, 20 September 2017
Announcement of Placement and Entitlement Offer	Friday, 22 September 2017
Company is released from trading halt	Friday, 22 September 2017
Placement settles and issue of shares under Placement	Wednesday, 27 September 2017
Ex-date for Entitlement Offer and when Entitlement trading begins	Thursday, 28 September 2017
Record Date	7:00 p.m. (Sydney time) on Friday, 29 September 2017
Opening Date Dispatch of Booklet and Entitlement and Acceptance Form	Tuesday, 3 October 2017
Entitlement trading ends	Thursday, 5 October 2017
Shares quoted on a deferred settlement basis	Friday, 6 October 2017
Closing Date	5.00 p.m. (Sydney time) on Thursday, 12 October 2017
Notification of undersubscriptions	By Monday, 16 October 2017
Issue and allotment of shares under the Entitlement Offer (excluding shares to Underwriters and Sub-underwriters)	Wednesday, 18 October 2017
Dispatch of holding statements	Wednesday, 18 October 2017
New shares commence trading on ASX	Thursday, 19 October 2017
Issue of shortfall shares to the Underwriters and Sub-underwriters	Thursday, 26 October 2017

*\* 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 2001 (Cth) 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 under the Entitlement Offer.*

## **Changes to the Board of Directors**

The Board is pleased to advise that Arnaud Massenet will be joining the Board of AHAlife as a non-executive director from 1 October 2017. As part of his appointment, Mr Massenet has agreed to subscribe for shares under the Placement and sub-underwrite a part of the Entitlement Offer.

Arnaud Massenet is the CEO of de-pury.com, an online art platform which he started 2 years ago with Simon and Michaela de Pury. Mr Massenet is the former CEO and founding partner of Luma, a leading alternative managed account platform in Europe, which was established with Gottex Asset Management Group in 2010.

Mr Massenet is also a founding partner of the leading online fashion destination, Net-A-Porter group, and was an active board member for over 10 years. Mr Massenet has also worked for over 13 years in investment banking, with leading firms such as Morgan Stanley and Lehman Brothers.

Mr Massenet is a CPA and holds an MBA from UNCC (North Carolina).

Christopher Colfer, current non-executive director of the Company, will assume the newly created role of Deputy Chairman from 1 October 2017, and will take a more active role in the overall running of the organisation.

Mike Hill will continue to serve as Chairman and Michael Everett will remain on the Board as a non-executive director.

### **Trading update**

The proposed capital raising follows an extensive review of the business by the Board and management over the last 12 months to refine the operating model.

The company has made significant changes to its merchandising and marketing strategy, as well as management, which has led to an improvement in the underlying business and greater confidence in the direction of the business going forward. Over this period, the improvement has been evidenced in revenue growth, enhanced customer retention, higher conversion rates an improved customer experience and a greater return on advertising spend – all key metrics in assessing the performance of an on-line marketplace.

Importantly, this improvement has been achieved while reducing costs significantly and at the same time re-establishing year-on-year growth in revenue and sustaining the business' industry leading margins.

As a result of these changes in operations together with the addition of further industry wide expertise through the board and shareholder group, the company believes it is well placed to better scale the business on a more sustainable basis going forward.

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For further information, please contact:

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