

17 March 2015

INT Corporation Ltd
ASX Code: INT



**INT SIGNS EXCLUSIVE CONDITIONAL LETTER OF INTENT TO ACQUIRE AHALIFE HOLDINGS INC,
A NEW YORK BASED LUXURY DIGITAL MARKETPLACE PLATFORM**

The board of INT Corporation Limited (ASX:INT) ("INT") is pleased to announce that it has executed an exclusive Letter of Intent to acquire 100% of the issued capital in emerging US based technology company, AHALife Holdings Inc ("AHLife" or the "Company").

BUSINESS HIGHLIGHTS ¹

- ✔ AHLife is a unique luxury digital marketplace and technology platform where consumers are connected with over 2,000 curated luxury designers and artisans across more than 45 countries.
- ✔ Since its foundation, AHLife has attracted a high quality investment group, who have committed over US\$23M of development funding up to the announcement of this transaction.
- ✔ Existing investors and current board members of AHLife include the former CEO of Saks Fifth Avenue, current CEO's of Rakuten, Net-a-Porter, William Morris Endeavour and VIP Shop, Former Chairman of LVMH North America and US based venture capital firms DCM and FirstMark Capital.
- ✔ Funds invested to date have been applied towards building an audience of brands and consumers centered on a proprietary enterprise class technology platform that is highly scalable and capable of supporting rapid revenue expansion.
- ✔ AHLife boasts a dynamic leadership team with extensive experience gained from prior work with leading technology companies including 33Across, LucidMedia (acquired by Videology), AOL, yp.com, Amazon.com, IBM and AMEX Publishing.
- ✔ The Company completed its technology platform and prioritised its efforts on the development of its digital marketplace in May 2014. AHLife's revenue has grown rapidly since to generate US\$3.05m (A\$3.8m) for the period ending December 2014, which included US\$1.2m (A\$1.55m) in Q4 2014. The Company currently has a monthly cash requirement of approximately US\$350k per month which is expected to improve with growth in revenue.
- ✔ AHLife uses a drop ship model and therefore doesn't carry inventory risk. Given the luxury segment, AHLife earns attractive gross margins after providing free shipping to all US customers.

1. Refer AHLife Business Overview Presentation dated 17 March 2015 for further information prepared by AHLife management.

TRANSACTION HIGHLIGHTS

- ✔ Letter of Intent (LOI) signed to enter into a Reverse Merger Agreement to acquire 100% of AHLife Holdings Inc, the owner of AHLife.com.
- ✔ Subject to shareholder vote, AHLife shareholders will be issued approximately 2.1bn shares in INT valued at A\$37m and will result in AHLife shareholders controlling approximately 70% of the combined entity post fund raising and completion.
- ✔ The proposed transaction contemplates a capital raising of a minimum of A\$13m which will be undertaken concurrently with the transaction. Funds raised will be used for working capital purposes to allow further extension of AHLife's customer acquisition strategy, including marketing and global expansion.

BUSINESS OVERVIEW

Founded in New York, AHAlife has developed a luxury digital marketplace platform which offers consumers the opportunity to purchase high quality goods directly from a network of boutique luxury lifestyle brands from all over the world.

In October 2013, Bain & Company estimated the on-line luxury market to be A\$14bn, which is growing faster than the total global luxury lifestyle market estimated to be A\$310bn². The global luxury market is a subset of the much larger online mass retail market. AHAlife is focussed on the curated luxury end of the online retail market which remains open by comparison to the mass market orientated segment targeted by companies such as Etsy, Amazon and ebay.

AHAlife is a curated destination for discovering over 2,000+ designers and artisans from 45+ countries. The business searches the globe to find exceptional, quality objects for every aspect of its customer's lives. AHAlife appoints a selected number from the hundreds of applications per month it receives from brands applying to join its network.

The AHAlife team curates the brand applications in addition to targeting specific brands and also leverages its network of 'tastemaker curators' to find the best quality unique luxury lifestyle brands. AHAlife represents the sole or primary direct-to-consumer vehicle for the majority of brands featured in the marketplace.

The company has received multiple rounds of funding to date from leading industry participants across venture capital, fashion, luxury and lifestyle industries to build a highly scalable enterprise strength "marketplace platform". Through the agreement with INT and a public listing on the ASX, AHAlife seeks to raise sufficient funds to accelerate its customer acquisition strategy and leverage its digital platform. The Australian market represents AHAlife's forth largest revenue market behind the USA, Canada and the United Kingdom.

2. Bain & Co Oct 2014 Annual Global Luxury Study

EXTENSIVE TECHNOLOGY PLATFORM

AHAlife's technology capability offers distinct advantages to independent designers and artisans to thrive online. After significant investment over the last three years, this proprietary technology platform includes the following characteristics:

- ✔ **Scalability** – the platform offers operational leverage to capitalize on growth without seeing much increase in the 'cost of doing business' due to scalability of infrastructure. Benefits include:
 - ✔ Enterprise class software built to handle 10,000+ transactions per minute;
 - ✔ Platform supports internationalization and can scale globally; and
 - ✔ Designed to grow both horizontally and vertically with built-in fault tolerance.
- ✔ **Extensibility** – Fast time to market, able to quickly adapt to changes in market forces, and eCommerce roadmap can be built independently of other segments. Benefits include:
 - ✔ Proprietary technology built internally from ground up;
 - ✔ Extensible design built on service oriented architecture; and
 - ✔ All services are exposed in the form of white labeled APIs.
- ✔ **Data** – Highly targeted offers, personalized customer experience, analytics and insights for Brands. Benefits include:
 - ✔ All aspects of consumer and brand interactions within marketplace are anonymously recorded and stored for analysis to create more meaningful and efficient consumer interactions;
 - ✔ Data analytics and insights for brands and marketing are computed using proprietary data warehouse and Hadoop; and
 - ✔ Consumer personalization and recommendation is done using machine learning algorithms.

CONDITIONS IN THE LETTER OF INTENT

INT and AHALife have signed binding enforceable exclusivity and confidentiality provisions, the remainder of the terms and conditions described below are non-binding. The proposed transaction set out in the LOI sets out the commercial terms of the proposed Reverse Merger Agreement which remain subject to satisfaction of various conditions precedent, including:

- ✔ A share purchase agreement is entered into delivering 100% of the shares in AHALife to INT;
- ✔ INT being satisfied, to its sole satisfaction, upon the completion of its due diligence investigations on AHALife;
- ✔ INT obtaining all necessary regulatory and shareholder approvals under the ASX Listing Rules, Corporations Act 2001 (Cth) (Corporations Act) or any other law to allow lawful completion of the acquisition of AHALife. This will include a re-compliance with Chapters 1 & 2 of the ASX Listing Rules;
- ✔ INT and AHALife undertaking a consolidation of its securities at a ratio to be determined as necessary to re-comply with ASX Listing Rules (if required);
- ✔ INT undertaking a capital raising pursuant to a prospectus to raise not less than AUD\$13,000,000;
- ✔ Ms. Shauna Mei and Mr Sachin Devand entering into executive services agreements with INT; and
- ✔ Completion of a board restructure to include the appointment of four (4) new AHALife nominated company directors. From completion, the INT Board will comprise of up to six (6) directors, of which INT will be entitled to nominate up to (2) directors.

ACQUISITION TERMS, CAPITAL RAISING AND EXECUTIVE INCENTIVE SCHEME

AHALife Holdings Inc has been valued at A\$37m in consideration for INT scrip. In exchange for 100% of the issued capital in AHALife Holdings Inc., INT agrees to issue 2,114,285,714 INT Shares (pre consolidation basis) at AUD\$0.0175 per share to the shareholders of AHALife, which will be subject to ASX escrow provisions.

In order to provide working capital for growth, INT will undertake a minimum capital raising of A\$13,000,000. BlueOcean Equities has been appointed Lead Manager to the Capital Raising.

In addition to the consideration referred to above, an equity incentive plan (Incentive Scheme) for executive management and certain key employees will be implemented. This incentive scheme will be subject to shareholder approval and would consist of a mix of options, performance rights and loan shares. Final details of the Incentive Scheme will be agreed as part of the INT due diligence process. However, the commercially agreed principles will be to set minimum vesting periods between two and four years at prices higher than the last AHALife private Series C fund raising process which was conducted in 2013 where the Company was valued at US\$54m post money.

INDICATIVE TIMETABLE

The indicative timetable for completion of the transaction and INT's re-compliance with the ASX listing rules is outlined below:

Event Date	
Execute Letter of Intent	16 March 2015
Execute Merger Agreement	April 2015
Due diligence completion	April 2015
Despatch Notice of Meeting	April 2015
General Shareholder Meeting	May 2015
Lodgement of prospectus with ASIC	May 2015
Closing date of offer under the prospectus	June 2015
Despatch holding statements	June 2015
Re-quotation of shares on ASX	June 2015

This timetable is indicative only and subject to change.

INT CAPITAL STRUCTURE (Pre Transaction)

Shares	278,896,636
Options (Various vesting terms)	90,500,000

INT CAPITAL STRUCTURE (Post Transaction)

Existing Shares	278,896,636
Consideration shares AHAlife.com	2,114,285,714
New shares issued \$13m Capital Raising	TBD
Existing Options	90,500,000
New Incentive Scheme	TBD

INT may undertake a consolidation of its securities at a ratio to be determined as necessary to re-comply with ASX Listing Rules.

INFORMATION RELIANCE

The information relating to AHAlife contained in this announcement has been provided by the management of AHAlife to INT. INT has not completed due diligence on AHAlife, as such INT does not accept any responsibility for its inaccuracy, misstatement or any omission in relation thereto.

CONTACT FOR FURTHER INFORMATION

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