

1. Company details

Name of entity:	AHAlife Holdings Limited
ABN:	15 006 908 701
Reporting period:	For the half-year ended 31 December 2019
Previous period:	For the half-year ended 31 December 2018

2. Results for announcement to the market

The consolidated entity has adopted Accounting Standard AASB 16 'Leases' for the half-year ended 31 December 2019 using the modified retrospective approach and as such the comparatives have not been restated.

			US\$
Revenues from ordinary activities	down	66.7% to	718,881
Loss from ordinary activities after tax attributable to the owners of AHAlife Holdings Limited	down	26.6% to	(930,695)
Loss for the half-year attributable to the owners of AHAlife Holdings Limited	down	26.6% to	(930,695)

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\$930,695 (31 December 2018: US\$1,267,915).

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	0.01	0.01

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 (if any):

The Interim Report of AHAlife Holdings Limited for the half-year ended 31 December 2019 is attached.

6. Signed

As authorised by the Board of Directors

A handwritten signature in blue ink, consisting of a series of connected loops and a final horizontal stroke.

Signed _____

Date: 28 February 2020

Mike Hill
Chairman
Sydney

AHAlife Holdings Limited

ABN 15 006 908 701

Interim Report - 31 December 2019

AHAlife Holdings Limited

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31 December 2019

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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 2019.

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:

Mike 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 sale of premium lifestyle and design products through multiple e-commerce platforms.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to US\$930,695 (31 December 2018: US\$1,267,915).

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

Significant changes in the state of affairs

In July 2019, AHAlife Holdings Limited completed a capital raising of US\$797,221 (before related costs) resulting in the issue of 161,301,742 ordinary shares.

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

Matters subsequent to the end of the financial half-year

On 26 February 2020, the Company announced that it was in the process of a capital raise.

No other matter or circumstance has arisen since 31 December 2019 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.

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



Mike Hill
Chairman

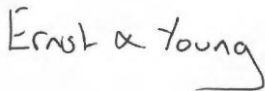
28 February 2020
Sydney

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

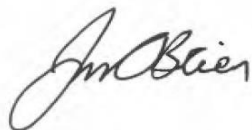
As lead auditor for the review of the half-year financial report of AHAlife Holdings Limited for the half-year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

- 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
Sydney
28 February 2020

AHAlife Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

		Consolidated	
	Note	31 Dec 2019 US\$	31 Dec 2018 US\$
Revenue			
Sale of goods		313,725	2,157,725
Advertising revenue		402,437	-
Total sales revenue	4	716,162	2,157,725
Cost of goods sold		(190,149)	(1,287,852)
Gross margin		526,013	869,873
Other income	5	-	176,130
Interest revenue calculated using the effective interest method		2,719	77
Expenses			
Employee benefit expenses		(866,795)	(765,715)
Marketing expenses		(180,808)	(603,763)
Technology expenses		(128,501)	(152,729)
Freight and warehousing expenses		(29,159)	(285,702)
Occupancy and administrative expenses		(7,218)	(311,158)
Professional fees		(140,036)	(66,165)
Depreciation and amortisation expenses		(50,205)	(69,333)
Other expenses		(52,606)	(55,894)
Finance costs		(4,099)	(3,536)
Loss before income tax expense		(930,695)	(1,267,915)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of AHAlife Holdings Limited		(930,695)	(1,267,915)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(46,708)	(33,577)
Other comprehensive income for the half-year, net of tax		(46,708)	(33,577)
Total comprehensive income for the half-year attributable to the owners of AHAlife Holdings Limited		(977,403)	(1,301,492)
		Cents	Cents
Basic earnings per share	11	(0.09)	(0.19)
Diluted earnings per share	11	(0.09)	(0.19)

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 2019

		Consolidated	
	Note	31 Dec 2019	30 June 2019
		US\$	US\$
Assets			
Current assets			
Cash and cash equivalents		352,791	796,265
Trade and other receivables		151,838	194,210
Inventories		59,611	68,186
Other		60,493	148,789
Total current assets		<u>624,733</u>	<u>1,207,450</u>
Non-current assets			
Property, plant and equipment		7,169	30,026
Right-of-use assets	7	19,798	-
Intangibles	6	1,245,833	1,258,333
Security deposits		18,431	57,140
Total non-current assets		<u>1,291,231</u>	<u>1,345,499</u>
Total assets		<u>1,915,964</u>	<u>2,552,949</u>
Liabilities			
Current liabilities			
Trade and other payables	8	385,072	951,805
Contract liabilities and deferred revenue		65,398	37,617
Lease liabilities		19,424	-
Other		21,748	84,877
Total current liabilities		<u>491,642</u>	<u>1,074,299</u>
Non-current liabilities			
Lease make-good provision		9,431	68,000
Rental security deposit		21,720	57,000
Total non-current liabilities		<u>31,151</u>	<u>125,000</u>
Total liabilities		<u>522,793</u>	<u>1,199,299</u>
Net assets		<u>1,393,171</u>	<u>1,353,650</u>
Equity			
Contributed equity	9	54,064,664	53,296,618
Reserves		1,198,302	1,105,646
Accumulated losses		<u>(53,869,795)</u>	<u>(53,048,614)</u>
Total equity		<u>1,393,171</u>	<u>1,353,650</u>

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 2019

Consolidated	Contributed equity US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2018	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>				
Share-based payments	-	78,083	-	78,083
Balance at 31 December 2018	<u>52,499,915</u>	<u>693,679</u>	<u>(51,673,288)</u>	<u>1,520,306</u>
Consolidated	Contributed equity US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2019	53,296,618	1,105,646	(53,048,614)	1,353,650
Adjustment for change in accounting policy (note 2)	-	-	109,514	109,514
Balance at 1 July 2019 - restated	53,296,618	1,105,646	(52,939,100)	1,463,164
Loss after income tax expense for the half-year	-	-	(930,695)	(930,695)
Other comprehensive income for the half-year, net of tax	-	(46,708)	-	(46,708)
Total comprehensive income for the half-year	-	(46,708)	(930,695)	(977,403)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 9)	768,046	-	-	768,046
Share-based payments	-	139,364	-	139,364
Balance at 31 December 2019	<u>54,064,664</u>	<u>1,198,302</u>	<u>(53,869,795)</u>	<u>1,393,171</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

AHAlife Holdings Limited
Statement of cash flows
For the half-year ended 31 December 2019

	Consolidated	
	31 Dec 2019	31 Dec 2018
	US\$	US\$
Cash flows from operating activities		
Receipts from customers	786,315	2,224,739
Payments to suppliers and employees	(1,509,406)	(3,367,116)
Interest received	2,719	77
Other income	-	171,084
Interest and other finance costs paid	(4,099)	(3,536)
Net cash used in operating activities	(724,471)	(974,752)
Cash flows from investing activities		
Payment of deferred consideration on acquisition of business	(500,000)	-
Payments for property, plant and equipment	-	(1,999)
Proceeds from release of security deposits	-	650
Net cash used in investing activities	(500,000)	(1,349)
Cash flows from financing activities		
Proceeds from issue of shares	797,221	-
Share issue transaction costs	(29,175)	-
Proceeds from sub-lease receivables	176,666	-
Repayment of lease liabilities	(163,715)	-
Net cash from financing activities	780,997	-
Net increase/(decrease) in cash and cash equivalents	(443,474)	(976,101)
Cash and cash equivalents at the beginning of the financial half-year	796,265	3,237,233
Cash and cash equivalents at the end of the financial half-year	352,791	2,261,132

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

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

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 28 February 2020. 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 2019 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 the annual report for the year ended 30 June 2019 and 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, except for the policies stated below.

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.

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 Interpretation 23: Uncertainty over Income Tax Treatments

Adoption of this interpretation did not have any material impact on the financial position or performance of the consolidated entity.

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets and an interest expense on the recognised lease liabilities. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Note 2. Significant accounting policies (continued)

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	1 July 2019
Operating lease commitments as at 1 July 2019 (AASB 117)	416,793
Operating lease commitments discount based on the weighted average incremental borrowing rate of 4% (AASB 16)	(10,915)
Lease benefit straight line lease adjustment under the previous accounting standards	(39,081)
Adjustments on account of sub-lease	109,514
Operating lease receivable as at 1 July 2019 (AASB 117)	(453,535)
Operating lease receivable discount based on the weighted average incremental borrowing rate of 4% (AASB 16)	11,870
Right-of-use assets recognised under AASB 16	<u>34,646</u>
Lease liabilities recognised - current	(326,682)
Lease liabilities recognised - non-current	(79,196)
Lease receivable on sub-lease recognised	441,665
De-recognition of lease benefit straight line lease adjustment under the previous accounting standards	<u>39,081</u>
Increase in opening retained profits as at 1 July 2019	<u><u>109,514</u></u>

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

During the period ended 31 December 2019, the consolidated entity incurred a net loss after tax of \$930,695 and a cash outflow used in operating activities of \$724,471. As at 31 December 2019, the consolidated entity had cash and cash equivalents of \$352,791, net assets of \$1,393,171 and net working capital of \$133,091.

The consolidated entity has prepared a detailed cash budget showing the need to generate increased revenue and additional capital funds in order to finance the consolidated entity for the next twelve months. This creates a material uncertainty that may cast a doubt as to whether the consolidated entity will continue as a going concern and, therefore, whether it will settle its liabilities and commitments in the normal course of business.

The directors have considered the funding and operational status of the business in arriving at their assessment of going concern and believe that the going concern basis of preparation is appropriate, based on the following:

- The ability to further vary cash outflows depending upon achievement of increased revenue; and
- The ability of the consolidated entity to obtain funding through equity issues which are currently being completed.

The directors have reasonable expectations that they will be able to generate additional revenue or raise the funds needed for the consolidated entity to continue to execute the business plan in the medium term. However, cashflows can be adjusted by controlling headcount and marketing expenses to ensure that the consolidated entity can pay its debts as and when they fall due until such funding is secured or increased revenue is achieved.

Should the consolidated entity not achieve the matters set out above, there is uncertainty whether the consolidated entity would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

Note 2. Significant accounting policies (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred. No other practical expedients have been applied by management.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Lease receivables

Lease receivables represent amounts due from lessee under a sub-lease arrangement. Lease receivables are recognised at an amount equal to the net investment in the lease. Interest revenue is recognised over the lease term, based on a pattern reflecting the implicit rate of return on the consolidated entity's net investment in the lease

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity's operating segments are 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.

The directors have determined that there is one operating segment identified and located in the United States of America. The information reported to the CODM is the consolidated results of the consolidated entity.

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. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2019 US\$	31 Dec 2018 US\$
<i>Major product lines</i>		
Sale of goods	313,725	2,157,725
Advertising revenue	402,437	-
	<u>716,162</u>	<u>2,157,725</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	313,725	2,157,725
Services transferred over time	402,437	-
	<u>716,162</u>	<u>2,157,725</u>

The revenue from contracts with customers is generated substantially all from the United States of America.

Note 5. Other income

	Consolidated	
	31 Dec 2019 US\$	31 Dec 2018 US\$
Rental income	-	176,130

Note 6. Non-current assets - intangibles

	Consolidated	
	31 Dec 2019 US\$	30 June 2019 US\$
Goodwill - at cost	286,666	286,666
Trade name and trademarks - at cost	730,000	730,000
Customer relationships - at cost	250,000	250,000
Less: Accumulated amortisation	(20,833)	(8,333)
	<u>229,167</u>	<u>241,667</u>
	<u>1,245,833</u>	<u>1,258,333</u>

Note 6. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill US\$	Trade name and trademarks US\$	Customer relationships US\$	Total US\$
Balance at 1 July 2019	286,666	730,000	241,667	1,258,333
Amortisation expense	-	-	(12,500)	(12,500)
Balance at 31 December 2019	286,666	730,000	229,167	1,245,833

Note 7. Non-current assets - right-of-use assets

	Consolidated 31 Dec 2019 US\$	30 June 2019 US\$
Right-of-use - at cost	34,646	-
Less: Accumulated depreciation	(14,848)	-
	19,798	-

The consolidated entity has leased office premises under an operating lease expiring in September 2020. The lease has various escalation clauses. On renewal, the terms of the leases are renegotiated.

New York lease and sub-lease:

In addition to the above, at 1 July 2019, the consolidated entity held a New York office lease that was subleased with similar terms as the original lease and which was recognised as a lease receivable. As at 1 July 2019, the sub-lease agreement was classified as a finance lease. In December 2019, the New York lease agreement and the sub-lease agreement were terminated and lease receivable derecognised.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Office premises \$'000
Balance at 1 July 2019	-
Adoption of AASB 16 on 1 July 2019	34,646
Depreciation expense	(14,848)
Balance at 31 December 2019	19,798

Note 8. Current liabilities - trade and other payables

	Consolidated 31 Dec 2019 US\$	30 June 2019 US\$
Trade payables	130,769	229,039
Accrued expenses	254,303	222,766
Deferred consideration on acquisition of business	-	500,000
	385,072	951,805

Note 9. Equity - contributed equity

	Consolidated			
	31 Dec 2019	30 June 2019	31 Dec 2019	30 June 2019
	Shares	Shares	US\$	US\$
Ordinary shares - fully paid	<u>1,009,499,955</u>	<u>848,198,213</u>	<u>54,064,664</u>	<u>53,296,618</u>
<i>Movements in ordinary share capital</i>				
Details	Date	Shares	US\$	
Balance	1 July 2019	848,198,213	53,296,618	
Shares issued on capital raising	19 July 2019	152,440,065	753,892	
Shares issued on capital raising	24 July 2019	8,861,677	43,329	
Share issue transaction costs, net of tax		-	(29,175)	
Balance	31 December 2019	<u>1,009,499,955</u>	<u>54,064,664</u>	

Note 10. 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 11. Earnings per share

	Consolidated	
	31 Dec 2019	31 Dec 2018
	US\$	US\$
Loss after income tax attributable to the owners of AHAlife Holdings Limited	<u>(930,695)</u>	<u>(1,267,915)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>993,479,631</u>	<u>677,360,673</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>993,479,631</u>	<u>677,360,673</u>
	Cents	Cents
Basic earnings per share	(0.09)	(0.19)
Diluted earnings per share	(0.09)	(0.19)

Note 12. Events after the reporting period

On 26 February 2020, the Company announced that it was in the process of a capital raise.

No other matter or circumstance has arisen since 31 December 2019 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.

AHAlife Holdings Limited
Directors' declaration
31 December 2019

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 2019 and of its performance for the financial half-year ended on that date; and
- 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



Mike Hill
Chairman

28 February 2020
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 2019, 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 2019 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*.

Emphasis of matter - material uncertainty related to going concern

We draw attention to Note 2 Going Concern in the financial report which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. These events or conditions indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our review conclusion is not modified in respect of this matter.

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.

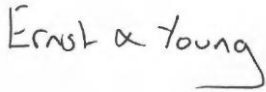
Auditor's Responsibility

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 2019 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 AHAlife Holdings Limited a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

A handwritten signature in black ink that reads "Ernst & Young". The signature is written in a cursive, flowing style.

Ernst & Young

A handwritten signature in black ink that reads "Julian M. O'Brien". The signature is written in a cursive, flowing style.

Julian M. O'Brien
Partner
Sydney
28 February 2020

AHAlife Holdings Limited
Corporate directory
31 December 2019

Directors	Mike 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 Tel: 1300 266 517 or +61 2 8072 1400
Principal place of business	Suite 205, 939 N High Street Columbus, OH 43201 United States of America
Share register	Level 5, 126 Phillip Street, Sydney, NSW 2000 Tel: 02 9698 5414 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)
Website	www.ahalife.com www.kaufmann-mercantile.com www.design-milk.com