

INT Corporation Limited  
(ACN 006 908 701)

**To be renamed to AHAlife Holdings Limited**

# aha<sup>life</sup>

## PROSPECTUS

For the offer of 44,222,222 New Shares at an issue price of 45 cents (\$0.45) per New Share to raise \$19.9 million **(General Offer)**.

Lead Manager and underwriter  
to the General Offer



Legal adviser to the Offers





This Prospectus also contains the following offers of:

- up to 96,539,034 Consideration Shares and up to 9,174,906 Consideration Options to the AHAlife Vendors in consideration for the acquisition of all the diluted capital in AHAlife Holdings Inc. (**Vendor Offer**); and
- up to 4,000,000 Loan Shares, up to 5,000,000 Executive Options, up to 5,000,000 Performance Options, and 5,000,000 Performance Rights to certain proposed key management of the Company (**Incentive Securities Offer**).

Completion of all the Offers under this Prospectus is conditional upon satisfaction of certain conditions (which are set out in Section 3.1 of this Prospectus) including Shareholders of the Company passing all the Resolutions at the Extraordinary General Meeting to be held on 7 July 2015 (**EGM**). The Resolutions include a proposed 20 for 1 consolidation (**Consolidation**). All securities offered under this Prospectus are described and offered on a post-Consolidation basis.

#### IMPORTANT NOTICE

This is an important document that should be read in its entirety. If you are in any doubt as to the course you should follow you should consult your stockbroker, solicitor, accountant or other professional adviser.

**The Securities offered under this Prospectus should be considered a highly speculative investment.**

# CORPORATE DIRECTORY

## **Current Board of Directors**

Mr Mike Hill, Executive Chairman  
Mr Michael Everett, Non-Executive Director  
Mr Philip Kapp, Non-Executive Director  
Mr Jonathan Pager, Non-Executive Director

## **Proposed Board of Directors<sup>(a)</sup>**

Mr Mike Hill, Non-Executive Chairman  
Ms Shauna Mei, Chief Executive Officer and  
Executive Director  
Mr Sachin Devand, President, Chief Technology  
Officer and Executive Director  
Mr Michael Everett, Non-Executive Director

## **Company Secretary**

Mr Andrew Whitten

## **Registered Office**

c/- Whittens & McKeough Pty Ltd  
Level 5, 137-139 Bathurst Street  
Sydney NSW 2000

## **ASX Code**

Current: INT

Proposed: AHL

## **Website**

Current: [www.intcorporation.com.au](http://www.intcorporation.com.au)

Proposed: [www.ahalife.com](http://www.ahalife.com)

## **Legal adviser to the Offers**

Whittens & McKeough Pty Ltd  
Level 5, 137-139 Bathurst Street  
Sydney NSW 2000

## **Lead Manager and underwriter to the General Offer**

Blue Ocean Equities Pty Ltd  
AFSL 412765  
Level 39, Aurora Place  
88 Phillip Street  
Sydney NSW 2000

## **Investigating Accountant**

Stantons International Securities Pty Ltd  
Level 8  
20 Hunter Street  
Sydney NSW 2000

## **Share Registry**

Link Market Services Limited  
Level 12  
680 George Street  
Sydney NSW 2000

## **Auditor**

Stantons International Audit and Consulting Pty Ltd  
Level 8  
20 Hunter Street  
Sydney NSW 2000

<sup>(a)</sup> At the EGM of the Company to be held on 7 July 2015, Shareholders of the Company will be asked to approve the Proposed Transaction, which will include the composition of the New Board

ahalife



# TABLE OF CONTENTS

Corporate Directory	3
Key Offer Information	6
Important Information	7
Chairman's Letter	10
Founder's Letter	11
<b>Section 1</b> – Investment Overview	13
<b>Section 2</b> – Proposed Transaction Overview and Key Individuals, Interests & Benefits	27
<b>Section 3</b> – Details of the Offers	37
<b>Section 4</b> – Industry Overview	49
<b>Section 5</b> – AHAlife Overview	63
<b>Section 6</b> – Risks	81
<b>Section 7</b> – Financial Information and Investigating Accountant's Report	87
<b>Section 8</b> – Material Contracts	115
<b>Section 9</b> – Rights and Liabilities attaching to Securities	123
<b>Section 10</b> – Additional Information	133
<b>Section 11</b> – Corporate Governance Policy	139
<b>Section 12</b> – Definitions	141
<b>Section 13</b> – Statement of Directors	145
<b>Section 14</b> – Application Forms	146

# KEY OFFER INFORMATION

Indicative Timetable	Date
Lodgement of Prospectus with ASIC	24 June 2015
Opening Date of the Offers	1 July 2015
Suspension of the Company's Securities from trading on the ASX (at the close of trade)	6 July 2015
Extraordinary General Meeting	7 July 2015
Closing Date of the Offers	8 July 2015
Allotment of Securities under the Notice of Meeting and Prospectus	23 July 2015
Completion of Proposed Transaction	24 July 2015
Effective date for change of name and change of ASX code	24 July 2015
Pre-quotation disclosure to ASX	27 July 2015
Anticipated date the suspension is lifted and the Company's Securities re-commence trading on ASX	31 July 2015

The above dates, other than the date of lodgement of Prospectus with ASIC and the date of the Extraordinary General Meeting, are indicative only and each or any of them may be varied without notice.

**NB: The Offers for all the Securities under this Prospectus is subject to Shareholder approval at the Extraordinary General Meeting to be held on 7 July 2015.**

## Key Statistics of the Offers

Issue Price per New Share	\$0.45
Total number of New Shares issued under the General Offer	44,222,222 <sup>(b)</sup>
Cash proceeds to be received under the General Offer	\$19,900,000
Number of Consideration Shares issued under the Vendor Offer	96,539,349
Number of Loan Shares issued under the Incentive Securities Offer	4,000,000
Number of existing Shares on issue (post-Consolidation)	13,894,832
Total number of post-Consolidation Shares on issue at listing on ASX	158,656,403
Market capitalisation at Issue Price (\$0.45) <sup>(a)</sup>	\$71,395,381
Ownership of General Offer investors following completion of the Offers	27.87%
Options and performance rights on issue following completion of the Offers	28,702,406

Notes:

- (a) Market capitalisation is usually determined by multiplying the number of Shares on issue by the price that the Shares trade on the ASX from time to time. For indicative purposes only, market capitalisation assumes the Issue Price as shown. Shares may not trade at the Issue Price after re-instatement to the ASX. If Shares trade below the Issue Price, the market capitalisation will be lower than the amount shown.
- (b) The Company reserves the right to accept Oversubscriptions of up to \$1,500,000 through the issue of a further 3,333,333 New Shares, which will be issued utilising the Company's existing capacity under Listing Rules 7.1 and 7.1A. The maximum amount that may be raised under this Prospectus is therefore \$21,400,000 by the issue of 47,555,555 New Shares.



## IMPORTANT INFORMATION

### Proposed Transaction and re-compliance with Chapters 1 and 2 of the Listing Rules

A Notice of Meeting (**NOM**) has been despatched to Shareholders of INT Corporation Limited (**INT** or the **Company**), with respect to an Extraordinary General Meeting scheduled to be held on 7 July 2015 (**EGM**).

At the EGM, Shareholders will be asked to approve Resolutions that will allow the Company to acquire 100% of the diluted capital in a US-based technology business, AHAlife Holdings Inc. (**AHAlife**). The proposed acquisition of AHAlife is referred to as the **Proposed Transaction** in this Prospectus.

As part of the Proposed Transaction, the Company proposes to change its name to “AHAlife Holdings Limited” and also change its ASX ticker code from “INT” to “AHL”.

Completion of the Proposed Transaction will change the scale and nature of the Company’s activities. Accordingly, in the event that Shareholders approve all the Resolutions at the EGM, the Company’s securities will be suspended until the Company has re-complied with the admission requirements of Chapters 1 and 2 of the Listing Rules.

This Prospectus is issued to assist the Company to re-comply with these requirements, to qualify the Consideration Shares issued to the AHAlife Vendors under the Vendor Offer for secondary trading (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX), and to remove the need for an additional disclosure document to be issued upon the sale or exercise (if applicable) of the Consideration Options and Incentive Securities (including Shares that may be issued on exercise (if applicable) on exercise or vesting of the Consideration Options and Incentive Securities) issued under this Prospectus.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotations on the ASX. In the event that the conditions to the Offers are not satisfied or the Company does not receive conditional approval for re-quotations on the ASX then the Company will not proceed with the Offers and will repay all Application Monies received.

### Date and Lodgement of Prospectus

This Prospectus is dated 24 June 2015 and was lodged with ASIC on 24 June 2015. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The Company has issued both a printed and an electronic version of this Prospectus and the electronic version may be accessed at [www.intcorporation.com.au](http://www.intcorporation.com.au).

No person or entity is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus that is not contained in this Prospectus. Any information or representation in relation to the Offers not contained in this Prospectus may not be relied on as having been authorised by the Company or the Directors of the Company in connection with the Offer. The information on the official website of the Company [www.intcorporation.com.au](http://www.intcorporation.com.au) does not form part of this Prospectus.

## Risk Factors

This Prospectus should be read in its entirety. The Board considers an investment in the Securities offered under this Prospectus to be speculative and recommends that you seek professional advice from an accountant, stockbroker, solicitor or other professional adviser before deciding whether or not to subscribe for the Shares offered by this Prospectus. There is no guarantee that the Securities offered under this Prospectus will provide a return of capital, lead to payment of a dividend or that there will be any capital increase in the value of the Shares. Potential Applicants are referred to Section 6 of this Prospectus for a summary of these risk factors.

No Shares will be issued on the basis of this Prospectus after its expiry date, being 13 months after the date of this Prospectus. Application will be made within 7 days after the date of issue of this Prospectus for permission for the Shares offered by this Prospectus to be listed for quotation on the ASX. The Shares issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

### Foreign offer restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify any Securities being issued in the Offers (which includes the New Shares, Consideration Shares, Consideration Options and Incentive Shares), or to otherwise permit a public offering of such Securities in any jurisdiction outside Australia.

Subject to restrictions set out in Section 3.14 of this Prospectus, the Company and the Lead Manager reserve the right to offer Securities to Overseas Applicants in the jurisdictions below, where to do so would not be a breach of the securities law requirements of the relevant jurisdiction under the Offers.

For further information on all the restrictions for Overseas Applicants, please refer to Section 3.14 of this Prospectus). Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus may not be distributed outside Australia, except as set out below and in Section 3.14 of this Prospectus.

#### United States

This Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States, other than in respect of the Consideration Shares and Consideration Options to be issued to the AHAlife Vendors in the United States under the Vendor Offer, and in respect of the Incentive Securities to be issued to Ms Shauna Mei and Mr Sachin Devand under the Incentive Securities Offer. None of the Securities to be offered and sold under the Offers have been, or will be, registered under the U.S. Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction in the United States, and, accordingly, they may not be offered or sold, directly or indirectly, in the United States, except to the AHAlife Vendors under the Vendor Offer, and to Ms Mei and Mr Devand under the Incentive Securities Offer, in each case pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.





### *People's Republic of China*

This Prospectus may only be distributed or released, in whole or in part, and the securities under the Vendor Offer may only be offered or sold, directly or indirectly, to AHALife Vendors (whom are based in the PRC) who are “qualified domestic institutional investors” as approved by a relevant PRC regulatory authority to invest in overseas capital markets.

### *United Kingdom*

This Prospectus, its contents and any documents relating to the Offers have not 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 securities under the Offers. This document is issued on a confidential basis to “qualified investors” (within the meaning section 86(7) of the FSMA) in the United Kingdom, and the securities under the Offers may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA.

### *Singapore*

This Prospectus and any document or materials in connection with the General Offer, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) an “institutional investor” under section 274 of the SFA; (b) a “relevant person” pursuant to section 275(1) of the SFA; (c) any person pursuant to an offer referred to in section 275(1A) of the SFA; or (d) pursuant to and in accordance with the conditions of any other applicable provision of the SFA.

### *Hong Kong*

The Company has not offered or sold, and will not offer or sell in Hong Kong, by means of any document (including this Prospectus and any documents issued in connection with it), any of the New Shares under the General Offer, other than: (a) to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (**SFO**) and any rules under the SFO or as otherwise permitted under the Seventeenth Schedule of the Companies Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance or which do not constitute an offer to the public within the meaning of the Companies Ordinance.

## **Electronic Prospectus**

This Prospectus will be issued in paper form and as an electronic Prospectus. A copy of this Prospectus can be downloaded at the Company’s website: [www.intcorporation.com.au](http://www.intcorporation.com.au). Persons who receive the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. During the Offer Period, any person may obtain a hard copy of this Prospectus free of charge by contacting the Company Secretary of the Company on +61 2 8072 1400.

Applications under the Offers may only be made on paper copies of the Application Form attached to or accompanying this Prospectus. The Application Form included in this Prospectus may only be distributed if it is included in, or accompanied by, a complete and unaltered copy of this Prospectus. The Application Form contains a declaration that the Applicant has personally received the complete and unaltered Prospectus prior to completing the Application Form. The Corporations Act prohibits any person from passing an Application Form to any other person unless it is attached to, or accompanied by, a complete and unaltered hard or electronic copy of this Prospectus. The Company reserves the right not to accept an Application Form from any person if it has reason to believe that when that person was given the Application Form, that person was not provided with a complete and unaltered copy of this Prospectus and any relevant supplementary or Prospectus. If you have received an Application Form for the Shares under the Offers without a complete and unaltered copy of this Prospectus, please contact the Company who will send you, free of charge, either a printed or an electronic version of this Prospectus.

## **Exposure Period**

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement of this Prospectus with ASIC. This period may be extended by ASIC for a further period of 7 days. The purpose of this Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on Applications received during the Exposure Period and all Applications received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

## **Forecasts and Forward-Looking Statements**

This Prospectus includes, or may include, forward-looking statements including, without limitation, forward-looking statements regarding the Company’s and/or AHALife’s financial position, business strategy and plans and objectives for its projects and future operations (including development plans and objectives), that have been based on the Company’s and/or AHALife’s current expectations about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future events, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s and/or AHALife’s present and future business strategies, and the environment in which the Company will operate in the future. Matters not yet known to the Company and/or AHALife’s, or not “currently considered material to the Company, may impact on these forward-looking statements. Although the Company believes that the expectations reflected in the forward looking





statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements, and the Company does not assume responsibility for the accuracy and completeness of the statements. The statements reflect views held only as at the date of this Prospectus. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this Prospectus might not occur. Potential Applicants are therefore cautioned not to place undue reliance on these statements.

### Privacy Disclosure Statement

By completing an Application Form to apply for New Shares under the General Offer, you are providing personal information to the Company.

The Company, and the Share Registry on its behalf, collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration. If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company, which it considers may be of interest to you. Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Company's shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Securities and for associated actions.

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the Corporate Directory.

The Corporations Act requires the Company to include information about security holders (including name, address and details of securities held) in its public register. The information contained in the Company's public register must remain there, even if that person ceases to be a security holder. Information contained in the Company's public register is also used to facilitate distribution of payments and corporate communications (including financial results, annual reports and other information that the Company may elect to utilise to

communicate with its security holders) and compliance by the Company for legal and regulatory requirements. For instance, in certain circumstances details of security holder's names and holdings must be disclosed by the Company in its annual reports.

### Terms and Abbreviations

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used in this Prospectus are contained in the Definitions in Section 12 of this Prospectus.

### Currency

Unless otherwise noted in this Prospectus, all references to "\$" or "dollars" are to Australian dollars.

### Diagrams

Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

### Timetable

Notwithstanding any provision of this Prospectus, the Board may, from time to time and without giving any notice, abridge or further abridge, extend or further extend any period or vary or further vary any date referred to in this Prospectus for such period or to such later date as the Board thinks fit, whether or not the period to be extended has expired, or the date to be varied has passed.

### Consolidation and Shareholder approval

The Offers are subject to and conditional upon the Shareholders approving the 20 for 1 consolidation (**Consolidation**) at the EGM.

Unless otherwise stated, all references to Securities of the Company as set out in this Prospectus are on the basis that the Consolidation has taken effect.

Potential Applicants should note that all post Consolidated figures noted in this Prospectus are approximates only, and subject to rounding.

# CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Board, I am pleased to invite you to participate in the ownership and future growth of AHAlife Holdings Limited (name proposed to be changed from INT Corporation Ltd).

AHAlife is a sophisticated digital marketplace platform designed to connect premium products with discerning individuals searching for niche luxury manufacturers from around the globe. Headquartered in New York City, USA and founded in 2010, the business is an online marketplace that generates revenue streams from transactions without physically owning stock or having a costly logistics chain.

Led by Shauna Mei, CEO and Founder and Sachin Devand, President and CTO the business has raised over USD\$23m since it began building the marketplace and digital technology platform. The founders are passionate about building a world-leading marketplace, allowing consumers to shop across a wide variety of luxury niche brands from all corners of the globe.

Building a digital marketplace doesn't happen overnight, and Shauna and the team have invested considerable time to attract over 2,500 curated brands to the AHAlife platform. The technology has been built to permit a large volume of transactions and track every purchase from the second it is ordered to the time it is couriered to the consumer's door.

In order to attract these niche luxury brands to a marketplace, Shauna has built a very impressive list of "Curators", some of whom include Deepak Chopra (spirituality and wellbeing expert and author), Fern Mallis (Founder of New York Fashion Week) and Carmindy (make-up artist and beauty expert). Attracting the calibre of profiled curators also takes time and trust which in turn builds a trusted brand in the AHAlife platform marketplace. These curators recommend and write about many of the brands as they come to market and are offered to the AHAlife's consumers.

The AHAlife technology platform is built to scale rapidly on in-house developed intellectual property. Hosted on Amazon Web Services, it has been architecturally designed to accommodate growth. The platform is personalised and offers a targeted experience, using filtering and machine learning algorithms to drive reporting, analytics and insights for management. Importantly, the technology has in-built functionality to maximise repeat customer purchases and enhance both brand and customer experience.

We are focused on driving new customer acquisition strategies from current fundraising to maximise the strength of the catalogue of niche brands, curators and AHAlife's technology platform. Maximising repeat purchases has been a driver and successful strategy to date, which is now being applied across an expanded customer base.

This Prospectus is being issued to assist the Company to re-comply with the Listing Rules and also raise sufficient funds to complete the Proposed Transaction as per the signed Merger Agreement announced on 12 May 2015. Under this Prospectus, the Company proposes to raise \$19,900,000 pursuant to the General Offer (with the ability to take oversubscriptions of up to \$1,500,000). The offer of 44,222,222 New Shares under the General Offer is underwritten by Blue Ocean Equities Pty Limited, the Lead Manager.

In addition to the new fund raising, the Company will issue 96,539,034 Consideration Shares and up to 9,174,906 Consideration Options to complete the acquisition of AHAlife Holdings Inc under this Prospectus pursuant to the Vendor Offer. The Board will also issue a combination of options, performance rights and loans to acquire shares to certain incoming AHAlife executives of the Company under this Prospectus pursuant to the Incentive Securities Offer.

I encourage you to read the Prospectus carefully and in its entirety, particularly the section on risks.

On behalf of the Board, I invite you to subscribe for New Shares in the Company and look forward to welcoming you as a shareholder.

Yours sincerely,



**Mike Hill**  
Chairman  
24 June 2015



# FOUNDER'S LETTER

Dear Investor,

It is with great pleasure that I present you with the opportunity to participate in the ownership and future growth of AHAlife. AHAlife is the first major curated luxury marketplace and platform in the world, dedicated to connecting global consumers with independent premium brands.

AHAlife's marketplace currently has over 2,500 independent designers and artisans from more than 60+ countries around the world. Over the past 4.5 years, AHAlife has established itself as an industry leader in providing high-quality curated discovery shopping experiences for discerning global consumers. In 2013, we were named by Fast Company as one of the World's Top 50 Most Innovated Companies, along-side giants such as Apple and Google.

We founded AHAlife to solve the problem that we're rapidly losing generations of artisans' skills and their creative solutions for our future. It has become increasingly difficult for independent designers and artisans to compete against large companies, gain exposure, scale their business and connect with people who care about their story. As offline shopping moves increasingly online, these independent brands struggle to adapt to a new business model and to attract the right consumers to their websites. The online luxury retail industry is highly fragmented, with millions of artisans and designers around the world experiencing a similar set of challenges. This is a large and exciting opportunity and we are dedicated to becoming the global go-to marketplace for premium lifestyle brands.

We created AHAlife to bring thousands of premium luxury brands together into one marketplace; to give these brands some of the tools and services they need so that they can focus on creating amazing, unique and high-quality products. Today, we've grown organically to database to over 300,000 members who have registered on the AHAlife platform. We have invested in our own technology, tools and services to support this market in a scalable manner. From inception to date, we have raised USD\$23 million in building our technology, product and a team that has over 50+ years of combined experience building scalable enterprise class software.

We are excited to utilize this new investment to drive customer acquisition and growth, leveraging what we've already built. We will be focused on achieving long-term sustainable growth. Our main focus will be to continue to on-board more premium brands, while also heavily focusing on consumer growth.

We are a team of passionate individuals who share the mission to protect and celebrate creativity by building and scaling a digital marketplace to bring the best unique products from all over the world right to your fingertips. We are inspired to make it easier to seek that AHA moment of discovery, and to let everyone appreciate the exquisite creations of our world's amazing designers and artisans.

We look forward to welcoming you as a Shareholder of AHAlife.

Warmest regards,



**Shauna Mei**

Founder & CEO AHAlife Holdings, Inc

Proposed Chief Executive Officer and Executive Director, AHAlife Holdings Limited

24 June 2015





1



# INVESTMENT OVERVIEW



# 1.1

## INTRODUCTION AND OVERVIEW OF THE COMPANY, AHALIFE AND THE PROPOSED TRANSACTION





THIS SECTION IS A SUMMARY ONLY AND IS NOT INTENDED TO PROVIDE FULL INFORMATION FOR INVESTORS INTENDING TO APPLY FOR SECURITIES OFFERED PURSUANT TO THIS PROSPECTUS. THIS PROSPECTUS SHOULD BE READ AND CONSIDERED IN ITS ENTIRETY.

ALL DEFINED TERMS HAVE THE MEANING AS SET OUT IN THE DEFINITIONS TO THIS PROSPECTUS.

1

Question	Answer	More
<b>Who is the issuer of this Prospectus?</b>	INT Corporation Limited ACN 006 908 701 (ASX:INT) ( <b>Company</b> )	
<b>Who is INT?</b>	<p>INT Corporation Limited is an ASX listed company which trades under the ticker code "INT".</p> <p>The current Board joined the Company as part of a restructure and recapitalisation that took place in July 2014.</p> <p>Since then, the Company has investigated acquisition and investment opportunities.</p>	<b>Section 2.1</b>
<b>What is AHALife?</b>	<p>AHALife Holdings, Inc. (<b>AHALife</b>) was founded in September 2010, in Manhattan, New York, and is a curated luxury online marketplace.</p> <p>AHALife, via its innovative, technology-based platform (www.AHALife.com and associated websites and mobile app) connects consumers with independent premium designer brands.</p>	<b>Section 5</b>
<b>What are AHALife's key facts and statistics?</b>	<p>USD\$23M in funding since inception from investors.</p> <p>The Company connects over 2,500 independent designers with approximately 303,000 members (as of April 2015) with the ability to ship to 220 countries across the globe.</p> <p>AHALife has over 70 curators, which includes industry experts and participants from around the globe. Further information on the curators can be viewed on www.ahalife.com/curators.</p> <p>AHALife operates via a drop-ship model, which mitigates any inventory risk.</p> <p>Average customer: 1st time on AHALife spends USD\$164. Returning customers purchase 6 times a year and their average order value is USD\$196 (based on calendar 2014 year), and spends more when they return. Total number of orders placed in 2014 were 16,410 (Returning customers 5,608 and new customers 10,802).</p>	<b>Section 5</b>



## What is the Proposed Transaction?

On 12 May 2015, the Company announced that it had entered into a conditional merger agreement to acquire 100% of the diluted capital in AHAlife (**Proposed Transaction**) from the shareholders and relevant employees of AHAlife (collectively referred to as the **AHAlife Vendors**).

Completion is subject to a number of conditions precedents including obtaining INT shareholder approval (which is being sought at the upcoming Extraordinary General Meeting to be held on 7 July 2015 (**EGM**)). In the event that shareholder approval is obtained at the EGM, the Company's securities will be suspended from trading on the ASX until the following have been completed:

- The Offers under this Prospectus; and
- Re-compliance with Chapters 1 and 2 of the Listing Rules and re-admission to quotation on ASX.

Other highlights of the Proposed Transaction as follows:

- AHAlife valued at AUD\$37 million;
- Consideration payable by INT is a mixture of shares and options; which forms the Vendor Offer under this Prospectus;
- Capital raising to be undertaken by INT to raise at least \$15 million (under this Prospectus);
- CEO (Shauna Mei) and President & CTO (Sachin Devand) of AHAlife to join the Board of INT at completion of the Proposed Transaction;
- Following completion of the Proposed Transaction and the capital raising, AHAlife Vendors will own more than 60% of the diluted capital of the Company; and
- Combination of incentive securities to be offered to Ms Mei and Mr Devand.

## Section 2.2

## Who are the AHAlife Vendors?

AHAlife Vendors are the shareholders and certain employees of AHAlife who will receive consideration securities pursuant to the Proposed Transaction.

Significant AHAlife Vendors are listed in Section 10.2 of this Prospectus.

## Section 8.1

## What industry will INT operate in following completion of the Proposed Transaction?

Completion of the Proposed Transaction will result in the nature and scale of INT's activities being significantly changed.

AHAlife operates in the largest and fastest growing segments of the Luxury Goods Market, specifically the Online Luxury Personal Goods Market.

According to a Bain & Company industry report, the overall market for luxury personal goods is estimated at €223 billion, with growth forecast at a sustainable 4-6% per annum.<sup>1</sup>

Luxury customers are increasingly researching products online, and on multi-brand sites like AHAlife, as online becomes a more accepted and desired way of buying. The online channel for luxury personal goods is worth €12 billion (approximately 5% of the total €223 billion market) and is growing at four times the rate of the overall category.<sup>2</sup> The sector has experienced an average growth rate of 28% per year between 2009 and 2014, as luxury brands increasingly see the value of selling online, and consumers accept online shopping.<sup>3</sup>

## Section 4

## How does AHAlife generate its revenue?

AHAlife generates revenue from product sales to new and returning customers through its websites AHAlife.com and AHAnoir.com.

AHAlife has agreements with brands selling on the site, whereby they provide a fixed retail margin to AHAlife for all products sold on its websites. AHAlife's return rates are considered attractive at approximately 3.5% of sales.

## Section 5.4

<sup>1</sup> Source: Bain & Company, Luxury Goods Worldwide Market Study, May 2014

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.



## What is the AHAlife technology platform and how does it create the AHAlife marketplace?

AHAlife's engineering team, led by experienced technologist Sachin Devand (President & CTO of AHAlife and proposed Executive Director of the Company), has built scalable enterprise level technology that may set AHAlife apart from other multichannel websites. This technology forms the foundation of its digital network and marketplace.

Online marketplaces are seen as attractive and powerful business models due to potentially strong network effects. Marketplaces are able to create a competitive environment where sellers and buyers are drawn to areas where there is most activity.

AHAlife's sellers (premium lifestyle brands) are curated by some of the world's leading designers, style icons and AHAlife's expert in-house team. Alternatively, sellers can apply via the technology platform for an invitation to join. Once approved, sellers create their own "storefront" which they self-manage, enabling them to control their catalogue, manage orders and develop the story behind their brand.

Section 5.4.3

## What type of products can be purchased from AHAlife?

Curated luxury lifestyle products can be purchased via AHAlife ([www.AHAlife.com](http://www.AHAlife.com)).

AHAlife sells primarily home and design products, accessories and beauty products.

Exclusivity is important to AHAlife and its customers. As ascertained during the on-boarding process, AHAlife represents the major direct to consumer online vehicle for the majority of the brands featured.

Section 5.4.2

## What are AHAlife's key strengths?

AHAlife considers its key strengths to include:

- **Operating within a large market and addresses a global problem**, where AHAlife delivers a scalable marketplace and platform that can enable thousands of high-quality designers and artisans to reach a global consumer;
- **Scalable business model** based on in-house technology and efficient and effective business processes with no-inventory model;
- **Innovative and intuitive technology** which enables consumer discovery with a personalised experience based on editorial and algorithms, and provides sellers/brands with the tools and services to reach a global consumer base;
- **Streamlined workforce** able to operate with high output supported by an automated technology platform;
- **Experienced Board of Advisors of industry experts and business veterans** including experts across retail, technology, media, e-commerce and branding who are actively involved in helping AHAlife become a market leader;
- **Experienced management team** with over 50+ years of combined experience in building enterprise level scalable platforms and deep understanding of the nuances of the luxury industry;
- **Strong competitive positioning** in an industry with high barriers to entry including network effects of aggregating over 2,500 brands together with a reputation for quality;
- **A global network of curators**, who recommend current trends and product offerings, and ensure that the products offered suit customers' needs;
- **The curation process**, which ensures that products come directly from the creator and helps maintain quality and trust in the consumer;
- **A respected and recognised brand**, which has been developed over four years and continues to attract brands, consumers and curators;
- **Strong focus on the customer experience**, AHAlife boasts an enviable Net Promoter Score;
- **Seller centric model**, which enables sellers to spend more time focusing on creating their products;
- **Global-local reach**, and AHAlife's increasing potential to create scale via the diverse locations of its sellers and buyers.

Section 5.7



A list of key risks associated with an investment in the Company under this Prospectus is provided in Section 6. Key risk factors include:

**History of operating losses**

Whilst AHALife has experienced significant revenue growth since inception in 2010, it has incurred net losses every year and has yet to turn an operating profit. There is a risk that AHALife may not achieve profitability in the future.

**Growth and profitability dependent on active marketplace**

In order to achieve profitability, AHALife must continue to attract new members, retain existing members and convert them to customers, and also encourage its sellers to utilise the platform. There is a risk that AHALife may not be able to grow or maintain its community to a profitable level.

**Continued expansion into markets outside of United States**

At present, AHALife's marketplace is predominantly generating revenue in the USA. Continued expansion into markets outside of the USA may require significant financial investment to attract and retain new members, develop localised services and form relationships with local sellers and other third party services providers. There is a risk that despite efforts from AHALife and its management, expansion efforts will fail which will adversely affect the growth and profitability of AHALife's business.

**AHALife's technology is highly complex and may contain undetected errors**

The coding underlying AHALife's platform is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been released.

**Concentration of ownership within AHALife Vendors**

In the event that the Proposed Transaction completes and \$19.9M under the General Offer is raised, the AHALife Vendors will hold approximately 61% of the Company's un-diluted capital. There will therefore be a concentration of ownership of the Company among the AHALife Vendors.

*This risk should not be taken as a representation that the AHALife Vendors will act in concert with one another, likely exercise their voting rights as Shareholders in the same manner or that the AHALife Vendors as a whole are associated parties, post completion of the Proposed Transaction.*

**Online industry continues to evolve and AHALife must remain innovative to remain competitive**

AHALife operates in the Online Luxury Personal Goods Market industry, a subset of the wider Luxury Goods Market and Online Retail Market industries, with a particular focus on curated affordable luxury lifestyle products. 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 AHALife's competitive position in the industry, and adversely affect the growth and profitability of AHALife's business.

**Changes in regulatory environment**

AHALife is subject to a variety of laws and regulations in the United States and other trading countries, which are continuously evolving. Additional compliance can be a costly exercise that requires changes to AHALife's business practices, significant management time and resources.

Additionally, as online commerce practices continue to evolve, it is not always clear how existing laws will apply to the Internet, as many of these laws do not address the unique issues raised by online commerce practices.

**Security and privacy risks**

AHALife collects, transmits and stores personal and financial information provided by its members. In an effort to protect sensitive information, AHALife relies on a variety of security measures. However, advances in computer capabilities, increasingly sophisticated tools and methods used by hackers and cyber terrorists, new discoveries in the field of cryptography or other developments may result in AHALife's failure or inability to adequately protect its sensitive information.

### Increased competition

Whilst AHALife believes that it has a competitive edge by focusing on curated luxury lifestyle products, AHALife will continue to compete with other retailers in the luxury market. Many of these competitors will have longer operating histories, greater resources, better name recognition or more customers than AHALife.

### Exchange rates

The Company may be exposed to rapid and material movements in exchange rates, which could affect its balance sheet and cash position. This risk is particularly pertinent to the Company as the majority of AHALife's income will be derived from members based in the United States.

### Future capital needs

At present, AHALife has a cash requirement of approximately USD\$350,000 per month. Costs are projected to rise in the future as a result of AHALife's expansion strategies, which may cause further or greater operational losses to AHALife. Therefore, unless AHALife becomes operationally profitable and cash flow positive, further funding may be required to advance the business objectives of AHALife in the future.

## What is AHALife's mission, vision and strategy?

AHALife's mission is to celebrate and protect creativity, and create a highway to connect the best creative products the world has to offer with individuals from around the globe. AHALife is changing the way designers and artisans engage with consumers by integrating the art of storytelling, commerce and curation. AHALife's mission is to allow consumers to discover the most inspiring products that help them live their lives to the fullest.

With AHALife's technology now developed to be a scalable platform for growth, AHALife plans to pursue the following opportunities to achieve its vision:

- **Expand marketing efforts** to increase the number of new customers whilst maintaining a strong repeat customer base
- **Launch and grow targeted AHALife "owned and operated brands"** such as AHAnoir, which will allow AHALife to target niche markets
- **Establish a wedding registry offering** to tap into the USD\$19 billion market (in US alone, 2011)<sup>4</sup>
- **Establish mobile and gifting applications** to provide potential additional revenue opportunities
- **Explore acquisitions** to expand the reach of AHALife
- **Global expansion** as the majority of AHALife's current revenue is derived from the United States

## Section 5.6

## How does AHALife expect to fund its operations?

Under the General Offer, the Company will raise at least \$15 million and up to \$19.9 million (before estimated expenses). In addition, the Company reserves the right to accept Oversubscriptions of up to \$1.5 million, in which case, the maximum that can be raised under the General Offer is \$21.4 million (before estimated expenses).

The incoming New Board believes that the amount raised under the General Offer will allow the Company and AHALife to meet its stated business objectives.

## Section 3.3

<sup>4</sup> Source: Wedding registry research from The Knot Market Intelligence, 2011.



# 1.2.

## KEY INFORMATION ON THE OFFERS

### Question

**What are the Offers?**

### Answer

**Note: All references to Securities in this Prospectus are on a post-Consolidation basis, assuming that Resolution 1 of the Notice of Meeting (Consolidation of the Company's capital on a 20 for 1 basis) has been approved by Shareholders.**

The Offers comprise the General Offer, the Vendor Offer and the Incentive Securities Offer.

### More

**Section 3.2**

Name of offer	Description
<b>General Offer</b>	For the offer of 44,222,222 New Shares at an issue price of 45 cents (\$0.45) per New Share to investors who are invited to apply for New Shares under this Prospectus to raise \$19,900,000. The Company reserves the right to accept Oversubscriptions up to \$1,500,000, therefore, the maximum amount that may be raised under this Prospectus is \$21,400,000.
<b>Vendor Offer</b>	For the offer of up to 96,539,349 Consideration Shares and up to 9,174,906 Consideration Options to the AHAlife Vendors in consideration for the acquisition of all the diluted capital in AHAlife as part of the Proposed Transaction.
<b>Incentive Securities Offer</b>	For the offer of up to 4,000,000 Loan Shares, up to 5,000,000 Executive Options, up to 5,000,000 Performance Options, and up to 5,000,000 Performance Rights to certain proposed key management of the Company, being Ms Shauna Mei (incoming CEO) and Mr Sachin Devand (incoming President and CTO).

**How will the Offers be structured?**

#### General Offer

- Issue price: 45 cents (\$0.45) per New Share
- 44,222,222 New Shares to be issued (raising \$19.9 million)
- If Oversubscriptions achieved, maximum of 47,555,555 New Shares to be issued (raising \$21.4 million)
- Eligible applicants: general investors

#### Vendor Offer

- No immediate funds raised
- Issued as consideration payable by the Company for all the diluted capital of AHAlife pursuant to the Proposed Transaction
- Eligible applicants: AHAlife Vendors

#### Incentive Securities Offer

- No immediate funds raised
- Issued to Shauna Mei and Sachin Devand as part of appointments to the New Board to align their interests with that of shareholders of the Company and remunerate them appropriately if they create shareholder value
- Eligible applicants: Ms Mei and Mr Devand

**Section 3.2**





## What are the conditions of the Offers?

Completion of the Offers is conditional upon:

- Shareholders approving all Resolutions at the EGM;
- a minimum of \$15 million being raised under the General Offer;
- Completion of the Proposed Transaction; and
- ASX approving the Company's re-compliance with Chapters 1 and 2 of the Listing Rules.

## Section 3.1

## Why are the Offers being conducted?

### General Offer

The purpose of the General Offer is to provide an opportunity for investors to subscribe for new equity in the Company, and generally, to assist the Company to meet the re-instatement conditions under Chapters 1 and 2 of the Listing Rules (e.g. to achieve sufficient Shareholder spread upon re-instatement). Furthermore, funds raised under the General Offer will enable the Company to accelerate the continued growth of the AHAlife business and fund its key business objectives.

### Vendor Offer

The purpose of the Vendor Offer is to qualify the Consideration Shares issued to the AHAlife Vendors for secondary trading (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX), and to also remove the need for an additional disclosure document to be issued upon the sale or exercise of the Consideration Options (including Shares that may be issued on exercise of the Consideration Options) issued under this Prospectus (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX).

### Incentive Securities Offer

The purpose of the Incentive Securities Offer is ensure that the securities contained therein are not included within the limits on the number of securities that can be issued under the Executive and Employee Incentive Plan (which the Company proposes to implement, subject to Shareholder approval being obtained at the EGM, further details which are set out in Section 10.2 of this Prospectus), and to also remove the need for an additional disclosure document to be issued upon the sale or exercise (if applicable) of the Incentive Securities (including Shares that may be issued on exercise and/or vesting of the Incentive Securities) issued under this Prospectus (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX).

## Section 3.2

## What is the proposed use of funds raised from the General Offer?

Depending on the level of subscription (and oversubscription), a summary of how the proceeds from the General Offer will be used by the Company is as set out in the table below.<sup>(a)</sup>

## Section 3.3

Description	Use of funds
Settlement of AHAlife bank loan	\$2,514,000
Expenses of the Offer <sup>(b)</sup>	\$1,253,000
Due Diligence and Transaction Costs	\$625,000
Marketing Costs	\$4,700,000
Employment Costs	\$8,260,000
Technology Costs	\$920,000
Administration and Other Working Capital	\$1,628,000
<b>Total</b>	<b>\$19,900,000 <sup>(c)</sup></b>

### Notes

<sup>(a)</sup> The table is a statement of the current intentions of the Board as of the date of lodgement of this Prospectus with ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

<sup>(b)</sup> Expenses of the Offers are further broken down in Section 10.4 of this Prospectus.

<sup>(c)</sup> The Company reserves the right to accept Oversubscriptions up to \$1,500,000, therefore, the maximum amount that may be raised under this Prospectus is \$21,400,000. The additional \$1,500,000 will be applied as follows: additional \$75,000 to expenses of the Offers, and additional \$1,425,000 to marketing costs.



## Will the Shares be listed?

The Company will, within 7 days after the date of this Prospectus, apply for the Shares under this Prospectus to be quoted on the ASX.

**Section 3.12**

Amongst other conditions, completion of the Offers is conditional upon the ASX approving this application. If the application for quotation is not made within 7 days after the date of this Prospectus, or if the Shares offered under this Prospectus are not granted quotation within 3 months after the date of this Prospectus, the Company shall deal with Applications in accordance with the requirements of the Corporations Act.

## How will the Proposed Transaction and the Offers affect the Company's capital structure?

The Company's projected capital structure is as follows:

**Section 3.10**

<b>Description</b>	<b>\$19.9M raised under General Offer<sup>(a)</sup></b>
Existing number of Shares on issue (post Consolidation)	13,894,832
Number of Consideration Shares issued under the Vendor Offer (and pursuant to the Proposed Transaction)	96,539,349
Number of Loan Shares issued under the Incentive Securities Offer	4,000,000
Total number of New Shares issued under the General Offer	44,222,222
<b>Total number of post-Consolidation Shares on issue at listing on ASX</b>	<b>158,656,403</b>
Existing number of Options	4,527,501
Number of Consideration Options issued under the Vendor Offer (and pursuant to the Proposed Transaction)	9,174,906
Number of Executive Options, Performance Options and Performance Rights issued under the Incentive Securities Offer	15,000,000
<b>Total number of post-Consolidation Options and performance rights on issue at listing on ASX</b>	<b>28,702,407</b>
<b>On a fully diluted basis</b>	<b>187,358,810</b>

### Notes

<sup>(a)</sup> The Company reserves the right to accept oversubscriptions up to \$1,500,000, via the issue of up to a further 3,333,333 New Shares. Therefore, on an undiluted basis, the share capital would be 161,989,736, and on a fully diluted basis, the share capital would be 190,692,143.

## Is the General Offer underwritten?

The offer of 44,222,222 New Shares under the General Offer is underwritten by the Lead Manager. The Lead Manager will receive a management fee of 1% (plus GST) and an underwriting fee of 4% (plus GST) of the Issue Price per New Share issued under the General Offer.

**Sections 3.8 and 8.4**

## What is the allocation policy?

The Company has absolute discretion regarding the allocation of the New Shares and may reject an Application, or allocate fewer New Shares than applied for, in its absolute discretion.

**Section 3.5**

Applications under the Vendor Offer and Incentive Securities Offer may only be made in response to invitations to participate made by the Board.



**Is there any brokerage, commission or stamp duty payable by Applicants?**

No brokerage, commission or stamp duty is payable by Applicants on an acquisition of New Shares under the General Offer.

**What are the tax implications of investing in the Securities under this Prospectus?**

The tax consequences of any investment in the Securities offered under this Prospectus will depend upon an Applicant's particular circumstances. Applicants should obtain their own independent tax or professional advice prior to deciding whether to participate under the Offers.

**Section 3.15**

**When will I receive confirmation whether my Application has been successful?**

It is anticipated that either a CHESS statement or an issuer sponsored holding statement (wherever applicable) will be despatched as soon as practicable after the Closing Date.

**Section 3.13**

**What is the Company's dividend policy?**

The Company does not expect to pay a dividend and funds raised under this Prospectus will be allocated to its business objectives. The Board cannot and do not give any assurances as to the extent, timing, level of franking or payment of dividends in the future. Any future dividend payment will be at the absolute discretion of the Board.

**How can I apply?**

**General Offer**

Potential Applicants may apply for New Shares by completing a valid Application Form attached to or accompanying this Prospectus.

**Sections 3.5, 3.6 and 3.7**

**Vendor Offer and Incentive Securities Offer**

These offers are only open to certain eligible applicants. In the case of the Vendor Offer, the offer is only open to AHAlife Vendors pursuant to the Proposed Transaction and will be deemed to have been made and accepted in accordance with the terms of the Merger Agreement. In the case of the Incentive Securities Offer, the offer is only open to Shauna Mei and Sachin Devand who will be invited to subscribe for securities under personalised application forms.

**Will any of the Securities under the Offers be subject to escrow?**

New Shares issued pursuant to the General Offer will not be subject to any escrow requirement by the ASX.

**Section 2.5**

As part of the Proposed Transaction, certain significant AHAlife Vendors have agreed to a voluntary escrow. In addition, whilst they are not receiving any financial benefit under the terms of the Proposed Transaction, Messrs Mike Hill and Michael Everett (through their respective entities) have agreed to voluntarily escrow 100% of their shareholdings in the Company on the same terms as the AHAlife Vendors noted above. Mr Hill proposes to subscribe for New Shares under the General Offer. These New Shares will also be subject to a voluntary escrow on the same terms.

AHAlife has agreed that if the ASX imposes further mandatory escrow restrictions, it will be a further condition to completion that all affected AHAlife Vendors agree to these restrictions.

# 1.3.

## KEY INFORMATION ON THE EXPERIENCE, BACKGROUND OF THE DIRECTORS AND MANAGEMENT AND SIGNIFICANT INTERESTS OF PEOPLE

1

Question	Answer	More
<b>Who are the Directors of INT?</b>	<p>The Board of INT currently consists of:</p> <ul style="list-style-type: none"> <li>• Mike Hill, Executive Chairman</li> <li>• Jonathan Pager, Finance Director</li> <li>• Michael Everett, Non-Executive Director</li> <li>• Philip Kapp, Non-Executive Director</li> </ul> <p>As part of the Proposed Transaction, Messrs Pager and Kapp will resign from the Board and Mr Hill will become the Non-Executive Chairman.</p>	<b>Section 2.1</b>
<b>Who is in control of AHAlife and what is their expertise?</b>	<p>AHAlife's executive team is led by its CEO, Shauna Mei and CTO, Sachin Devand. The executive team is supported by a network of existing investors and advisers, some of whom will continue to provide support to the team post-completion of the Proposed Transaction.</p> <p><b>Shauna Mei, Chief Executive Officer</b></p> <ul style="list-style-type: none"> <li>• Following completion, to join the Board of INT as CEO and Executive Director</li> <li>• Shauna is a MIT engineer turned commerce and media industry professional, and the Founder and CEO of AHAlife.com</li> <li>• Prior to launching AHAlife, Shauna served as COO of Casall, a Swedish wellness/activeness company</li> <li>• Shauna also co-founded the Aronsson Group, a luxury fashion investment and advisory firm</li> <li>• Private Equity and Investment Banking background at Goldman Sachs</li> <li>• Profiled in various publications including The New York Times and The Wall Street Journal</li> <li>• Invited to speak at numerous conferences worldwide including Web Summit, TechCrunch Shanghai and The World Summit on Innovation and Entrepreneurship</li> <li>• Named one of Fast Company's 1000 Most Creative People in Business and winner of SmartCEO's Future50 Award</li> </ul> <p><b>Sachin Devand, Chief Technology Officer</b></p> <ul style="list-style-type: none"> <li>• Following completion, to join the Board of INT as CTO and Executive Director</li> <li>• Sachin has more than 15 years extensive experience building geo-distributed, scalable, enterprise class, global business systems, and has led the team that built the technology platform on which AHAlife is based</li> <li>• Graduated from the Indian Institute of Technology, Bombay (IIT) with a degree in Computer Science</li> <li>• Prior to joining AHAlife, Sachin served as VP of Platform Products at 33Across, where he was responsible for expanding a platform which was built using machine learning and artificial intelligence, using big data analytics</li> <li>• He also served as VP of Advertising Services at LucidMedia (acquired by Videology) and built one of the first Demand Side Platforms in the advertising industry</li> <li>• Over the years, all of these products and solutions have leveraged deep understanding of enterprise grade software and infrastructure, proven concepts of artificial intelligence, distributed computing, big data, statistics and mathematics</li> </ul>	<b>Section 5.5</b>



## What will the interests of the current and New Board be following completion of the Proposed Transaction and the Offers?

Current and proposed relevant interests are as follows:

## Section 2.6

Director	Shares	Options and performance rights	% of Company (Undiluted) <sup>(a)</sup>	% of Company (Fully diluted) <sup>(b)</sup>
Mike Hill	906,667 <sup>(c)</sup>	1,050,000	0.6%	1.0%
Shauna Mei	17,184,268	10,500,000	10.8%	14.8%
Sachin Devand	7,535,078	7,463,820	4.7%	8.0%
Jonathan Pager	387,500	250,000	0.2%	0.3%
Michael Everett	1,160,000	1,025,000	0.7%	1.2%
Philip Kapp	170,000	225,000	0.1%	0.2%
<b>Total</b>	<b>27,368,513</b>	<b>20,513,820</b>	<b>17.2%</b>	<b>25.5%</b>

### Notes

- <sup>(a)</sup> Following completion of the Proposed Transaction, assuming that \$19.9M is raised under the General Offer, following the issue of all Incentive Securities and undiluted. These percentages are based on a total sum of 158,656,403 Shares (post-Consolidation).
- <sup>(b)</sup> Following completion of the Proposed Transaction, assuming that \$19.9M is raised under the General Offer, following the issue of all Incentive Securities and fully diluted. These percentages are based on a total sum of 187,358,810 Shares (post-Consolidation).
- <sup>(c)</sup> Includes 166,667 Shares that Mr Hill proposes to subscribe for under the General Offer (Shareholder approval for the subscription is being sought at the EGM).

1

## What significant benefits are payable to the current and New Board?

Remuneration of the current and New Board are as follows:

## Section 2.6

Director	Current base remuneration (\$)	Proposed base remuneration (\$)
Mike Hill	\$250,000 <sup>(a)</sup>	USD\$125,000
Shauna Mei	Not a current Director	USD\$300,000
Sachin Devand	Not a current Director	USD\$300,000
Jonathan Pager	AUD\$100,000 <sup>(a)</sup>	To resign as a Director at completion of the Proposed Transaction
Michael Everett	\$60,000 <sup>(a)</sup>	USD\$100,000
Philip Kapp	AUD\$30,000 <sup>(a)</sup>	To resign as a Director at completion of the Proposed Transaction

### Notes

- <sup>(a)</sup> Each of the current Directors have agreed to receive only 50% of their respective remuneration until the First Acquisition. As the Proposed Transaction satisfies the definition of First Acquisition, the Directors will be paid all outstanding amounts due to each of them through their respective services/consultancy agreement at completion of the Proposed Transaction.

With respect to the incoming Directors, their proposed base remunerations will be higher than their remuneration at AHAlife. At present, Ms Mei is paid USD\$200,000 by AHAlife, and Mr Sachin is paid USD\$225,000 by AHAlife.

Furthermore, as part of their appointments, Ms Mei and Mr Devand will be invited to subscribe for a combination of loans to acquire shares, unvested options, and unvested performance rights, under the Incentive Securities Offer.



# 1.4.

## KEY FINANCIAL INFORMATION

1

Question	Answer	More
<b>What is the key financial information?</b>	The historical and pro-forma financial information of the Company, AHALife and the merged entity is set out in the Investigating Accountant's report, as set out in Section 7 of this Prospectus.	<b>Section 7</b>
<b>What is AHALife's historical financial performance?</b>	Whilst AHALife has experienced significant revenue growth since inception in 2010, it has incurred net losses every year and has yet to turn an operating profit. At present, AHALife has a cash requirement of approximately USD\$350,000 per month, and with the expansion strategies of AHALife, its costs are projected to rise in the future, which may cause further operational losses to AHALife.	<b>Section 6.1</b>

# 1.5.

## ADDITIONAL INFORMATION

Question	Answer	More
<b>Where can I find more information?</b>	<p>Additional information can be obtained through the following methods:</p> <ul style="list-style-type: none"><li>• Speaking to your broker, solicitor, accountant or other independent professional adviser.</li><li>• Reviewing INT's announcements on the ASX, which are accessible from ASX's website <b>www.asx.com.au</b> under the code "INT".</li><li>• By visiting INT's website <b>www.intcorporation.com.au</b> and AHALife's website <b>www.ahalife.com</b>.</li><li>• By contacting Andrew Whitten, Company Secretary of INT on +2 8072 1400.</li></ul>	





# 2



## PROPOSED TRANSACTION OVERVIEW AND KEY INDIVIDUALS, INTERESTS & BENEFITS



# 2.1

## BOARD OF DIRECTORS AND KEY MANAGEMENT

The Board of the Company currently consists of:

- (a) Mike Hill, Executive Chairman
- (b) Jonathan Pager, Finance Director
- (c) Michael Everett, Non-Executive Director
- (d) Philip Kapp, Non-Executive Director

The current Board joined the Company as part of a restructure and recapitalisation that took place in July 2013. Since then, the Board has undertaken an operational review of its remaining assets and noted its desire to seek greater scale of its operations and assets through acquisitions and investments in indiscriminate industries.

# 2.2.

## MERGER AND ACQUISITION OF AHALIFE

### *Overview of Proposed Transaction*

On 17 March 2015, the Company announced that it had entered into an exclusive Letter of Intent to acquire 100% of the diluted capital in AHAlife Holdings, Inc. (**AHAlife**), an emerging US based online market place and technology platform, subject to a number of conditions precedent being satisfied, including the completion of due diligence and entry into long form agreements. The proposed acquisition of AHAlife is referred to as the **Proposed Transaction** in this Prospectus.

On 12 May 2015, the Company announced that it had entered into a conditional merger agreement with AHAlife (**Merger Agreement**). The Proposed

Transaction is to be undertaken via the formation of a wholly owned subsidiary of INT (**INT Sub**), which will undertake a merger with AHAlife, pursuant to the laws of the State of Delaware, United States of America.

In consideration for 100% of the diluted capital of AHAlife, the Company will be issuing a combination of fully paid ordinary shares (**Consideration Shares**) and unlisted options with each option being issued on the same terms and conditions (wherever applicable) as existing options in AHAlife (these unlisted options proposed to be issued collectively referred to as the **Consideration Options**), to the AHAlife Vendors which values AHAlife at AUD\$37 million.

Completion of the Proposed Transaction is subject to a number conditions being satisfied and/or waived, including the raising of capital (which is being conducted under this Prospectus) and receipt of Shareholder approval at the upcoming Extraordinary General Meeting scheduled to take place on 7 July 2015 (**EGM**).

### *Shareholder approval at the EGM*

In accordance with a Notice of Meeting dated 5 June 2015, the Company is scheduled to hold the EGM on 7 July 2015. At the EGM, Shareholders of the Company will be asked to approve the following resolutions, which all relate to the Proposed Transaction:

- Consolidation of the Company's existing capital on a 20 for 1 basis;
- Change to the nature and scale of the Company's activities that will result from the Company completing the Proposed Transaction;
- On a post-Consolidation basis, issue of all Consideration Shares and Consideration Options to the AHAlife Vendors (which includes a section 611 item 8 approval), and related party approvals for the issue of consideration securities to Ms Shauna Mei (member of New Board) and Mr Sachin Devand (member of New Board);
- Adoption of an employee incentive scheme titled "Executive and Employee Incentive Plan";
- Appointments of Ms Mei and Mr Devand to the Board as Executive Directors (as part of the New Board), and further related party approvals for, on a post-Consolidation basis, the issue of combination of options, performance rights and loans to acquire shares (collectively referred to as Incentive Securities) to each of them as part of their respective appointments;
- On a post-Consolidation basis, capacity to conduct a capital raising of up to \$19.9 million at an issue price of at least 45 cents per share (which is being conducted under the General Offer);
- Related party approval for Mr Mike Hill to participate in the capital raising; and
- Change of the Company's name from "INT Corporation Limited" to "AHAlife Holdings Limited".



*Suspension of the Company's securities from quotation*

In the event that Shareholder approval is obtained at the EGM, the Company's securities will be suspended from trading on the Official List of the ASX until the following have been completed:

- The Offers under this Prospectus; and
- Re-compliance with Chapters 1 and 2 of the Listing Rules and re-admission to quotation on ASX.

## 2.3. NEW BOARD OF DIRECTORS

Following completion of the Proposed Transaction, a new composition of Directors will be appointed to the Board of the Company (**New Board**) to oversee the operations of the combined entity.

The New Board will consist of:

- Mike Hill, Non-Executive Chairman
- Shauna Mei, Chief Executive Officer and Executive Director
- Sachin Devand, Chief Technology Officer and Executive Director
- Michael Everett, Non-Executive Director

Under the terms of the Merger Agreement, AHAlife are entitled to appoint two further Directors to the Board in addition to Ms Mei and Mr Devand.



### Mike Hill

#### Current Executive Chairman and proposed Non-Executive Chairman

Mike has more than 20 years' experience working on corporate and private equity transactions in Australia and the UK. He is a former partner of Ernst & Young in their M&A team and in 2003 joined Ironbridge, a leading Sydney based private equity firm with \$1.5bn of funds under management. Mike has worked as a senior member of the investment team at Ironbridge for more than 10 years covering deal assessment, investment management and exit planning across a number of Ironbridge portfolio companies.

Mike has experience across numerous industries where he has served on company boards involved in the technology, retail, healthcare, media, waste services, tourism, hospitality and manufacturing sectors. His involvement with companies in these industries has been to work closely with founders and executive management teams to execute strategic growth objectives.

Mike is currently the Executive Chairman of rhiipe Limited (ASX: RHP), Chairman of INT Corporation Ltd (ASX:INT), Chairman of HJB Corporation Limited (ASX:HJB), Chairman of Modun Resources Limited (ASX:MOU) and a non-executive Director of JustKapital Litigation Partners Limited (ASX:JKL). He is a member of the Institute of Chartered Accountants in Australia.



**Shauna Mei**  
**Proposed Chief Executive Officer and**  
**Executive Director**

Shauna is a MIT engineer turned commerce and media industry professional, and the founder and CEO of AHAlife.com. Launched in September 2010, AHAlife.com is a global e-commerce marketplace powering over 2000+ designers and artisans from 45+ countries. Shauna's mission is to create a global community that supports independent brands on a "content-meets-commerce" platform featuring quality objects for every aspect of life.

Prior to launching AHAlife.com, Shauna served as the COO of Casall, a Swedish wellness/activewear company. She also co-founded the Aronsson Group, a luxury fashion investment and advisory firm, and has worked in both Private Equity and Investment Banking at Goldman Sachs.

Shauna has been profiled in her own chapter in 2013's *Stiletto Network: Inside Women's Power Circles That are Changing the Face of Business*, as well as in various publications including: *The New York Times*, *The Wall Street Journal*, *The Financial Times*, *Women's Wear Daily*, *Glamour Magazine*, *TechCrunch*, *The Huffington Post*, *Hamptons*, *The Today Show* and more.

She has also spoken at numerous conferences worldwide, most recently including Web Summit, TechCrunch Shanghai, The World Summit on Innovation and Entrepreneurship, and the Shop.org Summit and has been a thought leader on television for CNN, Bloomberg TV and the Today Show.

This past year, Shauna was named one of Fast Company's 1000 Most Creative People in Business and was a winner of SmartCEO's Future50 Award. In 2013, Fast Company named AHAlife #19 on their list of the World's 50 Most Innovative Companies. Shauna was also a finalist for that year's Ernst & Young Entrepreneur of the Year Award. Shauna graduated from MIT in 2005 with two Bachelor of Science degrees in Electrical Engineering/Computer Science and Management Finance. She was born in Inner Mongolia China and currently resides in New York, NY.



**Sachin Devand**  
**Proposed President, Chief Technology**  
**Officer and Executive Director**

Sachin currently serves as President and Chief Technology Officer (CTO) of AHAlife. At AHAlife, Sachin has been responsible for building its next generation in-house developed commerce marketplace platform. Sachin has more than 15 years of extensive experience building geo-distributed, scalable, enterprise class global business systems that can deliver high throughput low latency responses to end consumers. Sachin also has extensive experience in the field of data science, personalization and big data that are applied at the core of AHAlife's platform.

Prior to AHAlife, Sachin served as Vice President of Platform Products at 33Across where he was responsible for building and expanding their web-based social graph based platform, managing an ever-evolving relationship graph of over a billion users on the web. This platform was built using machine learning & artificial intelligence using big data analytics.

Prior to 33Across, as VP of Advertising Services at LucidMedia (acquired by Videology), Sachin built one of the first Demand Side Platforms in the advertising industry. This system was capable of handling over a billion transactions per day whilst being able to have a response latency of less than 50 milliseconds. He was also instrumental in launching the company into advertising space. He built search query clustering and classification engine that was utilized by AOL to monetize their search, as well as a graphs-based semantic analysis engine for extracting associations between concepts (verb and noun phrases) among documents within large real-time discourses. This solution was utilized with success in various Life Science companies and US Government.

Prior to LucidMedia, at Intelligenx, Sachin was responsible for building first generation search clustering algorithms and a platform for the yellow pages industry.

Sachin has a Computer Science degree from Indian Institute of Technology, Bombay (IIT). Over the years, all of his products and solutions have leveraged deep understanding of enterprise grade software and infrastructure, proven concepts of artificial intelligence, distributed computing, big data, statistics and mathematics.



**Michael Everett**  
**Current and proposed Non-Executive Director**

Michael has more than 25 years of capital markets and advisory experience. Michael retired from Goldman Sachs in 2013 after 11 years where he was a Managing Director and Co-head of the Financing Group within the Investment Banking Division in Australia. Prior to joining Goldman Sachs, he worked internationally for a large investment bank and has broad experience across the securities industry. During his career, he has advised a broad range of companies in a variety of industries. In late 2013, he established an independent capital markets advisory firm, Reunion Capital Partners. Michael is currently a director of HJB Corporation Limited and rhipe Limited.



**Andrew Whitten**  
**Current and proposed Company Secretary**

Andrew is an admitted solicitor with a specialty in Corporate Finance and Securities Law and is a Solicitor Director of Whittens & McKeough Pty Ltd. Andrew is currently the company secretary of a number of publicly listed companies. He has been involved in a number of corporate and investment transactions including IPOs on the ASX and NSX, corporate reconstructions, reverse mergers and takeovers.

Andrew holds a Bachelor of Arts (Economics UNSW); Master of Laws and Legal Practice (Corporate Finance and Securities Law-UTS); Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia and is an elected Associate of that institute. Andrew is also a Public Notary.



## 2.4. MANAGEMENT AND OPERATIONS OF MERGED ENTITY

Under the management of the New Board, Shauna Mei and Sachin Devand will continue to lead the executive team of the AHALife business, which will operate as per normal for the foreseeable future and key AHALife personnel will be retained to continue in their respective roles. Funds raised under this Prospectus will be used to progress and accelerate AHALife's growth strategies. Further details of AHALife are set out in Section 5 of this Prospectus.

Shauna and Sachin have been instrumental in AHALife's growth and the current Board considers that their proposed appointments are important in the continued development of the AHALife business. As part of their appointment to the New Board, the Company will be granting a combination Incentive Securities to Shauna and Sachin, to align their interests with that of Shareholders of the Company and remunerate them appropriately if they create shareholder value. The Incentive Securities collectively form securities being offered under the Incentive Securities Offer. Further details of the Incentive Securities Offer are set out in Section 3.2 of this Prospectus.

## 2.5. RESTRICTED SECURITIES

The Directors do not intend to seek quotation of Restricted Securities unless and until after the ASX grants approval to the Company. It is anticipated that the Company will maintain Chess Holder Records (including SRN) so that Restricted Securities can be entered into a separate Chess holding (including a holding lock) or other arrangement permitted by the ASX. The Company will implement escrow restrictions in respect of Restricted Securities in accordance with Chapter 9 of the ASX Listing Rules or will comply with such other arrangement approved by the ASX.

The ASX may classify certain Shares as being subject to the restricted securities provisions of the ASX Listing Rules. Those Shares will be required to be held in escrow for a period determined by the ASX.

Holders of Restricted Securities will be prohibited for the period determined by the ASX from:

- (a) disposing of, or agreeing to offer or dispose of, any of their restricted securities;
- (b) creating, or agreeing to offer to create, any security interest over any of their restricted securities; or
- (c) doing or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of their restricted securities.

The Company will be making an escrow submission with respect to the Securities to be issued to the AHALife Vendors under the Vendor Offer. Therefore, as at the date of this Prospectus, is not known whether these Securities will be Restricted Securities and subject to escrow restrictions.

However, as part of the Proposed Transaction, certain AHALife Vendors have agreed to a voluntary escrow with respect to the Consideration Shares that they will be issued in connection with the Proposed Transaction, until the earlier of (a) 16 August 2016, and (b) 7 days following the release of the Company's semi annual or annual financial report (as required by the Listing Rules and/or the ASX), covering the 6 month period ending 30 June 2016 or the 12 month period ending 30 June 2016 as the case may be (in addition to any ASX imposed escrow). Details of the voluntary escrow agreements are outlined in Section 8.14 of this Prospectus.

AHALife has agreed that in the event that the ASX imposes further mandatory escrow restrictions on any of the Consideration Shares and/or Consideration Options that will be issued to the AHALife Vendors in connection with the Proposed Transaction, it will be a further condition to completion under the Merger Agreement that the applicable AHALife Vendors agree to these restrictions.

Apart from the Securities subject to the voluntary escrow agreements as noted above, the Securities offered under the General Offer in this Prospectus will be freely transferable from the date of their allotment.

## 2.6. RELATED PARTY DISCLOSURES

As of the date of this Prospectus, the current and proposed Directors of the Board and the Company Secretary have relevant interests in the Company as outlined in Tables 1 and 2 below.



**Table 1 – Current and Proposed Relevant Interests in the Securities of the Company (post-Consolidation)**

Director	Shares	Options and performance rights	% of Company (Undiluted) <sup>(a)</sup>	\$(% of Company (Fully diluted) <sup>(b)</sup>
Mike Hill <sup>(c)</sup>	906,667	1,050,000	0.6%	1.0%
Shauna Mei <sup>(d)</sup>	17,184,268	10,500,000	10.8%	14.8%
Sachin Devand <sup>(e)</sup>	7,535,078	7,463,820	4.7%	8.0%
Jonathan Pager <sup>(f)</sup>	387,500	250,000	0.2%	0.3%
Michael Everett <sup>(g)</sup>	1,160,000	1,025,000	0.7%	1.2%
Philip Kapp <sup>(h)</sup>	170,000	225,000	0.1%	0.2%
Andrew Whitten <sup>(i)</sup>	92,501	Nil	>0.1%	>0.1%
<b>Total</b>	<b>27,436,014</b>	<b>20,513,820</b>	<b>17.3%</b>	<b>25.6%</b>

**Notes:**

- (a) Following completion of the Proposed Transaction, assuming that \$19.9M is raised under the General Offer, following the issue of all Incentive Securities and undiluted. These percentages are based on a total sum of 158,656,403 Shares (post-Consolidation), which have been calculated as follows: 13,894,832 (existing number of Shares on issue) + 96,539,349 (Consideration Shares pursuant to the Vendor Offer and the Proposed Transaction) + 44,222,222 (New Shares pursuant to the General Offer under this Prospectus) + 4,000,000 (All Loan Shares pursuant to the Incentive Securities Offer)
- (b) (b) Following completion of the Proposed Transaction, assuming that \$19.9M is raised under the General Offer, following the issue of all Incentive Securities and fully diluted. These percentages are based on a total sum of 187,358,810 Shares (post-Consolidation), which have been calculated as follows: 13,894,832 (existing number of Shares on issue) + 4,527,500 (existing number of Options on issue) + 96,539,349 (Consideration Shares pursuant to Vendor Offer and the Proposed Transaction) + 9,174,906 (Consideration Options pursuant to Vendor Offer and the Proposed Transaction) + 44,222,222 (New Shares pursuant to the General Offer under this Prospectus) + 19,000,000 (All Incentive Securities proposed to be issued pursuant to the Incentive Securities Offer)
- (c) Subject to Shareholder approval at the EGM being obtained, Mr Hill (through an associated entity) will subscribe for up to 166,667 New Shares under the General Offer. The balance of the Shares and Options are existing holdings are held either in his own name, or under an entity associated with Mr Hill, Jarumitoti Pty Ltd. 700,000 of the Options are exercisable at 20 cents per Option on or before 30 June 2017. 175,000 of the Options are exercisable at 20 cents per Option, on or before 16 July 2017. 175,000 of the Options are unvested, and are exercisable at 20 cents per Options, on or before 16 July 2019.
- (d) As part of the Proposed Transaction and Ms Mei's appointment to the New Board, subject to Shareholder approval at the EGM being obtained, 15,184,268 Consideration Shares, 2,000,000 Loan Shares, 3,500,000 Executive Options, 3,500,000 Performance Options, and 3,500,000 Performance Rights will be issued to Ms Mei. The Consideration Shares will be offered to Ms Mei under the Vendor Offer, and the other securities will be issued to her under the Incentive Securities Offer. Terms of each of the Incentive Securities are set out in Section 9.3 of this Prospectus.
- (e) As part of the Proposed Transaction and Mr Devand's appointment to the New Board, subject to Shareholder approval at the EGM being obtained, 5,535,078 Consideration Shares, 2,963,820 Consideration Options, 2,000,000 Loan Shares, 1,500,000 Executive Options, 1,500,000 Performance Options, and 1,500,000 Performance Rights will be issued to Mr Devand. The

- Consideration Shares and Consideration Options will be offered to Mr Devand under the Vendor Offer, and the other securities will be issued to him under the Incentive Securities Offer. All of the Consideration Shares proposed to be issued to Mr Devand will be fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares of the Company. However, all of his Consideration Shares will be escrowed and will be subject to a right held by the Company for a period of up to 2 years from the date of re-instatement of the Company, wherein these Consideration Shares proposed to be issued to Mr Devand can be selectively bought back by the Company for a nominal value (subject to compliance with the Corporations Act). The escrow period (of up to 2 years) will be lifted if Mr Devand remains with the Company for the whole of the 2 year period from the date of re-instatement of the Company. If Mr Devand's employment or engagement with the Company is terminated for any reason, the Company's buy-back right will be triggered. Terms of the Consideration Options are set out in Section 9.2 of this Prospectus, and the terms of each of the Incentive Securities are set out in Section 9.3 of this Prospectus.
- (f) Shares and Options indirectly held by Oceanview Super Fund Pty Ltd, Pager Partners Corporate Advisory Pty Ltd and Mrs Natalie Gabriel, all persons and/or entities associated with Mr Pager. 125,000 of the Options are exercisable at 20 cents per Option, on or before 30 June 2017. 62,500 of the Options are exercisable at 20 cents per Option, on or before 16 July 2017. 62,500 of the Options are unvested, and are exercisable at 20 cents per Options, on or before 16 July 2019.
- (g) Shares and Options indirectly held by Reunion Investments Pty Ltd, an entity associated with Mr Everett. 600,000 of the Options are exercisable at 20 cents per Option, on or before 30 June 2017. 212,500 of the Options are exercisable at 20 cents per Option, on or before 16 July 2017. 212,500 of the Options are unvested, and are exercisable at 20 cents per Options, on or before 16 July 2019.
- (h) Shares and Options directly held by Mr Kapp and indirectly held by Kapp Superannuation Pty Ltd, an entity associated with Mr Kapp. 100,000 of the Options are exercisable at 20 cents per Option, on or before 30 June 2017. 62,500 of the Options are exercisable at 20 cents per Option, on or before 16 July 2017. 62,500 of the Options are unvested, and are exercisable at 20 cents per Options, on or before 16 July 2019.
- (i) Shares indirectly held by entities controlled by Mr Whitten.

**Table 2 – Current and Proposed Remuneration**

Director	Current base remuneration (\$)	Proposed base remuneration (\$)
Mike Hill <sup>(a)</sup>	\$250,000	USD\$125,000
Shauna Mei <sup>(b)</sup>	Not a current Director	USD\$300,000
Sachin Devand <sup>(c)</sup>	Not a current Director	USD\$300,000
Jonathan Pager <sup>(d)</sup>	\$100,000	To resign as a Director at completion of the Proposed Transaction
Michael Everett <sup>(e)</sup>	\$60,000	USD\$100,000
Philip Kapp <sup>(f)</sup>	\$30,000	To resign as a Director at completion of the Proposed Transaction
Andrew Whitten <sup>(g)</sup>	Fees pursuant to retainer agreement	Fees pursuant to retainer agreement

**Notes:**

- (a) Mr Hill's current remuneration is set in accordance with his existing executive services agreement with the Company. Under the terms of this agreement, Mr Hill has agreed to receive only 50% of his remuneration until the First Acquisition. As the Proposed Transaction satisfies the definition of First Acquisition, Mr Hill will be paid all outstanding amounts due to him at completion of the Proposed Transaction. Mr Hill proposes to enter into a new services agreement with the Company, the terms of which will take effect following completion of the Proposed Transaction. Please refer to Section 8.6 and 8.7 of this Prospectus for further details of his existing and proposed services agreements.
- (b) Ms Mei proposes to enter into an executive services agreement with the Company, the terms of which will take effect following completion of the Proposed Transaction. Please refer to Section 8.9 of this Prospectus for further details.
- (c) Mr Devand proposes to enter into an executive services agreement with the Company, the terms of which will take effect following completion of the Proposed Transaction. Please refer to Section 8.10 of this Prospectus for further details.
- (d) Mr Pager is currently remunerated via an existing consulting agreement with the Company. Under the terms of this agreement, the consulting entity has agreed to receive 50% of its fees until the First Acquisition. As the Proposed Transaction satisfies the definition of First Acquisition, the consulting entity will be paid all outstanding amounts due to it at completion of the Proposed Transaction. Mr Pager will resign from the Board following completion of the Proposed Transaction. Please refer to Section 8.6 of this Prospectus for further details of the existing consulting agreement.
- (e) Mr Everett is currently remunerated via an existing consulting agreement with the Company. Under the terms of this agreement, the consulting entity has agreed to receive 50% of its fees until the First Acquisition. As the Proposed Transaction satisfies the definition of First Acquisition, the consulting entity will be paid all outstanding amounts due to it at completion of the Proposed Transaction. An entity through which Mr Everett proposes to enter into a new consulting agreement with the Company, the terms of which will take effect following completion of the Proposed Transaction. Please refer to Section 8.6 and 8.8 of this Prospectus for further details of the existing and proposed consulting agreements.
- (f) Mr Kapp is currently remunerated via an existing consulting agreement with the Company. Under the terms of this agreement, the consulting entity has agreed to receive 50% of its fees until the First Acquisition. As the Proposed Transaction satisfies the definition of First Acquisition, the consulting entity will be paid all outstanding amounts due to it at completion of the Proposed Transaction. Mr Kapp will resign from the Board following completion of the Proposed Transaction. Please refer to Section 8.6 of this Prospectus for further details of the existing consulting agreement.
- (g) Mr Whitten, through his firm Whittens & McKeough Pty Ltd, provides company secretarial services (and legal services) to the Company. Please refer to Sections 8.11 and 8.12 of this Prospectus for further details.





Image: examples of items sold on AHAlife





Image: Shauna Mei, CEO and founder AHA Life



# 3



## DETAILS OF THE OFFERS







Image: AHAlife seller and examples of their products



## ANNA NEW YORK BY RABLABS

Designer Anna Rabinowicz “rescues” ordinary-on-the-outside ancient stones set to be destroyed, slices them open to reveal glittering interiors, and then turns them into stunning, cutting-edge treasures for the home.



from New York, NY



# 3.1

## CONDITIONAL OFFERS ON POST-CONSOLIDATED BASIS

Completion of the Offers is conditional upon:

- (a) Shareholders approving all the Resolutions at the EGM;
- (b) a minimum of \$15,000,000 being raised under the General Offer;
- (c) other than the issue of the Securities under the Offers, the Company being in a position to complete its acquisition of AHAlife pursuant to the Proposed Transaction; and
- (d) the ASX approving the Company's re-compliance with Chapters 1 and 2 of the Listing Rules.

Accordingly, this Prospectus has been prepared on the basis that the Consolidation (Resolution 1 of the NOM) has been completed by the Company.

In the event that the conditions above are not satisfied and/or waived, the Offers will not proceed and no Securities will be issued under this Prospectus. If this occurs, all Application Monies received will be refunded (without interest) in accordance with the Corporations Act.

## 3.2.

### THE OFFERS

Under this Prospectus, the following offers are being made by the Company:

**Table 3 – The Offers**

Name of offer	Description
General Offer	For the offer of 44,222,222 New Shares at an issue price of 45 cents (\$0.45) per New Share to investors who are invited to apply for New Shares under this Prospectus to raise \$19,900,000. The Company reserves the right to accept Oversubscriptions up to \$1,500,000, therefore, the maximum amount that may be raised under this Prospectus is \$21,400,000.
Vendor Offer	For the offer of up to 96,539,349 Consideration Shares and up to 9,174,906 Consideration Options to the AHAlife Vendors in consideration for the acquisition of all the diluted capital in AHAlife as part of the Proposed Transaction.
Incentive Securities Offer	For the offer of up to 4,000,000 Loan Shares, up to 5,000,000 Executive Options, up to 5,000,000 Performance Options, and up to 5,000,000 Performance Rights to certain proposed key management of the Company, being Ms Shauna Mei (incoming CEO) and Mr Sachin Devand (incoming CTO).



### Further details of the General Offer

Under the General Offer, \$19,900,000 (44,222,222 New Shares) will be raised. The Company reserves the right to accept Oversubscriptions up to \$1,500,000 (3,333,333 New Shares), therefore, the maximum amount that may be raised under this Prospectus is \$21,400,000 (47,555,555 New Shares).

The purpose of the General Offer is to provide an opportunity for investors to subscribe for new equity in the Company, and generally, to assist the Company to meet the re-instatement conditions under Chapters 1 and 2 of the Listing Rules (e.g. to achieve sufficient Shareholder spread upon re-instatement). Furthermore, funds raised under the General Offer will enable the Company to accelerate the continued growth of the AHAlife business and fund its key business objectives. A detailed breakdown of the Company's proposed use of funds is set out in Section 3.3 of this Prospectus.

All New Shares issued pursuant to the General Offer will be fully paid ordinary shares and will rank equally in all respects with all other Shares on issue as at the date of this Prospectus.

### Further details of the Vendor Offer

As part of the Proposed Transaction, the consideration payable by the Company for all of the diluted capital of AHAlife will be offered under the Vendor Offer.

No immediate funds will be raised from the Vendor Offer, although funds would be raised when the Consideration Options are exercised (if at all).

The purpose of the Vendor Offer is to qualify the Consideration Shares issued to the AHAlife Vendors for secondary trading (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX), and to also remove the need for an additional disclosure document to be issued upon the sale or exercise of the Consideration Options (including Shares that may be issued on exercise of the Consideration Options) issued under this Prospectus (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX).

All Consideration Shares issued pursuant to the Vendor Offer will be fully paid ordinary shares and will rank equally in all respects with all other Shares on issue as at the date of this Prospectus. Terms of the Consideration Options are set out in Section 9.2 of this Prospectus.

### Further details of the Incentive Securities Offer

As part of their appointments to the New Board, Ms Shauna Mei (proposed Executive Director and Chief Executive Officer) and Mr Sachin Devand (proposed Executive Director and Chief Technology Officer) will receive a combination of unvested options, unvested performance rights and loans to acquire shares under the Incentive Securities Offer to align their interests with that of Shareholders of the Company and remunerate them appropriately if they create shareholder value.

No immediate funds will be raised from the Incentive Securities Offer, although funds would be raised when the Executive Options and/or Performance Options are exercised (if at all).

The purpose of the Incentive Securities Offer is ensure that the securities contained therein are not included within the limits on the number of securities that can be issued under the Executive and Employee Incentive Plan (which the Company proposes to implement, subject to Shareholder approval being obtained at the EGM, further details which are set out in Section 10.2 of this Prospectus), and to also remove the need for an additional disclosure document to be issued upon the sale or exercise (if applicable) of the Incentive Securities (including Shares that may be issued on exercise and/or vesting of the Incentive Securities) issued under this Prospectus (subject to any voluntary escrow agreed to, and any escrow arrangements imposed by ASX).

Terms of the Incentive Securities are set out in Section 9.3 of this Prospectus.

## 3.3. USE OF FUNDS

Depending on the level of subscription (and oversubscription) achieved by the Company under the General Offer, the Company intends to apply funds raised as follows:

**Table 4 – Use of Funds (AUD)<sup>(a)</sup>**

Description	If \$19.9M is raised	If \$21.4M is raised
Settlement of AHAlife bank loan	\$2,514,000	\$2,514,000
Expenses of the Offers <sup>(b)</sup>	\$1,253,000	\$1,328,000
Due Diligence and Transaction Costs		
Other Costs	\$200,000	\$200,000
Legal Costs	\$425,000	\$425,000
Sub-total	\$625,000	\$625,000
Marketing Costs <sup>(c)</sup>	\$4,700,000	\$6,125,000
Employment Costs <sup>(d)</sup>	\$8,260,000	\$8,260,000
Technology Costs <sup>(e)</sup>	\$920,000	\$920,000
Administration and Other Working Capital <sup>(f)</sup>	\$1,628,000	\$1,628,000
<b>Total</b>	<b>\$19,900,000</b>	<b>\$21,400,000</b>

### Notes

- (a) The table is a statement of the current intentions of the Board as of the date of lodgement of this Prospectus with ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.
- (b) Expenses of the Offers are further broken down in Section 10.4 of this Prospectus.
- (c) Marketing costs will be applied towards strategies to acquire new users and convert them to customers including but not limited to Search Engine Marketing (SEM), paid editorial, retargeting, paid channels and social media such as Facebook, Polyvore and Pinterest. In addition to paid marketing the Company has unpaid strategies including Search Engine Optimisation (SEO), direct marketing, partnerships, affiliates and other above the line (variable costs) such as “refer a friend”, marketing offers and credits targeting new and recurring customers. Marketing remains flexible such that the Company can focus on those strategies that produce the best return.
- (d) Employment costs cover both the New York based team and a team of developers based in India.
- (e) Includes infrastructure, software and IT services.
- (f) General working capital includes costs of AHAlife and INT’s corporate costs including non-executive directors’ remuneration.

## 3.4. APPLICATIONS UNDER THE GENERAL OFFER

Applications for New Shares under the General Offer must be made using the Application Form attached to this Prospectus.

The General Offer will be open to the public, which will include both sophisticated and general investors. Applications for New Shares under the General Offer must be for a minimum of 4,445 New Shares (value of at least \$2,000).

## 3.5. APPLYING UNDER THE GENERAL OFFER

If you wish to participate in the General Offer, you must:

- (a) Complete the Application Form accompanying this Prospectus. The Application Form attached to this Prospectus contains detailed instructions on how the form for the General Offer can be completed.
- (b) Pay the Application Monies by cheque, in Australian dollars, crossed “not negotiable” and made payable to “INT Corporation Limited” or by electronic funds transfer to the Company’s nominated bank account (as set out in the Application Form).



Do not forward cash or money orders. Receipts for payment will not be issued.

**Completed Application Forms and accompanying payment of the Application Monies must be received by the Company before 5pm (AEST) on the applicable Closing Date at the following address:**

INT Corporation Limited

- (i) Mail: PO Box 231, BRIGHTON VIC 3186
- (ii) Hand: Level 5, 137-139 Bathurst Street, SYDNEY NSW 2000

Applicants are encouraged to lodge their Application Form as soon as possible as the General Offer may close early without notice.

An original, completed and lodged Application Form, together with a cheque or electronic funds transfer for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of New Shares specified in each Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe, amend or complete the Application Form is final; however an Applicant will not be treated as having applied for more New Shares than is indicated by the amount of the cheque or the electronic funds transfer.

The Company reserves the right to reject any Application or to allocate any Applicant fewer New Shares than the number applied for under this Prospectus. As a way of an example, the Company may allocate an Applicant fewer New Shares than applied for under this Prospectus if the amount applied for impedes the Company's ability to re-comply with Chapters 1 and 2 of the Listing Rules.

Application Monies will be held in trust on behalf of Applicants until the New Shares offered under this Prospectus are issued. The banking of Application Monies in a trust account does not constitute acceptance of the relevant Application. If any Application is rejected in whole or in part, the relevant Application Monies will be repaid to the unsuccessful Applicant within the time period set out under the Corporations Act, without interest. For the avoidance of doubt, all interest earned on Application Monies (including those which do not result in allotment of New Shares) will be retained by the Company.

No brokerage, stamp duty or other costs are payable by Applicants in respect of an Application for Shares under this Prospectus.

## 3.6. APPLYING UNDER THE VENDOR OFFER

The Vendor Offer of Consideration Shares and Consideration Options is made solely to and only capable of acceptance by the AHAlife Vendors, in portions as dictated by the Merger Agreement pursuant to the Proposed Transaction. Applications will be deemed

to have been made by the AHAlife Vendors under the Vendor Offer in portions as dictated by the Merger Agreement, prior to the Closing Date.

## 3.7. APPLYING UNDER THE INCENTIVES SECURITIES OFFER

The Incentive Securities Offer is made solely to Ms Shauna Mei and Mr Sachin Devand, incoming Executive Directors of the New Board, and is capable of acceptance by each of them through the submission of a personalised incentive securities application form, which will be provided by the Company to Ms Mei and Mr Devand with a copy of this Prospectus after the date of this Prospectus.

## 3.8. UNDERWRITER

The offer of 44,222,222 New Shares under the General Offer is underwritten by Blue Ocean Equities Pty Limited, the Lead Manager.

## 3.9. LEAD MANAGER FEES

Blue Ocean Equities will act as Lead Manager and underwriter of the General Offer. Refer to Section 8.4 of this Prospectus for further details including the fees payable to the Lead Manager and terms of the engagement.

## 3.10. CAPITAL STRUCTURE

In the event that:

- (a) all Resolutions at the EGM are passed by Shareholders of the Company;
  - (b) the Consolidation is completed by the Company; and
  - (c) the Proposed Transaction completes,
- the Company is projected to have the following capital structure.



**Table 5 – Proposed Share Capital Structure (\$19.9M raised under the General Offer)**

Description	Number of Shares	% of Total
Existing number of Shares on issue	13,894,832	8.8%
Number of Consideration Shares issued under the Vendor Offer (and pursuant to the Proposed Transaction)	96,539,349	60.8%
Number of Loan Shares issued under the Incentive Securities Offer	4,000,000	2.5%
Total number of New Shares issued under the General Offer	44,222,222	27.9%
<b>Total number of post-Consolidation Shares on issue at listing on ASX</b>	<b>158,656,403</b>	<b>100%</b>

The Company reserves the right to accept Oversubscriptions up to \$1,500,000, which if raised will result in a further 3,333,333 New Shares being issued. Therefore, the total number of post-Consolidation Shares on issue at listing on ASX would increase to 161,989,736.

Following the issue of the Consideration Options (pursuant to the Proposed Transaction and under the Vendor Offer), and the issue of the combination of options and performance rights to Ms Mei and Mr Devand (under the Incentive Securities Offer), assuming that the maximum amount is raised under the General Offer, on a post-Consolidation basis, the Company's options and performance rights structure is projected as follows:

**Table 6 – Options and Performance Rights (\$19.9M raised under the General Offer, fully diluted)**

Option terms	Number of Options	% of Total <sup>(a)</sup>
Consideration Options	9,174,906	4.9%
Unvested Executive Options	5,000,000	2.7%
Unvested Performance Options	5,000,000	2.7%
Unvested Performance Rights	5,000,000	2.7%
Exercisable at \$0.20 per Option by 30 June 2017	3,250,000	1.7%
Exercisable at \$0.20 per Option by 16 July 2017	637,500	0.3%
Exercisable at \$0.20 per unvested Option by 16 July 2019	637,500	0.3%
Exercisable at \$40.00 per Option by 22 February 2018	1,313	>0.1%
Exercisable at \$80.00 per Option by 30 November 2015	1,188	>0.1%
<b>Total</b>	<b>28,702,407</b>	<b>15.3%</b>

Notes:

- (a) Following completion of the Proposed Transaction, assuming that \$19.9M is raised under the General Offer, following the issue of all Incentive Securities and fully diluted. These percentages are based on a total sum of 187,358,810 Shares (post-Consolidation), which have been calculated as follows: 13,894,832 (existing number of Shares on issue) + 4,527,500 (existing number of Options on issue) + 96,539,349 (Consideration Shares pursuant to Vendor Offer and the Proposed Transaction) + 9,174,906 (Consideration Options pursuant to Vendor Offer and the Proposed Transaction) + 44,222,222 (New Shares pursuant to the General Offer under this Prospectus) + 19,000,000 (All Incentive Securities proposed to be issued pursuant to the Incentive Securities Offer). The Company reserves the right to accept Oversubscriptions up to \$1,500,000, which if raised will result in a further 3,333,333 New Shares being issued. This will result in the percentage holdings of the options and performance rights decreasing.

## 3.11. OPENING AND CLOSING DATES

The proposed Opening Date for acceptance of the Offers is 1 July 2015 (the Opening Date will be delayed if the mandatory seven day Exposure Period under the Prospectus required by the Corporations Act is extended by ASIC).

The proposed Closing Date for acceptance of the Offers is 5pm (AEST) on 8 July 2015.

The Board reserves the right at any time and from time to time to change the Opening Date and Closing Date, without providing any notice.

The Board also reserves the right at any time to raise less than the amounts stipulated under this Prospectus.

Applications for Securities pursuant to this Prospectus will not be processed by the Company until after the expiry of the Exposure Period under the Prospectus. An Application lodged prior to the expiry of the Exposure Period under the Prospectus will be treated as though it was received immediately following expiry of the Exposure Period.

## 3.12. LISTING AND QUOTATION OF THE NEW SHARES

The Company will, within 7 days after the date of this Prospectus, apply for the Shares under this Prospectus to be quoted on the ASX.

If the application for quotation is not made within 7 days after the date of this Prospectus, or if the Shares offered under this Prospectus are not granted quotation within 3 months after the date of this Prospectus, the Company shall deal with Applications in accordance with the requirements of the Corporations Act. The fact that the ASX may grant quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares.

## 3.13. ALLOTMENT OF THE NEW SHARES

Subject to all conditions in Section 3.1 being satisfied and/or waived, for Potential Applicants whose Applications are accepted by the Company, in whole or in part, the Company will issue Securities and despatch either a CHESS statement or an issuer sponsored holding statement (whichever applicable) to the Applicants as soon as practicable after the applicable Closing Date together with any excess Application Monies.

It is the responsibility of all Applicants to determine their allocation prior to trading in the Shares. Applicants who sell any of the Shares of the Company before receiving their holding statements do so at their own risk.

## 3.14. OVERSEAS APPLICANTS

This Prospectus does not constitute an offer or invitation:

- (a) in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus; or
- (b) to any person to whom it would not be lawful to make such an offer or invitation.

No action has been taken to register or qualify the Securities under the Offers, or otherwise to permit the public offering of the Securities, in any jurisdiction outside Australia.

The distribution of this Prospectus within jurisdictions outside Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. It is the responsibility of any Overseas Applicant to ensure compliance with all laws of any country relevant to their Application and to obtain all necessary approvals so that they may legally subscribe for (and be issued) Securities pursuant to the Offers.

The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of any law, that all necessary approvals and consents have been obtained and that the Company may legally issue Securities to the Applicant pursuant to this Prospectus.

Overseas Applicants should consult with their professional advisors as to whether any formalities need to be observed (either by themselves or the Company) to enable them to subscribe for the Securities being offered pursuant to this Prospectus.

Where this Prospectus has been despatched to persons on jurisdictions outside of Australia, in which the securities legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only. This Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

Subject to restrictions set out below, the Company and the Lead Manager reserve the right to offer Securities to AHALife Vendors (under the Vendor Offer), to Ms Shauna Mei and Mr Sachin Devand (under the Incentive Securities Offer) and to Overseas Applicants in the following jurisdictions, where to do so would not be a breach of the securities law requirements of the relevant jurisdiction under the Offers.

### *United States of America*

This Prospectus may not be distributed or released, in whole or in part, in the United States except to the AHALife Vendors under the Vendor Offer, and to Ms Shauna Mei and Mr Sachin Devand under the Incentive Securities Offer.

None of the Securities to be offered and sold under the Offers have been, or will be, registered under the U.S. Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction in the United States, and, accordingly, they may not





be offered or sold, directly or indirectly, in the United States, except to the AHALife Vendors under the Vendor Offer, and to Ms Mei and Mr Devand under the Incentive Securities Offer, in each case pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This Prospectus has not been filed with, or reviewed by, the US Securities and Exchange Commission (SEC) or any state securities authority and none of them has passed upon or endorsed the merits of the Offer, or the accuracy, adequacy and completeness of this Prospectus. Any representation to the contrary is a criminal offence.

AHALife Vendors who reside in the United States should note that the Prospectus has been prepared in accordance with Australian disclosure standards under the laws of Australia and the Listing Rules of the ASX. As an Australian public company with shares listed on the ASX, the Company is subject to Australian disclosure requirements and standards, including the continuous disclosure requirements of the ASX. Australian disclosure requirements and standards, including the ASX continuous disclosure requirements, are different from those of the United States. The Company is not subject to the periodic reporting and other information requirements of the US Securities Exchange Act of 1934 (**US Securities Exchange Act**), and does not expect or intend to become subject to such requirements. Accordingly, the Company does not file annual or periodic reports, proxy statements or other public information with the SEC.

The financial information included in the Prospectus has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards (including the Australian Accounting Interpretations) issued by the Australian Accounting Standards Board, which are consistent with the International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board. Australian Accounting Standards and IFRS differ from generally accepted accounting principles in the United States (**US GAAP**) and those differences may be material to the financial information of the Company presented in the Prospectus. The Company has not provided a quantitative reconciliation or narrative discussion of these differences in the Prospectus. Investors should consult their own professional advisors for an understanding of the differences between Australian Accounting Standards, IFRS and US GAAP and how those differences might affect such financial statements and financial information and, more generally, the financial results of the Company going forward.

The Prospectus includes certain pro forma financial information showing the effects of the Proposed Transaction. The pro forma financial information is not, and does not purport to be, in compliance with Article 11 of Regulation S-X under the US Securities Act, and was not prepared with a view towards compliance with either the SEC's or the American Institute of Certified Public Accountants' published guidelines for the preparation and presentation of pro forma financial information. Investors are cautioned not to place undue reliance on the pro forma financial information contained in the Prospectus.

It may be difficult for AHALife Vendors to enforce their

rights and any claim they may have arising under US federal or state securities law, since the Company is located in Australia and some of its officers and directors are residents of Australia. AHALife Vendors not be able to sue the Company or its officers or directors in Australia for violations of US securities laws, and it may be difficult to compel the Company and its affiliates to subject themselves to a US court's judgment.

Each investor in the Offers (other than the AHALife Vendors in the United States) will be taken to have represented, warranted and agreed as follows:

- (a) it understands that none of the Securities to be offered and sold under the Offers, including the New Shares, have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and that they may not be offered, sold or resold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, including on the ASX in reliance on, and in compliance with, Regulation S under the US Securities Act;
- (b) it is not in the United States and it is not acting on behalf of a person in the United States; and
- (c) it has not and will not send this Prospectus or any other material relating to the Offers to any person in the United States.

#### *People's Republic of China (PRC)*

This Prospectus, its contents and any related materials does not constitute a public offer of Securities, whether by way of sale or subscription, directly or indirectly in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan).

This Prospectus may only be distributed or released, in whole or in part, and the securities under the Vendor Offer may only be offered or sold, directly or indirectly, to AHALife Vendors (whom are based in the PRC) who are "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets.

#### *United Kingdom*

This Prospectus, its contents and any documents relating to the Offers have not 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 securities under the Offers. This document is issued on a confidential basis to "qualified investors" (within the meaning section 86(7) of the FSMA) in the United Kingdom, and the securities under the Offers may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published 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

securities under the Offers 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 document is being distributed only to, and is directed at, persons:

- (a) who have professional experience in matters relating to investments falling within Article 19(5) (investments professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**);
- (b) who fall within categories referred to in Article 49(2)(a)-(d) (high net worth companies, unincorporated associates, etc) of the FPO; or
- (c) to whom it may otherwise be lawfully communicated.

The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, a person who satisfies one of the paragraphs (a)-(c) noted above. If they do not satisfy any one of the paragraphs, the person should not act or rely on this document or any of its contents.

#### *Singapore*

This Prospectus and any related materials have not been and will not be lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore, and the New Shares (under the General Offer) will be offered to persons in Singapore pursuant to exemptions in Subdivision 4, Division 1, Part XIII of the Securities and Futures Act (SFA).

Accordingly, this Prospectus and any document or materials in connection with the General Offer, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than:

- (a) an “institutional investor” under section 274 of the SFA;
- (b) a “relevant person” pursuant to section 275(1) of the SFA;
- (c) any person pursuant to an offer referred to in section 275(1A) of the SFA; or
- (d) pursuant to and in accordance with the conditions of any other applicable provision of the SFA.

There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares under the General Offer. Investors are advised to seek independent professional advice if in doubt, relating to these restrictions.

Each investor under the General Offer will be taken to have represented, warranted and agreed that they:

- (a) are an investor to whom the exemptions in Subdivision 4, Division 1, Part XIII of the SFA applies;
- (b) will acquire the New Shares in accordance with applicable provisions of the SFA; and
- (c) acknowledge that the New Shares under the General Offer are subject to restrictions (including on-sale restrictions) as set out in the SFA, and if in doubt, have consulted independent professional advice.

#### *Hong Kong*

This Prospectus has not been, and will not be, registered as a prospectus under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong, as amended from time to time) (**Companies Ordinance**) and it has not been authorised by the Securities and Futures Commission in Hong Kong. Neither this Prospectus nor its contents have been reviewed by any Hong Kong regulatory authority. No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this document or any documents issued in connection with it. Accordingly, this Prospectus does not constitute a public offer of the New Shares under the General Offer, whether by sale or subscription, in Hong Kong.

The Company has not offered or sold, and will not offer or sell in Hong Kong, by means of any document (including this Prospectus and any documents issued in connection with it), any of the New Shares under the General Offer, other than:

- (a) to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (SFO) and any rules under the SFO or as otherwise permitted under the Seventeenth Schedule of the Companies Ordinance; or
- (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance or which do not constitute an offer to the public within the meaning of the Companies Ordinance.

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares in the Company which are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules under the SFO or as otherwise permitted under the Seventeenth Schedule of the Companies Ordinance. There are other on-sale restrictions in Hong Kong that may be applicable to investors who acquire New Shares under the General Offer. Investors are advised to seek independent professional advice if in doubt, relating to these restrictions.

Each investor under the General Offer will be taken to have represented, warranted and agreed that they:

- (a) are a “professional investor” as defined in the SFO and any rules under the SFO or as otherwise permitted under the Seventeenth Schedule of the Companies Ordinance;
- (b) will acquire the New Shares in accordance with applicable provisions of the Companies Ordinance and SFO; and
- (c) acknowledge that the New Shares under the General Offer are subject to restrictions (including on-sale restrictions) as set out in the Hong Kong securities laws, and if in doubt, have consulted independent professional advice.



## 3.15. TAXATION

The taxation consequences of any investment in the Securities offered under this Prospectus will depend upon each Potential Applicant's particular circumstances. It is the responsibility of all Potential Applicants to satisfy themselves of the particular taxation consequences of an investment in the Company and participation in the Offers under this Prospectus.

Neither the Company nor any of its Directors, officers, employees, agents, taxation advisers or other advisers accepts any liability or responsibility in respect of any taxation consequences connected with the Offers.

## 3.16. RIGHT TO WITHDRAW THE OFFERS

The Company reserves the right not to proceed with the Offers at any time prior to the allotment of Securities to Applicants.

As noted above in Section 3.1, if the Offers do not proceed, Application Monies will be refunded by cheque (if applicable). No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.

## 3.17. PRIVACY STATEMENT

Potential Applicants are informed that by completing an Application Form, you will be providing personal information to the Company. The Company, and the Share Registry on its behalf, collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company, which it considers may be of interest to you. Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are: persons inspecting the register, including bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so,

please contact the Share Registry at the relevant contact number as set out in this Prospectus.

Please note that if you do not wish to provide the information required on the Application, the Company may not be able to accept or process your Application.

## 3.18. ENQUIRIES IN RELATION TO THE OFFERS

This Prospectus is an important document that Applicants should read in its entirety and consult with their professional advisers for legal, business, financial, tax and any other relevant advice before deciding whether or not to apply for Securities under the Offers.

Any enquiries in relation to the Offers can be directed to Mr Andrew Whitten, Company Secretary of the Company on +61 2 8072 1400.



Image: AHAlife seller and examples of their products



Founded by two German surfers who traveled around the globe to find the perfect wave and wound up designing the perfect tents. And we mean perfect—their inflatable tents adhere anywhere, withstand 75+ hour winds and set up in under minute. Bam.



from Hamburg, Germany



# 4



# INDUSTRY OVERVIEW



# 4.1

## THE POWER OF ONLINE MARKETPLACES

ONLINE MARKETPLACES THAT ARE ABLE TO DELIVER A NETWORK EFFECT CAN DEVELOP ATTRACTIVE BUSINESS MODELS, AS THEY ARE ABLE TO ACHIEVE A LEVEL OF SCALE IN A TIME PERIOD THAT WAS NOT POSSIBLE BEFORE THE INTERNET.



A network effect is described as being the value that one user on a marketplace receives due to the presence of other users. Marketplaces can grow to become powerful businesses where the network effects are strong. In an online marketplace, where anyone is able to buy from any operating seller and many of the barriers to becoming a seller to a global marketplace are removed, the value of each incremental user can be explained through Metcalfe's law<sup>5</sup>.

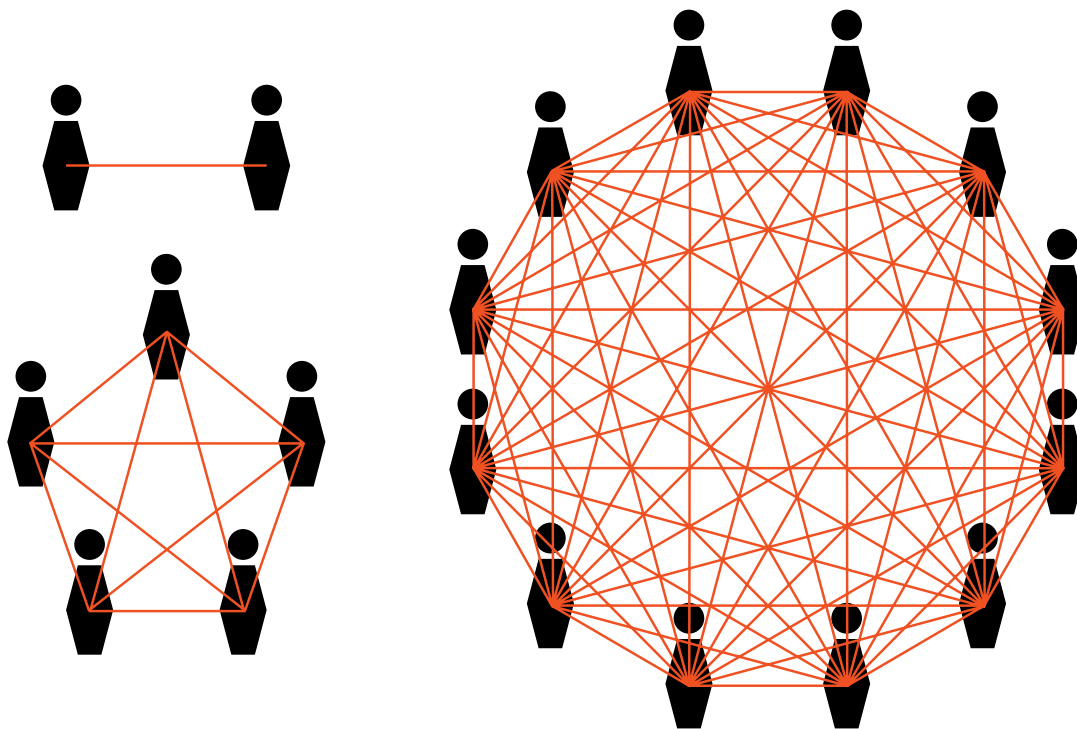
Metcalfe's law was originally formulated to describe the impact of connectivity of compatible communication devices, where the community value of a network grows exponentially as the number of its users increase. The law can be expressed mathematically as  $n(n-1)/2$ , where  $n$  is the number of connections within a network. Hence, as the number of entities grows in a network, so does  $n$  and thus the value of such a network is proportional to  $n^2$ .

Under Metcalfe's law, which was illustrated using the example of fax machines, a single fax machine is useless,

but the value of every fax machine increases with the total number of fax machines in the network, as the total number of people with whom each user may send and receive documents increases. The image below illustrates the network effect of adding additional users to a network.

Applying the notion of Metcalfe's law to an evolving digital world, the first purchaser of an Internet connected device had no one to contact. As a result, the device had limited value. The second purchaser allowed a single connection and so had a value of 1. The fifth purchaser of the device can communicate with any of the other four users and results in ten possible ways in which any two owners of the five devices can communicate. With twelve Internet connected devices, the number of connections on the network is sixty six and so it continues with the addition of every new user driving a number of connections that is multiple times its own addition.

### Illustrative image – Network effect by adding additional users



Over time, positive network effects can create momentum as the network becomes more valuable and more members join. This can continue to augment and amplify the growth and development of a marketplace as, simply put, buyers want to go where there are the most sellers, and the sellers want to go where there are the most buyers.

The publicly traded online marketplaces detailed in Table 7 are generally recognised as having successfully developed large online marketplaces where the network effect described above has been positive in developing both buyers and sellers.

<sup>5</sup> Source: Carl Shapiro and Hal R. Varian (1999). Information Rules. Harvard Business Press

**Table 7 – Examples of Publically Traded Online Marketplaces<sup>6</sup>**

Company	Country	Nature of Business	2014 Revenue (USD\$ millions)
eBay Inc	USA	US headquartered e-commerce company providing consumer to consumer and business to consumer sales services	17,902
Alibaba Group Holding Ltd	China	China based e-commerce company providing consumer-to-consumer, business-to-consumer and business-to-business sales services	8,592
Rakuten Inc	Japan	Japan based e-commerce site connecting buyers and sellers in an online marketplace	5,015
MercadoLibre SA	Argentina	South American based e-commerce site offering a marketplace, payments, advertising and e-building solutions	557
Shutterstock	USA	Global marketplace for commercial digital content, including images, video and music	328
GrubHub	USA	Online and mobile platform for restaurant pick-up and delivery orders	254
Etsy, Inc.	USA	Peer-to-peer e-commerce website focused on handmade or vintage items and supplies, as well as unique factory-manufactured items under Etsy's guidelines	196

The companies detailed in Table 7 are benefitting from the growth in business to consumer e-commerce. According to independent market research company eMarketer, e-commerce sales worldwide reached USD\$1.316 trillion in 2014, increasing 22% over 2013 alone and are expected to reach USD\$2.197 trillion by 2017, representing a compound annual growth rate of 19%.<sup>7</sup>

## 4.2. THE LUXURY PERSONAL GOODS MARKET AND EMERGENCE OF THE ONLINE CHANNEL

According to Bain & Co, the global luxury personal goods market was estimated to be worth €223 billion in 2014, growing at an annual rate of 7.8% since 2009 and with growth forecast at a sustainable 4-6% per annum<sup>8</sup>.

<sup>6</sup> Source: Datastream as at 4 June 2015. Reported 2014 revenue for Alibaba and Rakuten converted to \$USD using exchange rates as at 31 December 2014 of USD/RMB of 6.206 and USD/JPY of 119.4.

<sup>7</sup> Source: eMarketer data, December 2014.

<sup>8</sup> Source: Bain & Company, Luxury Goods Worldwide Market Study, May 2014.



Chart 8 – Global Luxury Goods Market by Category, 2014 (€)

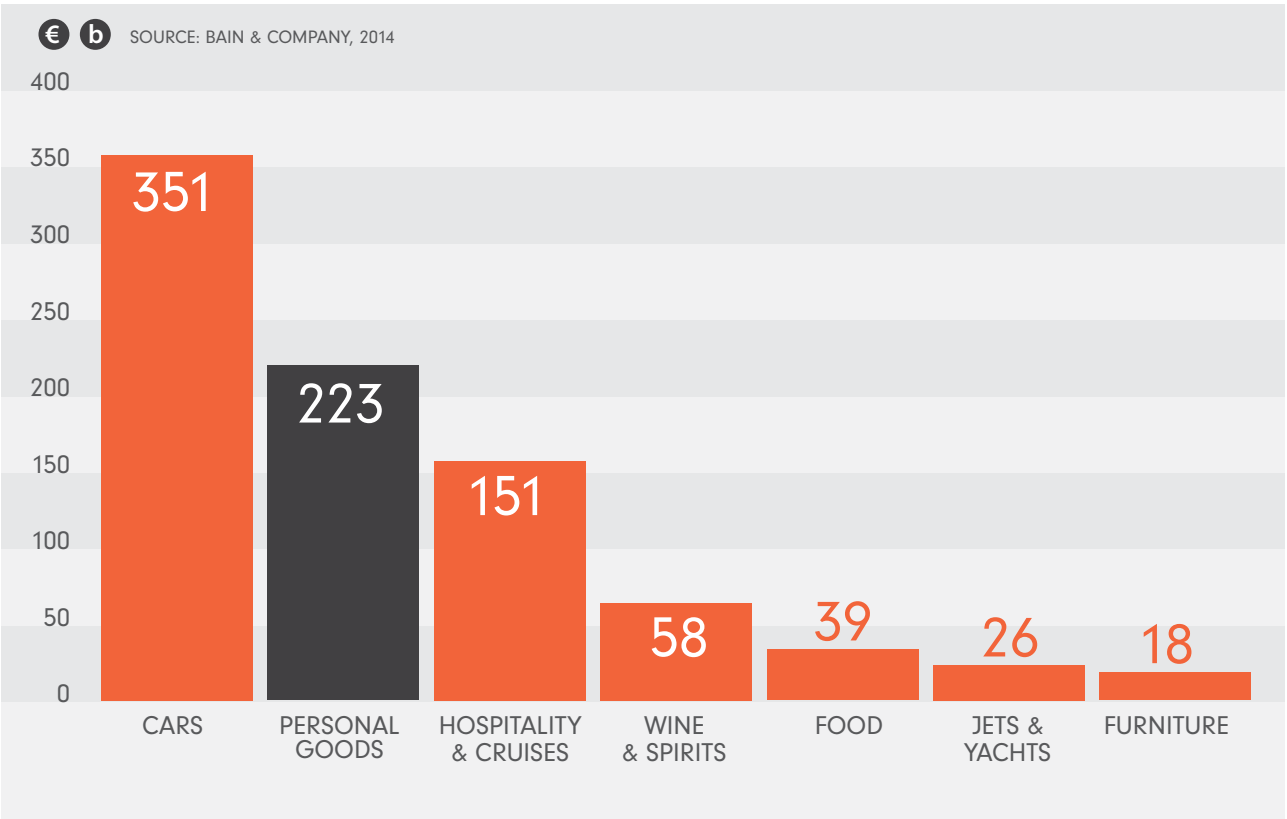
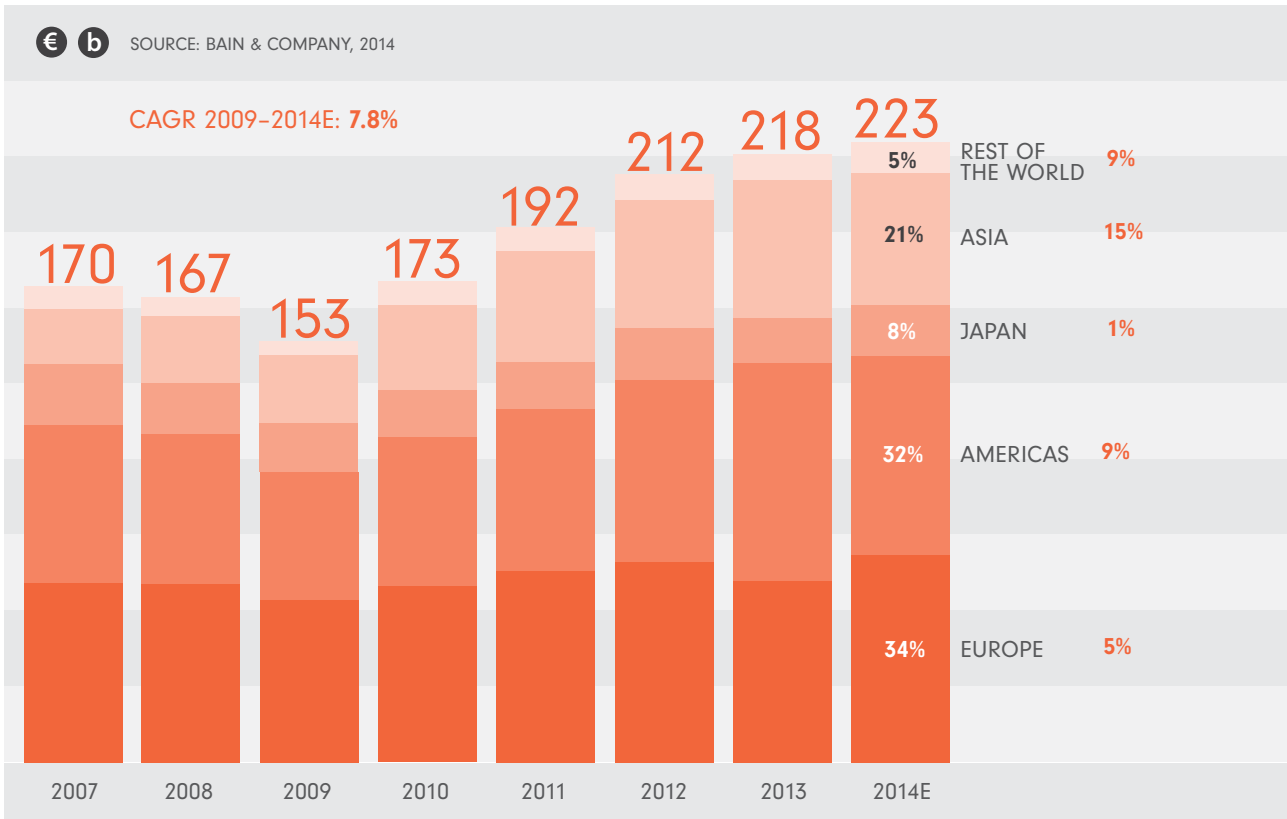


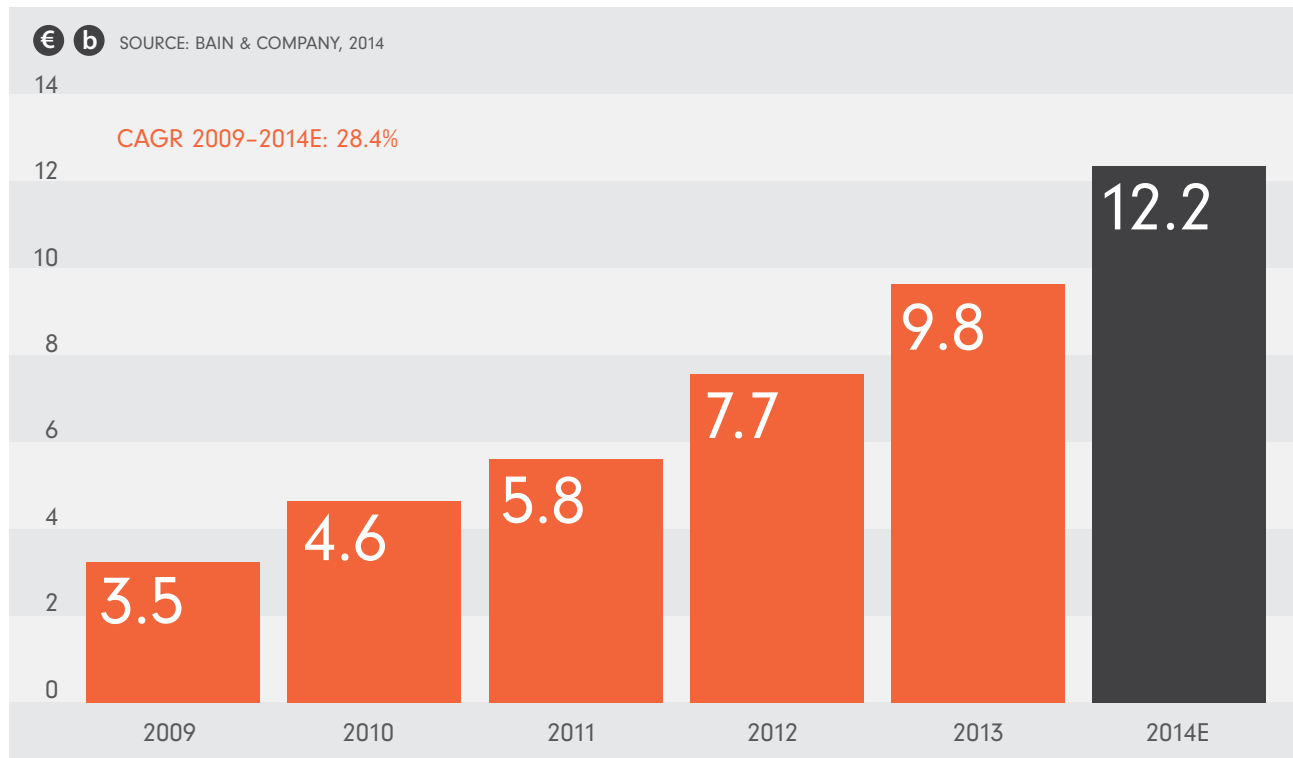
Chart 9 – Luxury Personal Goods Market by Region, 2007 – 2014 (€)





Just as the companies described in Table 7 have developed online marketplaces in their targeted industry segments, the luxury personal goods market that AHAlife operates in is also increasingly shifting to focus on online channels as a mechanism to reach global consumers. The emerging online channel for luxury personal goods was estimated to be worth €12 billion in 2014<sup>9</sup>. While this represents just 5% of the total market, the online segment grew at a 28% compound growth rate between 2009 and 2014 – almost four times the rate of the overall category, reflective of luxury brands increasingly seeking avenues to sell online and consumers continuing to embrace online shopping<sup>10</sup>.

**Chart 10 – Global Online Luxury Personal Goods Market, 2009-2014 (€)**



<sup>9</sup> Ibid.

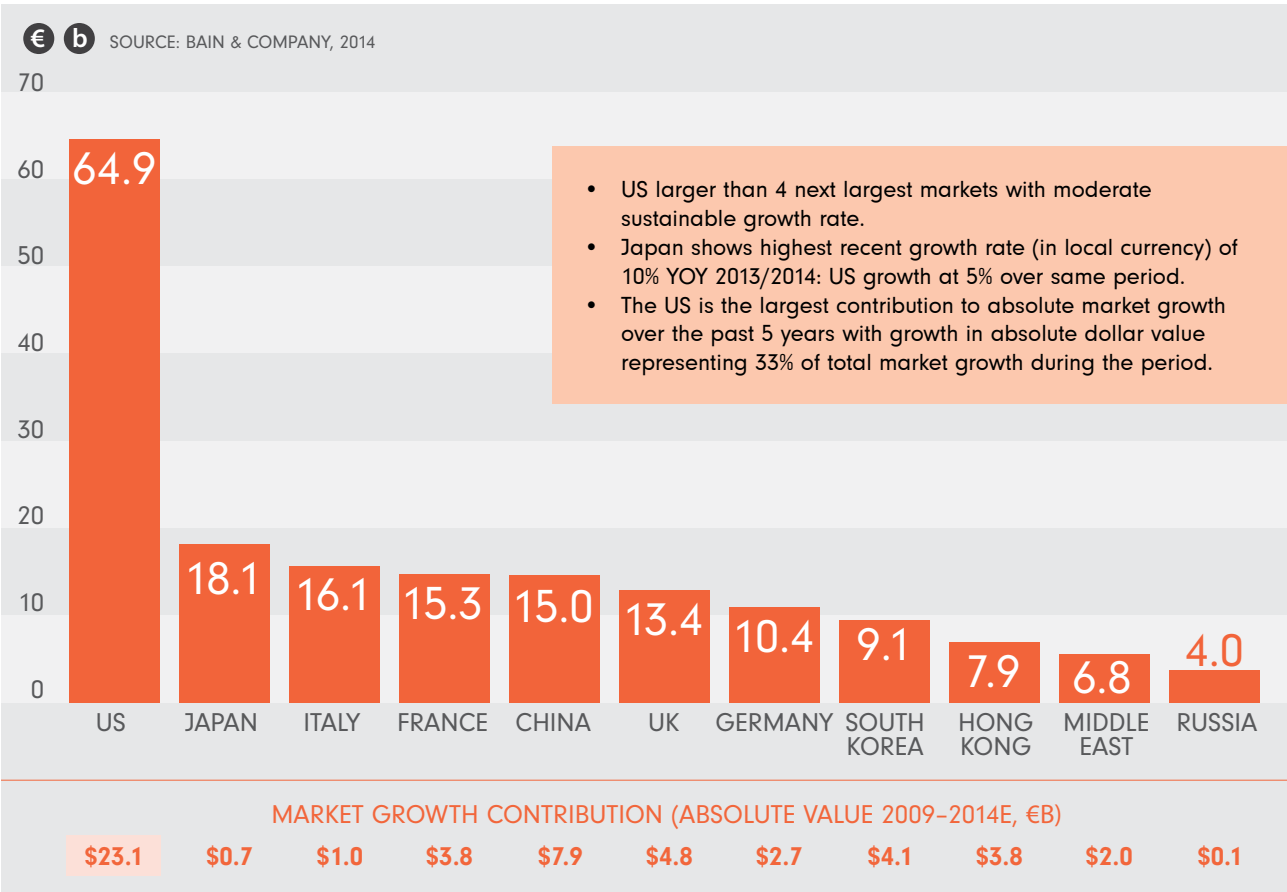
<sup>10</sup> Ibid.

4.2.1.

Geographic Source of Luxury Personal Goods Market<sup>11</sup>

Geographically, the US has been the greatest contributor to the global luxury goods market with a 32% share of the market and representing 33% of the market's growth globally. Together, the US and Europe make up 66% of the market. Currently, AHAlife's revenue is heavily concentrated in the US, the largest market for the Luxury Personal Goods Market with 92% of its revenues from the US in 2014.

Chart 11 – Luxury Personal Goods Market by Country, 2014 (€)



<sup>11</sup> Ibid.



#### 4.2.2.

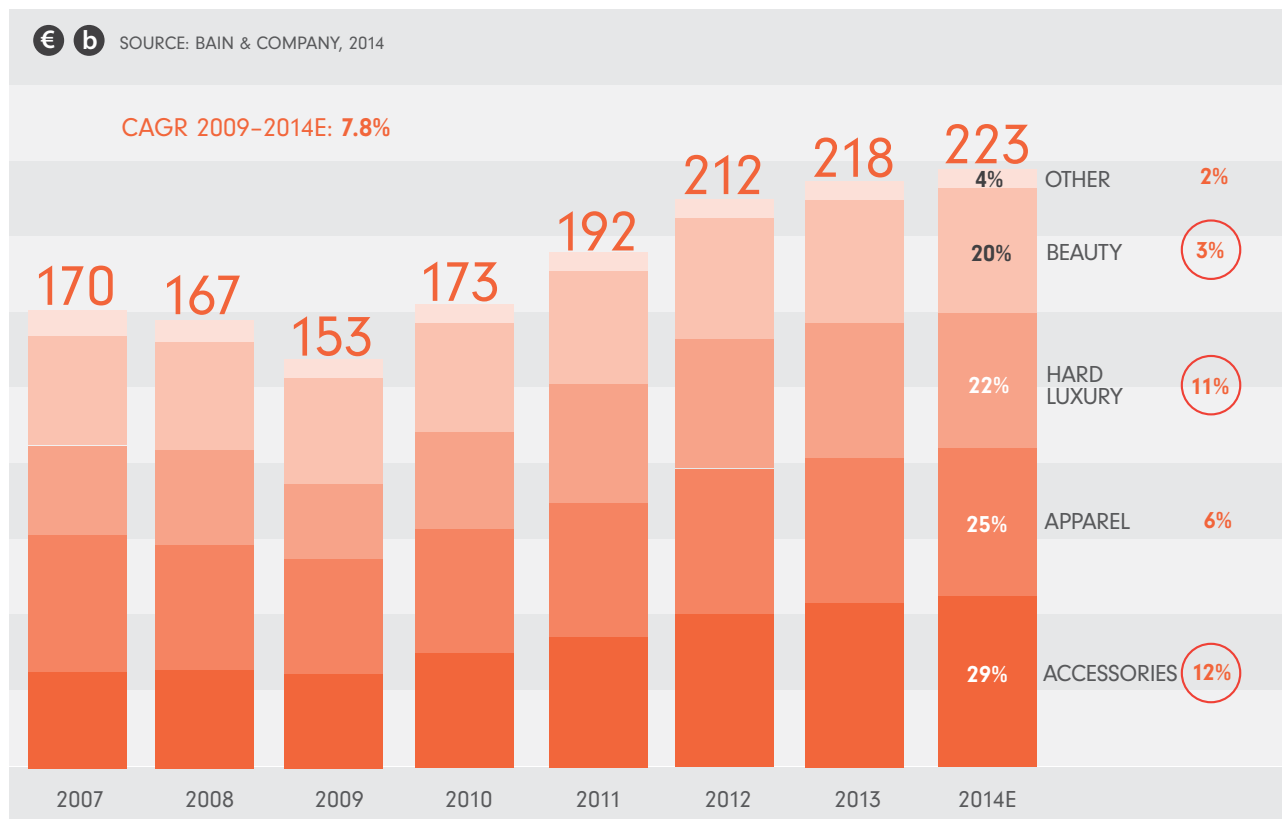
#### Luxury Personal Goods Product Categories<sup>12</sup>

As illustrated in Chart 8, in 2014 the personal goods category was the second largest category in the global luxury goods market and it continues to buoy the overall market.

According to Bain & Company, the two fastest growing segments were Accessories, worth €65B and growing at 12% per annum and hard luxury (such as watches and jewellery), worth €49B growing at 11% per annum. AHALife's brands are focused on these two fast growing segments of the luxury personal goods online market.

4

**Chart 12 – Luxury Personal Goods Market by Product Category, 2007-2014 (€)**



<sup>12</sup> Ibid.

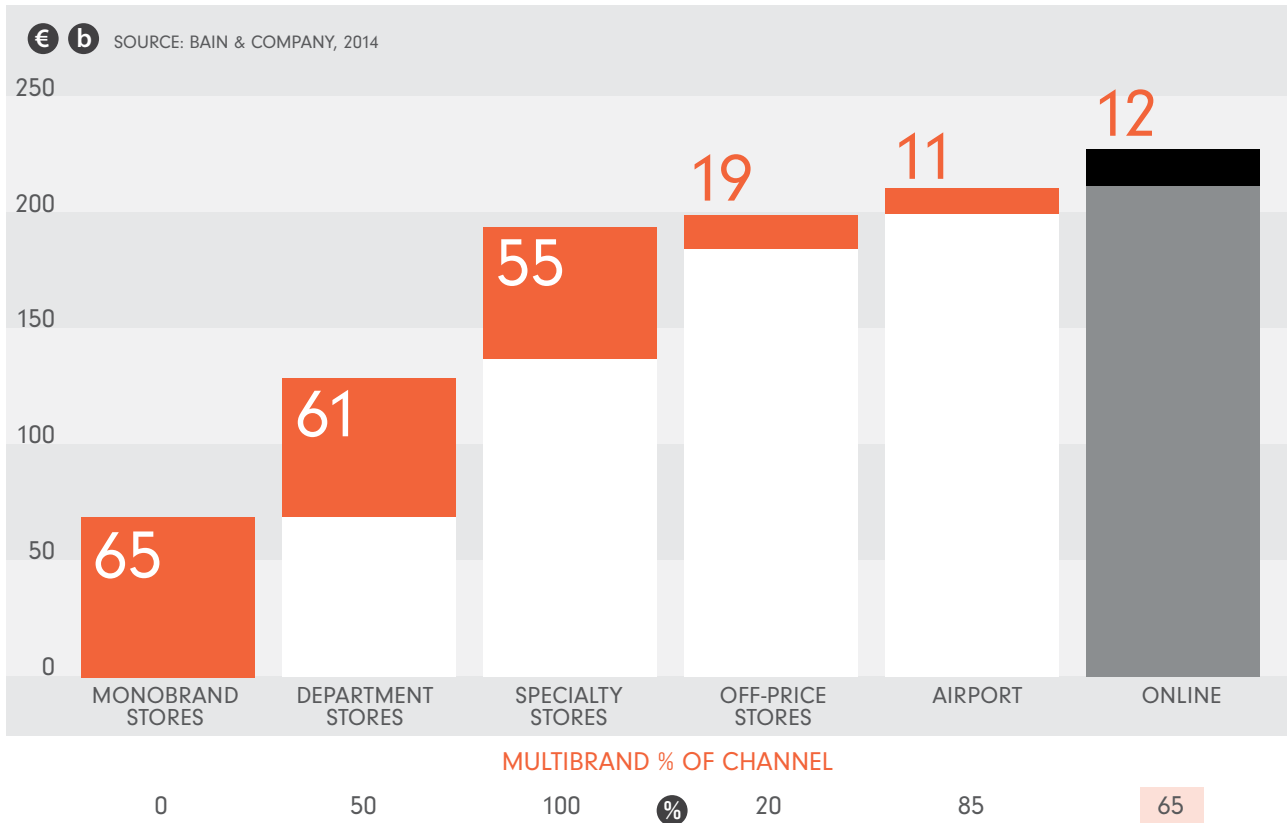


### 4.2.3.

#### Online Sales of Luxury Personal Goods<sup>13</sup>

Online sales of luxury items represent approximately 5% of the total €223 billion market, at €12 billion. In the United States, which is the largest online market for luxury goods at €7 billion (58% of total), 11% of all luxury personal goods purchases are made online, representing the highest online penetration in any geography globally.

**Chart 13 – Luxury Personal Goods Market By Sales Channel, 2014 (€)**

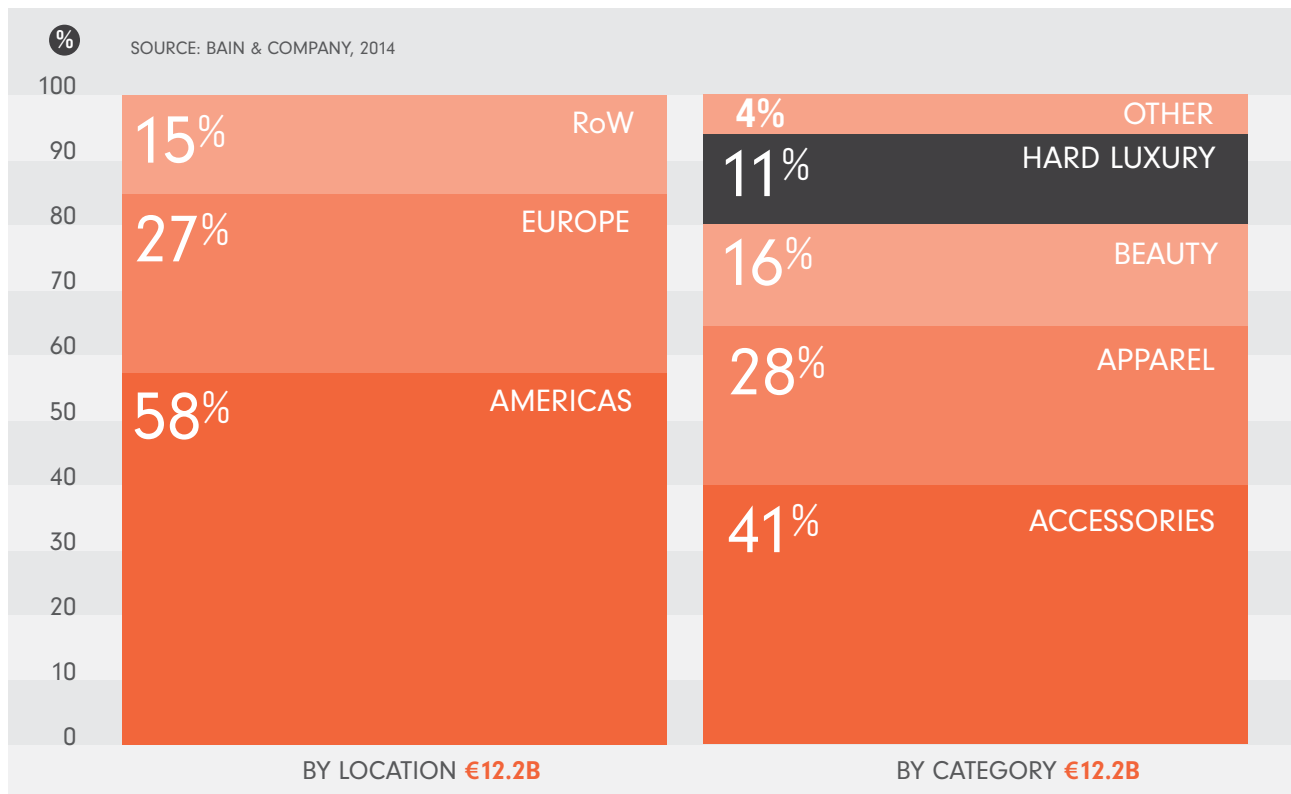


- Online sales of luxury items represent ~5% of the total €223B market, at €12B.
- Traditional bricks & mortar shopping is more likely to be Monobrand.
- Within the Online channel, Multibrand environments are preferred by customers and represent 65% of all channel sales.
- Ahalife's Multibrand-style offering is accepted by luxury online shoppers.

While the US and Europe make up 66% of the global luxury personal goods market, they make up greater than an 85% share of the online market for this category. Within the online channel, Accessories represent 41% of the market compared to 29% of the global category. Additionally, in the online market, 65% prefer to shop on a multi-brand environment.

<sup>13</sup> Ibid.

**Chart 14 – Online Luxury Personal Goods Sales by Location and Product Category, 2014 (€)**



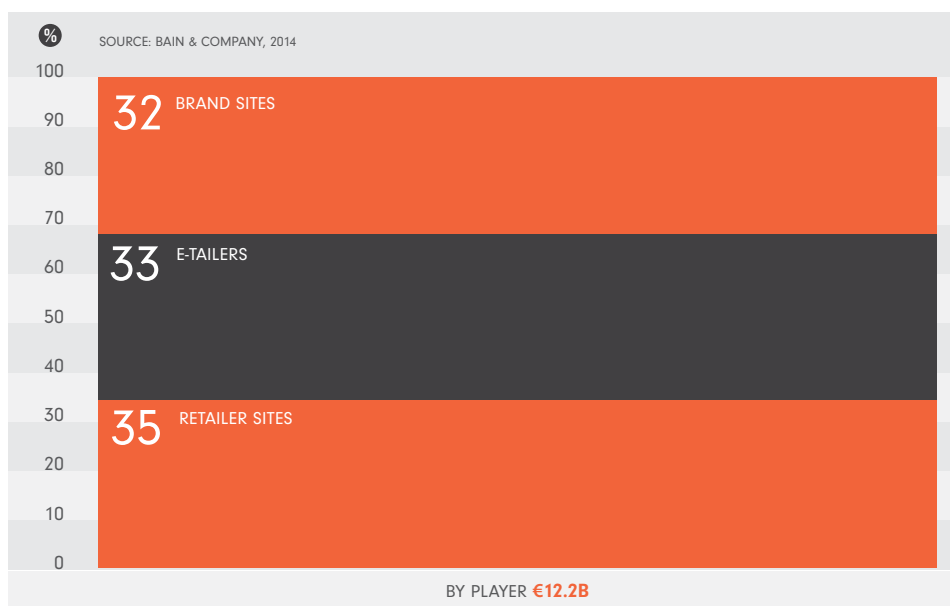
#### 4.2.4.

#### Online Luxury Personal Goods Channel to Market

E-tailers represent approximate €4 billion of sales<sup>14</sup> and one third of all sales of luxury personal goods online, indicating that dedicated marketplaces and internet e-commerce sites are capturing a greater share of consumers spend over traditional retailer/brand channels in the online space.

Because e-tailers are solely dedicated to the online channel, they are focused on providing a better online consumer experience. The online landscape is constantly changing and e-tailers are well positioned with dedicated teams to adapt and move quickly to market changes and consumer dynamics. Features such as better online customer services, online-specific offers, online marketing, user-experience, adapting to changes in consumer devices and platforms, etc.

**Chart 15 – Online Luxury Personal Goods Sales by Location and Product Category, 2014 %**



<sup>14</sup> Ibid.

## 4

---



Image: Content team at AHAlife

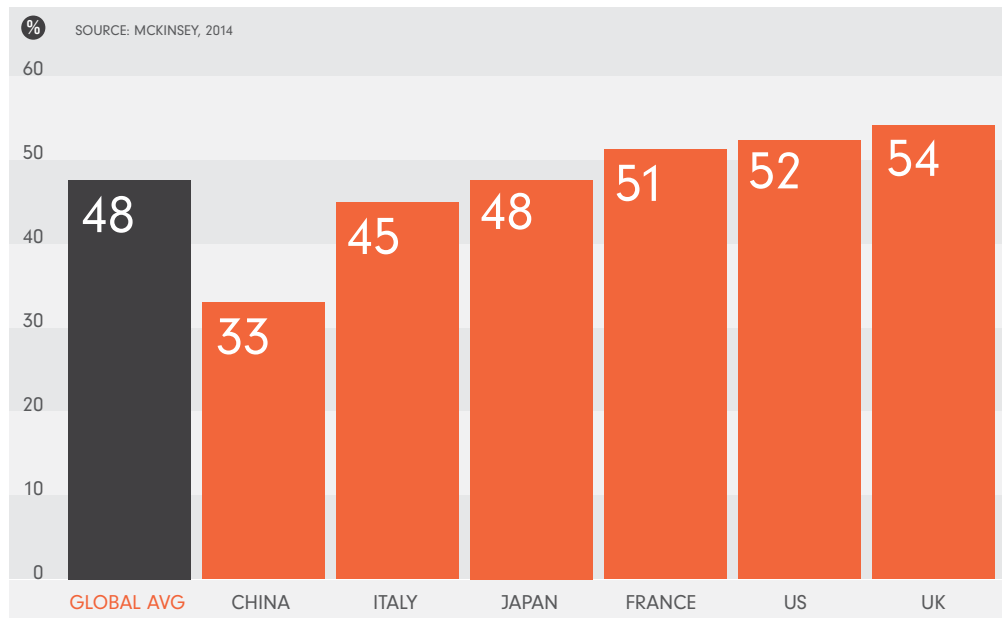


#### 4.2.6.

### Luxury buyer actions and motivations

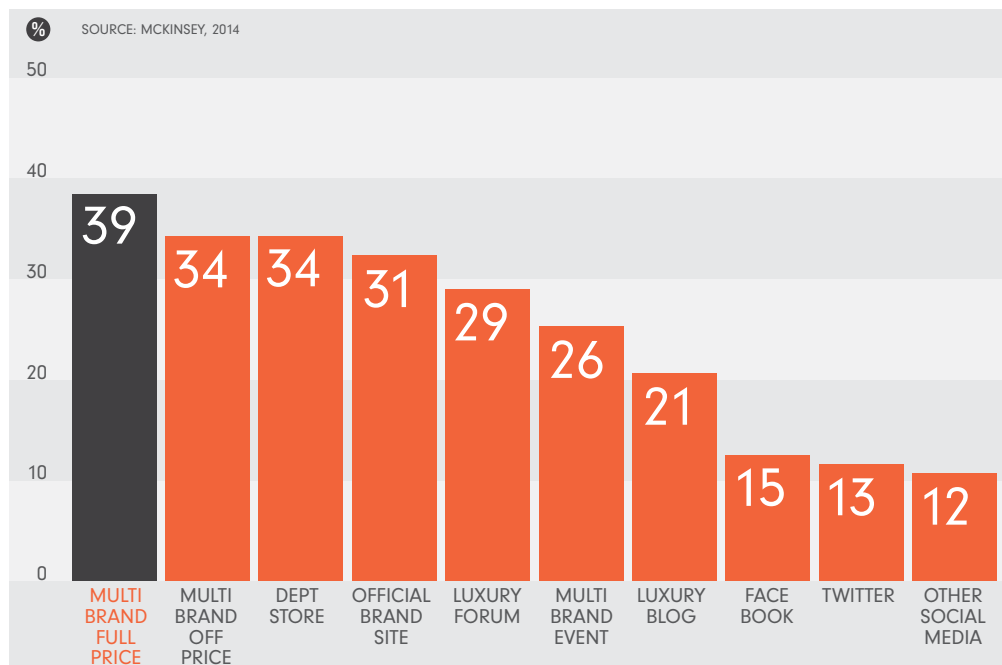
Online is becoming a more accepted and desired way of buying luxury goods as customers increasingly research and subsequently purchase products online. In the United States, 52% of luxury customers conduct online research before buying<sup>15</sup>. As a result, it is increasingly important that luxury brands have an online channel to display their products.

**Chart 16 – Online Research by Luxury Customers, 2014**



**Luxury Customers  
doing Online  
Research before  
buying %**

**4**



**Preferred Sources  
for Online  
Research %**

<sup>15</sup> Source: McKinsey & Company, "Luxury Shopping in the Digital Age" 2014.

#### 4.2.7.

##### The multibrand marketplace

Luxury brands have historically developed brand presence in bricks and mortar shop fronts supported by traditional advertising and sponsorship where they controlled the customer experience and developed brand loyalty.

Within the online channel, luxury customers are increasingly turning to multibrand websites where they can easily compare products and prices and can browse and shop from numerous merchants in one location. Multibrand websites are preferred by online customers and represent 65% of all online sales as illustrated in Chart 13. Multibrand sites offer multiple brands for sale, either full price or off price (discounted). AHAlife as a multibrand full price retailer, is well positioned given luxury customers' preference for online research.



Image: AHAlife office



5



# AHALIFE OVERVIEW





Image: AHAlife seller and examples of their products



Francois Russo created this company in hopes of recapturing the lost luxury of made to-order objects. His mission? Create handmade, deluxe gear for tech that rivals vintage bespoke pieces. Every product in this line takes six weeks to design and weeks to assemble by hand.

## MAISON TAKUYA



from San Kamphaeng,  
Thailand





# 5.1

## AHALIFE'S MISSION

5

### Shop the World's Best Undiscovered Designers

AHALife is a curated destination for discovering and shopping 2,500+ designers in 60+ countries.

We scour the globe to find exceptional, quality objects for every aspect of your life. By creating a community who values creativity, together we're empowering independent designers to thrive online.

### The Challenge

#### Creativity Is At Risk

Around the world, we're rapidly losing generations of artisans' skills and creative solutions for our future.

It's increasingly more difficult for independent designers to compete against large companies, gain exposure, scale their business and connect with people who care about their story.

#### How Does AHAlife Make an Impact?

We believe the essence of an exceptional object is the story behind it — the people, creative process and inspiration. AHAlife is an online platform for independent designers to tell their story and interact with a global community that shares our ethos.



# 5.2.

## AHALIFE'S JOURNEY

Founded in September 2010 by MIT engineer-turned-commerce and media industry professional Shauna Mei, the company has grown to over 25 full time employees in the New York City office, in addition to a dedicated technology team based in India.

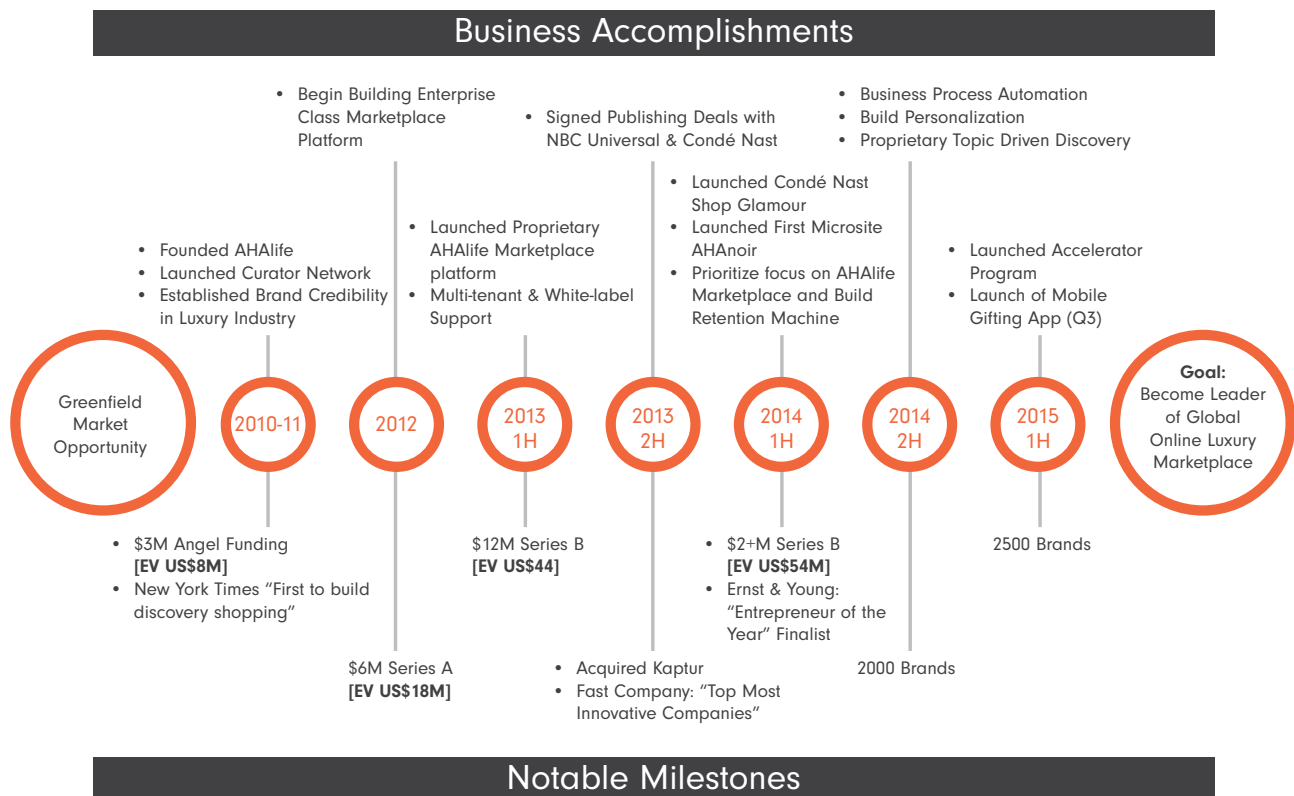
AHALife's initial and subsequent development was supported by a network of investors and advisers which included businesses such as Rakuten and Vipshop, and US based venture capital firms such as DCM and FirstMark Capital.

AHALife has been fortunate to be supported by a range of investors and advisors that span luxury retail,

e-commerce, media, and well-being lifestyle: all key tenets for AHAlife's business model.

AHALife was named by Fast Company Magazine as one of the 50 Most Innovative Companies in the World of 2013. AHAlife has also featured in various press including The New York Times, Wall Street Journal, Financial Times, TechCrunch, Fast Company, InStyle, Departures, and was named a Top 5 Online Luxury Merchandisers (by FC Tech Group).

A timeline of AHAlife's business history and its key milestones is illustrated below.





## 5.3.

### AHALIFE'S PASSION AND PHILOSOPHY

#### 5.3.1.

##### The Global Challenge

###### Creativity is at risk

Around the world, we're rapidly losing generations of artisans' skills and creative solutions for the future.

It's increasingly difficult for independent designers and artisans to compete against large companies, gain

exposure, scale their business and connect with people who care about their story.

Historically, independent designers and artisans or "makers" sold their hand crafted products at local markets, pop up shops and through retailers to reduce expensive overheads such as rent but still create a touch point with shoppers. Transitioning to an online model can be particularly challenging for these brands due to a lack of experience and/or access to the capital required to build and promote an online storefront.

AHALife provides an easy to use, customisable storefront that connects independent designers and artisans with a global audience of consumers interested in finding unique and hard to find products.

5

#### 5.3.2.

##### What AHAlife stands for



Conscious consumption is a globally expanding social movement that seeks to increase consumer awareness of the impact of purchasing decisions. AHAlife believes that what you own is part of your self-expression. AHAlife enables consumers to choose high quality objects that inspire and help consumers live life to the fullest.



The world is full of undiscovered designers and artisans. AHAlife empowers these brands to thrive online, connecting with conscious consumers from around the world who purchase and treasure their unique creations.



AHALife seeks to put the magic of discovery back into shopping. By sourcing unique, high end products from towns, cities and countries consumers may not be able to visit in person, AHAlife gives consumers the thrill of the AHA moment when they stumble upon a brand and product that they connect with and becomes a meaningful part of their self-expression.

## 5.4.

### BUSINESS OVERVIEW

#### 5.4.1.

##### AHALife Business Model

AHALife operates a global-local marketplace, allowing brands to have global reach and customers to access new, previously unattainable brands and products through the AHAlife platform.

To date, the United States has been the core market for AHAlife, accounting for more than 92% of sales. However, the nature of the marketplace represents a global opportunity for expansion. Sales to consumers outside of the United States grew from 5% in 2013 to 8%

in 2014. AHAlife believes that its global-local marketplace creates competitive advantages outside the United States because its success is not dependent on scale in any given country; instead, the diverse location of brands and consumers creates scale and can give rise to a vibrant AHAlife marketplace.

AHALife generates revenue from sales of products to new customers and returning customers from the websites AHAlife.com and AHAnoir.com. AHAlife also generates nominal revenue from freight charged to customers based outside the US.

AHALife adopted an inventory-less model from inception which eliminates the need to buy any product inventory or having to outlay capital upfront, permitting the business to be scaled with minimal operating cost. AHAlife has agreements in place with brands whereby they agree to pay a fixed retail margin to AHAlife for all products sold on the website. Products purchased by consumers on the AHAlife site are fulfilled by individual



brands via a dropship model enabled through the platform. AHAlife pays freight costs for US orders, while in the current model the customer reimburses AHAlife for international freight.

For the period ending 31 December 2014, AHAlife's gross margin was approximately 49% before marketing offers and credits. AHAlife pays product revenue share to the Brand within 30 days after the product has been sold. AHAlife manages any customer returns directly. Given the non-apparel product focus, the return rate is low at approximately 3.5% of sales, significantly below industry averages. AHAlife bears the cost of any site-wide marketing offers to encourage orders (e.g. Mothers Day promotional activities), so the brand always receives full price for their products. Brands manage their own product catalogues and product prices via an individually customised storefront set up using AHAlife's platform.

Freight costs are paid by AHAlife for US orders, while in the current model the customer reimburses AHAlife for international freight. AHAlife targets and acquires new users through the use of paid and unpaid channels.

AHAlife has various means by which to stimulate activity on its platform. Unpaid marketing in 2014 a majority of booked sales, much of which was generated through

email marketing to existing customers in order to drive retention. Unpaid marketing channels include direct, email, Search Engine Optimisation (SEO), refer a friend, and social media. Paid marketing channels include, but are not limited to, Search Engine Marketing (SEM), affiliate marketing, social media, and retargeting. Paid marketing is focused on acquiring new members. It is intended that, following completion of the proposed capital raising, and given that the major IT spend on the platform has been largely complete, an increased proportion of the company's expenditure will be devoted to paid marketing to stimulate and drive sales.

AHAlife maintains a team of personnel and has automated a number of time-consuming everyday tasks. AHAlife employees are based in the New York office except for the majority of the technological development and maintenance team who are based in India. The majority of the venture funding received to date has been deployed on building out its technology in-house to make it scalable, adaptable and unique. Further information on AHAlife's technology is provided in Section 5.4.3.



**BRANDS**



**TECHNOLOGY**



**CONSUMER  
EXPERIENCE**



**LOYAL BUYERS**

### 5.4.2.

## How AHAlife attracts, interacts with and supports brands

### Brand Centric Model

AHAlife's marketplace platform is simple and easy to use, and enables sellers to spend more time focused on creating products and building the story behind their brands. Unlike other marketplace models, AHAlife provides the tools and services to brands as an "out of the box" solution allowing them to sell directly to consumers. AHAlife doesn't charge any upfront fees for services, which is an attractive feature for brands. The onboarding system can accommodate a brand to be up and running selling product within 24 hours, with a storefront reaching approximately 303 thousand members (as of April 2015) from around the world. Being a global platform allows AHAlife brands to reach consumers around the world 24 hours a day, 7 days a week, enabling their business to grow in a way that a traditional bricks and mortar storefront couldn't achieve.

### Brand Selection Process

Brands are sourced either directly via a curator or brands can apply via the AHAlife marketplace platform for an invitation to join. The brands then sign an agreement with AHAlife which provides AHAlife with a fixed gross margin of any sales the brand receives via the AHAlife website.



### AHAlife's Unparalleled Curator Network

In addition to AHAlife's expert in-house team, many of AHAlife's brands and products are curated by over 70 curators, including some of the world's leading designers and style icons who have agreed to be associated with AHAlife. Curators are tasked with recommending current trends and product offerings to ensure that products offered on the site are in demand and unique products. Furthermore, the process ensures that products come directly from the creator, which helps maintain that quality of product and generates trust in the consumer.

Just as products available on AHAlife span a customer's entire lifestyle, the curators and their interests are equally as diverse. Curators range from leading industry insiders, such as Deepak Chopra, Fern Mallis and Carmindy, to passionate bloggers and publications.

AHAlife has a broad diverse network of curators who are influential expert tastemakers in their respective fields. AHAlife's curators, through their own experiences provide opinions to AHAlife on the designers and artisans brands covering categories such as food, fashion, design, philanthropy, media, wellbeing and other products.

The full list of curators can be found with respective bios and interviews on [www.AHAlife.com/curators](http://www.AHAlife.com/curators).

### Building Out a Brand's Identity

AHAlife seeks to establish trust in its marketplace by emphasizing the story of the brand behind every transaction via its website, mobile app and the email retention program. AHAlife allows brands to highlight their background and build up an online identity. This, as well as brand profiles published by AHAlife, deepens connections between its members and makes the personal relationship central to the member experience. AHAlife believes that facilitating an emotional connection between the consumer, the product they purchase and the brand behind it has been a key driver in increasing customer retention. The authenticity of the marketplace is the cornerstone of AHAlife's business.

### End to End Logistics, Customer Service and Global Shipping

AHAlife provides an end-to-end solution including global shipping to over 220 countries. AHAlife pays for freight for all US purchases. For international purchases, customers pay for freight, with freight fees varying depending on product and location.

Customers place product orders on the AHAlife.com or AHAnoir.com websites using an online order processing and payment system. AHAlife then sends the brand an automatic email with a purchase order, packing slip and pre-paid shipping label, which the brand prints. The brand prepares their products for shipping using their own packaging materials plus the AHAlife packing slip and pre-paid shipping label. After shipping the product, the brand invoices AHAlife for the agreed price of the products against the purchase order.

If the customer and brand are both US based, the brand drops the package at their local UPS branch and the order is sent directly to the customer with AHAlife paying for the freight costs. If the customer is located outside of the US, the customer pays for shipping from Bongo International's Florida warehouse to the customer's international location and AHAlife pays for the brand to ship to Bongo International's warehouse. Bongo International then forwards the product to the customer.

Customers see customer service as a strength of AHAlife. AHAlife provides all customer service interactions and returns management, providing a more streamlined experience for the customer.

AHAlife's overall returns rate is approximately 3.5%, which is low by industry standard. This illustrates both the nature of the products being sold and a high level of customer satisfaction for the products purchased on AHAlife. If a supplier's product has been returned to AHAlife more than 3 times, the supplier is contacted by AHAlife to solve any issue or review the status of the brands on the AHAlife platform. AHAlife pays for the freight costs of all returns and provides a full refund in order to manage the customer experience.





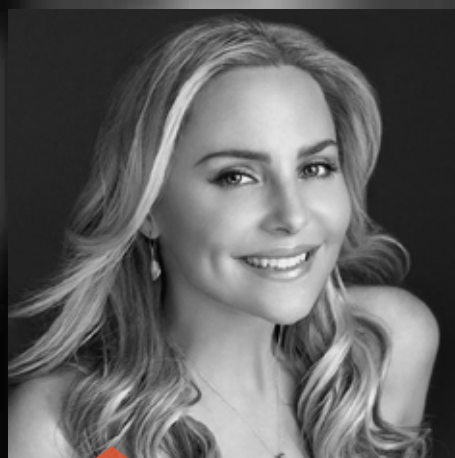
Photo credit: Jeremiah Sullivan



Deepak Chopra, MD, FACP, Founder of The Chopra Foundation and the Chopra Center for Wellbeing, is a world-renowned pioneer in mind-body medicine and personal transformation. He has authored more than 80 books, published in more than 43 languages, including 22 New York Times best sellers. Two of his books, *Ageless Body, Timeless Mind* (1993) and *The Seven Spiritual Laws of Success* (1995) have been recognized on The Books of The Century Bestsellers List.

## DEEPAK CHOPRA

## CARMINDY



Carmindy is an American make-up artist based in New York City. She is most well known for her work on the television show *What Not to Wear*, where she gave makeup advice to women who appeared on the show. Carmindy's work can be seen on the editorial pages of leading magazines such as *Self*, *Cosmopolitan*, *Conde Nast Traveler*, *Town and Country*, *InStyle*, *O*, *Essence*, *Lucky*, *Seventeen*, *Marie Claire*, *Glamour* and many more. She is the author of three best selling beauty books titled *The 5 Minute Face*, *Get Positively Beautiful* and *Crazy Busy Beautiful*.

Photo credit: Timothy Greenfield-Sanders

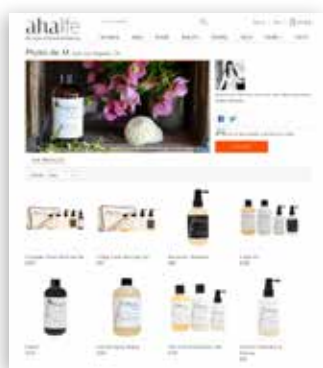


## FERN MALLIS

Hailed as the award-winning creator of Fashion Week in New York City – Fern Mallis has been called an industry titan, doyenne, and The Godmother of Fashion. As the creator and host of premiere conversation series *Fashion Icons w/Fern Mallis* at New York's prestigious 92nd Street Y – Mallis assembled an incredible roster of guests for her now signature in-depth interviews, including Calvin Klein, Norma Kamali, Donna Karan, Tommy Hilfiger, Tom Ford, Michael Kors, Diane von Fürstenberg, Polly Mellen, Marc Jacobs, Betsey Johnson, Vera Wang, Suzy Menkes, Oscar de la Renta, André Leon Talley, Bruce Weber, Isaac Mizrahi, John Varvatos, Lauren Hutton, Bill Cunningham, Valentino, Leonard A. Lauder, Tim Gunn, and Victoria Beckham.

# 70+

## CURATORS



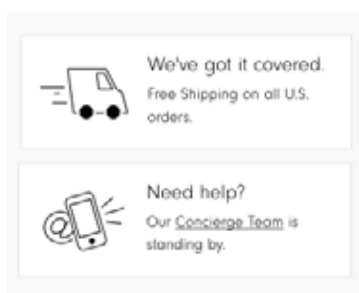
**CUSTOMIZABLE DIGITAL  
STOREFRONT**



**BRAND PORTAL + CUSTOM  
ANALYTICS + ORDER  
MANAGEMENT SYSTEM**



**EDITORIAL CONTENT, EMAIL  
PROMOTIONS + CRM**



**END-TO-END LOGISTICS +  
CUSTOMER SERVICE + GLOBAL  
SHIPPING**



**NETWORK EFFECT OF  
CURATORS, PUBLISHERS +  
OTHER BRANDS**



**ONLINE MARKETING, AFFILIATE  
NETWORK, AND PR**

## Marketing and Editorial Content

AHAlife provides brands with marketing, editorial and merchandising expertise and resources, including:

- Potential promotion by the editorial team in daily AHAlife emails and the AHAlife digital magazine reaching a community of conscious consumers. These emails are the largest channel for returning customers representing 47% of returning customers booked sales in 2014;
- Consulting and visual merchandising for storefront and product pages;
- Feature on AHAlife homepage and category featured sections;
- Marketing optimization for the digital world including SEO/SEM, blogger communities and social media; and
- Exposure to a world-class network of media and press looking for the next big thing.

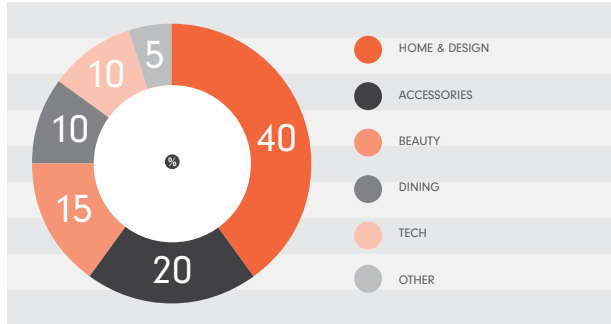
AHAlife products have been featured in the following publications, among others Wall Street Journal, Vogue, Elle, The New York Times, Marie Claire and Refinery29.

## Product Pricing

AHAlife brands are mostly premium accessible luxury products. The brand itself sets the price of products it has made available on its storefront. Brands appreciate that AHAlife's approach is to not directly discount products in order to encourage sales. This strategy maintains the brand's premium pricing. Site wide promotions are held on targeted occasions or to encourage new customers. In these circumstances, any discounts received from site wide sales are borne by AHAlife and are a cost to stimulate traffic and build customer numbers that may become recurring purchasers.

## Product Categories

The types of products sold on AHAlife vary on a daily basis, depending on seasons and current trends. For the 2014 period (as set out in the chart below), the products sold on AHAlife were internally categorised as follows (all figures approximate): home and design (40%), accessories (20%), beauty (15%), followed by dining, technology and other.



As ascertained during the on-boarding process, AHAlife represents primary major direct-to-consumer online vehicle for the majority of the brands featured.

Some examples of creative products available on AHAlife are illustrated below. Prices are in US dollars.



Nudes Backgammon Board  
\$4,820  
**Alexandra Llewellyn**  
from London, United Kingdom



Sparkling Earrings  
\$135  
**Vanina**  
from Beirut, Lebanon



Bongo Bamboo Bluetooth Speaker  
\$140  
**Otis & Eleanor**  
from New York, NY



Biting Skull Bottle Opener  
\$55  
**Jac Zagoory Designs**  
from New York City, NY



Animal Head Staple Remover  
\$78  
**Jac Zagoory Designs**  
from New York City, NY



Garden Fence Bracelet  
\$295  
**Lele Sadoughi**  
from New York City, NY



Jerry Can Bar Cabinet  
\$599  
**Danish Fuel**  
from Jordrup, Denmark



Airplant Frame Garden  
\$110  
**Airplantman**  
from Santa Monica, CA

## 5.4.3.

### AHAlife's Technology Platform

#### AHAlife's Innovative Technology

AHAlife's technology team, led by Mr Sachin Devand has built a scalable enterprise level technology which sets itself apart from multichannel websites and is 100% owned and controlled by AHAlife. The technology enables:

1. **Consumer discovery with a personalised experience based on algorithms:** To help AHAlife customers discover and purchase items that they love, AHAlife has developed unique personalisation and recommendation algorithms that provide relevant products, brands and experiences to the AHAlife consumer. These recommendations are built by a set of complex machine learning algorithms that analyse over a dozen attributes about products, brands and products purchased by other similar customers. These algorithms add an experience to the AHAlife website experience and will be further enhanced with developments to the mobile app.
2. **Brand Portal:** The brand portal is a quick, easy and convenient portal for brands to manage their presence on the AHAlife marketplace. The brand portal provides the following capabilities to the brands:



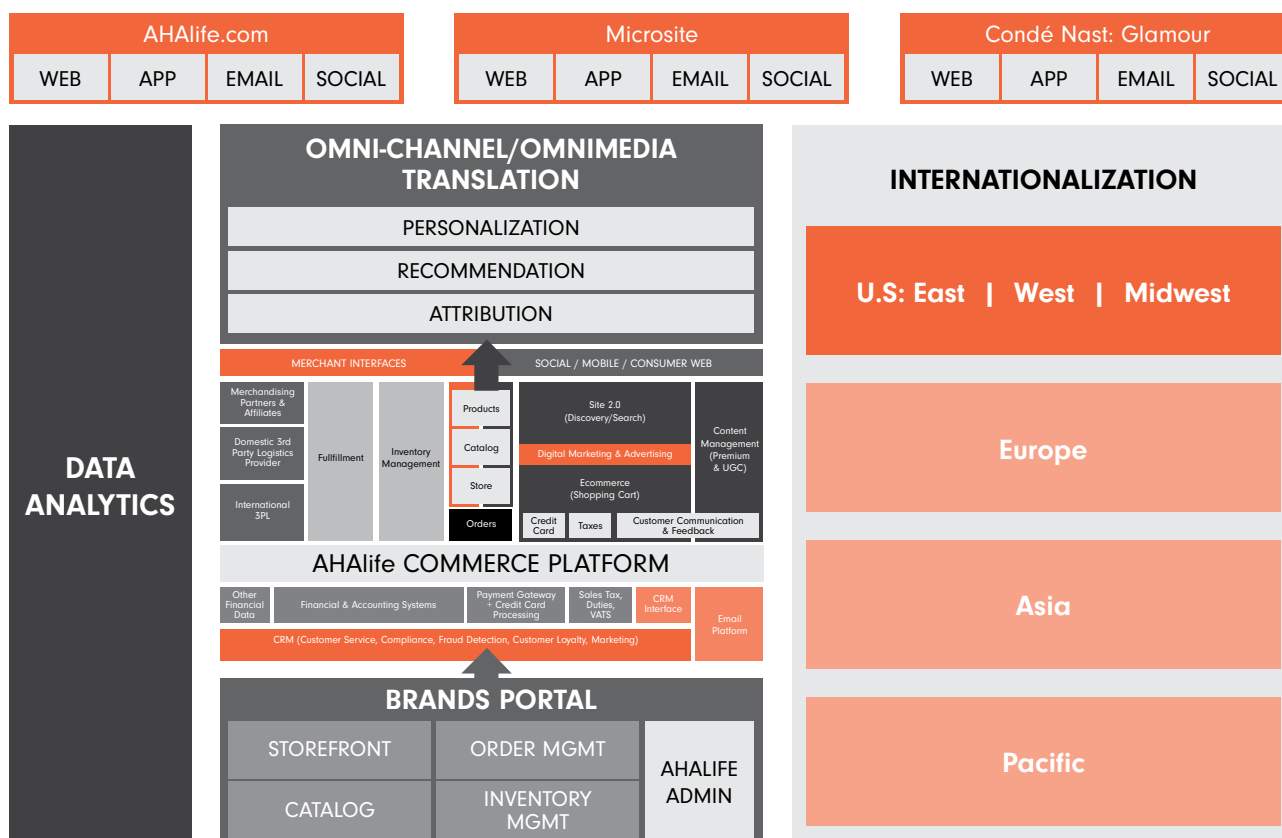
- o **Storefront Management:** A brand can manage their storefront such that they control the full customer experience with their brands.
  - o **Content and editorial management systems:** A content and editorial system that allows brands to tell their story and engage with their customers.
  - o **Catalogue management:** A brand can manage their products within their catalogue.
  - o **Order management system:** A brand can manage and fulfil their orders by using pre-paid shipping labels and a packing slip provided by AHAlife.
  - o **Inventory management:** A brand can manage their inventory of products and keep it current so customers can find and purchase items easily.
3. **Drop-ship ability:** Ability to dropship products allows AHAlife to operate in an inventory-less business model. This is convenient for the brands as well as they don't have to worry about sending consignments and managing logistics.
  4. **Multi Tenant Support.** Multi-tenant support allows brands, via the Brand Portal, to manage their individual storefronts, catalogues, inventory and orders while giving end consumers a seamless experience of a universal catalogue and order management system. This protects and keeps

5. **Transaction processing:** AHAlife is the merchant of record, managing and processing all transactions including payments, orders, returns and customer service.
6. **Customer service.** An in-house concierge team is provided with Customer Relationship Management (CRM) tools and data that allow them to provide unique, relevant experiences and responses to customer queries. Parts of customer service have also been automated.
7. **Big data analytics.** AHAlife uses data for analytical purposes and shares this analysis with brands to provide insight to help them grow.
8. **Best of class front end technology.** Dynamic emails, personalisation, machine learning, topic driven discovery, robot retention mechanism and integrated content meets commerce.

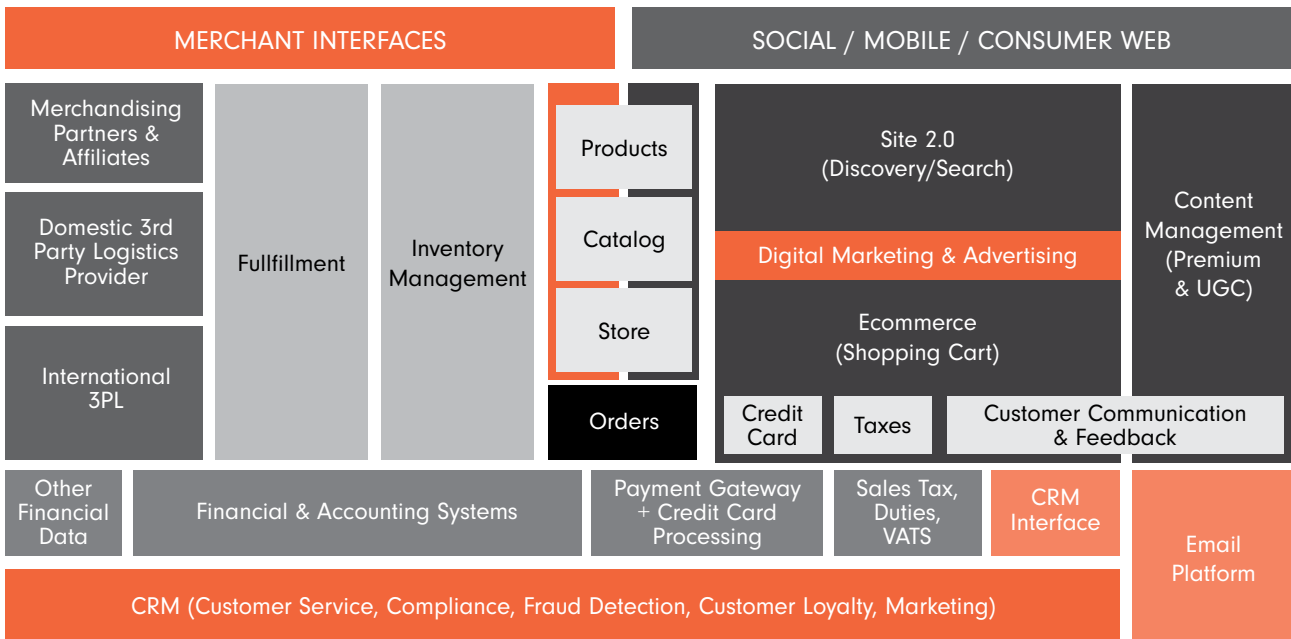
The AHAlife marketplace is built for global scale and reach. It is supported by a data analytics layer that tracks all user and brand activity across all AHAlife operating channels and media. The data layer supports data science functions allowing for personalization, recommendation functions and reporting functions including analytics and insights.

The Brand Portal allows brands to manage their presence on the site by allowing them to manage their storefront, orders, catalogue and inventory.

The platform is built to easily scale and grow by providing internationalization (currency and language) in other markets including but not limited to Asia, Pacific and Europe.



Brands and consumers connect and interact through the commerce platform. The user experience for both sides of the marketplace has been thoughtfully designed to ensure a high quality, easy and enjoyable experience on the site. The diagram below illustrates the merchant interfaces (left hand side) and the consumer interfaces (right hand side) and how these interact. The inputs are modular, which means they can be developed independently to each other.



Brands find the technology on-boarding process quick and easy which is one of the key benefits of becoming a seller with AHAlife. The brands create their own “storefront” which they self-manage so they can control the customer experience of their brand.

Using AHAlife’s technology, brands can:

- Tell their story via the customisable Storefront Builder;
- Participate in potential growth and marketing opportunities;
- Upload and maintain their product catalogue including pricing;
- Manage their product inventory;
- Manage notifications for refillable/replenishable products;
- Maintain and fulfill orders through the Order Management System;
- Download and review reporting, analytics and insights.

#### 5.4.4.

#### AHAlife Consumers

#### Why Customers Engage with AHAlife

1. **One Stop Shop:** Opportunity to discover, interact with and purchase a wide range of independent premium branded products in single marketplace.
2. **Convenience:** Consumers increasingly prefer to purchase non-fit oriented products online in a multi-brand environment.
3. **No Retailers:** AHAlife platform allows consumers to follow, purchase and interact directly with AHAlife brands.
4. **Quality & Trust:** AHAlife’s editorial voice creates a trusted environment where curated brands increase consumer confidence. Centralized Concierge and operations ensures quality customer experience.

#### A Good Customer Experience has Increased Loyalty with the AHAlife Brand

AHAlife’s customers purchase on average 6 times per year (in 2014), and we believe generally rate their customer experience highly.

AHAlife’s Net Promoter Score is measured quarterly, AHAlife’s Net Promoter Score is measured quarterly, which calculates customer advocacy of 1,000 randomly selected customers who have purchased in the last 4 months. As of May 2015 AHAlife’s Net Promoter Score was 69, indicating customers are likely to recommend AHAlife due to positive experiences. This score is high compared to similar style marketplaces that do not hold inventory. For example, Global online retailer Amazon.

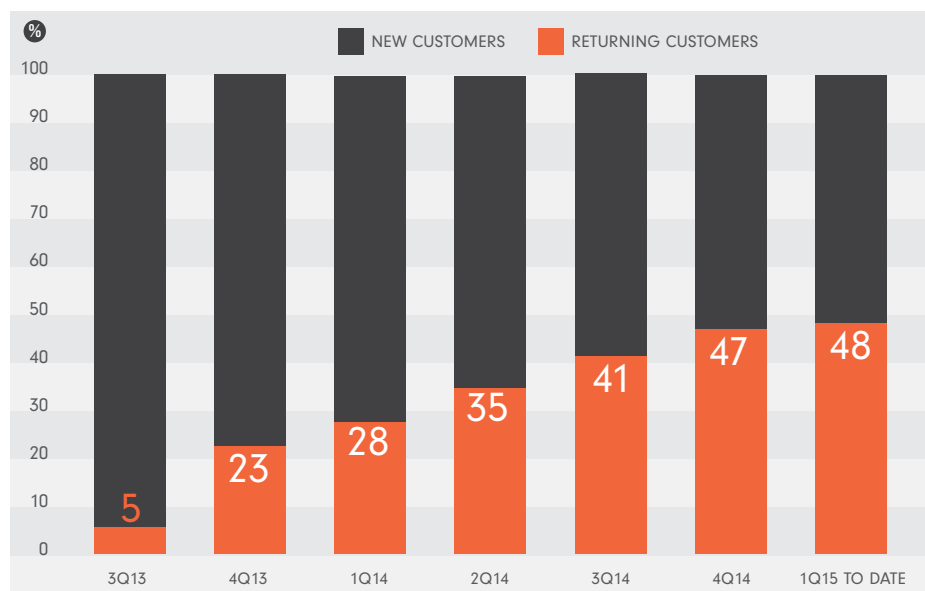
com boasted a Net Promoter Score of 64 in 2014. Net Promoter Score is a widely used customer loyalty metric created by Bain & Co. and named by Harvard Business Review as “One number you need to grow”.<sup>16</sup> The Net Promoter Score can be as low as -100 (everyone is a detractor) or as high as +100 (everyone is a promoter). A Net Promoter Score that is positive is considered good, and a score greater than 50 is considered excellent.<sup>17</sup>

AHAlife’s management believes that its positive customer

experience is due to the quality of product and excellent customer service.

AHAlife’s customers’ repeat sales and purchases have driven AHAlife sales growth. In 1Q 2015, 48% of its sales resulted from repeat purchases made by AHAlife customers. As illustrated below the number of repeat customers has been increasing as a share of total customers since 3Q 2013.

**Chart 17 – First Time vs. Returning Customers<sup>18</sup>**



### New and Returning Customer Purchasing Patterns

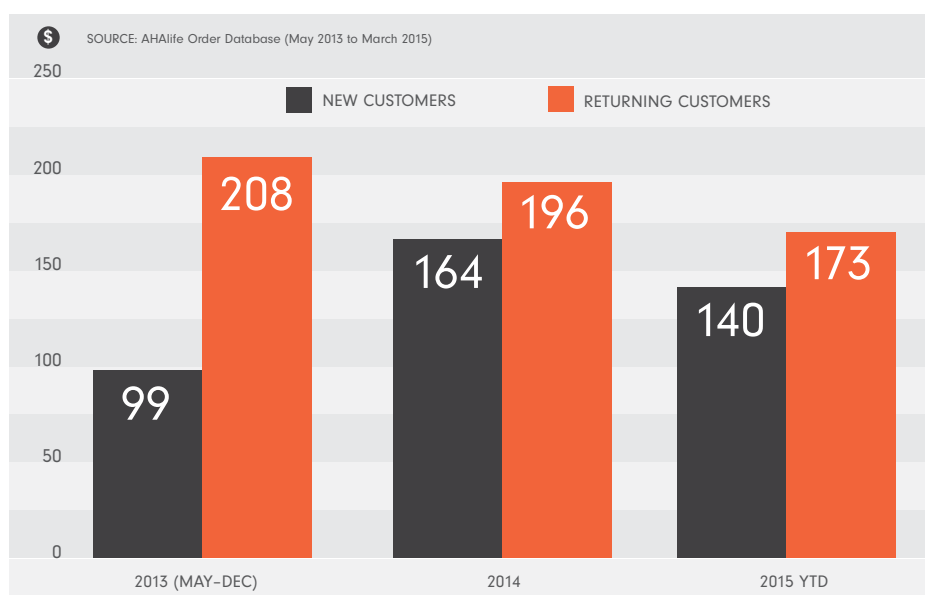
AHAlife has developed an ability to convert new customers to returning customers.

In 2014, the average sold item unit price was around USD\$100, with an average of at least 1.5 items ordered

per sale for new and returning customers, based on the average booked order size by customers (see Chart 18).

Average order values for returning customers are higher than for new customers, and returning customers order on average 6 times per year which is evidence of a positive network effect of the AHAlife marketplace.

**Chart 18 – Average Booked Order Size by Customer Category, 2013-2015YTD**



Returning customers’ orders are higher on average than new customers, although the differential is decreasing as returning customer order size is declining. This is partially a result of an intentional move into Beauty, which works well as an entry level luxury product to convert customers and drives repeat purchases.

<sup>16</sup> Source: Frederick F. Reichheld, Harvard Business Review, The One Number You Need to Grow, December 2003.

<sup>17</sup> Source: Kurt Verweire, Strategy Implementation, 2014.

<sup>18</sup> Source: AHAlife Order Database



## Customer Channels

AHALife has developed numerous sales generation channels for new and existing customers. The majority of sales are generated through AHAlife's free email blasts, search engine optimisation (SEO), Search Engine Marketing (SEM) and direct to site. AHAlife to date has achieved a large amount of free press and publicity, which has helped stimulate organic membership. AHAlife is focused on developing its mobile sales channel, which is an emerging channel in luxury segment and yet to be fully optimised.



Image: AHAlife products in use



# 5.5.

## AHALIFE MANAGEMENT

### Executive Team

#### SHAUNA MEI FOUNDER AND CHIEF EXECUTIVE OFFICER



Following completion of the Proposed Transaction, Shauna proposes to join the Board of the Company. Shauna's biography is set out in Section 2.3 of this Prospectus (New Board of Directors).

#### SACHIN DEVAND CO-FOUNDER, PRESIDENT AND CHIEF TECHNOLOGY OFFICER



Following completion of the Proposed Transaction, Sachin proposes to join the Board of the Company. Sachin's biography is set out in Section 2.3 of this Prospectus (New Board of Directors).

#### MICHAEL DERTONY, VICE PRESIDENT OF FINANCE



Michael is a senior finance executive with over 25 years of Finance and business experience having worked for such companies as Dow Jones & Company, Inc., Barnes and Noble and Canon USA. In his role as a Senior Global Executive for these media and retail organizations, he has been involved in developing and implementing organizational strategy, driving organic growth and growth through mergers and acquisitions.

During his extensive career, Michael has had experience integrating several acquisitions in excess of \$500M, with full responsibility for financial and systems due diligence, development of an integration plan, presentation to the board of directors, and execution of the integration plan through to external financial reporting and Sarbanes Oxley compliance.

As a member of the senior executive management team of these organizations Michael has broad experience in driving change in business process, reducing costs, communicating vision, recruiting and motivating high functioning teams, and driving sustainable revenue growth and significant profitability improvement.

Michael has a BS degree in Accounting from Rider University and he's a Certified Public Accountant.

### Advisory Board and Key Investors

AHALife's investors and advisors span luxury retail, e-commerce, media, and well-being lifestyle: all key tenets for AHALife's business model.

AHALife's current support network includes the former CEO of Saks Fifth Avenue, Rakuten, William Morris Endeavour, Vipshop, the former Chairman of LVMH North America and US based venture capital firms DCM and FirstMark Capital.

Following completion of the Proposed Transaction, the New Board led by Ms Shauna Mei will be supported by the AHALife advisory committee and its broader network of key advisers and investors, which will include the following persons:

#### Steve Sadove

Former Chairman and Chief Executive Officer of Saks Incorporated, which owns New York based luxury department store retailer Saks Fifth Avenue. Currently on board of Colgate-Palmolive, JCPenney, Aramark and Ruby Tuesday. Prior to this, Mr Sadove was Chief Executive Officer of Clairol at Bristol Myers Squibb.

#### Renaud Dutreil

President and Chief Executive Officer of Belleville Solutions, managing a portfolio of investments in lifestyle brands and retail. Mr Dutreil is a former chairman of luxury goods retailer LVMH Moët Hennessy Louis Vuitton Inc., as well as a former Minister of Small & Mid-sized Business, Commerce, Crafts and Liberal Professions in France [Minister of the Civil Service and State Reform (2004–2005) and Secretary of State for Small & Medium-Sized Businesses, Commerce, Crafts and Liberal Professions (2002–2004)]. He was a Member of Parliament from 1994–2008 and of the French Council of State (Supreme Court for Public Law) from 1989 to 1992. He is currently non-serving Maître des Requêtes au Conseil d'Etat, where he was admitted in 1989 with rank 1st.

#### Rakuten

Rakuten, Inc. is listed on the Tokyo Stock Exchange (TYO:4755) and is one of Japan's largest e-commerce and Internet companies.

#### Jon Teo

Former Google engineer turned venture capitalist. Known for his early stage investments in Twitter, Instagram and Snapchat.

#### Vipshop

Vipshop Holdings Limited is listed on New York Stock Exchange (NYSE:VIPS), and is one of China's leading online discount retailer for brands.

#### Fern Mallis

Hailed as the award-winning creator of Fashion Week in New York City, Fern Mallis has been called an industry titan, doyenne, and The Godmother of Fashion. Mallis is the recipient of a great many industry awards and accolades.

Former SVP of IMG Fashion, and former Executive Director of the Council of Fashion Designers of America – Fern Mallis is currently President of her own leading international fashion and design consultancy. She's on the Board of Directors for Robert Graham in New York, and Tara Jewels in Mumbai, India, and serves on

the Advisory Boards of AhaLife, FashionGPS and other emerging companies. She's consultant and advisor to Charleston, St. Louis, and Nashville Fashion Weeks. She's Executive Advisor to Concept Korea for NYFW, and serves on the Executive Steering Committee for NYCxDesign Week.

### Deepak Chopra

Deepak Chopra, MD has over 10 million in his social media community (LinkedIn, Twitter, Facebook, Instagram, Flipagram, websites, etc.) he is helping to create a more peaceful, just, sustainable, happier and healthy world. He is ranked #1 in Medicine and #40 influential thinker by The World Post and The Huffington Post.

Chopra is one of the top three global influencers on LinkedIn where top industry leaders share their insights. Two of his books, *Ageless Body, Timeless Mind* (1993) and *The Seven Spiritual Laws of Success* (1995) have been recognized on The Books of The Century Bestsellers List.

### Ari Emanuel

Ari Emanuel is Co-CEO of WME | IMG. The global leader in sports, entertainment, media, and fashion, WME | IMG operates in more than 25 countries around the world and specializes in talent representation; commercial marketing and endorsements; brand strategy, activation and licensing; media production and distribution; and event management. He has been named one of *Fast Company's* Most Creative People in Business, one of *Fortune's* Business persons of the Year, and one of *Sport Business Journal's* 50 Most Influential People in Sports.

## 5.6. AHALIFE'S PLANS FOR THE FUTURE

With AHALife's technology now developed to a scalable platform for potential growth, AHALife plans to pursue the following opportunities:

### Expand Marketing Efforts

AHALife plans to launch new marketing programs to increase its number of new customers while maintaining a strong repeat customer base.<sup>19</sup>

In 2014, AHALife focused on improving customer retention and overall lifetime value, resulting in an increase of repeat customers from 24% to 49% of booked sales. Having achieved strong results in customer retention, the Company plans to expand their marketing efforts to focus on new customer acquisition.

AHALife will be applying funnel optimization marketing fundamentals across new and existing channels, including;

- Search Engine Marketing (SEM)/Search Engine Optimisation (SEO)
- Social organic and paid

- Retargeting and dynamic display advertising
- Refer-A-Friend program
- Co-marketing partnership with brands
- Increase PR exposure and invest deeper in social and other paid channels of advertising
- Business development partnerships

### Wedding Registry and Wishlists

AHALife's strong technology platform and dropship model lends itself to establishing a wedding registry offering and a gifting or wishlist application.

Wedding registries represent a USD\$19 billion market in the US alone (estimated in 2011). Registries are increasingly going online for both the management and purchases of wedding gifts.<sup>20</sup>

Accordingly to a further research study conducted in 2013, the average wedding registry is valued at USD\$5,160 and items purchased are typically similar in price as AHALife's customer purchases (43% between USD\$51-200 for all wedding registry purchases).<sup>21</sup> AHALife plans to explore the development of new registry features within its flagship website AHALife.com as part of its growth strategy.

### Mobile and Gifting Applications

The online gifting market is undeveloped globally and AHALife is in a strong position to enter the space. In its 2015 Mother's Day Spending Survey, the National Retail Federation stated that the total online gifting market in the United States is expected to reach USD\$21.2 Billion.<sup>22</sup> AHALife has the underlying technology platform necessary to establish a gifting and mobile system, which has the potential to provide additional revenue opportunities.

### Acquisitions

AHALife will consider acquiring online companies around the world that have the right target audience and customer base but may not have developed or aren't using the right technology platform. Moving these companies onto AHALife's platform would expand the reach of AHALife and increase its potential customer audience.

### General Global Expansion

In 2014, 8% of AHALife's sales involved consumers from outside of the United States. The US continues to be a major growth opportunity for AHALife but there is also significant opportunity to create a successful global luxury goods marketplace. To date, AHALife has not focused on building out its international business.

<sup>19</sup> AHALife Marketing Strategy report, page 3.

<sup>20</sup> Source: Wedding registry research from The Knot Market Intelligence, 2011.

<sup>21</sup> Source: TKWN 2013 Bridal Registry Study.

<sup>22</sup> Source: National Retail Federation, Mother's Day Consumer Spending Survey, 2015 (conducted April 1-9 2015)





## 5.7.

### AHALIFE'S KEY STRENGTHS

- **Operating within a large market and addresses a global problem**, where AHAlife delivers a scalable marketplace and platform that can enable thousands of high-quality designers and artisans to reach a global consumer;
- **Scalable business model** based on in-house technology and efficient, effective business processes with no-inventory model;
- **Innovative and intuitive technology** which enables consumer discovery with a personalised experience based on editorial and algorithms, and provides sellers/brands with the tools and services to reach a global consumer base;
- **Streamlined workforce** able to operate with high output supported by an automated technology platform;
- **Experienced Board of Advisors of industry experts and business veterans** including experts across retail, technology, media, e-commerce and branding who are actively involved in helping AHAlife become a market leader;
- **Experienced management team** with over 50+ years of combined experience in building enterprise level scalable platforms and deep understanding of the nuances of the luxury industry;
- **Strong competitive positioning** in an industry with high barriers to entry including network effects of aggregating over 2,500 brands together with a reputation for quality;
- **A global network of curators**, who recommend current trends and product offerings, and ensure that the products offered suit customers' needs;
- **The curation process**, which ensures that products come directly from the creator and helps maintain quality and trust in the consumer;
- **A respected and recognised brand**, which has been developed over four years and continues to attract brands, consumers and curators;
- **Strong focus on the customer experience**, AHAlife boasts an enviable Net Promoter Score;
- **Seller centric model**, which enables sellers to spend more time focusing on creating their products;
- **Global-local reach**, and AHAlife's increasing potential to create scale via the diverse locations of its sellers and buyers.

## 5.8.

### AWARDS AND RECOGNITION

#### Notable Awards

##### April 2015

AWNY (Advertising Women of New York)

Top 18 Women Changing the Media

Honoree for Quantum Leap: Changing the way an organization is aligned to proactively meet new challenges

##### March 2015

Origin Magazine top 100 Most Creative People

##### January 2014

Fast Company THE MOST CREATIVE PEOPLE IN BUSINESS 1000

##### May 2013

Webby Award: Best of Web List

##### February 2013

Fast Company "World's 50 Most Innovative Companies of 2013"

#### Selection of Recognition

AHAlife has been profiled in a number of various publications since inception. A complete list can be located at [www.ahalife.com/press](http://www.ahalife.com/press).

Notable press releases are:

- "One of the World's 50 Most Innovative Companies of 2013" (Fast Company, February 2013)
- "I was taken by [Shauna Mei's] story, and by the [the company's emphasis on storytelling]" (Wall Street Journal, November 2011)
- "A Bold New E-Commerce Experience: Going Where No One Has Gone Before" (Forbes, December 2012)
- "Offering Web Buyers a Thrill of Discovery" (The New York Times, June 2011)



Image: AHAlife seller and examples of their products

This haircare line is a veritable sensation—and is made in handcrafted, small batches from ancient, holistic recipes that the line’s founding scientist (and godfather to founder Kazu Namise) spent years traveling the world to perfect. It lengthens, strengthens and adds shine like nothing you’ve ever seen.

**PHYLIA DE M.**



from Los Angeles, CA



# 6



## RISKS



# THE RISKS CONTAINED BOTH IN SECTION 1 (INVESTMENT OVERVIEW) AND THIS SECTION SHOULD BE CONSIDERED CAREFULLY BY POTENTIAL APPLICANTS

6

This Section identifies the areas the Directors regard as many of the major risks associated with an investment in the Company post-completion of the Proposed Transaction. As mentioned previously, given the nature and scale of the Proposed Transaction, there will be a strong correlation between the risks faced by AHAlife and the Company.

Potential Applicants 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. Prospective investors should read the whole of this Prospectus 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 Securities.

The following summary, which is not exhaustive, represents some of the major risk factors that Potential Applicants need to be aware of. These risks have been separated into:

- (a) Risks unique to the Company;
- (b) General risks associated with the Online Luxury Personal Goods Market (**OLPGM**) industry, a subset of the wider Luxury Goods Market, with a particular focus on curated luxury lifestyle products; and
- (c) Other general risks which may not be industry specific that must be considered by Potential Applicants.

The specific risks considered, and others not specifically referred to in this Prospectus may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business and its involvement in the OLPGM industry.

An investment in the Company should be regarded as speculative. Potential Applicants should realise that the value of their investment may fluctuate considerably due to many factors.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. Some of the risks may be outside the control of the Company and not capable of mitigation. No assurances can be given that any of the risk factors will not adversely impact the Company.

# 6.1

## KEY AND UNIQUE RISKS

- (a) *AHAlife has a history of operating losses:* Whilst AHAlife has experienced significant revenue growth since inception in 2010, it has incurred net losses every year and has yet to turn an operating profit. There is a risk that AHAlife may not achieve profitability in the future. AHAlife anticipates that its operating expenses will 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 members. These costs may prove more costly than AHAlife budgets and AHAlife's revenue may not increase sufficiently to turn an operating profit and become cash flow positive.
- (b) *General operational risks of the AHAlife business:* AHAlife's current and future operation of its business may be affected by a range of factors including, but not limited to:
  - a. regulatory factors and increased corporate governance issues associated with operating out of both the United States of America and Australia;
  - b. fluctuations in revenue generated from AHAlife sellers on its platform, including as a result of the seasonality of marketplace transactions;
  - c. AHAlife's success in retaining existing members and attracting new members, through increased marketing efforts which may or may not be successful;
  - d. Ability to maintain margins on products sold via AHAlife's marketplace;
  - e. ability to manage a marketplace that provides a fulfilling experience for members and sellers alike;
  - f. the timing and success of new services and features AHAlife introduces to its platform and the overall marketplace experience;
  - g. the impact of competitive developments and AHAlife's response to those developments;
  - h. disruptions or defects in AHAlife's marketplace, such as privacy or data security breaches; and





- i. publicity about AHAlife or its platform, including negative publicity and/or complaints even if factually incorrect or based on isolated incidents.

The above is a general overview of the operational risks of the AHAlife business. Specific, more pronounced unique risks are further explored below.

- (c) *Growth and profitability dependent on active community:* AHAlife has not achieved operational profitability. In order to achieve profitability, AHAlife must continue to attract new members, retain existing members and convert members to customers, and also encourage its sellers to utilise the platform. This will lead to an active community, which will form the foundation of AHAlife's business and its future success. There is a risk that AHAlife may not be able to grow or maintain its community to a profitable level.

There is a risk that even if AHAlife experiences the growth in the market that it requires to achieve profitability, AHAlife could experience operational failures and AHAlife may need to invest further in the technology platform to accommodate growth.

- (d) *AHAlife relies on AHAlife sellers to provide a fulfilling experience to AHAlife members:* Whilst AHAlife manages the overall integrity of the platform and the marketplace, AHAlife relies on its sellers to provide a fulfilling experience to the members. In turn, the sellers will largely rely on third-party services to deliver their orders. Some of these factors which can affect the marketplace are outside of AHAlife's control. If marketplace transactions do not proceed satisfactorily because of faults of the sellers (which may include unethical business practices, or allegations that items are counterfeit, infringing or illicit), third party providers or the members, and certain parties feel aggrieved, this may generate negative publicity for AHAlife. In some circumstances, AHAlife's responsiveness to disputes may not be perceived as satisfactory. There is a risk that these factors, which may be outside of AHAlife's control, could adversely affect the reputation of the marketplace and undermine its integrity.

- (e) *Risks associated with continued expansion into markets outside of United States of America:* At present, AHAlife's marketplace is mainly in the USA. Continued expansion into markets outside of the USA may require significant financial investment to attract and retain new members, develop localised services and form relationships with local sellers and other third party services providers. There is a risk that despite efforts from AHAlife and its management, expansion efforts will fail which will adversely affect the growth and profitability of AHAlife's business.

Furthermore, expansion in markets outside of the United States will subject AHAlife to increased risks and burdens, such as:

- a. complying with different regulatory standards;
- b. managing and staffing operations over a broader geographic area with varying cultural norms and customs;
- c. adapting AHAlife's platform and marketplace to local cultural norms and customs;

- d. potentially heightened risk of privacy or data security breaches;
- e. limitations on the repatriation of funds and fluctuations of foreign exchange rates; and
- f. AHAlife's ability to enforce contracts and intellectual property rights in jurisdictions outside of United States and Australia.

Expansion of the marketplace will expose the sellers to a wider array of risks, which may adversely affect marketplace transactions, thereby undermining the integrity of the AHAlife community.

- (f) *AHAlife's payment systems dependent on third-party providers:* AHAlife 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 services providers were to terminate, the integrity of the AHAlife marketplace may be compromised, which may hurt AHAlife's reputation and adversely affect the 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 AHAlife business.

- (g) *AHAlife's technology is highly complex and may contain undetected errors:* The coding underlying AHAlife's platform is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been released. Any errors or vulnerabilities discovered in AHAlife's code after release could result in damage to its reputation, loss of members, loss of revenue or liability for damages, any of which could adversely affect AHAlife's growth prospects and its business.

- (h) *Dilution of existing Shareholdings in the Company:* In the event that the Proposed Transaction completes, the issue of the Consideration Shares to the AHAlife Vendors will have a significant dilutionary effect on existing shareholdings of the current Shareholders of the Company. Completion of the General Offer under this Prospectus will further dilute current Shareholders of the Company. In addition, Potential Applicants should note that the Company currently has 3,887,500 options, exercisable at 20 cents per option, which is less than the issue price of the New Shares being offered under this Prospectus. Accordingly, there is a risk that should these options be exercised, Shareholders of the Company will be further diluted.

- (i) *Concentration of ownership within AHAlife Vendors:* In the event that the Proposed Transaction completes and \$19.9M under the General Offer is raised, the AHAlife Vendors will hold approximately 61% of the Company's un-diluted capital. There will therefore be a concentration of ownership of the Company among the AHAlife Vendors. This may allow the AHAlife Vendors to exert significant influence over matters relating to the Company, including

the election of future Directors or the approval of future transactions involving the Company. Also, given the size of the Shareholdings, there may be an impact on the liquidity of the Company's securities. However, following completion of the Proposed Transaction, the AHALife Vendors will no longer be associates for the purpose of Chapter 6 of the Corporations Act. Therefore, this risk should not be taken as a representation that the AHALife Vendors will act in concert with one another, likely exercise their voting rights as Shareholders in the same manner or that the AHALife Vendors as a whole are associated parties, post completion of the Proposed Transaction.

## 6.2 INDUSTRY SPECIFIC RISKS

- (a) *Online industry continues to evolve and AHALife must remain innovative to remain competitive:* AHALife operates in the OLPGM industry, which is a subset of the wider Luxury Goods Market and Online Retail Market industries, with a particular focus on curated affordable luxury lifestyle products. These industries are characterised by rapidly changing technology, new service and product offerings and evolving consumer demands. Whilst AHALife dedicates significant resources to understanding its members' needs and upgrading its platform to remain innovative and in tune with passing retail trends, AHALife's members may not be satisfied with its offerings or perceive that its offerings do not cater for their needs. Remaining innovative and developing new and unique offerings is costly and complex, which may erode AHALife's competitive position in the industry, and adversely affect the growth and profitability of AHALife's business.
- (b) *Risks associated with access to the Internet and other online applications:* AHALife's platform and marketplace forms the foundation of its business. As an online marketplace, AHALife's members' and sellers will rely on access to the internet or mobile networks for access. Internet service providers may choose to disrupt or degrade AHALife members' access to its platform or increase the cost of such access. Mobile network operators or operating system providers could block or place onerous restrictions on AHALife members' ability to download and use its mobile apps.
- (c) *Economic and government risks:* There is a risk that the price of the Company's Shares may be affected by a range of factors generally beyond the control of the Company, including, but not limited to inflation, interest rates, domestic and international economic growth, changes to taxation legislation, interpretation and policies, legislative change, political instability, disasters, industrial disputes, social unrest, war on a local or global scale, AHALife specific industry conditions, stock market conditions in Australia and elsewhere, changes in investor sentiment towards particular market sectors, acts of God, and acts of terrorism.
- (d) *Changes in regulatory environment:* Changes to laws, regulations and accounting standards which apply to AHALife from time to time could materially and adversely impact upon the operating and financial performance and cash flows of AHALife, and therefore the operations and performance of the Company. AHALife is subject to a variety of laws and regulations in the United States and Australia, which are continuously evolving, and compliance can be a costly exercise which require changes to AHALife's business practices, significant management time and resources. Additionally, as online commerce practices continues to evolve, it is not always clear how existing laws will apply to the internet as many of these laws do not address the unique issues raised by online commerce practices.
- (e) *Security and privacy risks:* AHALife collects, transmits and stores personal and financial information provided by its members. Some of AHALife's third-party service providers, such as identity verification and payment processing providers also regularly have access to member data. In an effort to protect sensitive information, AHALife relies on a variety of security measures. However, advances in computer capabilities, increasingly sophisticated tools and methods used by hackers and cyber terrorists, new discoveries in the field of cryptography or other developments may result in AHALife's failure or inability to adequately protect its sensitive information. The preventative measures which have been implemented by AHALife to address this risk are costly and may become more costly in the future.
- (f) *Protection of intellectual property and associated costs:* Companies in the Internet and technology industries (such as those in which AHALife operates in) are frequently subject to litigation based on allegations of infringement or other violations of intellectual property rights. To the extent that AHALife gains greater public recognition, it may face a higher risk of being the subject of intellectual property claims. Litigation regarding intellectual property rights is inherently uncertain due to the complex issues involved, and the Company may not be successful in defending AHALife in such matters, if they arise. Costs associated with such actions (which may include the payment of damages) could be substantial and materially adverse to the Company's financial position. Furthermore, AHALife may find itself in situations where it is forced to protect its own intellectual property and enforce its rights. These disputes may prove costly for the Company, despite the veracity of its claims.



# 6.3

## OTHER GENERAL RISKS

- (a) *Increased competition:* The OLPGM industry and wider Luxury Goods Market and Online Retail Market industries are highly competitive, and it is anticipated that competition will increase into the future. AHAlife will compete with other retailers (whether online-based, or brick and mortar stores) for consumers and their pool of discretionary spending, and for sellers and their range of products. Whilst AHAlife believes that it has a competitive edge by focusing on curated luxury lifestyle products, AHAlife will continue to compete with other retailers in the luxury market. Many of these competitors will have longer operating histories, greater resources, better name recognition or more customers than AHAlife. There is also a risk that these competitors may expand their offerings in the future, and also focus on curated luxury lifestyle products. Increased competition and AHAlife's ability to address these challenges will affect AHAlife's future growth and profitability. There is a risk that AHAlife will be unable to compete successfully, which would adversely affect its business.
- (b) *Exchange rates:* The Company may be exposed to rapid and material movements in exchange rates which could affect its balance sheet and cash position. This risk is particularly pertinent to the Company as the majority of AHAlife's income will be derived from members based in the United States.
- (c) *Future capital needs:* At present, AHAlife has a cash requirement of approximately USD\$350,000 per month, and with the expansion strategies of AHAlife, its costs are projected to rise in the future, which may cause further or greater operational losses to AHAlife. Therefore, unless AHAlife becomes operationally profitable and cash flow positive, further funding may be required to advance the business objectives of AHAlife in the future. There can be no assurance that alternative funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the financial condition of the Company and consequently, the value of its Shares.
- (d) *Loss of key personnel:* The responsibility of overseeing the day to day operations and the strategic management of the Company (including AHAlife) is substantially dependent upon its management and its key personnel. As noted previously, certain key personnel will be joining the New Board of the Company. Whilst these key personnel will be entering 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 and AHAlife 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.
- (e) *Liquidity and realisation risks:* There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Company's Shares will increase. Moreover, there may be relatively few buyers or a relatively high number of sellers of the Company's Shares on the ASX at any given time, which may increase not only the volatility of the market price of the Shares but also the prevailing market price at which Shareholders can sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price paid for their Shares.
- (f) *Insurance risk:* The Company intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with business operations is not always available and where available the costs can be prohibitive.
- (g) *Tax implication of operating in multiple jurisdictions:* As the Company will predominantly operate out of the United States and Australia, there may be additional tax consequences and reporting obligations for the Company and AHAlife, which may prove to be a costly exercise. In the event that AHAlife is successful in its expansion efforts and establish localised services and bases, there may be additional tax implications for the Company and AHAlife.
- (h) *Share market conditions:* The market price of securities can fall and may be subject to varied and unpredictable influences on the market for equities. Potential Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Securities regardless of the Company's performance. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.
- (i) *Other acquisitions and investments:* The Company may look to acquire other investments and assets in the future, details of which are not known as at the date of this Prospectus. Those acquisitions and investments will generally carry their own set of unique risks, even if the acquisition operated in a similar undertaking to AHAlife. Acquisitions and investments may require the Company to spend a substantial portion of its available cash, incur debt or other liabilities or incur write-offs of goodwill or other assets. In addition, integrating an acquired business or investment (if applicable) is risky and may not be successfully implemented by the Company.

## 6.4. INVESTMENT SPECULATIVE

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and AHAlife, its subsidiaries or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

**Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.**

## 6.5. TAXATION

The acquisition and disposal of Securities in the Company will have tax consequences, which will differ depending on the individual circumstances of each Securityholder. All Potential Applicants and existing Securityholders in the Company are urged to obtain independent professional financial advice about the consequences of acquiring the Securities from a taxation viewpoint and generally. It is the sole responsibility of the Potential Applicants, existing Securityholders and any other person that considers the Offers in this Prospectus to inform themselves of their respective taxation positions resulting from participation in the Offers.

The Directors do not consider that it is appropriate to give advice regarding taxation matters and consequences of applying for Securities under this Prospectus, as it is not possible to provide a comprehensive summary of all the possible taxation positions of those interested.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any taxation consequences to Potential Applicants, existing investors and any other person that considers the Offers in this Prospectus.



Image: Graphic Designer at AHAlife



# FINANCIAL INFORMATION AND INVESTIGATING ACCOUNTANT'S REPORT

7

23 June 2015

The Directors  
INT Corporation Limited  
(To be renamed AHAlife Holdings Limited)  
Level 5, 137 Bathurst Street  
SYDNEY NSW 2000

Dear Sirs

## **RE: INVESTIGATING ACCOUNTANT'S REPORT**

### **1. Introduction**

This report has been prepared at the request of the Directors of INT Corporation Limited ("INT" or "the Company") for inclusion in a Prospectus to be dated on or around 24 June 2015 ("the Prospectus") relating to the proposed offer and issue by INT of 44,222,222 New Shares to be issued at a price of 45 cents (on a post consolidated basis- refer below) each to raise a gross \$19,900,000 - the General Offer as described in the Prospectus. However, the Company reserves the right to issue additional shares of up to \$1,500,000 (3,333,333 New Shares over and above the General Offer so that the absolute maximum that could be raised is \$21,400,000). The Company, subject to shareholder approval (see below) proposes to change its name to AHAlife Holdings Limited.

The Prospectus also contains the following offers of:

- Up to 96,539,034 Consideration Shares and up to 9,174,906 Consideration Options as noted below; and
- Up to 4,000,000 Loan Shares, up to 5,000,000 Executive Options, up to 5,000,000 Performance Options and 5,000,000 Performance Rights to certain key management personal as described below.

Further details are outlined below, including summary details on the proposed acquisitions of all of the shares in AHAlife Holdings Inc ("AHAlife"), a New York, USA based luxury digital marketplace platform.

### **2. Basis of Preparation**

This report has been prepared to provide investors with information on historical results, the condensed statement of financial position (balance sheet) of INT and the pro-forma consolidated statement of financial position of INT as noted in Appendix 2. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports in accordance with the Corporation Act 2001.



This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Stanton's International Securities Pty Ltd (trading as Stanton's International Securities) has not been requested to consider the prospects for INT (including its proposed subsidiary, AHAlife), the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so.

Stanton's International Securities accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in Section 6 of the Prospectus and all investors should read the risks of investing in the Company.

### 3. Background

INT is currently an ASX listed company having achieved an ASX listing in March 1997 under the name of Intermoco Limited and operated initially in the area of outsourced services, management utilities and/or design and supply technology solutions. On 3 July 2013, the Company entered into Administration and on 30 October 2013, the Company entered into a Deed of Company Arrangement ("DOCA") which was terminated on 28 May 2014. All pre-Administration creditors of INT were transferred to a Creditors Trust. Following shareholders approval on 10 March 2014, the Company officially changed its name to INT Corporation Limited on 18 March 2014, undertook a consolidation of capital and a capital raising organised by a consortium of new investors and was reinstated to trading on the ASX on 24 July 2014.

On 17 March 2015, the Company announced that it had been signed an exclusive conditional letter of intent to acquire all of the issued capital of AHAlife. On 12 May 2015, the Company announced that it had executed a conditional Merger Agreement to acquire 100% of the issued capital of AHAlife by way of the issue of 2,114,285,715 pre-consolidated INT securities (a mixture of shares and share options) to the shareholders and employee option holders of AHAlife with a deemed value of \$37,000,000 (approximately US\$29,000,000 at the date of the announcement). The Company plans, inter-alia to undertake a consolidation of capital on a 1 for 20 basis, so that post consolidation, the Company will issue 96,539,349 post consolidated Consideration Shares and 9,174,906 post consolidated Consideration Options.

The proposed acquisition of this company and its business undertakings are referred to as the Proposed Transaction in the Prospectus. There are a number of condition precedents, including INT raising a minimum of \$15,000,000 (the subject of this Prospectus). All conditions precedent are outlined in the Prospectus.

Based on the Merger Agreement approximately 96,539,349 post consolidated (1,930,720,609 pre-consolidated) Consideration Shares will be issued to the existing shareholders of AHAlife and INT will issue approximately 9,174,906 (183,498,120 pre-consolidated) share options (Consideration Options) to the existing option holders, employees and warrant holders of AHAlife. The Merger Agreement allows for the Consideration Share number to be adjusted depending on option and warrant holders' elections pre completion.

The up to 9,174,906 Consideration Options terms are as follows:

Number of Consideration Options	Date of original grant by AHAlife	Vesting commencement date	Vesting condition	Exercise price (US\$)
3,835,353	5 Oct 2011	N/A	Class C	8.487 cents
163,043	25 Oct 2011	25 Oct 2011	Class B	8.487 cents
145,998	1 Jun 2012	N/A	Class C	20.746 cents
42,629	1 Jun 2012	1 May 2011	Class A	20.746 cents
163,040	8 Nov 2012	15 Jun 2012	Class B	9.116 cents
15,906	8 Nov 2012	1 Jan 2012	Class A	9.116 cents





15,906	8 Nov 2012	6 Feb 2012	Class A	9.116 cents
1,855,579	8 Nov 2012	1 Oct 2012	Class A	9.116 cents
163,040	22 Mar 2013	12 Dec 2012	Class B	9.745 cents
163,040	22 Mar 2013	1 Jan 2013	Class B	9.745 cents
63,625	31 Jul 2013	24 Jun 2013	Class D	9.745 cents
163,043	19 Aug 2014	7 May 2013	Class B	9.43 cents
63,625	19 Aug 2014	7 Aug 2013	Class A	9.43 cents
163,043	19 Aug 2014	23 Dec 2013	Class B	9.43 cents
159,064	19 Aug 2014	20 Jan 2014	Class A	9.43 cents
31,812	19 Aug 2014	19 May 2014	Class A	9.43 cents
1,108,241	19 Aug 2014	19 May 2014	Class B	9.43 cents
858,919	To be issued on completion of Proposed Transaction	Various from May 2014 to May 2015	Class A	On a post-Consolidation basis, greater of: USD 40 cents; and USD equivalent of closing share price of INT on the date of issue (or, if not a trading day, the immediately preceding trading day)

Each Consideration Option gives the Participant the right to subscribe for 1 Share upon:

- the vesting conditions (if applicable) being satisfied;
- exercise of the Executive Option in accordance with these terms and conditions; and

payment of the Exercise Price.

The Consideration Options will expire at 5.00pm (AEST) on the date 10 years after the Participant was granted the Consideration Options (as set out table above) (Expiry Date).

Subject to termination clauses, Consideration Options may not be exercised until the following vesting conditions (which are dependent on the type of Consideration Options) have been satisfied:

- Class A: 25% vests after 1 year of continuous service after the vesting commencement date, thereafter 1/48<sup>th</sup> of the total options granted vest for each of the 36 months thereafter.
- Class B: 1/24<sup>th</sup> of the total options granted vest each month of continuous service after the vesting commencement date.
- Class C: no vesting conditions, or fully vested at completion of the Proposed Transaction.
- Class D: 1/3<sup>rd</sup> of the total options granted vest after 1 year of continuous service after the vesting commencement date, thereafter 1/36<sup>th</sup> of the total options granted for each of the 24 months thereafter.

Further details are outlined in Section 9 to the Prospectus. The ascribed value by an independent expert to all of the Consideration Options was approximately \$3,776,000.

## AHALife

Based on information contained in the Prospectus, AHAlife business is a luxury digital market place and technology platform where consumers are connected with over 2,500 curated luxury designers and artisans across more than 65 countries. Since its foundation, AHAlife has raised over US\$23 million of development funding. Funds invested to date have been applied towards building an audience of brands and consumers centred on a proprietary enterprise class technology platform that is highly scalable and capable of supporting rapid revenue expansion. AHAlife currently has a monthly cash requirement of approximately US\$350,000 which is expected to improve with growth in revenue. Audited revenues for the year ended 31 December 2014 approximated US\$2.669 million. AHAlife uses a drop ship model and therefore carries limited inventory risk on returned goods until the goods are either resold or returned to the vendor.

Further information on AHAlife and the environment it is involved in is outlined in the Prospectus, particularly Sections 4 and 5.

Shareholders' approval for the Proposed Transaction and other ancillary resolutions are being sought at the upcoming Extraordinary General Meeting which will be held on 7 July 2015 ("EGM").

Completion of the Proposed Transaction is subject to a number of condition precedents being satisfied or waived. These conditions include the receipt of Shareholder approval for all the resolutions being sought at the EGM, completion of a capital raising which is being conducted under this Prospectus, the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and Ms Shauna Mei (Mei") and Mr Sachin Devand ("Devand") entering into executive agreements with INT. Following completion of the acquisition of AHAlife and the other proposals, INT's Board of Directors will comprise of two AHAlife nominated director and INT (existing) will have the right to have two Directors. AHAlife also may nominate a further two directors and if this eventuated, AHAlife nominees would have four of the six seat Board.

In the event that Shareholders of the Company approve the Proposed Transaction (and all other conditions precedents being satisfied or waived), this will result in the Company changing the scale of its activities. Therefore, in accordance with Listing Rules, the Company's securities will become suspended and remain so, until it has re-complied with Chapters 1 and 2 of the Listing Rules.

The acquisition of AHAlife is outlined in detail in Sections 1.1, 1.3, 4 and 5 of the Prospectus.

A summary of the adjusted audited balance sheet (statements of financial position) of AHAlife as at 31 December 2014 is noted elsewhere in this report.

On 5 June 2015, the Company issued a Notice of Meeting ("Notice") and an Explanatory Statement attached to the Notice ("ES") that requests shareholder approval for the following:

- Resolution 1 - Approve the consolidation of the Company's existing securities on a 1 for 20 basis;
- Resolution 2 - Approve the change in nature and scale of activities of the Company;
- Resolution 3 – Approve the issue of 96,539,349 post consolidated shares at 35.0 cents each (the Consideration Shares") and the issue of 9,174,906 post consolidated options (the Consideration Shares) for the purposes of Section 611 (Item 7) of the Corporations Act as part of the approval process to acquire all of the shares in AHAlife;

- Resolutions 4, 5 and 6 respectively – Approve the issue of up to 75,820,003 Consideration Shares and 6,211,086 Consideration Options to non-related party vendors of AHAlife (Resolution 4), the issue of 15,184,268 Consideration Shares to Mei (Resolution 5) and the issue of 5,535,078 Consideration Shares and up to 2,963,820 Consideration Options to Devand (Resolution 6). These relates to the issue of shares to the vendors of AHAlife to acquire all of the shares in AHAlife (the issue of a total of 96,539,349 shares as noted in Resolution 3) and the issue of options to the existing option and warrant holders in AHAlife (the issue of 9,174,906 options as noted in Resolution 3 above);
- Resolution 7 – relates to the adoption of an Executive and Employee Incentive Plan (“EEIP”);
- Resolution 8 – relates to the issue to Mei of up to 2,000,000 post consolidated restricted Loan Shares at an issue price of 45.0 cents each, the issue of up to 3,500,000 unvested post consolidated Executive Options each exercisable at 45.0 cents; the issue of up to 3,500,000 unvested Performance Options each exercisable at 30.0 cents and expiring 4 years from date of issue and the issue of up to 3,500,000 unvested post consolidated Performance Rights, expiring 4 years from the date of issue if they are unvested as that time;
- Resolution 9 – relates to the issue to Devand of up to 2,000,000 post consolidated restricted Loan Shares at an issue price of 45 cents each, the issue of up to 1,500,000 unvested post consolidated Executive Options each exercisable at 45.0 cents; the issue of up to 1,500,000 unvested Performance Options each exercisable at 30.0 cents and expiring 4 years from date of issue and the issue of up to 1,500,000 unvested post consolidated Performance Rights, expiring 4 years from the date of issue if they are unvested as that time;
- Resolution 10- relates to the issue of up to 44,444,444 New Shares (post consolidated) at not less than 45 cents each to raise a gross up to \$20,000,000 (the Capital Raising). The General Offer, before oversubscriptions of up to \$1,500,000 has now been set at \$19,900,000;
- Resolution 11- allows Mike Hill, a director of the Company to subscribe for up to 166,667 New Shares as part of the Capital Raising;
- Resolution 12 - Relates to the election of Shauna Mei as a Director of INT following completion of the Proposed Transactions;
- Resolution 13 - Relates to the election of Sachin Devand as a Director of INT following completion of the Proposed Transactions; and
- Resolution 14 – Relates to the proposal to change the name of the Company to AHAlife Holdings Limited;

This report (and the Prospectus) assumes that shareholders will approve all of the 14 Resolutions on 7 July 2015. An independent expert appointed by INT summarised the proposed acquisition (of AHAlife) in an independent expert’s report dated 26 May 2015 as fair and reasonable to the existing shareholders of INT and their report was attached to the Notice and Explanatory Statement mailed to shareholders in June 2015.

The Company is to into new Consultancy Agreements with Mei (CEO) and Devand (CTO) all to be effective from completion of the Proposed Transactions. Six months’ notice will be required to terminate the consultancies or in the absence of notice six months’ salary will be payable. The annual fees payable are to be US\$300,000 for Mei (existing contract notes an annual salary

US\$200,000) and US\$300,000 for Devand (existing contract notes an annual salary of US\$225,000) plus superannuation or similar contribution.

Mr Mike Hill (“Hill”) already has a service agreement with INT at the rate of \$250,000 per annum and currently only 50% is paid in cash and the balance deferred until a “First Acquisition” is completed. It is expected that the outstanding fees will be paid on completion of the Proposed Transaction involving AHAlife. However on completion of the Acquisition of AHAlife, Hill will become a non- executive director (as Chairman) and his service fee will reduce to US\$125,000 per annum.

A company associated with Mr Michael Everett, the non-executive director already has a service agreement with INT at the rate of \$60,000 per annum and is currently paid only 50% in cash and the balance deferred until a “First Acquisition” is completed. It is expected that the outstanding fees will be paid on completion of the Proposed Transaction involving AHAlife. This also applies to outstanding fees due to two current non-executive directors, Jonathan Pager and Philip Kapp (who will resign on completion of the Proposed Transaction). Following completion of the Proposed Transaction, a company associated with Michael Everett will be paid a service fee of US\$100,000 per annum.

A Company Secretarial Agreement has been entered into with Whittens & McKeough Pty Ltd (“Whittens Lawyers”) in relation to the provision of company secretarial services to be provided by Andrew Whitten at a base fee of \$3,000 per month.

Furthermore, it is proposed that a total of 19,000,000 post consolidated (380,000,000 pre-consolidated) Incentive Securities will be issued to Mei and Devand. The terms of the Incentive Securities comprise:

- 5,000,000 post consolidated (100,000,000 pre-consolidated) unvested Executive Options, each exercisable at 20 cent each (post-consolidation) which vest after three (3) years employment with INT and when the 20 day volume weighted average share price (“VWAP”) of INT’s shares trading on ASX exceeds 75.0 cents each on a post-consolidated basis;
- 5,000,000 (100,000,000 pre-consolidation) unvested Performance Options, each exercisable at 30.0 cent each (post-consolidation) which vest after three (3) years employment with INT and when AHAlife’s revenue in a rolling 12 month period exceeds US\$20,000,000;
- 5,000,000 (100,000,000 pre-consolidated) unvested Performance Rights which vest after 4 years when the 20 day VWAP of INT’s shares trading on ASX exceeds \$1.20 per share (post-consolidation) and when AHAlife’s revenue in a rolling 12 month period exceeds US\$20,000,000 and AHAlife has positive operating cash flows within this 12 month period; and
- 4,000,000 (80,000,000 pre-consolidated) pre consolidated unvested Loan Shares which are loans provided by INT to acquire shares in INT at 45.0 cents each (post-consolidated), wherein the shares will be subject to a cascading escrow period tied to the continuous employment periods of the shareholder (18 months, 36 months and 54 months) and when the 20 day VWAP of INT shares trading on ASX exceeds \$1.50 each (post-consolidation). In consideration for receiving these unvested Loan Shares, Mei will invest a minimum of \$200,000 directly in INT and Devand will invest directly a minimum of \$100,000 directly in INT.

All Options and Performance Rights will expire 12 months after the last vesting date. All unvested Incentive Securities will be cancelled in the event that Mei or Devand cease employment with INT.

Further details are noted in section 9 of the Prospectus.

Potential investors should read the Prospectus in full. We make no comments as to ownership or values of the current and proposed assets of the INT Group. Further details on all significant (material) contracts entered into by the Company and AHAlife relevant to new and existing investors are referred to in Section 8 of the Prospectus.

#### 4. **Scope of Examination**

You have requested Stantons International Securities to prepare an Independent Accountant's Report on:

- (a) The statement of profit and loss and other comprehensive income of INT for the year ended 30 June 2014 and the nine months ended 31 March 2015;
- (b) The consolidated statement of financial position of INT as at 31 March 2015; and
- (c) The consolidated pro-forma statement of financial position of INT at 31 March 2015 adjusted to include funds to be raised by the Prospectus and the completion of transactions referred to in note 2 of Appendix 3.

All of the financial information referred to above has not been audited (except for the statement of profit and loss and other comprehensive income of INT for the year ended 30 June 2014) however has been subject to audit review. The consolidated financial accounts of AHAlife has also been audited for the year ended 31 December 2014 (but the comparatives for the year ended 31 December 2013 were not audited) as noted elsewhere in this report. The Directors of INT are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions. We have however examined the financial statements and other relevant information and made such enquiries, as we considered necessary for the purposes of this report.

The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion.

Our examination included:

- a) Discussions with Directors and other key management of INT;
- b) Review of contractual arrangements;
- c) A review of publicly available information; and
- d) A review of work papers, accounting records and other documents.

#### 5. **Opinion**

In our opinion, the pro-forma consolidated statement of financial position as set out in Appendix 2 presents fairly, the pro-forma consolidated statement of financial position of INT as at 31 March 2015 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 3. No opinion is expressed on the historical results and statements of financial position, as shown in Appendix 1, except to state that nothing has come to our attention which would require any further modification to the financial information in order for it to present fairly, the statements of financial position as at 31 March 2015 and the results of the period identified.

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 31 March 2015 that have come to our attention during the course of our review which would cause the information included in this report to be misleading. We have been provided with unaudited management accounts to 31 May 2015 and unaudited cash flow forecasts on a monthly basis to December 2015 and where necessary adjusted the 31 December 2014 audited balance sheet – refer note 17 below.



## 6. Other Matters

At the date of this report, Stantons International Securities Pty Ltd or Stantons International Audit and Consulting Pty Ltd (Trading as Stantons International) do not have any interests in INT either directly or indirectly, or in the outcome of the offer. Stantons International Securities Pty Ltd and Stantons International (who are the auditors of INT) were not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Stantons International Securities Pty Ltd consents to the inclusion of this report (including Appendices 1 to 3) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

**STANTONS INTERNATIONAL SECURITIES PTY LTD**



**John Van Dieren – FCA  
Director**

## INVESTIGATING ACCOUNTANT'S REPORT

### APPENDIX 1 – CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

7

	INT Year ended 30 June 2014 (Audited)	INT Nine Months ended 31 March 2015 (Unaudited)
	\$	\$
Revenue- interest income	522	17,549
Continuing Operations		
Employment/director related expenses	(100,537)	(241,420)
Professional fees	(49,392)	(3,625)
Share registry	(18,364)	(12,635)
Legal costs	(74,504)	(34,140)
Noteholder share based payments	-	(175,317)
Other expenses	(15,290)	(30,785)
Due diligence fees	-	(62,620)
ASX fees	-	(34,841)
Accounting and audit	-	(29,914)
Net (loss) before tax	(257,565)	(607,748)
Income tax	-	-
Net (loss) after tax	(257,565)	(607,748)
Profit from discontinued operations after tax	3,056,317	-
Net profit (loss) attributable to the members	2,789,752	(607,748)
Other Comprehensive Income	-	-
Total Comprehensive (Loss) for the period	-	-
Profit (Loss) attributable to:		
Equity holders of the Company	2,789,752	(607,748)
	2,789,752	(607,748)
Total Comprehensive Profit (Loss) attributable to:		
Equity holders of the Company	2,789,752	(607,748)
	2,789,752	(607,748)



## APPENDIX 2 – UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	INT 31 March 2015 \$	INT Pro-forma Unaudited Consolidated 31 March 2015 \$
<b>Current Assets</b>			
Cash assets	3	906,431	19,491,146
Receivables	4	-	-
Prepayments	4	-	126,960
Inventory	5	-	125,493
<b>Total Current Assets</b>		<u>906,431</u>	<u>19,743,599</u>
<b>Non-Current Assets</b>			
Plant and equipment	6	-	63,732
Security deposits	4	-	91,494
Intangibles – Goodwill	8	50,000	-
Investment in subsidiaries	9	-	-
<b>Total Non Current Assets</b>		<u>50,000</u>	<u>155,226</u>
<b>Total Assets</b>		<u>956,431</u>	<u>19,898,825</u>
<b>Current Liabilities</b>			
Trade and other payables	10	257,514	4,139,562
Finance liabilities	11	-	-
Other liabilities	12	-	252,635
<b>Total Current Liabilities</b>		<u>257,514</u>	<u>4,392,197</u>
<b>Total Liabilities</b>		<u>257,514</u>	<u>4,392,197</u>
<b>Net Assets</b>		<u>698,917</u>	<u>15,506,628</u>
<b>Equity</b>			
Issued capital	13	7,980,394	60,602,211
Reserves	14	80,181	5,541,882
Accumulated losses	15	(7,361,658)	(50,637,465)
<b>Total Equity</b>		<u>698,917</u>	<u>15,506,628</u>

Condensed Notes to and forming part of the above condensed statements of financial position are attached.

## INVESTIGATING ACCOUNTANT'S REPORT

### APPENDIX 3

#### CONDENSED NOTES TO THE UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION

##### 1. Statement of Significant Accounting Policies

###### (a) Basis of Accounting

The audited and unaudited condensed consolidated Statement of Profit and Loss and Other Comprehensive Income and unaudited condensed consolidated Statements of Financial Position have been prepared in accordance with applicable accounting standards, the Corporations Act 2001 and mandatory professional reporting requirements in Australia (including the Australian equivalents of International Financial Reporting Standards) and we have made such disclosures as considered necessary. They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated. The financial statements have been prepared on a going concern basis that is dependent on the capital raising being successful.

###### (b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted as at balance date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxation profit or loss. Deferred income tax assets are recognised to the extent that it is probable that the future tax profits will be available against which deductible temporary differences will be utilised. The amount of the benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the economic unit will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by law.

###### (c) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses. The carrying amount of the plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and their subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

###### (d) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The asset's residual value and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than the estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

###### (e) Trade and other accounts payable

Trade and other accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

**(f) Recoverable Amount of Non Current Assets**

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have been or will be discounted to present values in determining recoverable amounts.

**(g) Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

**Sales of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods pass to the buyer, usually on despatch of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received, net of returns and allowances, trade discounts and volume rebates.

**Shipping revenue**

Shipping revenue is revenue earned from the shipment of goods to customers and is recognised on despatch of goods.

**Rendering of services**

Service revenue relates to income earned from the provision of an e-commerce platform to Glamour magazine. Service revenue was earned on an accrual basis in line with the period the e-commerce platform was provided.

Interest revenue is recognised on an accrual basis.

All revenue is stated net of the amount of goods and services tax (GST)

**(h) Issued Capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

**(i) Principles of Consolidation**

The consolidated financial statements comprise the financial statements of INT and its subsidiaries (“the Group”).

Subsidiaries are all those entities over which the Company has control. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company’s financial statements.

In preparing the consolidated financial statements all intercompany balances and transactions, income, expenses and profit and loss resulting from intergroup transactions have been eliminated in full.

Minority interests held by the Company are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the statement of financial position, separately from parent shareholders’ equity.



**(j) Employee benefits**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

**(k) Critical accounting estimates and judgements**

In preparing this Financial Report, the Company has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

**(l) Significant accounting judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

**(m) Key judgements – employee benefits**

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12 month period that follows, the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, as a result, are required to be measured at the present value of the expected future payments to be made to employees.

**(n) Significant accounting estimates and assumptions**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period include impairment of capitalised case funding costs, goodwill on consolidation and investments in subsidiaries.

**(o) Financial Instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financial assets**

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investments, 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the

financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if: it has been acquired principally for the purpose of selling it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or it has a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

#### AFS financial assets

Listed shares held by the Company that are traded in an active market are classified as AFS and are stated at fair value. The Company also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value (because the directors consider that fair value can be reliably measured). Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

#### Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

#### Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

**(p) Foreign currencies**

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('\$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements. All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

**(q) Intangible assets**

**Goodwill**

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. If impaired, a write down will occur.

**Acquired both separately and from a business combination**

Intangible assets acquired separately are acquired at cost and from a business combination are acquired at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortization is charged on assets with finite lives, this expense is taken to the income statement.

Intangible assets, excluding development costs, created within the business are not acquired and expenditure is charged against the income statement in the year in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists and in the case of indefinite life intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

#### Other intangible assets

Other intangible assets that are acquired by the consolidated entity are stated at cost less accumulated amortisation (see below) and impairment losses.

Expenditure on internally generated goodwill and brands is recognised in the statement of comprehensive income as an expense as incurred.

#### Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

#### Amortisation

A summary of the policies applied to the consolidated entity's intangible assets is as follows:

Goodwill and intangible assets with an indefinite life are systematically tested for impairment at each balance sheet date. Capitalised development costs and patents and trademarks with a finite life are amortized. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted as appropriate. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

### (r) Accounting for business combinations

The Company has adopted IFRS 3 *Business Combinations*. All business combinations are accounted for by applying the acquisition method.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Company measures goodwill as the fair value of the consideration transferred including the acquired amount of any non-controlling interest in the acquiree, less the net acquired amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination (see below). If a business combination results in the termination of pre-existing relationships between the Company and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognized in other expenses.

Transaction costs that the Company incurs in connection with a business combination, such as stamp duty, finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then a part of the market-based measure of the replacement awards is included in the consideration transferred. If future services are required, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

In accordance with "AASB 3: Business Combination" (AASB 3), the merger will be recorded under the reverse acquisition principals which results in the Legal Parent (in this case, INT) being accounted for as the subsidiary, while the Legal Acquiree (in this case, AHAlife), being accounted for as the parent. Under the reverse acquisition principals, the consideration to be provided by AHAlife was determined to be \$6,252,674 (based on the 45.0 cents issue price of the New Shares under the Prospectus), which is the fair value of the 13,894,832 post consolidated Consideration Shares owned by the former INT shareholders at the completion of the merger.

The excess of fair value of the shares owned by the former INT shareholders and the fair value of the identifiable net assets of INT immediately prior to the completion of the merger is to be accounted for under "AASB: Share-based Payment" (AASB 2) and resulted in the recognition of goodwill of \$5,553,757 and will be written off to the statement of profit and loss and other comprehensive income as restructuring costs. The net assets of INT will be recorded at fair value at the completion of the merger. No adjustments are expected to be required to the historical book values.

#### (s) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.



## 2. Actual and Proposed Transactions to Arrive at Pro-forma Unaudited Consolidated Statement of Financial Position

Actual and proposed transactions adjusting the 31 March 2015 unaudited consolidated condensed Statement of Financial Position of INT (after allowing for a further \$100,000 in administration costs and added to creditors) in the pro-forma consolidated Statement of Financial Position of INT are as follows:

- (a) The consolidation of capital on a 1 for 20 basis;
- (b) The issue of 44,222,222 New Shares raising the amount of \$19,900,000 from the capital raising at 45.0 cents each under the General offer (but the Company reserves the right to obtain oversubscriptions of up to \$1,500,000 and issue a further 3,333,333 shares);
- (c) The incurring of capital raising costs estimated at \$1,253,000 (based on a \$19,900,000 Capital Raising);
- (d) The acquisition of all of the shares in AHAlife by way of an issue of 96,539,349 Consideration Shares at a deemed issue price of 35.0 cents per share for a total share consideration of \$33,788,772 and the issue of 9,174,906 Consideration Share Options with a deemed fair value of \$3,776,000. Using reverse acquisition principles, there is goodwill on consolidation relating to INT of \$5,553,757 and this amount has been written off to the statement of profit and loss and other comprehensive income as restructuring costs (the actual amount may differ on date of the acquisition of AHAlife);
- (e) The payment of 31 March 2015 payables and accruals of approximately \$257,514 (INT only);
- (f) The incurring of further due diligence costs (estimated at \$625,000) incurred by INT and AHAlife post 31 March 2015 to 30 June 2015 and accounting for the original contingent INT directors and advisory fee liabilities of \$369,677 and paying out agreed director and advisory fees totalling \$369,677 estimated to 31 July 2015;
- (g) Writing of the existing intangible assets of INT of \$50,000;
- (h) The issue of 4,000,000 unvested Loan Shares at a deemed fair value of \$690,000 but treated as a share based payments reserve;
- (i) The issue of 5,000,000 unvested Executive Options at a deemed fair value of \$1,593,000;
- (j) The issue of 5,000,000 unvested Performance Options at a deemed fair value of \$1,432,000;
- (k) The issue of 5,000,000 unvested Performance Rights with a deemed fair value of \$1,492,000; and
- (l) The repayment of the Financial Liability (Bank Loan) estimated at US\$1,961,632 (\$2,514,912) owing by AHAlife as at 31 July 2015 out of the proceeds of the Capital Raising.

7

	Note 2	Unaudited Consolidated INT 31 March 2015 \$	Unaudited Consolidated INT Pro-forma 31 March 2015 \$
<b>3. Cash Assets</b>			
The movements in cash assets are as follows:			
Unaudited 31 March 2015		906,431	906,431
Issue of New Shares	(b)	-	19,900,000
Prospectus issue costs	(c)	-	(1,253,000)
Repayment of payables	(e)	-	(257,514)
Cash of AHAlife Group	17	-	3,704,818
Incurring of further costs and paying out outstanding director, salary and advisory fees initially treated as contingent liabilities	(f)	-	(994,677)
Payout of Financial Liability on behalf of AHAlife	(l)	-	(2,514,912)
		<u>906,431</u>	<u>19,491,146</u>
<b>4. Receivables and Prepayments</b>			
Current			
Other receivables		-	-
Prepayments of AHAlife Group	17	-	126,960
		<u>-</u>	<u>126,960</u>
Non-current			
Security deposits		<u>-</u>	<u>91,494</u>
<b>5. Inventories</b>			
At cost		-	125,493
		<u>-</u>	<u>125,493</u>
<b>6. Plant and equipment</b>			
At cost			278,516
Less: Accumulated depreciation			(214,784)
Net (AHAlife – pro-forma)	17		<u>63,732</u>
<b>7. Deferred tax</b>			
AHAlife Group	17	-	-
		<u>-</u>	<u>-</u>

As at 31 December 2014, the estimated US federal net operating tax losses to be claimable in the future (begin to expire in 2030 unless previously utilised) total US\$20,719,900. Utilisation of the net operating carry forwards may be subject to a substantial annual limitation due to ownership change limitations by the Internal Revenue Code (US), if a change in ownership occurs. Any annual limitation may result in the expiration of net operating losses before utilisation. The unrecognised tax benefit as at 31 December 2014 approximates US\$7,607,149.

	Note 2	Unaudited Consolidated INT 31 March 2015 \$	Unaudited Consolidated INT Pro-forma 31 March 2015 \$
<b>8. Intangibles</b>			
Goodwill		50,000	50,000
Goodwill on acquisition – INT	(d)	-	5,553,757
Less: Impairment of goodwill	(g)	-	(50,000)
Less: Write off of goodwill on consolidation	(d)	-	(5,553,757)
		<u>50,000</u>	<u>-</u>
<b>9. Investments in subsidiaries</b>			
Shares in wholly owned subsidiaries			
AHALife (to be 100% owned)	17	-	37,564,772
		-	37,564,772
Less eliminated on consolidation		-	37,564,772
		-	-
Loans to AHAlife		-	2,514,912
Share based payments	(h to l)	-	5,207,000
			7,721,912
Eliminated on consolidation			(7,721,912)
Total Investments		<u>-</u>	<u>-</u>
<b>10. Trade and other payables</b>			
Trade and other payables		257,514	257,514
Payables of AHAlife	17	-	4,139,562
Less: Repayment of INT payables		-	(257,514)
		<u>257,514</u>	<u>4,139,562</u>
<b>Loans from INT</b>			
Share based payments	(h to k)		5,207,000
Loan from INT (owing by AHAlife)	(l)	-	2,541,912
Less: Eliminated on consolidation		-	(7,748,912)
		<u>-</u>	<u>-</u>
<b>11. Finance Liability</b>			
Bank Loan – AHAlife	17	-	2,514,912
Less: repaid out of the Capital Raising proceeds	17	-	(2,514,912)
		<u>-</u>	<u>-</u>
<b>12. Other current liabilities</b>			
Other liabilities- AHAlife	17	-	252,635
		<u>-</u>	<u>252,635</u>

### 13. Issued Capital

	Note 2	Unaudited Consolidated INT 31 March 2015 \$	Unaudited Consolidated INT Pro-forma 31 March 2015 \$
277,896,636 shares as at 31 March 2015		<u>7,980,394</u>	<u>7,980,394</u>
Consolidation of capital	(a)		
13,894,832 post consolidated shares on issue		7,980,394	7,980,394
Reversal of INT Capital on reverse acquisition		-	(7,980,394)
28,255,403 shares (common and preferred stock) and on issue in AHAlife		-	35,702,537
44,222,222 New Shares pursuant to the Prospectus	(b)	-	19,900,000
96,539,349 Consideration Shares to acquire AHAlife using reverse acquisition accounting	(d)	-	6,252,674
4,000,000 Loan Shares	(h)	<u>-</u>	<u>-</u>
		7,980,394	61,855,211
Less: estimated share issue costs	(c)	<u>-</u>	<u>(1,253,000)</u>
Pro-forma		<u><u>7,980,394</u></u>	<u><u>60,602,211</u></u>

The number of INT shares on issue after the Proposed Transaction is completed will be 158,656,403.

If a further 3,333,333 New Shares were issued as oversubscriptions, the issued capital would increase by a further \$1,425,000 after allowing for an increase in capital raising costs of \$75,000 to \$1,328,000 and cash at bank would increase by a net \$1,425,000. The number of shares on issue would increase to 161,989,736.

The Loan Shares have been treated on an akin to a share option (and valued at \$690,000) in accordance with generally accepted accounting principles. If the owners of the shares pay the debts owing on the Loan Shares, the monies received (up to \$1,800,000) will be disclosed under issued capital (with no further shares being issued).

	Note 2	Unaudited Consolidated INT 31 March 2015 \$	Unaudited Consolidated INT Pro-forma 31 March 2015 \$
<b>14. Share Based Payments/Premium Reserve</b>			
Balance as at 31 March 2015		80,181	80,181
Less: Reversed on acquisition accounting		-	(80,181)
Reserves of AHAlife		-	334,882
Issue of Loan Shares	(h)	-	690,000
Issue of Executive Options	(i)	-	1,593,000
Issue of Performance Options	(j)	-	1,432,000
Issue of Performance Rights	(k)	-	1,492,000
		<u>80,181</u>	<u>5,541,882</u>

The number of post consolidated share options on issue as at 31 March 2015 are as follows:

- 3,250,000 exercisable at 20 cents each by 30 June 2017;
- 637,500 exercisable at 20 cents each and expiring 16 July 2017;
- 637,500 exercisable at 20 cents each vesting only after the Company's share price had traded at 60.0 cents or above for 20 business days (using the 20 day VWAP) and expire 16 July 2019 (this vesting condition has not been met);
- 1,313 exercisable at \$40 each by 22 February 2018; and
- 1,188 exercisable at \$80 each by 30 November 2015.

The post-consolidated Incentive Securities that will be on issue are:

- 5,000,000 unvested Executive Options, each exercisable at 20 cent each which vest after three (3) years employment with INT and when the 20 day volume weighted average share price ("VWAP") of INT's shares trading on ASX exceeds 75.0 cents each;
- 5,000,000 unvested Performance Options, each exercisable at 30.0 cent each which vest after three (3) years employment with INT and when AHAlife's revenue in a rolling 12 month period exceeds US\$20,000,000;
- 5,000,000 unvested Performance Rights which vest after 4 years when the 20 day VWAP of INT's shares trading on ASX exceeds \$1.20 per share and when AHAlife's revenue in a rolling 12 month period exceeds US\$20,000,000 and AHAlife has positive cash flows within this 12 months period; and
- 4,000,000 unvested Loan Shares which are loans provided by INT to acquire shares in INT at 45.0 cents each, wherein the shares will be subject to a cascading escrow period tied to the continuous employment periods of the shareholder (18 months, 36 months and 54 months) and when the 20 day VWAP of INT shares trading on ASX exceeds \$1.50 each.

In consideration for receiving these unvested Loan Shares, Mei will invest a minimum of \$200,000 directly in INT and Devand will invest directly a minimum of \$100,000 directly in INT.



The above figures for the Incentive securities accounts for 100% of the fair values as ascribed by an independent valuer however for actual accounting purposes, the total of the values will be accounted for over the estimated/actual vesting periods. The financial accounts for the year ended 30 June 2016 will disclose a lower figure and future years will account for the values.

For details on the 9,174,906 Consideration Options that will be outstanding, refer the Background Section of this report and section 9 of the Prospectus.

	Note 2	Unaudited Consolidated INT 31 March 2015 \$	Unaudited Consolidated INT Pro-forma 31 March 2015 \$
<b>15. Accumulated losses</b>			
Balance as at 31 March 2015		7,361,658	7,361,658
Further costs	(f)	-	994,677
Goodwill written off	(g)	-	50,000
Less: Reversal on reverse acquisition	(d)	-	(7,361,658)
Add: Goodwill written off on restructure	(d)	-	5,553,757
Accumulated losses of AHAlife	17	-	38,832,031
Incentive Securities	(l to h)	-	5,207,000
		<u>7,361,658</u>	<u>50,637,465</u>

## 16. Contingent Assets, Liabilities and Commitments

The Company has the following contingent liabilities and commitments that have not been accounted for in the pro-forma consolidated statement of financial position as at 31 March (excludes contingent director, salary and advisor fees totalling \$289,677 as at 31 March 2015 and are estimated to be \$369,677 as at 31 July 2015). These fees totalling \$369,677 have been disclosed as cash outlays in preparing the pro-forma Statement of Financial Position.

The Company has agreed to enter into service contracts with Ms Mei and Mr Devand for aggregate fees totalling US\$300,000 each. Six months' notice is required to terminate the contracts and in the absence of the notice period, six months' salary will be payable. In addition, there is a service contract involving Hill at the rate of \$250,000 per annum, however on completion of the Acquisition of AHAlife, Mr Hill will become the non-executive chairman and be paid an annual fee of US\$125,000. A company associated with Mr Michael Everett will also be paid an annual fee of US\$100,000.

A Secretarial Agreement has been entered into with Whittens & McKeough Pty Ltd in relation to the provision of company secretarial services to be provided by Andrew Whitten at the rate of \$3,000 per month plus GST. Further details are outlined in section 2.4 of the Prospectus and the Material Contracts Section 8 of the Prospectus.

In addition, the Company will enter into new Indemnity Deeds with each Executive and Non-Executive Director.

AHAlife has rental commitments as at 31 December 2014 totalling approximately US\$692,347 (approximately \$888,000) of which US\$215,356 (approximately \$276,000) is due within 12 months.

Based on discussions with the Directors and legal advisors, to our knowledge, the Company has no other material commitment or contingent liabilities not otherwise disclosed in this Investigating Accountant's Report (refer Background section 3) and in the Prospectus. Investors should read the Prospectus for further possible contingencies and commitments.

For details on proposed commitments pertaining to the expanded INT Group, refer to the Investment Overview Section 1.2 of the Prospectus.

#### 17. Summary of AHAlife from audited Statements of Financial Position as at 31 December 2014

	Note	Audited AHAlife 31 December 2014  US\$	Adjusted AHAlife Pro-forma 31 December 2014  US\$	Adjusted AHAlife Pro-forma 31 December 2014  AUS\$
Cash at bank		3,589,758	2,889,758	3,704,818
Inventories		97,885	97,885	125,493
Prepayments		99,029	99,029	126,960
Plant and equipment		63,686	49,711	63,732
Security deposits		71,366	71,366	91,494
Total assets		<u>3,921,724</u>	<u>3,907,749</u>	<u>4,112,497</u>
Creditors and accruals		478,859	3,228,859	4,139,562
Provisions- Employee liabilities		-	-	-
Financial liabilities		2,586,207	1,961,632	2,514,912
Other current liabilities		197,056	197,056	252,635
Total liabilities		<u>3,262,122</u>	<u>6,087,547</u>	<u>6,907,109</u>
<b>Net Assets (Liabilities)</b>		<b><u>659,602</u></b>	<b><u>(2,179,798)</u></b>	<b><u>(2,794,612)</u></b>
<b>Equity</b>				
Issued capital		27,847,979	27,847,979	35,702,537
Reserves		261,208	261,208	334,882
Accumulated losses		(27,449,585)	(30,288,985)	(38,832,031)
<b>Net Equity (Deficiency)</b>		<b><u>659,602</u></b>	<b><u>(2,179,798)</u></b>	<b><u>(2,794,612)</u></b>

We have adjusted the audited consolidated financial statements of AHAlife as follows:

- Incurring of operating losses to 31 July 2015 estimated at US\$2,750,000 (nominally added to liabilities) (the actual losses may be lower or higher and losses may be continue to be incurred post 31 July 2015);
- Incurring of further depreciation of US\$13,975 and interest on the Financial Liability (Bank Loan) of US\$75,425; and
- The repayment of US\$100,000 per month to 31 July 2015 off the bank loan (total of US\$700,000).

**INT**  
**31 March 2015**  
**\$**

The costs of the AHAlife Acquisition from INT's point of view ignoring reverse acquisition accounting is as follows:

Shares issued (96,539,349 Consideration Shares at a deemed 35.0 cents each)	33,788,772
Consideration Options	3,776,000
Total Acquisition costs	<u>37,564,772</u>

Using reverse acquisition accounting, the capital and reserves of INT are eliminated on acquisition and the capital and reserves of AHAlife are disclosed under consolidate equity. The total acquisition costs of \$37,564,772 are only disclosed in the general ledger of INT. The deemed value attributable to the Consideration Shares is \$6,252,674 and the net assets of INT are disclosed at \$698,917 and thus the goodwill on acquisition approximates \$5,553,757 and this has been written off as a restructure cost to the income statement using reverse acquisition accounting. The final amount on acquisition of AHAlife may well be different.

INT proposes to pay out the Financial Liability of US\$1,886,207 (estimated principal as at 31 July 2015) plus any accrued interest owing by AHAlife out of the proceeds of the capital raising and will advance further funds (the vast majority of the INT cash) to AHAlife for working capital for AHAlife.

Recoverability of the investment in the subsidiary AHAlife and recoverability of any future loans made to AHAlife is dependent on the success of existing and future business of AHAlife. The Company, in the absence of justifiable profits in the future by AHAlife may need to impair the investment (including any loan funds).

#### **18. AHAlife Consolidated Statement of Profit or Loss and other Comprehensive Income**

	<b>Year Ended 31 December 2013 (Unaudited)</b>	<b>Year Ended 31 December 2014 (Audited)</b>
	<b>US\$</b>	<b>US\$</b>
Revenue	1,387,018	2,669,404
Cost of Sales	<u>(659,187)</u>	<u>(1,350,882)</u>
Gross Profit	727,831	1,318,522
Write off of Investment	(4,000,000)	-
Employee benefit expenses	(4,471,659)	(3,598,262)
Other Expenses	<u>(4,384,331)</u>	<u>(3,455,386)</u>
Operating (Loss)	<u>(12,128,159)</u>	<u>(5,735,126)</u>
Net (loss) before income tax	(12,128,159)	(5,735,126)
Income Tax Expense	<u>-</u>	<u>-</u>
Net (Loss) after income tax	<u><u>(12,128,159)</u></u>	<u><u>(5,735,126)</u></u>

Other Comprehensive Income	-	-
Total comprehensive income for the year	<u>-</u>	<u>-</u>
(Loss) attributable to the members of the parent entity	<u>(12,128,159)</u>	<u>(5,735,126)</u>
Total Comprehensive Income attributable to the members of the parent entity	<u>(12,128,159)</u>	<u>(5,735,126)</u>

The above figures are not a guide as to future profitability that may be earned by AHAlife and actual results may be materially different. Approximately US\$1,280,000 of losses in the year ended 31 December 2014 have been attributed to licensing activities that were discontinued in the first half of that year.



Image: AHAlife office





# 8

## MATERIAL CONTRACTS

The Company and AHALife have entered into (or proposes to enter into) various agreements (collectively, **Material Contracts**) that the Directors regard as being material and required to be disclosed or as being of sufficient interest to Potential Applicants to justify disclosure in this Prospectus.

A person or entity subscribing for the Securities offered by this Prospectus will be deemed to have acknowledged that the Company and AHALife are bound by each of their respective Material Contracts. Particulars of the Material Contracts follow to the extent that adequate disclosure is not set out elsewhere in this Prospectus.

Subject to confidentiality clauses, copies of the Material Contracts or parts thereof as deemed appropriate by the Company will be made available for inspection at the registered office of the Company for a period of 6 months after the date of this Prospectus.

## ACQUISITION OF AHALIFE

# 8.1

## MERGER AGREEMENT

### General

The Merger Agreement sets out the terms on which the Company (through the merger between INT Sub and AHALife) will acquire all of the issued and outstanding shares of AHALife, from the shareholders and relevant employees of AHALife (collectively referred to as the **AHALife Vendors**).

### Consideration Securities

In consideration for 100% of the issued and outstanding shares of AHALife, the Company will be issuing a combination of fully paid ordinary shares (**Consideration Shares**) and unlisted options with each option being issued on the same terms and conditions (wherever applicable) as existing options in AHALife (these unlisted options proposed to be issued collectively referred to as the **Consideration Options**), which values AHALife at \$37 million.

Please note that some of the Consideration Options are being issued to parties that are not current shareholders of AHALife. In this case these Consideration Options are

being issued to replace an obligation AHALife may have had to issue options or as incentives to current or former management.

In total, the Company will be issuing, on a post-Consolidation basis, 96,539,349 Consideration Shares and 9,174,906 Consideration Options to the AHALife Vendors.

### Conditions precedent

Completion under the Merger Agreement is subject to a number of conditions precedent being satisfied or waived. The key conditions which are still to be satisfied or waived (as of the date of this Prospectus) under the Merger Agreement include:

- (a) approval by the shareholders of the Company;
- (b) the Company successfully re-complying with Chapters 1 and 2 of the Listing Rules, and any conditions required by ASX, and its ordinary shares being re-admitted to Official Quotation (same meaning as in the Listing Rules) at completion;
- (c) approvals as required by all government and regulatory authorities;
- (d) no material adverse effect or litigation occurring with respect to the Company or AHALife;
- (e) a capital raising being completed by the Company of no less than AUD\$15 million;
- (f) all outstanding warrants and preferred stock in AHALife being converted to common stock prior to completion;
- (g) Shareholders in AHALife representing at least 70% of the issued and outstanding shares in AHALife signing joinders whereby they agree to the Merger Agreement, as described below;
- (h) AHALife Vendors with greater than 2% of the diluted capital in AHALife including Ms Mei and Mr Devand, agreeing to a voluntary escrow, as described below;
- (i) entities associated with Mike Hill and Mike Everett agreeing to a voluntary escrow, as described below;
- (j) Ms Mei and Mr Devand agreeing to non-solicit and non-compete agreements as described below; and
- (k) existing AHALife bank loan (set out in Section 8.2 below) to be repaid at completion via the capital raising and AHALife not having more than USD\$500,000 of outstanding Indebtedness at completion.

### Conduct prior to completion

There are standard restrictions on the conduct of each of the Company and AHALife between execution of the Merger Agreement and completion of the Proposed

Transaction. These include (unless contemplated by the Proposed Transaction):

- (a) Not permitting a change in the charter or constitutions of the Company or AHALife;
- (b) issue of any equity, options warrants in either the Company or AHALife;
- (c) declaring a dividend or distribution of capital;
- (d) altering the capital structure;
- (e) acquire any other business or corporation; and
- (f) incur any debt.

In addition each of AHALife and the Company (where applicable) must between the signing of the Merger Agreement and completion:

- (a) maintain each company in good standing and conduct each business in the ordinary course;
- (b) maintain each business and accounting records in accordance with best practice; and
- (c) preserve and keep intact each business, its officer employees and supplier relationships.

### Warranties and indemnities

The Merger Agreement is subject to a number of warranties and indemnities, provided by AHALife or the Company to each other. These are standard and normal for a transaction of this nature and include warranties as to organisation, standing and power, capital structure, authority, execution and delivery, and enforceability, no conflicts and consents, and no brokers.

The AHALife Vendors who sign a joinder agreeing to be bound by the Merger Agreement will also agree to provide further warranties to the Company, in respect of title to AHALife shares, ability to direct voting or disposition of AHALife shares, power and authority, and no conflicts and consents.

The Company has agreed to provide further warranties to AHALife in respect of the valid issuance of the fully ordinary paid shares of the Company that constitute the consideration for the Proposed Transaction.

### Escrow

Certain AHALife Vendors with greater than 2% of the diluted capital in AHALife, including Ms Mei and Mr Devand (collectively referred to as the **Key AHALife Vendors**<sup>23</sup>), have agreed to a voluntary escrow with respect to the fully ordinary paid shares of the Company that they are issued in connection with the Proposed Transaction, until the earlier of (a) 16 August 2016, and (b) 7 days following the release of the Company's semi annual or annual financial report (as required by the Listing Rules and/or the ASX), covering the 6 month period ending 30 June 2016 or the 12 month period ending 30 June 2016 as the case may be (in addition to any ASX imposed escrow).

In addition, whilst they are not receiving any financial benefit under the terms of the Merger Agreement, Messrs Mike Hill and Mike Everett (through their associated entities, Jarumitoti Pty Ltd and Reunion Investments Pty Ltd respectively) have agreed to voluntarily escrow 100% of their shareholdings in the Company (existing, and with respect to Mr Hill (or his nominee), New Shares proposed

to be issued to him under this Notice of Meeting) on the same terms as the Key AHALife Vendors.

These escrow restrictions will be set out in an escrow deed, which will be executed by each of the applicable AHALife Vendors, Reunion Investments Pty Ltd and Jarumitoti Pty Ltd, prior to completion of the Proposed Transaction.

AHALife has agreed that in the event that the ASX imposes further mandatory escrow restrictions on any of the fully ordinary shares of the Company that are issued to AHALife Vendors in connection with the Proposed Transaction, it will be a further condition to completion under the Merger Agreement that the applicable AHALife Vendors agree to these restrictions.

### Termination

The Company can terminate the Merger Agreement if:

- (a) any governmental or regulatory entity has issued an order, decree or ruling prohibiting the Proposed Transaction;
- (b) the Company has determined that the due diligence condition described above has not been satisfied; or
- (c) AHALife breaches the Merger Agreement in any material respect such that the closing condition with respect to satisfaction by AHALife of its warranties and obligations under the Merger Agreement would not be satisfied and such breach has not been cured within 5 business days.

AHALife can terminate the Merger Agreement if:

- (a) any governmental or regulatory entity has issued an order, decree or ruling prohibiting the Proposed Transaction; or
- (b) the Company breaches the Merger Agreement in any material respect such that the closing condition with respect to satisfaction by the Company of its warranties and obligations under the Merger Agreement would not be satisfied and such breach has not been cured within 5 business days.

### Sunset date

The parties have agreed to a sunset date of 31 August 2015.

### Restraint

Ms Shauna Mei and Mr Sachin Devand will agree to non-solicit and non-compete restrictions for a period of up to 3 years from completion.

## 8.2. AHALIFE LOAN FROM COMERICA BANK

AHALife and associated entities are party to a loan and security agreement with Comerica Bank, under which AHALife has obtained credit from time to time. At completion of the Proposed Transaction, proceeds

<sup>23</sup> Excludes one AHALife Vendor who predominantly will receive Consideration Options

from the General Offer will be applied against this loan (which, as of the date of this Prospectus is estimated to be AUD\$2.514 million), so that it is fully discharged.

Further details of the Company's proposed use of funds is set out in Section 3.3 of this Prospectus.

## 8.3. L39 LOAN AGREEMENT

On or about 24 June 2015, AHAlife entered into a loan agreement with L39 Pty Ltd (L39) pursuant to which L39 may draw down on a US\$1 million loan facility.

Interest on the loan will accrue daily at a rate of 8.0% per annum and is calculated on monthly basis. In the event that AHAlife draws and does not repay the loan and all accrued interest when due, interest on the unpaid amount will accrue at a rate of 15.0% per annum.

Any drawn amount and all accrued interest is repayable within 3 business days of completion of the Offers and re-commencement of trading of the Company's Securities on ASX (**Repayment Date**) as long as the Repayment Date occurs within 6 months of the date of the loan. If the Repayment Date does not occur within 6 months of the date of the loan, AHAlife must repay the drawn amount and all accrued interest within 30 days following a request by L39.

L39 is entitled to immediate repayment of any amounts owing if AHAlife becomes insolvent or fails to rectify a material breach of the agreement within 14 days following notification.

## 8.4. UNDERWRITING AGREEMENT

The Company has entered into an underwriting agreement dated 24 June 2015 with the Lead Manager, Blue Ocean Equities Pty Limited ACN 151 186 935, pursuant to which the Lead Manager has agreed to underwrite and manage the General Offer made pursuant to this Prospectus. Under the underwriting agreement, the Lead Manager will receive a management fee of 1% (plus GST) and an underwriting fee of 4% (plus GST) of the Issue Price per New Share on all of the New Shares issued under the General Offer. The Lead Manager will also receive payment from the Company for the costs and expenses of and incidental to all out-of-pocket expenses of the Lead Manager in connection with the General Offer and all costs and expenses in respect of any post registration review of the Prospectus undertaken by the ASX, the ASIC or any other regulatory body.

The Lead Manager may terminate its obligations to satisfy a shortfall if any of the termination events specified in the underwriting agreement occur before the New Shares offered under the General Offer are allocated under the Offer. Some (but not all) termination events are qualified by a requirement that before being entitled to terminate, the Lead Manager must believe, on reasonable grounds acting bona fide, that the relevant termination event has or is likely to have a materially adverse effect on the Company and each entity which it controls (**Group**)

(in so far as the position in relation to an entity in the Group will or may affect the overall position of the Company) or on the outcome of the Offer or could give rise to a material liability of the Lead Manager. Events of termination include (among others):

- (a) ASIC issues a stop order in relation to the Offer;
- (b) the Prospectus is defective;
- (c) there is a difference between the information in the draft Prospectus for the Offer provided to the Lead Manager and the information contained in this Prospectus;
- (d) a supplementary or replacement prospectus needs to be lodged with ASIC to complete the Offer without contravention of the Corporations Act;
- (e) the Prospectus or the Offer is withdrawn;
- (f) any person (other than the Lead Manager) withdraws its consent to being named in the Prospectus;
- (g) ASX refuses to quote the Shares or will only quote the Shares subject to conditions unacceptable to the Lead Manager (acting reasonably);
- (h) an unauthorised change to the capital structure of the Company or any member of the Group takes place;
- (i) an insolvency event takes place in relation to a member of the Group;
- (j) a market fall of 12.5% or more in the S&P/ASX All Ordinaries Index takes place and persists for at least 2 consecutive trading days or closes below that level on the trading day before the last date for allotment of Shares under the underwriting agreement;
- (k) an outbreak or escalation of hostilities or a state of war exists involving Australia, New Zealand, the United Kingdom, United States of America, Japan, the People's Republic of China or the Republic of India;
- (l) a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- (m) trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for at least two days on which that exchange is open for trading;
- (n) any materially adverse change or disruption to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in, Australia, the United States of America or the United Kingdom, or the international financial markets or any materially adverse change in national or international political, financial or economic conditions;
- (o) a change or development (which was not publicly known prior to the date of this Agreement) involving a prospective materially adverse change in taxation affecting the Company or the Offer occurs;
- (p) a material adverse change takes place in relation to the Company or the Group;

- (q) the Company or other member of the Group commits a material contravention of its constitution the Corporations Act or any applicable law;
- (r) the Company breaches a material obligation under the underwriting agreement;
- (s) a director of the Company is charged with an indictable offence;
- (t) a representation or warranty given by the Company under the underwriting agreement is untrue or incorrect in any material respect and the matters rendering the warranty untrue or incorrect are not remedied to the satisfaction of the Lead Manager;
- (u) any of the material contracts summarised in this Section 8 are amended or terminated without the Lead Manager's prior consent; and
- (v) the Company becomes engaged in any legal proceedings.

The Company has agreed to indemnify the Lead Manager and its officers, employees, advisers and related bodies corporate against all claims, demands, damages, losses, costs, expenses and liabilities suffered or incurred by them as a result of a representation or warranty given by the Company under the underwriting agreement not being true and correct, any breach of the underwriting agreement by the Company, the distribution of this Prospectus and the making of the Offer or any advertising or publicity of the Offer issued with the knowledge and consent of the Company and without the prior written consent of the Lead Manager (subject to certain exemptions relating to, among other things, fraud, recklessness, wilful misconduct or gross negligence by them).

## 8.5. SIGNIFICANT AHALIFE EMPLOYEES

### Remuneration package

Apart from Ms Shauna Mei (USD\$225,000) and Mr Sachin Devand (USD\$200,000), as of the date of this Prospectus, there are three other employees of AHALife who individually earn more than USD\$150,000 per year (annual salary plus estimated annual benefits). Collectively, these three senior employees will earn approximately USD\$480,000 in the 2014/2015 financial year.

### Termination

All three employees of AHALife can be terminated at will with no notice provided.

### Restraint

Two of the employees of AHALife have agreed to a non-solicitation period of 12 months from termination (which extends to the non-solicitation of employees and customers, suppliers/business partners).

## SERVICE AND CONSULTANCY AGREEMENTS OF CURRENT AND PROPOSED DIRECTORS

## 8.6. CURRENT BOARD OF DIRECTORS

### Term of agreement

Each of the service and consultancy agreements for the current Directors commenced on 17 January 2014 and will continue until termination in accordance with their respective agreements.

### Remuneration package

Table 2 outlines the remuneration for each of the current Directors of the Company.

Each of the Directors have agreed to receive 50% of their respective base fees up until the first material acquisition is made by the Company. A material acquisition to the Company is an acquisition that represents greater than 5% of the fully diluted market capitalisation of the Company at the time of the acquisition (**First Acquisition**). When the First Acquisition is made, the Board will approve and direct the payment of the balance of the outstanding base fees to ensure that each Director receives 100% of their respective base fees for the period from the date of their appointment to the date of First Acquisition. From the date following the First Acquisition, 100% of their respective base fees will be payable monthly.

The base salary includes director's fees.

For all relevant purposes, the Proposed Transaction satisfies the definition of the First Acquisition.

### Termination

If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the current Director with no notice and will be summarily dismissed.

If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the Director with 3 months' written notice or make a payment of 3 months' salary in lieu of the notice period.

The current Director may terminate the agreement at his sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 3 months of their base fees.



## 8.7. MIKE HILL, PROPOSED NON-EXECUTIVE CHAIRMAN

### Term of Agreement

Following completion of the Proposed Transaction, Mr Hill will remain on the Board of the Company. As part of this arrangement, Mr Hill proposes to enter into a new agreement that will replace his existing services agreement with the Company. The terms of this new agreement will take effect from completion of the Proposed Transaction.

### Remuneration package

As set out in Table 2, Mr Hill will receive a base salary of USD\$125,000 per annum (plus superannuation or similar contributions).

The base salary includes director's fees.

### Termination

If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the current Director with no notice and will be summarily dismissed.

If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the Director with 3 months' written notice or make a payment of 3 months' salary in lieu of the notice period.

The current Director may terminate the agreement at his sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 3 months of their base fees.

## 8.8. MICHAEL EVERETT, PROPOSED NON-EXECUTIVE DIRECTOR

### Term of Agreement

Following completion of the Proposed Transaction, Mr Everett will remain on the Board of the Company. As part of this arrangement, an entity through which Mr Everett proposes to enter into a new consulting agreement with the Company that will replace the existing consulting agreement. The terms of this new agreement will take effect from completion of the Proposed Transaction.

### Remuneration package

As set out in Table 2, Mr Everett will receive a base salary of USD\$100,000 per annum (plus superannuation or similar contributions).

The base salary includes director's fees.

### Termination

If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the

Company will provide the current Director with no notice and will be summarily dismissed.

If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the Director with 3 months' written notice or make a payment of 3 months' salary in lieu of the notice period.

The current Director may terminate the agreement at his sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 3 months of their base fees.

## 8.9. SHAUNA MEI, PROPOSED EXECUTIVE DIRECTOR

### Term of Agreement

The Company and Ms Mei proposes to enter into an executive services and employment agreement with Ms Shauna Mei, proposed Executive Director and Chief Executive Officer of the Company. It is proposed that Ms Mei continue in her role as Chief Executive Officer and Director of AHAlife. The agreement will take effect from the date of completion of the Proposed Transaction, which will replace Ms Mei's existing agreement with AHAlife.

### Remuneration package

As set out in Table 2, Ms Mei will receive a base salary of USD\$300,000 per annum (plus superannuation or similar contributions). The Company may, at its discretion, provide Ms Mei with a bonus. Ms Mei's remuneration will include director's fees for her position as a Director of the Company.

### Investment in Company

If a bonus is awarded to Ms Mei, she has agreed to invest up to AUD\$200,000 in the Company following completion of the Proposed Transaction (subject to compliance with the Listing Rules, Corporations Act and the Company's securities trading policy).

### Termination

If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the current Director with no notice and will be summarily dismissed.

If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the Director with 6 months' written notice or make a payment of 6 months' salary in lieu of the notice period.

Ms Mei may terminate the agreement at her sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 6 months of their base fees.

### Restraint

After the termination of her employment with the Company and AHAlife, Ms Mei will be subject to a contractual restraint which may apply for up to 3 years

after completion of the Proposed Transaction or 6 months after the termination (whichever is greater), and cover up to all of North America.

## 8.10. SACHIN DEVAND, PROPOSED EXECUTIVE DIRECTOR

### Term of Agreement

The Company and Mr Devand proposes to enter into an executive services and employment agreement with Mr Sachin Devand, proposed Executive Director and Chief Technology Officer of the Company. It is proposed that Mr Devand continue in his role as Chief Technology Officer and Director of AHAlife. The agreement will take effect from the date of completion of the Proposed Transaction, which will replace Mr Devand's existing agreement with AHAlife.

### Remuneration package

As set out in Table 2, Mr Devand will receive a base salary of USD\$300,000 per annum (plus superannuation or similar contributions). The Company may, at its discretion, provide Mr Devand with a bonus. Mr Devand's remuneration will include director's fees for his position as a Director of the Company.

### Investment in Company

If a bonus is awarded to Mr Devand, he has agreed to invest up to AUD\$100,000 in the Company following completion of the Proposed Transaction (subject to compliance with the Listing Rules, Corporations Act and the Company's securities trading policy).

### Termination

If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the current Director with no notice and will be summarily dismissed.

If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the Director with 6 months' written notice or make a payment of 6 months' salary in lieu of the notice period.

Mr Devand may terminate the agreement at his sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 6 months of their base fees.

### Restraint

After the termination of his employment with the Company and AHAlife, Mr Devand will be subject to a contractual restraint which may apply for up to 3 years after completion of the Proposed Transaction or 6 months after the termination (whichever is greater), and cover up to all of North America.

## PROFESSIONAL SERVICES

## 8.11. LEGAL COSTS

The Company has a costs agreement in place with Whittens & McKeough Pty Ltd to prepare this Prospectus and advise generally on the Proposed Transaction, with particular focus on compliance with regulatory guidelines and Listing Rules. The fee for the preparation of this Prospectus is approximately \$100,000 (plus GST and disbursements).

Excluding the fee above, during the 24 months preceding the lodgement of this Prospectus, Whittens & McKeough Pty Ltd has charged or have been paid the sum of approximately \$170,000 (plus GST and disbursements) for company secretarial (see below) and legal services.

## 8.12. COMPANY SECRETARIAL/ LEGAL RETAINER

In addition to the agreement above in Section 8.11, a separate retainer is in place between Whittens & McKeough Pty Ltd and the Company for Mr Andrew Whitten to provide company secretarial services to the Company on a flat fee of \$3,000 per month plus GST, for company secretarial and legal services.

## OTHER AGREEMENTS

## 8.13. OPERATING CONTRACTS – GENERAL

As an operating commercial business, AHAlife is a party to numerous standard business contracts, including but not limited to:

- (a) employee and contractor agreements;
- (b) finance arrangement and guarantees;
- (c) supply or purchase agreements; and
- (d) lease agreements.

The terms and conditions of all of the above mentioned standard business contracts have not been disclosed as none are deemed to be material by the Company.

## 8.14. ESCROW DEEDS

As set out in Section 8.1, Key AHAlife Vendors have agreed to voluntarily escrow the Shares they are to receive pursuant to the Proposed Transaction, until the earlier of (a) 16 August 2016, and (b) 7 days following the release of the Company's semi annual or annual financial report (as required by the Listing Rules and/or the ASX), covering the 6 month period ending 30 June 2016 or the 12 month period ending 30 June 2016 as the case may be. This voluntary escrow period would be in addition to any ASX imposed escrow period.

Furthermore, entities associated with Messrs Mike Hill and Michael Everett have agreed to also voluntarily escrow 100% of their existing shareholdings in the Company (and with respect to Mr Hill (or his nominee), New Shares which he proposes to subscribe for under the General Offer), on the same terms as the Key AHAlife Vendors.

These escrow restrictions will be set out in an escrow deed, which will be executed by each of the applicable AHAlife Vendors, Reunion Investments Pty Ltd and Jarumitoti Pty Ltd, prior to completion of the Proposed Transaction. The projected number of Shares that will be affected are as follows:

**Table 19 – Escrowed Shares**

Voluntarily Escrowed Parties	Number of Shares affected
Key AHAlife Vendors (which includes Ms Mei and Mr Devand)	71,584,198 Shares
Jarumitoti Pty Ltd (entity associated with current Director, Mr Hill)	906,667 Shares
Reunion Investments Pty Ltd (entity associated with current Director, Mr Everett)	1,160,000 Shares
<b>Total</b>	<b>73,650,865 Shares</b>



# RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

# 9.1

## RIGHTS ATTACHING TO SHARES

The following is a summary of the more significant rights attaching to the Shares. **This summary is not exhaustive** and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### Terms of Shares

- (a) *Ordinary Shares:* The Shares to be issued under this Prospectus will rank equally with the issued fully paid ordinary shares in the Company. The rights attaching to Shares are set out in the Company's constitution and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules and general law.
- (b) *General meetings:* Shareholders are entitled to be present in person or by proxy, attorney or representative to attend and to vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the constitution of the Company.
- (c) *Voting rights:* Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or of classes of Shareholders:
  - (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
  - (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
  - (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by that person or in respect of which the person is appointed proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.
- (d) *Dividend Rights:* The Board may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject

to any special right as to dividends attaching to a Share, all dividends will be declared and paid according to the proportion of the amount paid on the Share to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Board as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

The Board may from time to time grant to Shareholders or to any class of Shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit. The Directors may at their discretion resolve, in respect of any dividend which it is proposed to pay or to declare on any Shares of the Company, that holders of such Shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions provided for in the Constitution. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may properly be applied.

- (e) *Winding up:* If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other Securities in respect of which there is any liability.

- (f) *Transfer of Shares:* Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

- (g) *Future increase in capital:* The allotment and issue of any new Shares is under the control of the Board. Subject to restrictions on the issue or grant of Securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred upon the holder of an existing Share or class of Shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.





- (h) *Variation of rights:* Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders, vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of at least three quarters of the issued Shares of that class or, if authorised by a special resolution passed at a separate meeting, of the holders of the Shares of that class.

## 9.2. RIGHTS ATTACHING TO CONSIDERATION OPTIONS

The Consideration Options entitle the Participant to subscribe for Shares on the following terms and conditions:

- (a) Each Consideration Option replaces existing and promised options in AHAlife held by AHAlife Vendors and AHAlife employees (or their nominees), which are being issued by the Company as part of the Proposed Transaction (as defined in the Notice of Meeting of INT Corporation Limited (ASX:INT) dated 5 June 2015). Each of the Participants acknowledge that as part of this conversion, certain terms and conditions of the existing options in AHAlife have been retained, and others have been removed or amended, and each of the Participants unequivocally agree to submit to these revised terms and conditions of the Consideration Options, as set out in this document.
- (b) With respect to the Consideration Options to be issued, the date of original grant by AHAlife, vesting commencement date, relevant vesting conditions (refer to paragraph (e) below) and Exercise Price of the Consideration Options have been retained in their original forms, and are as follows:

Number of Consideration Options	Date of original grant by AHAlife	Vesting commencement date	Vesting conditions	Exercise price (USD)
3,835,353	5 Oct 2011	N/A	Class C	8.487 cents
163,043	25 Oct 2011	25 Oct 2011	Class B	8.487 cents
145,998	1 Jun 2012	N/A	Class C	20.746 cents
42,629	1 Jun 2012	1 May 2011	Class A	20.746 cents
163,040	8 Nov 2012	15 Jun 2012	Class B	9.116 cents
15,906	8 Nov 2012	1 Jan 2012	Class A	9.116 cents
15,906	8 Nov 2012	6 Feb 2012	Class A	9.116 cents
1,855,579	8 Nov 2012	1 Oct 2012	Class A	9.116 cents
163,040	22 Mar 2013	12 Dec 2012	Class B	9.745 cents
163,040	22 Mar 2013	1 Jan 2013	Class B	9.745 cents
63,625	31 Jul 2013	24 Jun 2013	Class D	9.745 cents
163,043	19 Aug 2014	7 May 2013	Class B	9.43 cents
63,625	19 Aug 2014	7 Aug 2013	Class A	9.43 cents
163,043	19 Aug 2014	23 Dec 2013	Class B	9.43 cents
159,064	19 Aug 2014	20 Jan 2014	Class A	9.43 cents
31,812	19 Aug 2014	19 May 2014	Class A	9.43 cents
1,108,241	19 Aug 2014	19 May 2014	Class B	9.43 cents
858,919	To be issued on completion of Proposed Transaction	Various from May 2014 to May 2015	Class A	On a post-Consolidation basis, greater of (a) USD 40 cents; and (b) USD equivalent of closing share price of INT on the date of issue (or, if not a trading day, the immediately preceding trading day)

- (c) Each Consideration Option gives the Participant the right to subscribe for 1 Share upon:
  - (i) the vesting conditions (if applicable) being satisfied;
  - (ii) exercise of the Executive Option in accordance with these terms and conditions; and
  - (iii) payment of the Exercise Price.
- (d) The Consideration Options will expire at 5.00pm (AEST) on the date 10 years after the Participant was granted the Consideration Options (as set out table in paragraph (b) above) (**Expiry Date**).
- (e) Subject to paragraph (t), Consideration Options may not be exercised until the following vesting conditions (which are dependent on the type of Consideration Options) have been satisfied:
  - (i) Class A: 25% vests after 1 year of continuous service after the vesting commencement date, thereafter 1/48th of the total options granted vest for each of the 36 months thereafter.
  - (ii) Class B: 1/24th of the total options granted vest each month of continuous service after the vesting commencement date.
  - (iii) Class C: no vesting conditions, or fully vested at completion of the Proposed Transaction.
  - (iv) Class D: 1/3rd of the total options granted vest after 1 year of continuous service after the vesting commencement date, thereafter 1/36th of the total options granted for each of the 24 months thereafter.
- (f) Subject to paragraph (e) and paragraph (t), Participants may exercise Consideration Options at any prior to the Expiry Date.
- (g) Each of the Consideration Options are exercisable at the price as set by the table in paragraph (b) above (which are dependent on the type of Consideration Options and date of grant) (**Exercise Price**), which are payable in full on exercise of the relevant Consideration Option.
- (h) A Participant may exercise all or some of the Consideration Options held by that Participant. If a Participant exercises fewer than all of the Consideration Options held by that Participant, the Company will cancel the Participant's holding statement and issue or cause to be issued a new holding statement for the balance of the Consideration Options held by that Participant. The exercise of only some Consideration Options will not affect the rights of that Participant in respect of the balance of the Consideration Options held by that Participant.
  - (i) Consideration Options may only be exercised by a Participant (or their representative, provided that the representative provides proof to the satisfaction of the Company of the representative's right to exercise the Consideration Options) lodging with the Company:
    - (i) a signed written notice of exercise of Consideration Options (in a form approved by the Company) specifying the number of Consideration Options being exercised;
    - (ii) the holding statement for the Consideration Options; and

- (iii) a cheque or electronic funds transfer notice for the Exercise Price for the number of Consideration Options being exercised.

#### (Exercise Notice)

- (j) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (k) Within 10 Business Days of receipt of the Exercise Notice and the full amount of the Exercise Price in cleared funds, the Company will allot the number of Shares to the Participant required under these Rules in respect of the number of Executive Options specified in the Exercise Notice. Furthermore, the Company shall cause to be issued certificate/s evidencing the number of Shares that have been allotted to the Participant.
- (l) Subject to the Corporations Act and the ASX Listing Rules, the Consideration Options are not freely transferable and can only be sold, pledged, or otherwise transferred with unanimous consent from the Company's Board.
- (m) All Shares allotted upon the exercise of the Consideration Options will, upon issuance, rank *pari passu* in all respects with other Shares.
- (n) In the event that the Company determines that it is required to withhold any tax as a result of the valid exercise of the Consideration Options, the Participant shall make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements. The Participant shall also make arrangements satisfactory to the Company to enable it to satisfy any withholding requirements that may arise in connection with the vesting of the Consideration Options.
- (o) The Consideration Options will be unlisted. The Company will apply for quotation of all Shares allotted pursuant to the exercise of the Consideration Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (p) If at any time the issued capital of the Company is reconstructed, all rights of the Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (q) In the event that the Company is a party to a merger or consolidation or in the event of a sale of all or substantially all of the Company's share or assets, the Options shall be subject to the treatment provided by the Board of Directors in its sole discretion.
- (r) Nothing in the Options shall confer upon the Participant any right to continue in employment or engagement with the Company for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company or a or of the Participant which rights are hereby expressly reserved by each, to terminate the Participant's service at any time and for any reason, with or without cause, subject to the terms of the Participant's services agreement with the Company.

- (s) The Participant agrees that the Company does not have a duty to design or administer its remuneration packages (which may include the provision of Options, such as the Consideration Options) in a manner that minimises the Participant's tax liabilities (whether in Australia, United States or America or elsewhere). The Participant shall not make any claim against the Company or its Board of Directors, officers or employees related to tax liabilities arising from the Consideration Options or the Participant's other compensation.
- (t) In the event that the Participant's employment is terminated prior to the Expiry Date (**Termination Date**), the Consideration Options will expire as follows:
  - (i) If the Participant's employment is terminated for any reason other than disability – 3 months after the Termination Date;
  - (ii) If the Participant's employment is terminated by reason of disability – 6 months after the Termination Date; and
  - (iii) If the Participant's employment is terminated by reason of the Participant's death – 12 months after the Termination Date.
- (u) If the Participant commences working on a part-time basis, then the Company may adjust the relevant vesting conditions (as set out in paragraph (e) above). If the Participant goes on a leave of absence, then the Company may adjust the relevant vesting conditions in accordance with the Company's leave of absence policy or the terms of such leave.
- (v) The Participant agrees that the Company and its officers, employees, lawyers and agents do not have any obligation to notify each of them prior to the expiration of the Consideration Options, regardless of whether the Consideration Options will expire at the end of its full term or on an earlier date related to the termination of the Participant's employment or engagement. The Participant further agrees that each of them will have the sole responsibility for monitoring the vesting conditions and expiry dates of the Consideration Options expiration of the Options and for exercising the Options, if at all, before it expires.
- (w) There are no participating rights or entitlements inherent in the Consideration Options and the Participant will not be entitled to participate in new issues of capital offered to Participants during the currency of the Consideration Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give the Participant the opportunity to exercise the Consideration Options prior to the date for determining entitlements to participate in any such issue.
- (x) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Participants after the date of issue of the Consideration Options, the exercise price of the Consideration Options may be reduced in

accordance with the formula set out in ASX Listing Rule 6.22.2.

- (y) In the event the Company proceeds with a bonus issue of securities to Participants after the date of issue of the Consideration Options, the number of securities over which an Consideration Option is exercisable may be increased by the number of securities which the Participant would have received if the Consideration Option had been exercised before the record date for the bonus issue.

## 9.3. RIGHTS ATTACHING TO INCENTIVE SECURITIES

Under this Section 9.3, a **Change of Control Event** means where:

- (a) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (b) any person becomes bound or entitled to acquire Shares in the Company under:
  - (i) section 411 of the Corporations Act (upon a scheme of arrangement being approved); or
  - (ii) Chapter 6A of the Corporations Act (compulsory acquisition following a Takeover Bid);
- (c) a Takeover Bid or other offer is made to acquire more than 75% of the voting Shares of the Company and has become unconditional;
- (d) the Company passes a resolution for voluntary winding up;
- (e) an order is made for the compulsory winding up of the Company; or
- (f) a person or group of associated persons obtains a relevant interest in sufficient Shares to give it or them the ability, in a general meeting, to replace all or a majority of the Board (excluding the transaction contemplated by the Proposed Transaction).

### Terms of Executive Options (post-Consolidation)

The Executive Options entitle the Participant to subscribe for Shares on the following terms and conditions:

- (a) Each Executive Option gives the Participant the right to subscribe for 1 Share upon:
  - (i) exercise of the Executive Option in accordance with these terms; and
  - (ii) payment of the Exercise Price.
- (b) The Executive Options will expire at 5.00pm (AEST) on the date 4 years after the Participant was issued the Executive Options (**Expiry Date**).
- (c) Subject to paragraph (v), Executive Options may not be exercised until the following vesting conditions have been satisfied:



- (i) 3 years of continuous employment or engagement between the Participant and the Company or a Related Body Corporate has lapsed, commencing on the Participant was issued the Executive Options; and
- (ii) the Company's share price has traded at above \$0.75 for an average of 20 consecutive business days (using the 20 day volume weighted average price).
- (d) Subject to paragraph (c) and paragraph (w), Participants may exercise Executive Options at any time prior to the Expiry Date.
- (e) Any Executive Option not exercised before the Expiry Date will automatically lapse at 5.00pm (AEST) on the Expiry Date.
- (f) Each Executive Option is exercisable at \$0.20 (**Exercise Price**), payable in full on exercise of that Executive Option.
- (g) A Participant may exercise all or some of the Executive Options held by that Participant. If a Participant exercises only part of the Executive Options held by that Participant, multiples of 10,000 Executive Options must be exercised on each occasion.
- (h) If a Participant exercises fewer than all of the Executive Options held by that Participant, the Company will cancel the Participant's holding statement and issue or cause to be issued a new holding statement for the balance of the Executive Options held by that Participant.
- (i) The exercise of only some Executive Options will not affect the rights of that Participant in respect of the balance of the Executive Options held by that Participant.
- (j) Executive Options may only be exercised by a Participant lodging with the Company:
  - (i) a signed written notice of exercise of Executive Options (in a form approved by the Company) specifying the number of Executive Options being exercised;
  - (ii) the holding statement for the Executive Options; and
  - (iii) a cheque or electronic funds transfer notice for the Exercise Price for the number of Executive Options being exercised.
- (k) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (l) Within 10 Business Days of receipt of the Exercise Notice and the full amount of the Exercise Price in cleared funds, the Company will allot the number of Shares to the Participant required under these Rules in respect of the number of Executive Options specified in the Exercise Notice.
- (m) Subject to the Corporations Act and the ASX Listing Rules, the Executive Options are freely transferable.
- (n) All Shares allotted upon the exercise of the Executive Options will, upon issuance, rank *pari passu* in all respects with other Shares.
- (o) The Company will not apply for quotation of the Executive Options on ASX.
- (p) The Company will apply for quotation of all Shares allotted pursuant to the exercise of the Executive Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (q) If at any time the issued capital of the Company is reconstructed, all rights of the Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (r) There are no participating rights or entitlements inherent in the Executive Options and the Participant will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Executive Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give the Participant the opportunity to exercise the Executive Options prior to the date for determining entitlements to participate in any such issue.
- (s) In the event the Company proceeds with a pro rata issue (other than a bonus issue) of securities to shareholders after the date of issue of the Executive Options, the Exercise Price will be reduced in the manner permitted by the ASX Listing Rules applying at the time of the pro rata issue.
- (t) In the event the Company proceeds with a bonus issue of securities to shareholders after the date of issue of the Executive Options, the number of securities over which an Executive Option is exercisable may be increased in the manner permitted by the ASX Listing Rules applying at the time of the bonus issue.
- (u) The Company is entitled to treat the registered holder of Executive Options as the absolute holder of that Executive Option and is not bound to recognise any equitable or other claim to, or interest in, that Executive Option on the part of any person other than the registered holder, except as ordered by a court of competent jurisdiction or as required by statute.
- (v) If a Change of Control Event occurs, all unvested Executive Options will automatically vest and be free of the condition set out in paragraph (d) and may be exercised at any time on or before the relevant Expiry Date and in any number.
- (w) If a Participant's employment or engagement with the Company or a Related Body Corporate is terminated then any Executive Option not exercised by the Participant before the date of the termination will automatically lapse.

#### (Exercise Notice)



## Terms of Performance Options (post-Consolidation)

The Performance Options entitle the Participant to subscribe for Shares on the following terms and conditions:

- (a) Each Performance Option gives the Participant the right to subscribe for 1 Share upon:
  - (i) exercise of the Performance Option in accordance with these terms; and
  - (ii) payment of the Exercise Price.
- (b) The Performance Options will expire at 5.00pm (AEST) on the date 4 years after the Participant was issued the Performance Options (**Expiry Date**).
- (c) Subject to paragraph (v), Executive Options may not be exercised until the following vesting conditions have been satisfied:
  - (i) 3 years of continuous employment or engagement between the Participant and the Company or a Related Body Corporate has lapsed, commencing on the date the Participant was issued the Performance Options; and
  - (ii) the Company's revenue in a rolling 12 month period exceeds USD\$20 million.
- (d) Subject to paragraph (c) and paragraph (w), Participants may exercise Performance Options at any time prior to the Expiry Date.
- (e) Any Performance Option not exercised before the Expiry Date will automatically lapse at 5.00pm (AEST) on the Expiry Date.
- (f) Each Performance Option is exercisable at \$0.30 (**Exercise Price**), payable in full on exercise of that Performance Option.
- (g) A Participant may exercise all or some of the Performance Options held by that Participant. If a Participant exercises only part of the Performance Options held by that Participant, multiples of 10,000 Performance Options must be exercised on each occasion.
- (h) If a Participant exercises fewer than all of the Performance Options held by that Participant, the Company will cancel the Participant's holding statement and issue or cause to be issued a new holding statement for the balance of the Performance Options held by that Participant.
- (i) The exercise of only some Performance Options will not affect the rights of that Participant in respect of the balance of the Performance Options held by that Participant.
- (j) Performance Options may only be exercised by a Participant lodging with the Company:
  - (i) a signed written notice of exercise of Performance Options (in a form approved by the Company) specifying the number of Performance Options being exercised;
  - (ii) the holding statement for the Performance Options; and
  - (iii) a cheque or electronic funds transfer notice for the Exercise Price for the number of Performance Options being exercised.

## (Exercise Notice)

- (k) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (l) Within 10 Business Days of receipt of the Exercise Notice and the full amount of the Exercise Price in cleared funds, the Company will allot the number of Shares to the Participant required under these Rules in respect of the number of Performance Options specified in the Exercise Notice.
- (m) Subject to the Corporations Act and the ASX Listing Rules, the Performance Options are freely transferable.
- (n) All Shares allotted upon the exercise of the Performance Options will, upon issuance, rank pari passu in all respects with other Shares.
- (o) The Company will not apply for quotation of the Performance Options on ASX.
- (p) The Company will apply for quotation of all Shares allotted pursuant to the exercise of the Performance Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (q) If at any time the issued capital of the Company is reconstructed, all rights of the Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (r) There are no participating rights or entitlements inherent in the Performance Options and the Participant will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Performance Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give the Participant the opportunity to exercise the Performance Options prior to the date for determining entitlements to participate in any such issue.
- (s) In the event the Company proceeds with a pro rata issue (other than a bonus issue) of securities to shareholders after the date of issue of the Performance Options, the Exercise Price will be reduced in the manner permitted by the ASX Listing Rules applying at the time of the pro rata issue.
- (t) In the event the Company proceeds with a bonus issue of securities to shareholders after the date of issue of the Performance Options, the number of securities over which a Performance Option is exercisable may be increased in the manner permitted by the ASX Listing Rules applying at the time of the bonus issue.
- (u) The Company is entitled to treat the registered holder of Performance Options as the absolute holder of that Performance Option and is not bound to recognise any equitable or other claim to, or interest in, that Performance Option on the part of any person other than the registered holder, except as ordered by a court of competent jurisdiction or as required by statute.
- (v) If a Change of Control Event occurs, all unvested



Performance Options will automatically vest and be free of the condition set out in paragraph (d) and may be exercised at any time on or before the relevant Expiry Date and in any number.

- (w) If a Participant's employment or engagement with the Company or a Related Body Corporate is terminated then any Performance Option not exercised by the Participant before the date of the termination will automatically lapse.

## 9 Terms of Performance Rights (post-Consolidation)

The Performance Rights entitle the Participant to Shares on the following terms and conditions:

- (a) Subject to paragraph (l), the Performance Rights will vest upon satisfaction of the following milestones:
- (i) 4 years of continuous employment or engagement between the Participant and the Company or a Related Body Corporate has lapsed, commencing on the date the Participant was issued the Performance Rights;
  - (ii) the Company's share price has traded at above \$1.20 for an average of 20 consecutive business days (using the 20 day volume weighted average price); and
  - (iii) the Company's revenue in a rolling 12 month period exceeds USD\$20 million and the Company has positive operating cash flows within this 12 month period.
- (b) In the event that all the vesting conditions set out in paragraph (a) have not been satisfied after 4 years, commencing on the date the Participant was issued the Performance Rights, all the Performance Options shall automatically lapse (**Lapse Date**) and the Participant shall have no entitlement to Shares pursuant to any of the Performance Rights.
- (c) The Performance Rights will be issued for no consideration each and no consideration will be payable upon the vesting of the Performance Rights.
- (d) Subject to paragraph (a) and paragraph (m), each Performance Right vests to 1 Share.
- (e) All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (f) The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
- (g) A Performance Right is only transferable:
- (i) with the consent of the Board of the Company; or
  - (ii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

- (h) There are no participation rights or entitlements inherent in the Performance Rights and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- (i) If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which each Participant is entitled, will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the Participant were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (j) If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant of a Performance Right (including the vesting conditions set out in paragraph (a)) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (k) A Performance Right does not confer upon the Participant an entitlement to vote or receive dividends.
- (l) If a Change of Control Event occurs, all unvested Performance Rights will automatically vest and be free of the condition set out in paragraph (a).
- (m) If a Participant's employment or engagement with the Company or a Related Body Corporate is terminated then any Performance Right not vested in accordance with paragraph (a) before the date of the termination will automatically lapse.

## Terms of Loan Shares (post-Consolidation)

The Loan Shares entitle the Participant to Shares on the following terms and conditions:

- (a) The Company will provide the Participant with a loan (**Loan Facility**), under which an agreed number of Shares (at an issue price of \$0.45) (**Loan Shares**) will be purchased by the Participant at completion of the Proposed Transaction (**Issue Date**), with:
- (i) a third of the Loan Shares to be escrowed until:
    - i. 18 months continuous employment or engagement between the Participant and the Company or a Related Body Corporate has lapsed, commencing on the Issue Date; and
    - ii. the Company's share price has traded at above \$1.50 for an average of 20 consecutive business days (using the 20 day volume weighted average price) within 54 months of the Issue Date,
  - (ii) a further third of the Loan Shares to be escrowed until:
    - i. 36 months continuous employment or engagement between the Participant and the Company or a Related Body Corporate has lapsed, commencing on the Issue Date; and



- ii. the Company's share price has traded at above \$1.50 for an average of 20 consecutive business days (using the 20 day volume weighted average price) within 54 months of the Issue Date,
  - (iii) the remaining third of the Loan Shares to be escrowed until:
    - i. 54 months continuous employment or engagement between the Participant and the Company or a Related Body Corporate has lapsed, commencing on the Issue Date; and
    - ii. the Company's share price has traded at above \$1.50 for an average of 20 consecutive business days (using the 20 day volume weighted average price) within 54 months of the Issue Date,
- (b) The terms of the Loan Facility will be set out in a long form agreement as determined by the Board, which will include the following provisions:
  - (i) The loan will be secured against the Loan Shares.
  - (ii) The loan is limited recourse to the Loan Shares.
  - (iii) The loan is interest free.
  - (iv) The loan must be repaid upon certain contingencies:
    - i. a sale of 50% or more of the equity in the Company; or
    - ii. when the Participant sells or transfers the Loan Shares; or
    - iii. the termination for any reason of the Participant's services agreement between the Participant and the Company.
- (v) If parts of or all of the Loan Shares have vested and have been released from escrow, the loan must be repaid by the Participant from the proceeds of any sale of the Loan Shares, by the declaration of a bonus or success fee due to the Participant by the Company, or a combination of the two. Should the amount of any such sale be less than the value of the loan repaid, the Company would incur a loss.
- (vi) To the extent that any of the Loan Shares have not vested and have not been released from escrow, the loan will be repaid by the Loan Shares being selectively bought back by the Company (subject to the Corporations Act). The Participant agrees to this selective buy-back.



Image: AHA!life office

# 10



## ADDITIONAL INFORMATION





# 10.1

## DEEDS OF INDEMNITY, INSURANCE AND ACCESS

10

The Company has entered into deeds of indemnity and access with each of its appointed Directors. Under these deeds currently in place, the Company has agreed to indemnify each Director to the extent permissible by the Corporations Act against any liability arising as a result of that Director acting in the capacity as an officer of the Company.

The Company will be entering into deeds of indemnity and access with each of the proposed Directors (subject to their appointment). Under these proposed deeds, the Company will be agreeing to indemnify each of the proposed Directors to the extent permissible by the Corporations Act against any liability arising as a result of that proposed Director acting in the capacity as an officer of the Company.

## 10.2.

### SIGNIFICANT AHALIFE SHAREHOLDERS

Aside from the AHAlife Vendors set out in the below table, no other AHAlife Vendor individually holds more than 2% of the fully diluted capital of AHAlife.

AHAlife Vendor	% held in AHAlife (fully diluted basis), immediately prior to completion of Proposed Transaction	% held in the Company following completion of the Proposed Transaction (undiluted) <sup>(a)</sup>	% held in the Company following completion of the Proposed Transaction (fully diluted) <sup>(b)</sup>
DCM VI, L.P.	20.4%	13.5%	11.4%
Shauna Mei	14.5%	10.8% <sup>(c)</sup>	14.8% <sup>(d)</sup>
Firstmark Capital I, L.P.	12.9%	8.6%	7.2%
Rakuten USA, Inc.	9.4%	6.2%	5.3%
Sachin Devand	8.1%	4.7% <sup>(c)</sup>	8.0% <sup>(d)</sup>
Matthew Wilkerson	3.7%	2.4%	2.1%
SST Holdings, Incorporated	2.9%	1.9%	1.6%
SSC Venture Fund LLC	2.8%	1.9%	1.6%

#### Notes

- (a) Based on the same calculations as per Note (a) of Table 1 in this Prospectus.
- (b) Based on the same calculations as per Note (b) of Table 1 in this Prospectus.
- (c) Includes the Loan Shares that will be offered to each of Ms Mei and Mr Devand under the Incentive Securities Offer.
- (d) Includes the unvested Executive Options, unvested Performance Options and unvested Performance Rights that will be offered to each of Ms Mei and Mr Devand under the Incentive Securities Offer.





# 10.3.

## SUMMARY OF TERMS OF EXECUTIVE AND INCENTIVE PLAN

As part of the Proposed Transaction, Shareholder approval is being sought at the EGM to adopt an employee incentive scheme titled “Executive and Employee Incentive Plans” (**EEIP**). Adoption of the EEIP will allow the Directors to issue securities under the EEIP (**EEIP Securities**) without using the Company’s annual 15% placement capacity for a period of 3 years from the date on which Shareholders approve the issue of securities under the relevant employee incentive scheme.

A copy of the EEIP can also be sent to Shareholders upon a written request being made with the Company. Shareholders are invited to contact the Company if they have any queries or concerns.

### Purpose of the EEIP

Following completion of the Proposed Transaction, the Company and AHAlife will implement the EEIP, under which executives, key employees and other eligible persons will be invited to share in the ownership of the Company. The EEIP is intended to:

- (a) promote long-term success of the Company and AHAlife;
- (b) provide a strategic, value based reward for eligible persons who make a key contribution to that success;
- (c) align eligible persons’ interests with the interests of the Shareholders of the Company; and
- (d) promote the retention of eligible persons.

The key terms of the EEIP can be summarised as follows:

### Eligibility

EEIP Securities may be granted at the discretion of the Board to any full-time or permanent part-time employee or officer, consultant or Director of the Company, or any related body corporate of an employee of the Company (**Employees**).

### Types of EEIP Securities

Under the EEIP, the Company may offer or issue to Employees a range of incentive securities:

- (a) Options, which are rights to acquire a Share upon payment of an exercise price, which can contain vesting conditions, which must first be satisfied before the opportunity to exercise the options arises;
- (b) Performance rights, which are rights to receive a Share for no cash payment at a pre-determined ratio, provided that vesting conditions have been satisfied;
- (c) Performance shares, which is a beneficial interest in a Share with limited rights, which converts to a fully paid ordinary share, provided that appropriate vesting conditions (as approved by ASX) have been satisfied;
- (d) Deferred share awards, which are Shares issued to Employees, whom via their election (as applicable) or at the Board’s discretion, in lieu of any wages, salaries, fees or other remuneration; and

- (e) Loan shares, which are limited resource Shares acquired via a loan where some or all of the issue price is funded by way of a loan (which will be documented on terms as determined by the Board, with the relevant loan shares secured by the Company) made to the Employee by the Company to enable the Employee to acquire Shares in the Company.

### Board discretion

The Board of the Company has broad discretions under the EEIP, including as to the terms of the EEIP Securities (such as issue price, exercise price, vesting conditions, performance hurdles and restriction periods), which may be waived or varied by the Board on a case by case basis.

Limits on number of EEIP Securities that can be issued

An offer of EEIP Securities must not be made if the aggregate number of the following will exceed 5% of the issued Shares on that date:

- (a) the number of Shares which are subject of the offer of the EEIP Securities;
- (b) the total number of Shares which are the subject of any outstanding offers of EEIP Securities;
- (c) the total number of Shares issued during the previous 3 years of the EEIP or any other employee share scheme (but not including existing Shares transferred to a participant after having been acquired for that purpose); and
- (d) the total number of Shares which would be issued under all outstanding EEIP Securities that have been granted but which have not yet been exercised, terminated or expired.

For the purpose of this 5% limit, the limit does not count an offer to a person situated outside Australia, an offer that did not need disclosure because of section 708 of the Corporations Act, or an offer made under a disclosure document (such as a prospectus) as defined in the Corporations Act.

As AHAlife and its current operations are based outside of Australia, for all relevant purposes the 5% limit will not apply to AHAlife’s existing employees who are based outside of Australia.

### Change of control

In the event of a change of control event, the Board may waive or accelerate unsatisfied vesting conditions in relation to some or all EEIP Securities. Furthermore, if a takeover bid is made to acquire all the issued Shares of the Company, Employees may accept the takeover bid in respect of any Shares which they hold notwithstanding the restriction period in respect of those Shares has not expired.

### Variation to capital structure

If prior to the vesting (if applicable) or exercise (if applicable) or an EEIP Security, the Company undergoes a reorganisation of capital (other than by way of a bonus issue or issue for cash), the terms of all existing EEIP Securities will be changed to the extent necessary to comply with the Listing Rules and Corporations Act.

Suspension, termination or amendment of the EEIP

The EEIP may be suspended, terminated or amended at any time by the Board, subject to any Resolution of the Company required by the Listing Rules.

## 10.4. INTERESTS, FEES AND BENEFITS

Other than as set out below or as is disclosed elsewhere in this Prospectus, no:

- (a) Director of the Company; or
- (b) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation and distribution of this Prospectus; or
- (c) promoter of the Company; or
- (d) stockbroker or underwriter to the Offers under this Prospectus,

has or had within two years before lodgement of this Prospectus with ASIC any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers under this Prospectus; or
- (c) the Offers under this Prospectus;

and no amounts have been paid or agreed to be paid and no amounts have been given or agreed to be given to any of those persons as an inducement to become or to qualify as a Director of the Company or for services rendered in connection with the formation or promotion of the Company or the Offer of Securities under this Prospectus.

Persons and entities who have interests, fees and benefits

- (a) The Company has entered into various agreements with third parties that will have an effect on the Company, further details of which are set out in Section 8 of this Prospectus.
- (b) Current and projected interests (in the event that the Proposed Transaction completes) and remuneration of current and proposed Directors of the Board and the Company Secretary are outlined in Section 2.6 of this Prospectus.
- (c) Stantons International Securities Pty Ltd has been (or will be) paid a fee of approximately \$15,000 (exclusive of GST) for preparing the Investigating Accountant's Report in Section 7 of this Prospectus.

## 10.5. EXPENSES OF THE OFFERS

The estimated expenses (exclusive of GST) connected with the Offers that are payable by the Company, based on \$19.9 million being raised under the General Offer are as follows:

Description of expenses	Amount of expenses
Brokerage costs	\$1,000,000
Legal fees	\$100,000
Investigating Accountant's fees	\$15,000
Printing, mailing and marketing and other fees	\$23,000
ASIC fees	\$2,000
ASX fees	\$112,000
<b>Total</b>	<b>\$1,253,000</b>

The Company reserves the right to accept Oversubscriptions up to \$1,500,000. If raised, this will result in the expenses of the offer increasing by \$75,000 for brokerage costs.

## 10.6. CONSENTS

The following persons have given their written consent to be named in this Prospectus and for the inclusion of statements made by those persons (as described below), and have not withdrawn such consent before lodgement of this Prospectus with ASIC:

- (a) Each current and proposed Director and Company Secretary of the Company.
- (b) Each member of the AHALife Executive Team set out in Sections 2.3 and 5.5 of the Prospectus, who have consented to being named in this Prospectus as members of the AHALife Executive Team, in the form and context in which they are named.
- (c) Deepak Chopra (member of the AHALife advisory committee, and curator of AHALife), Fern Mallis (member of the AHALife advisory committee, and curator of AHALife), Carmindy (curator of AHALife), Jon Teo (member of the AHALife advisory committee), Steve Sadove (member of the AHALife advisory committee), Renaud Dutreil (member of the AHALife advisory committee) and Ari Emanuel (member of the AHALife advisory committee) who have consented to being named in this Prospectus in the form and context in which they are named.
- (d) Blue Ocean Equities, who have consented to being named in this Prospectus as the Lead Manager and underwriter to the General Offer.

- (e) Whittens and McKeough Pty Ltd, who have consented to being named in this Prospectus as legal advisers to the Offers and the Company.
- (f) Stantons International Securities Pty Ltd, who have consented to being named in this Prospectus as the Investigating Accountant to the Company and to the inclusion of its report in Section 7 of this Prospectus (in the form and context in which it appears).
- (g) Stantons International Audit and Consulting Pty Ltd, who has consented to being named in this Prospectus as Auditor to the Company.
- (h) LINK Market Services, who have consented to being named in this Prospectus as providing Share registry service for the Company.
- (i) Each of Anna Rabinowicz (Anna New York by RabLabs), Stefan Clauss (Heimplanet), Francois Russo (Maison Takuya) and Kazu Namise (Phylia De M) has consented to being named as AHAlife sellers and the inclusion of photos and examples of products attributed to each of them.

## 10.7.

### LITIGATION

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.



Image: examples of products sold on AHAlife



# CORPORATE GOVERNANCE POLICY



# CORPORATE GOVERNANCE STATEMENT

## Board of Directors

The Company's Board of Directors is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully-informed basis.

## Composition of the Board

Election of Board members is substantially the province of Shareholders in general meeting. To this end, as part of the Proposed Transaction, Shareholder approval to elect a new Board of Directors will be sought at the EGM. However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

No formal nomination committee or procedures have been adopted for the identification, appointment and review of the Board membership, but an informal assessment process, facilitated by the Chairman in consultation with the Company's professional advisers (if required), has been committed to by the Board.

## Independent Professional Advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

## Remuneration Arrangements

The total maximum remuneration of Non-Executive Directors is set by the Company's Constitution and can be varied via an ordinary resolution at a Shareholder's meeting. Any increases will be the subject of a Shareholder resolution in accordance with the Company's Constitution, the Corporations Act and the Listing Rules,

as applicable. The determination of Non-Executive Directors' remuneration within that maximum amount will be made by the Board, having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director.

The Board may award additional remuneration to Non-Executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

## External Audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

## Audit Committee

The Company does not have a separately constituted audit committee.

## Identification of Risk and Management

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

## Ethical Standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

## Trading Policy

The Company's trading policy ensures that unpublished price sensitive information about the Company is not used in an unlawful manner. The main provisions of this policy are:

- (a) compliance with the specific requirements of the Corporations Act;
- (b) prohibition of short term trading by directors, officers, employees and contractors in the Company's Securities; and
- (c) prior notification by directors, officers, employees and contractors of their intention to deal in the Company's Securities.

# 12



## DEFINITIONS

The following terms used in this Prospectus have the following meanings.

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales.

**AHALife** means AHALife Holdings Inc., a company incorporated in the State of Delaware, United States of America, and having its address at 45 Bond Street, 5th Floor, New York, NY 10012, United States of America.

**AHALife Vendors** means the securityholders and employees of AHALife, as identified in the Merger Agreement.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

**ASX Listing Rules** or **Listing Rules** means the official listing rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the Official List, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Applicants** means a person who submits a valid Application Form under this Prospectus.

**Application** means an application for New Shares under this Prospectus.

**Application Form** means the General Offer Application Form accompanying this Prospectus.

**Application Monies** means application monies received from Applicants.

**Board** means the Board of Directors of the Company.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**CHESS** means the Clearing House Electronic Sub-register System.

**Closing Date** means the closing date for the Offers specified in the indicative timetable in this Prospectus, or such other date determined by the Board.

**Company** or **INT** means INT Corporation Limited (ACN 006 908 701) of Level 5, 137-139 Bathurst Street, Sydney NSW 2000, or the proposed merged entity of INT and AHALife (as the context may require).

**Consideration Options** means, on a post-Consolidation basis, up to 9,174,906 unlisted Options, which are being offered and issued to AHALife Vendors under the Vendor Offer. Terms of the Consideration Options are contained in Section 9.2 of this Prospectus.

**Consideration Shares** means, on a post-Consolidation basis, 96,539,034 Shares, which are being offered and issued to AHALife Vendors under the Vendor Offer.

**Consolidation** means the 20 for 1 consolidation of the existing issued capital of the Company, which will be implemented in accordance with Resolution 1 of the NOM at the EGM. Notably, all Securities pursuant to this Prospectus are being offered on a post-Consolidation basis.

**Constitution** means the constitution of the Company as amended or replaced from time to time.

**Corporations Act** means the Corporations Act 2001 (Cth) as amended or replaced from time to time.

**Director** means a current director of the Company.

**Dollar** or “\$” means Australian dollars, unless otherwise noted.

**Executive Options** forms part of the Incentive Securities, which are unlisted and unvested Options, which are being offered to certain proposed key management of the Company under the Incentive Securities Offer.

**Extraordinary General Meeting** or **EGM** means the meeting of the Company’s members to be held, pursuant to the NOM, on 7 July 2015 at 10:00am (AEST).

**FSMA** means the Financial Services and Markets Act 2000 (United Kingdom) as amended or replaced from time to time.

**General Offer** means the offer of New Shares to investors who are invited to subscribe for New Shares under this Prospectus, to raise \$19.9 million, at an issue price of 45 cents per New Share. The Company reserves the right to accept Oversubscriptions up to \$1.5 million, therefore the maximum under the General Offer is \$21.4 million.

**Incentive Securities** means, on a post-Consolidation basis, any one of or combination of Executive Options, Performance Options, Performance Rights and Loan Shares, which are being offered and issued to certain proposed key management of the Company under the Incentive Securities Offer. The terms of each of the different types of Incentive Securities are contained in Section 9.3 of this Prospectus.

**Incentive Securities Offer** means the offer of up to 4,000,000 Loan Shares, up to 5,000,000 Executive Options, up to 5,000,000 Performance Options and up to 5,000,000 Performance Rights, to certain proposed key management of the Company. No immediate funds will be raised by the Company under this offer.

**INT Sub** means the wholly owned subsidiary of the

Company, which is a party to the Merger Agreement.  
**Issue Price** means 45 cents per New Share under the General Offer.

**Key AHAlife Vendors** means certain AHAlife Vendors, including Ms Shauna Mei and Mr Sachin Devand, who have voluntarily agreed to escrow their shareholdings in the Company for an agreed period of time, pursuant to the terms of the Merger Agreement.

**Loan Shares** forms part of the Incentive Securities, which are Shares which have been acquired via a loan provided by the Company, which are being offered to certain proposed key management of the Company under the Incentive Securities Offer.

**Material Contracts** means any one or combination of the contracts that are material to the Company and/or AHAlife, as outlined in Section 8 of this Prospectus.

**Merger Agreement** means the conditional merger agreement executed between AHAlife, INT Sub and the Company on or around 12 May 2015, which sets out the terms and conditions under which the Proposed Transaction will complete.

**Net Promoter Score** is a customer loyalty metric based on customers' likelihood of referral, developed by Satmetrix, Bain & Company and Fred Reichheld (<http://www.netpromoter.com/why-net-promoter/know>).

**New Board** means the proposed board of the Directors of the Company, following completion of the Proposed Transaction.

**New Shares** means, on a post-Consolidation basis, up to 44,222,222 Shares at an issue price of 45 cents per Share, which are being offered to investors under the General Offer, to raise up to \$19.9 million. The Company reserves the right to accept Oversubscriptions up to \$1.5 million. If raised, this will result in a further 3,333,333 New Shares at an issue price of 45 cents per Share being issued under the General Offer.

**Notice of Meeting or NOM** means the notice of extraordinary general meeting dated 5 June 2015 including the Explanatory Statement, which was despatched to Shareholders of the Company to hold the EGM.

**SFA** means the Securities and Futures Act (Hong Kong) as amended or replaced from time to time.

**SFO** means the Securities and Futures Ordinance (Hong Kong) as amended or replaced from time to time.

**Offers** means all the offers being made this Prospectus, being the General Offer, the Vendor Offer and the Incentive Securities Offer.

**Offer Period** means the period from the Opening Date to the Closing Date.

**Official List** means the official list of the ASX.

**Opening Date** means the opening date for the Offers specified in the indicative timetable in this Prospectus, or such other date determined by the Board.

**Option** means an option to acquire a Share.

**Overseas Applicants** means Applicants who are not residents of Australia.

**Oversubscription** means subscription amounts (up to an additional \$1.5 million) in excess of the amount offered under the General Offer (\$19.9 million) that may be accepted by the Company.

**Performance Options** forms part of the Incentive

Securities, which are unlisted and unvested Options, which are being offered to certain proposed key management of the Company under the Incentive Securities Offer.

**Performance Rights** forms part of the Incentive Securities, which are unvested performance rights of the Company, which are being offered to certain proposed key management of the Company under the Incentive Securities Offer.

**Potential Applicants** means potential investors who may invest in the Company by subscribing for Securities under this Prospectus.

**Proposed Transaction** means the proposed acquisition of 100% of the diluted capital in AHAlife pursuant to the Merger Agreement, as announced by the Company on 17 March 2015 and 12 May 2015.

**Prospectus** means this prospectus dated 24 June 2015 as lodged with ASX and ASIC on that date.

**Quotation** means the quotation of the Shares on the ASX.

**Resolutions** means the resolution/s set out in the NOM, as the context requires.

**SEC** means Securities and Exchange Commission.

**Securities** mean Shares and/or Options and/or performance rights (as the context requires).

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.'

**US** means dollars of the United States of America.

**US Securities Act** means the Securities Act of 1933 (United States) as amended or replaced from time to time.

**US Securities Exchange Act** means the Securities Exchange Act of 1934 (United States) as amended or replaced from time to time.

**Vendor Offer** means the offer of up to 96,539,034 Consideration Shares and up to 9,174,906 Consideration Options to the AHAlife Vendors in consideration for the acquisition of all the diluted capital in AHAlife. No immediate funds will be raised by the Company under this offer.





Image: example of items sold on AHA!life





# STATEMENT OF DIRECTORS

This Prospectus is authorised by each of the Directors and the persons proposed as Directors of the Company in the event that the Proposed Transaction completes, who consents to its lodgement with ASIC and its issue.

This Prospectus is signed in accordance with section 351 and section 720 of the Corporations Act.

---

Mike Hill  
Executive Chairman

# 14



# APPLICATION FORM



**INT Corporation Limited ACN 006 908 701**

**PLEASE READ ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM**

Title, Given Name(s) &amp; Surname or Company Name

[illegible][illegible][illegible]

Street Number	Street
1	1st Street
2	2nd Street
3	3rd Street
4	4th Street
5	5th Street
6	6th Street
7	7th Street
8	8th Street
9	9th Street
10	10th Street
11	11th Street
12	12th Street
13	13th Street
14	14th Street
15	15th Street
16	16th Street
17	17th Street
18	18th Street
19	19th Street
20	20th Street
21	21st Street
22	22nd Street
23	23rd Street
24	24th Street
25	25th Street
26	26th Street
27	27th Street
28	28th Street
29	29th Street
30	30th Street
31	31st Street
32	32nd Street
33	33rd Street
34	34th Street
35	35th Street
36	36th Street
37	37th Street
38	38th Street
39	39th Street
40	40th Street
41	41st Street
42	42nd Street
43	43rd Street
44	44th Street
45	45th Street
46	46th Street
47	47th Street
48	48th Street
49	49th Street
50	50th Street
51	51st Street
52	52nd Street
53	53rd Street
54	54th Street
55	55th Street
56	56th Street
57	57th Street
58	58th Street
59	59th Street
60	60th Street
61	61st Street
62	62nd Street
63	63rd Street
64	64th Street
65	65th Street
66	66th Street
67	67th Street
68	68th Street
69	69th Street
70	70th Street
71	71st Street
72	72nd Street
73	73rd Street
74	74th Street
75	75th Street
76	76th Street
77	77th Street
78	78th Street
79	79th Street
80	80th Street
81	81st Street
82	82nd Street
83	83rd Street
84	84th Street
85	85th Street
86	86th Street
87	87th Street
88	88th Street
89	89th Street
90	90th Street
91	91st Street
92	92nd Street
93	93rd Street
94	94th Street
95	95th Street
96	96th Street
97	97th Street
98	98th Street
99	99th Street
100	100th Street

[illegible][illegible]

Post Code

[illegible]

--	--	--	--	--	--	--

[illegible][illegible][illegible][illegible]

I/We whose full name(s) and address appear above hereby apply for the number of Shares shown above (to be allocated to me/us by the Company in respect of this Application) under the Prospectus on the terms set out in the Prospectus.

Please use shareholding name as a reference and forward a copy of the transmission with your Application Form.

Please enter cheque details:

Drawer	Bank	BSB or Branch	Amount

Telephone ( ) .....

Fax ( ) .....

Cheques should be made payable to **“INT Corporation Limited”**, crossed **“NOT NEGOTIABLE”**. Cheques (if applicable) and completed Application Form should be forwarded, **to arrive no later than 5:00pm AEST on the Closing Date** (or such other date as is determined by the Directors) to the following address: **PO Box 231, BRIGHTON VIC 3186**.

## GUIDE TO THE GENERAL OFFER APPLICATION FORM

Questions on how to complete this Application Form, please telephone the Company on (+61 2) 8072 1400.

### A. Application for New Shares

The Application Form must only be completed in accordance with instructions included in Prospectus. The Application must be for a minimum of 4,445 New Shares. You may be issued all of the New Shares applied for or a lesser number.

### B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.

### C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

### D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

### E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.

### F. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the Applicant is an existing Shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

### G. EFT Details

Make EFTPOS payments to "INT Corporation Limited" using the Applicant's shareholding name as a reference and forward a copy of the transmission with an Application Form. The payment details are: **BSB: 033 095 / Acc: 493 936**. The amount paid should agree with the amount shown on the Application Form.

### H. Cheque Details

Make cheques payable to "INT Corporation Limited" in Australian currency and cross them "Not Negotiable". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.

### I. Declaration

This Application Form does not need to be signed. By lodging this Application Form and a cheque for the application money this Applicant hereby:

- (1) applies for the number of New Shares specified in the Application Form or such lesser number as may be allocated by the Directors;
- (2) agrees to be bound by the Constitution of the Company;
- (3) authorises the directors of the Company to complete or amend this Application Form where necessary to correct any errors or omissions;
- (4) acknowledges that he/she has received a copy of the Prospectus attached to this Application Form or a copy of the Application Form before applying for the New Shares; and
- (5) acknowledges that he/she will not provide another person with this Application Form unless it is attached to or accompanied by the Prospectus.

### CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold Securities. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L; or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith; or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith. <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

aha!life





Image: Staff at AHAlife





aha!life