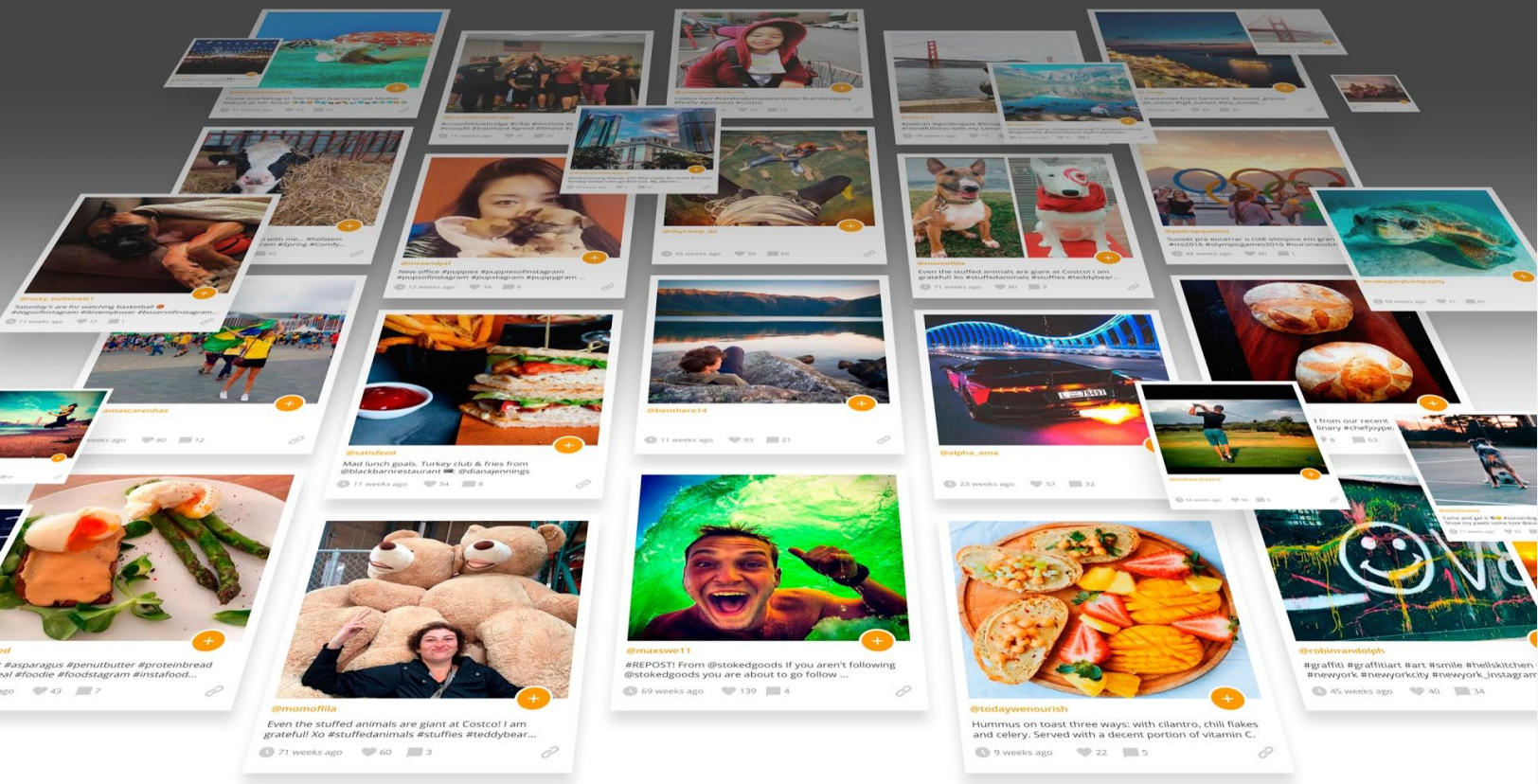




# ShareRoot Limited

## Annual Report 2017



ShareRoot offers  
a software-as-a-service  
platform that works with  
brands and digital agencies  
**to easily find and  
legally source  
user generated  
content (UGC)**

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# Chairman's Letter

**“ ShareRoot’s **AVERAGE CONTRACT VALUE** (ACV) also increased by 100% year-over-year ”**

**Dear fellow Shareholders,**

I am delighted to present to you the Annual Report for ShareRoot Limited ('ShareRoot', 'the Company') (ASX:SRO) covering the year ending 30 June 2017, which was a defining period for the Company and setting the stage for future growth.

As many shareholders will be aware, I joined ShareRoot as a Non-Executive Director in April and subsequently accepted the role of Non-Executive Chairman in July.

My reason for joining ShareRoot was because of the Company's growth potential, driven by its unique cloud-based legal rights management (LRM) technology, which helps brands and businesses with user-generated content (UGC) marketing.

ShareRoot's UGC platform allows customers to legally and easily search for relevant user-generated content across a range of social media platforms and then helps them to effectively utilise these materials as part of their marketing campaigns.

During the financial year, ShareRoot demonstrated prudent financial management by growing its revenue from its UGC platform by over 200% to \$188,084 while decreasing its sales cost base by over 60% year-over-year.

ShareRoot's Average Contract Value (ACV) also increased by 100% year-over-year, reflecting the fact that customers tend to increase their use of the UGC platform as their familiarity increases, leading to a steady pattern of revenue growth over time.

And importantly, ShareRoot significantly strengthened its Board and leadership team during the year, through the appointment of Scott Sorochak as its Chief Revenue Officer (CRO) and Jason Weaver joining the company as Acting Chief Product Officer (CPO) following the end of the financial year.

Both Executives have significant experience in growing successful social media marketing technology companies. Following the appointments, Scott has spearheaded initiatives to secure additional revenue-generating contracts, including through a recently announced partnership with Sales Force Europe, while Jason is overseeing the development of new UGC features that add significant value for potential customers.

In July, we also welcomed Peter McLennan, a highly-experienced corporate advisor, to the Board of ShareRoot, adding significant additional depth in experience to our leadership team.

The Board believes that with these appointments, ShareRoot is well placed to execute the next phase of its growth journey and anticipates that the Financial Year 2018 will see an increased growth in revenues, clients and earnings as well as further exciting product initiatives being rolled out to the market.

I would like to take this opportunity to commend our CEO, Noah Abelson, and his team for representing our brand and values through their hard work and dedication during a transformational period for the Company.

And on behalf of the Board and management, I also want to thank you, our shareholders, for your ongoing commitment and continued support.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Lee Rodne", with a stylized, cursive script.

**Lee Rodne**

Non-Executive Chairman  
ShareRoot Limited



# CEO's Report



**Dear Shareholder,**

Financial Year 2017 has been a period in which ShareRoot has delivered strong growth across a range of key operational metrics, while as a management team and a Company, have put in place many changes and upgrades necessary to achieve rapid and sustainable growth moving forward. ShareRoot is now well positioned to establish itself as a global leader in the Legal Right Management/UGC market.

Major achievements have included strong growth in client numbers, an expanding user base, a broadening of partnerships, implementing a world-class leadership team, and reducing the cost base without impacting sales and marketing efforts.

**Client base growth**

One of ShareRoot's biggest client achievements during the financial year was a significant strengthening of its revenue-generating client base.

This included securing and extending contracts with major blue-chip clients including UCLA, Costco, Singapore Tourism, Universal Pictures, Stubhub, UltraStar Cinemas, Ignite Restaurant Group, Turtle Bay Resort, and US-based healthcare conglomerate Johnson & Johnson.

These signings have provided significant additional validation from some of the world's best-known and most trusted brands while helping ShareRoot build visibility with major agencies and leading companies.

In addition, ShareRoot's Universal Pictures 'Secret Life of Pets' Campaign was nominated for Campaign of the Year Award alongside Sunrise 7 and Now We Collide by Festival of Media for the APAC awards.

**Average Contract Value growth**

ShareRoot's executive leadership team has demonstrated prudent financial management by continuing to grow its receipts from customers of its unique user generated content (UGC) legal rights management (LRM) platform, while reducing its cost base by over 60% year-over-year.

ShareRoot's Average Contract Value (ACV) was up 100% year-over-year during the quarter ending June 30, reflecting the fact that clients tend to increase their use of the UGC platform as their familiarity increases, which will lead to a steady pattern of revenue growth over time.

**// User numbers**  
**INCREASE to 180,000 //**

ShareRoot's big client wins and increased ACV has flowed through to a significant growth in terms of its user base, which has grown to +180,000 at the end of FY2017.

This is up a remarkable +720% from >25,000 at the end of FY2016, illustrating the dramatic growth rate of consumers interacting with SRO's clients utilizing our unique UGC platform.



The surge in user growth provides significant real-world validation for potential clients. This increased engagement improves the overall effectiveness of client marketing campaigns and drives sales to ShareRoot's clients, leading to increased visibility and awareness of the platform in the marketplace.

### **Executive appointments**

ShareRoot has strengthened its Board and Leadership Team through the appointment of Scott Soroachak as its Chief Revenue Officer (CRO), along with Lee Rodne as a Non-Executive Director.

Scott is a Silicon Valley executive of more than 20 years' experience who previously led the sales teams at UGC competitor Livefyre through an accelerated growth period that saw revenues climb from US\$5 million to over US\$30 million, prior to an acquisition by Adobe in 2016. We are confident that Scott is the best fit to lead our sales efforts due to his direct experience in the space. He also helped Adteractive acquire over 200 clients and grow from US\$20 million to US\$120 million in sales in just under four years.

Since joining the Company, Scott's remit has included restructuring the company's sales structure and processes, getting ShareRoot in a position to dramatically increase revenues and strengthening its positioning in the global social media marketing sector.

Lee has more than 20 years of senior executive experience across all aspects of operational management and governance. He has held numerous senior roles in the technology, healthcare, mining and renewable energy sectors in North America, the UK and Australia. He has added a wealth of expertise to the Board around business development, strategic management, M&A, capital raisings, sales, and commercialising new technology-based initiatives.

The same can be said for Lee as has been said about Scott: Lee has the experience of significantly increasing value for shareholders on behalf of more than one previous publicly listed company.

### **Major feature upgrades**

Development work has begun on a range of advanced new features, which will be rolled out to clients in FY2018.

This additional functionality will help to drive sales and revenue growth by providing customers with additional value through a simple, clean, and elegant new user interface that includes significant feature improvements to make it more user friendly and efficient.

To help guide these strategic initiatives, ShareRoot has recently signed Jason Weaver to lead product vision and production. In his new role with the Company, Jason will be in charge of and the visionary for all future platform innovation and unique features created by the company moving forward and the Company plans to provide shareholders with an overview of these strategic initiatives in FY2018.

Overall, ShareRoot has delivered strongly on a number of fronts from an operational perspective, and the Company is well positioned to deliver substantial growth in terms of

revenues, user numbers, partnerships and securing major new contracts over the coming financial year.

**Yours sincerely,**

A handwritten signature in black ink, appearing to read 'Noah Abelson', with a stylized flourish at the end.

**Mr. Noah Abelson**  
Chief Executive Officer  
ShareRoot Limited

# Directors' Report



## **Directors' Report**

### **30 June 2017**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of ShareRoot Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2017.

#### **Directors**

The following persons were directors of ShareRoot Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Lee Rodne (Chairman - appointed 26 April 2017)

Noah Abelson

Marc Angelone

Peter McLennan (appointed 31 July 2017)

Andrew Bursill (resigned 31 July 2017)

James Allchurch (resigned 1 September 2016)

#### **Principal activities**

During the year, the principal continuing activity of the consolidated entity is the provision of Software as a Service (SaaS) platform that works with brands and digital agencies to easily identify and legally source user generated content (UGC).

There are no change to the principal activity during the year.

#### **Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

#### **Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$3,228,403 (30 June 2016: \$6,083,488).

#### **Significant changes in the state of affairs**

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

#### **Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

#### **Likely developments and expected results of operations**

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

#### **Environmental regulation**

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Information on directors

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                                | <b>Lee Rodne</b> (appointed 26 April 2017)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Title:                               | Non-executive Chairman                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Experience and expertise:            | <p>An internationally regarded executive, Mr. Rodne brings more than 20 years of senior executive experience across all aspects of operational management and governance. He has held numerous senior roles in the technology, healthcare, mining and renewable energy sectors in North America, the UK and Australia.</p> <p>Mr. Rodne has a strong track record building shareholder value by growing small technology businesses into global companies with significant valuations, and this experience will be invaluable in guiding the next phase of ShareRoot's growth. He brings a wealth of expertise to ShareRoot in the areas of business development, strategic management, M&amp;A, capital raisings, sales, and commercialising new technology-based initiatives.</p> <p>In his most recent role, Mr. Rodne led the spin-out of Fortescue Metals Group's technology subsidiary Allied Medical Ltd as its CEO and Managing Director, increasing its valuation from \$800,000 to a peak of circa \$250 million. Allied Medical Ltd subsequently further enhanced shareholder value through a merger with bioMD Ltd, leading to the creation of market-leading diversified healthcare group Admedus Ltd.</p> <p>Mr. Rodne was previously the Senior Executive of Sirius Minerals through a major acquisition project that saw its market capitalisation grow to over \$1 billion, and has also led IT and technology consulting practices with Fortune 500 businesses in the US as a Director and Vice-President of a leading US-based consulting firm.</p> |
| Other current directorships:         | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Former directorships (last 3 years): | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Interests in shares:                 | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Interests in options:                | 9,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

|        |                                                                                                                                            |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Name:  | <b>Noah Abelson</b>                                                                                                                        |
| Title: | Managing Director and Chief Executive Officer<br>Mr Abelson holds a Bachelor of Arts degree in Psychology from the University of Maryland. |



**Directors' Report**  
**30 June 2017**

Experience and expertise: Mr Abelson is the Chief Executive Officer of ShareRoot and is responsible for executing ShareRoot's strategic development plan.

Mr Abelson has previous management experience in new products and has launched a vitamin supplement company.

Mr Abelson worked in the Facebook advertising space as the person tasked with launching AdParlor's (one of Facebook's largest Ads API partners) US presence and generating over 3.1 million USD in a single quarter. This experience enabled Mr Abelson to develop numerous contacts within the social landscape as well as a deep understanding of what it takes and how to build strong and lasting professional relationships.

Other current directorships: N/A

Former directorships (last 3 years): N/A

Interests in shares: 49,572,741

Interests in options: 2,916,666

Interests in rights: 60,000,000 performance rights

Name: **Marc Angelone**

Title: Executive Director and Chief Technical Officer

Experience and expertise: Mr. Angelone has a Masters of Science in Computer Science from Drexel University.

Mr Angelone is the Chief Technical Officer of ShareRoot and is responsible for leading and supporting a development team with frontend, back-end, and mobile projects. Mr Angelone is also charged with the architecture, design, and overall specifications surrounding the creation and design of the ShareRoot platform.

Mr Angelone has previous experience regarding the transition from a private company to a public. Mr Angelone was a Mobile Software Developer at Millennial Media where he was a Lead Developer as the company went through an IPO on the NYS.

Mr Angelone has also developed numerous applications for iPhone and Android as Owner of Symbiotic Software LLC including the development of a Cruelty-Free iPhone app for [leapingbunny.org](http://leapingbunny.org) that resulted in thousands of dollars in fundraising for the organization.

Mr Angelone has a proven track record of developing products that work as well as managing and leading teams that will generate results.

## Directors' Report 30 June 2017

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Other current directorships:         | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Former directorships (last 3 years): | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Interests in shares:                 | 49,118,821                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Interests in options:                | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Interests in rights:                 | 60,000,000 performance rights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Name:                                | <b>Peter McLennan</b> (Appointed 31 July 2017)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Title:                               | Non-Executive Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Experience and expertise:            | <p>A highly-experienced international corporate advisor and manager, Mr. McLennan is currently a Partner at leading corporate advisory firm WG Partners LP (Australia), as well as a Principal and Managing Director at healthcare, technology and agriculture focused advisory firm FitzRoy Capital.</p> <p>Previously, Mr. McLennan served as General Manager – Commercial at potash exploration company Sirius Minerals, where he played a key role in its early financing, investor relations and corporate development, and was also a Principal at leading US investment bank Piper Jaffray and Client Executive with IBM.</p> |
| Other current directorships:         | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Former directorships (last 3 years): | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Interests in shares:                 | 2,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Name:                                | <b>Andrew Bursill</b> (Resigned 31 July 2017)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Title:                               | Non-Executive Director / Company Secretary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Experience and expertise:            | <p>Andrew Bursill has 19 years of experience as CFO of ASX listed, public and private companies in tech, biotech, medical devices, mining and VC.</p> <p>He has CFO experience at all stages of company development from pre-revenue start-ups to \$100 million+ annual turnover, Andrew is a founding partner of CFO Innovation – provider of outsourced CFO and Company Secretarial services, where he has participated in numerous successful IPOs and backdoor listings.</p> <p>Andrew is a Member of the Institute of Chartered Accountants in Australia.</p>                                                                   |
| Other current directorships:         | Argonaut Resources Limited (Non-Executive Director)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Former directorships (last 3 years): | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Interests in shares:                 | 8,337,056 (at date of resignation)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## Directors' Report

### 30 June 2017

|                                      |                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                                | <b>James Allchurch</b> (resigned 1 September 2016)                                                                                                                                                                                                                                                                                                                                   |
| Title:                               | Non-Executive Director                                                                                                                                                                                                                                                                                                                                                               |
| Experience and expertise:            | Mr Allchurch is a geologist with experience in mineral exploration, geotechnical assessment and mining operations. He has expertise in the identification and assessment of resource projects over a broad range of commodities in geographies including Europe, Australia, Africa and South America. Mr Allchurch is not currently a director of any other publicly-listed company. |
| Other current directorships:         | N/A                                                                                                                                                                                                                                                                                                                                                                                  |
| Former directorships (last 3 years): | N/A                                                                                                                                                                                                                                                                                                                                                                                  |
| Interests in shares:                 | 2,258,889 (at date of resignation)                                                                                                                                                                                                                                                                                                                                                   |
| Interests in options:                | 685,000 (Listed - exercise price \$0.05, expiry 31/12/2017) (at date of resignation)                                                                                                                                                                                                                                                                                                 |

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

### Company Secretary

Andrew Bursill – see Information on directors above for Andrew's experiences and expertise.

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2017, and the number of meetings attended by each director were:

|                 | Full Board | Attended | Held |
|-----------------|------------|----------|------|
| James Allchurch |            | 2        | 2    |
| Noah Abelson    |            | 4        | 4    |
| Marc Angelone   |            | 4        | 4    |
| Andrew Bursill  |            | 4        | 4    |
| Lee Rodne       |            | 1        | 1    |

Held: represents the number of meetings held during the time the director held office.

**Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

**Principles used to determine the nature and amount of remuneration**

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

The Company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' and program participants' interests:

- focuses on sustained growth in shareholder wealth
- attracts and retains high calibre executives
- rewards capability and experience
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

***Non-executive directors remuneration***

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the board. The board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. No consultants were engaged in this year.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 27 November 2015, where the shareholders approved a maximum annual aggregate remuneration of \$300,000.

## Directors' Report

### 30 June 2017

#### *Voting and comments made at the Company's 2016 Annual General Meeting ('AGM')*

At the 2016 AGM, more than 75% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2016. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

#### Details of remuneration

##### *Amounts of remuneration*

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of ShareRoot Limited:

- Noah Abelson
- Marc Angelone
- Lee Rodne (Appointed 26 April 2017)
- Andrew Bursill (Resigned 31 July 2017)
- James Allchurch (Resigned 1 September 2016)

Changes since the end of the reporting period:

Andrew Bursill resigned as Director on 31 July 2017

Peter McLennan was appointed as Director on 31 July 2017

The amount of remuneration of the directors and key management personnel is set out below:

| 2017                        |                          | Short-term benefits |                   | Post-employment benefits | Long-term benefits      | Share-based payments | Total (\$)     |
|-----------------------------|--------------------------|---------------------|-------------------|--------------------------|-------------------------|----------------------|----------------|
| Non-Executive Directors:    | Cash salary and fees(\$) | Cash bonuses (\$)   | Non-monetary (\$) | Super-annuation (\$)     | Long service leave (\$) | Equity-settled (\$)  |                |
| James Allchurch *           | 4,167                    | -                   | -                 | 396                      | -                       | -                    | 4,563          |
| Andrew Bursill              | -                        | -                   | -                 | -                        | -                       | 30,000               | 30,000         |
| Lee Rodne **                | 13,667                   | -                   | -                 | 1,298                    | -                       | 19                   | 14,984         |
| <b>Executive Directors:</b> |                          |                     |                   |                          |                         |                      |                |
| Noah Abelson                | 238,785                  | -                   | -                 | -                        | -                       | -                    | 238,785        |
| Marc Angelone               | 238,785                  | -                   | -                 | -                        | -                       | -                    | 238,785        |
|                             | <b>495,404</b>           | <b>-</b>            | <b>-</b>          | <b>1,694</b>             | <b>-</b>                | <b>30,019</b>        | <b>527,117</b> |

\* Resigned 1 September 2016

\*\* Appointed 26 April 2017

## Directors' Report

### 30 June 2017

Andrew Bursill, non-executive director and company secretary is also an associate of Franks & Associates Pty Ltd and director for Aretex Pty Ltd who provides accounting and company secretary services to the Company. The contracts between the Company, Franks & Associates and Aretex are based on normal commercial terms. Payments made to Franks & Associates Pty Ltd and Aretex Pty Ltd during the year are disclosed in the related party transactions note to the financial statements.

| 2016                            | Short-term benefits       |                   |                   | Post-employment benefits | Long-term benefits      | Share-based payments |                          | Total (\$)     |
|---------------------------------|---------------------------|-------------------|-------------------|--------------------------|-------------------------|----------------------|--------------------------|----------------|
|                                 | Cash salary and fees (\$) | Cash bonuses (\$) | Non-monetary (\$) | Super-annuation (\$)     | Long service leave (\$) | Equity-settled (\$)  | Termination payment (\$) |                |
| <b>Non-Executive Directors:</b> |                           |                   |                   |                          |                         |                      |                          |                |
| James Allchurch                 | 156,250                   | -                 | -                 | 10,094                   | -                       | -                    | -                        | 166,344        |
| Andrew Bursill *                | -                         | -                 | -                 | -                        | -                       | -                    | -                        | -              |
| Patrick Burke **                | 43,000                    | -                 | -                 | -                        | -                       | -                    | -                        | 43,000         |
| Gary Steinepreis **             | 84,201                    | -                 | -                 | 2,299                    | -                       | -                    | -                        | 86,500         |
| <b>Executive Directors:</b>     |                           |                   |                   |                          |                         |                      |                          |                |
| Noah Abelson*                   | 96,010                    | -                 | -                 | -                        | -                       | -                    | -                        | 96,010         |
| Marc Angelson*                  | 96,010                    | -                 | -                 | -                        | -                       | -                    | -                        | 96,010         |
|                                 | <b>475,471</b>            | <b>-</b>          | <b>-</b>          | <b>12,393</b>            | <b>-</b>                | <b>-</b>             | <b>-</b>                 | <b>487,864</b> |

\* Appointed 12 January 2016

\*\* Resigned 12 January 2016

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name                            | Fixed remuneration |      | At risk - STI |      | At risk - LTI |      |
|---------------------------------|--------------------|------|---------------|------|---------------|------|
|                                 | 2017               | 2016 | 2017          | 2016 | 2017          | 2016 |
| <b>Non-Executive Directors:</b> |                    |      |               |      |               |      |
| James Allchurch *               | 100%               | 100% | -             | -    | -             | -    |
| Andrew Bursill **               | 100%               | 100% | -             | -    | 100%          | -    |
| Gary Steinepreis ***            | -                  | 100% | -             | -    | -             | -    |
| Patrick Burke ***               | -                  | 100% | -             | -    | -             | -    |
| Lee Rodne****                   | 99%                | -    | -             | -    | 1%            | -    |
| <b>Executive Directors:</b>     |                    |      |               |      |               |      |
| Noah Abelson**                  | 100%               | 100% | -             | -    | -             | -    |
| Marc Angelson**                 | 100%               | 100% | -             | -    | -             | -    |

\* Resigned 1 September 2016

\*\* Appointed 12 January 2016

\*\*\* Resigned 12 January 2016

\*\*\*\* Appointed 26 April 2017



## Directors' Report

### 30 June 2017

#### *Service agreements*

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: **Noah Abelson**  
Title: Managing Director and Chief Executive Officer  
Agreement commenced: 14 March 2016  
Terms of agreement: (a) Remuneration: Fixed annual salary of US\$180,000 (inclusive of Director's fees);  
(b) Non-cash benefits: the Board may, at its discretion, determine that Mr Abelson will be entitled to performance based bonus payments and participation in the Company's Share Plan, subject to shareholder and regulatory approval.  
(c) Termination: the Company and Mr Abelson may terminate the Director Service Agreement without cause by giving the other party 6 months notice.

Name: **Marc Angelone**  
Title: Executive Director and Chief Technical Officer  
Agreement commenced: 14 March 2016  
Term of agreement: (a) Remuneration: Fixed annual salary of US\$180,000 (inclusive of Director's fees);  
(b) Non-cash benefits: the Board may, at its discretion, determine that Mr Angelone will be entitled to performance based bonus payments and participation in the Company's Share Plan, subject to shareholder and regulatory approval.  
(c) Termination: the Company and Mr Angelone may terminate the Director Service Agreement without cause by giving the other party 6 months notice.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

#### **Share-based compensation**

##### *Issue of shares*

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2017 are set out below:

| Name             | Date         | Shares   | Issue price | \$     |
|------------------|--------------|----------|-------------|--------|
| Andrew Bursill * | 27 June 2017 | 7,837,05 | \$0.008     | 63,332 |

\* Representing \$33,332 paid to Franks & Associates Pty Ltd in lieu of cash payment for provision of professional services and \$30,000 director fees. This has been approved in the shareholders meeting on 22 June 2017.

## Directors' Report

### 30 June 2017

#### Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

| Name        | Number of options granted | Grant date   | Vesting date and exercisable date | Expiry date  | Exercise price | Fair value per option at grant date |
|-------------|---------------------------|--------------|-----------------------------------|--------------|----------------|-------------------------------------|
| Lee Rodne * | 9,000,000                 | 27 June 2017 | Various                           | 27 June 2022 | \$0.006        | \$0.0004                            |

\* Approved in the shareholders meeting on 22 June 2017. The options are exercisable in 12, 24 and 36 months from date of grant in equal proportion of 3,000,000 each.

#### Options granted carry no dividend or voting rights.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2017.

#### Additional information

The earnings of the consolidated entity for the five years to 30 June 2017 are summarised below:

|                       | 2017        | 2016        | 2015*       | 2014*       | 2013*       |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
|                       | \$          | \$          | \$          | \$          | \$          |
| Sales revenue         | 171,807     | 56,037      | -           | -           | -           |
| Loss after income tax | (3,228,403) | (6,083,488) | (4,476,738) | (2,666,040) | (2,019,486) |

\* operating as Monto Minerals Limited

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

|                                              | 2017   | 2016   | 2015*  | 2014*  | 2013*  |
|----------------------------------------------|--------|--------|--------|--------|--------|
| Share price at financial year end (\$)       | 0.01   | 0.04   | 0.04   | 0.1    | 0.18   |
| Basic earnings per share (cents per share)   | (0.81) | (2.74) | (0.58) | (0.20) | (0.15) |
| Diluted earnings per share (cents per share) | (0.81) | (2.74) | (0.58) | (0.20) | (0.15) |

\* operating as Monto Minerals Limited

*Additional disclosures relating to key management personnel*

*Shareholding*

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| <b>Ordinary shares</b>                        | <b>Balance at the start of the year</b> | <b>Received as part of Remuneration</b> | <b>Additions</b> | <b>Disposals/ Other</b> | <b>Balance at the end of the year</b> |
|-----------------------------------------------|-----------------------------------------|-----------------------------------------|------------------|-------------------------|---------------------------------------|
| James Allchurch * (resigned 1 September 2016) | 2,533,889                               | -                                       | -                | (2,533,889)             |                                       |
| Noah Abelson                                  | 49,572,741                              | -                                       | -                | -                       | 49,572,741                            |
| Marc Angelone                                 | 49,118,821                              | -                                       | -                | -                       | 49,118,821                            |
| Andrew Bursill **                             | 500,000                                 | 3,712,871                               | 4,124,185        | -                       | 8,337,056                             |
|                                               | 101,725,451                             | 3,712,871                               | 4,124,185        | (2,533,889)             | 107,028,618                           |

\* James Allchurch holds his interests in shares indirectly through the Manstein Holdings Trust of which he is trustee and a potential beneficiary. He holds his options and performance rights in his own name. The other balance reflects the position at the date of resignation.

\*\* Andrew Bursill holds his interests in shares indirectly through BFD Partnership of which he is one of the beneficiaries.

*Option holding*

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| <b>Options over ordinary shares</b>         | <b>Balance at the start of the year</b> | <b>Granted</b> | <b>Exercised</b> | <b>Expired/ forfeited/ other</b> | <b>Balance at the end of the year</b> |
|---------------------------------------------|-----------------------------------------|----------------|------------------|----------------------------------|---------------------------------------|
| James Allchurch (resigned 1 September 2016) | 722,500                                 | -              | -                | (722,500)                        |                                       |
| Lee Rodne (appointed 26 April 2017)         | -                                       | 9,000,000      | -                | -                                | 9,000,000                             |
|                                             | 722,500                                 | 9,000,000      | -                | (722,500)                        | 9,000,000                             |

### ***Performance rights***

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

|               | Balance at the<br>start of the year | Granted | Exercised | Expired/forfeited/<br>other | Balance at the end of<br>the year |
|---------------|-------------------------------------|---------|-----------|-----------------------------|-----------------------------------|
| Noah Abelson  | 60,000,000                          | -       | -         | -                           | 60,000,000                        |
| Marc Angelone | 60,000,000                          | -       | -         | -                           | 60,000,000                        |
|               | 120,000,000                         | -       | -         | -                           | 120,000,000                       |

### ***Other transactions with key management personnel and their related parties***

Company secretarial - provided by Franks & Associates Pty Ltd, an entity associated with Andrew Bursill, on commercial terms and conditions. Total fees paid to Franks & Associates Pty Ltd for the year ended 30 June 2017 was \$117,140 (2016 : \$58,497). Book keeping services - provided by Aretex Pty Ltd, an entity associated with Andrew Bursill. Total fees paid to Aretex Pty Ltd for the year ended 30 June 2017 was \$19,438 (2016: \$19,854).

### ***Additional information***

The earnings of the consolidated entity for the five years to 30 June 2017 are summarised below:

|                                       | 2017 (\$)   | 2016 (\$)   | 2015* (\$)  | 2014* (\$)  | 2013* (\$)  |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Sales revenue                         | 171,807     | 56,037      | -           | -           | -           |
| Loss after income tax                 | (3,228,403) | (6,083,488) | (4,476,738) | (2,666,040) | (2,019,486) |
| * operating as Monto Minerals Limited |             |             |             |             |             |

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

|                                              | 2017   | 2016   | 2015*  | 2014*  | 2013*  |
|----------------------------------------------|--------|--------|--------|--------|--------|
| Share price at financial year end (\$)       | 0.01   | 0.04   | 0.04   | 0.10   | 0.18   |
| Basic earnings per share (cents per share)   | (0.81) | (2.74) | (0.58) | (0.20) | (0.15) |
| Diluted earnings per share (cents per share) | (0.81) | (2.74) | (0.58) | (0.20) | (0.15) |

\* operating as Monto Minerals Limited

**This concludes the remuneration report, which has been audited.**

### **Shares under option**

Unissued ordinary shares of ShareRoot Limited under option at the date of this report are as follows:

| <b>Grant date</b> | <b>Expiry date</b> | <b>Exercise price</b> | <b>Number under option</b> |
|-------------------|--------------------|-----------------------|----------------------------|
| 07/01/2016        | 31/12/2017         | \$0.360               | 55,438,812                 |
| 07/01/2016        | 31/12/2017         | \$0.050               | 21,000,000                 |
| 5/12/2016         | 5/12/2021          | \$0.012               | 7,559,838                  |
| 13/12/2016        | 31/12/2017         | \$0.050               | 14,272,500                 |
| 27/6/2017         | 27/06/2022         | \$0.006               | 9,000,000                  |
| 11/07/2017        | 31/12/2018         | \$0.010               | 22,000,000                 |
| 11/07/2017        | 11/01/2019         | \$0.010               | 89,222,001                 |
|                   |                    |                       | <b>218,493,151</b>         |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

### **Shares issued on the exercise of options**

There were no ordinary shares of ShareRoot Limited issued on the exercise of options during the year ended 30 June 2017 and up to the date of this report.

### **Indemnity and insurance of officers**

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### **Indemnity and insurance of auditor**

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

### **Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

## **Directors' Report**

### **30 June 2017**

#### **Non-audit services**

Details of the amount paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 18 of the financial statement.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 18 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

#### **Officers of the company who are former partners of BDO East Coast Partnership (BDO)**

There are no officers of the company who are former partners of BDO East Coast Partnership (BDO).

#### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

#### **Auditor**

BDO East Coast Partnership (BDO) continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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**Noah Abelson**

31 August 2017

**DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF SHAREROOT LIMITED**

As lead auditor of ShareRoot Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of ShareRoot Limited and the entities it controlled during the period.



Gareth Few

Partner

**BDO East Coast Partnership**

Sydney, 31 August 2017



|                                                                  |    |
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## General information

The financial statements cover ShareRoot Limited as a consolidated entity consisting of ShareRoot Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is ShareRoot Limited's functional and presentation currency.

Shareroot Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Suite 2, Level 10  
70 Phillip Street  
SYDNEY, NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2017. The directors have the power to amend and reissue the financial statements.

Readers please note:

The presentation of these financial statements reflects the accounting required as a result of ShareRoot Limited acquiring ShareRoot Inc, which for accounting purposes, was a reverse acquisition. While ShareRoot Limited remains the parent entity for the consolidated entity, ShareRoot Inc is that parent entity for the purposes of consolidating the financial statements.

Amount shown in Note 21 "Parent entity information" continue to reflect the financial statements of the legal parent, ShareRoot Limited.

## Corporate Governance

The Company's corporate governance statement is available on the company's website [www.shareroot.co](http://www.shareroot.co)

# Statement of profit or loss and other comprehensive income

## For the year ended 30 June 2017

|                                                                                                | Note | Consolidated              |                           |
|------------------------------------------------------------------------------------------------|------|---------------------------|---------------------------|
|                                                                                                |      | 2017                      | 2016                      |
|                                                                                                |      | \$                        | \$                        |
| <b>Revenue</b>                                                                                 | 4    | 188,084                   | 56,037                    |
| Other income                                                                                   | 5    | 38,174                    | 311,797                   |
| <b>Expenses</b>                                                                                |      |                           |                           |
| Employee benefits expense                                                                      | 6    | (1,791,628)               | (1,785,119)               |
| Depreciation and amortisation expense                                                          |      | (28,542)                  | (31,978)                  |
| Loss on sale of Herberton Tin and Baal Gammon Copper                                           |      | -                         | (148,458)                 |
| Listing expenses                                                                               |      | -                         | (1,956,083)               |
| Other expenses                                                                                 |      | -                         | (25,959)                  |
| Finance costs                                                                                  |      | -                         | (230,373)                 |
| Occupancy costs                                                                                | 6    | (113,094)                 | (83,555)                  |
| Administration expenses                                                                        |      | (1,065,522)               | (773,566)                 |
| Consultancy costs                                                                              |      | (337,028)                 | (484,801)                 |
| Corporate compliance and management                                                            |      | (72,829)                  | (45,181)                  |
| Share based payment                                                                            | 6    | <u>(46,018)</u>           | <u>(886,249)</u>          |
| Loss before income tax expense                                                                 |      | (3,228,403)               | (6,083,488)               |
| Income tax expense                                                                             | 7    | <u>-</u>                  | <u>-</u>                  |
| Loss after income tax expense for the year attributable to the owners of ShareRoot Limited     | 14   | (3,228,403)               | (6,083,488)               |
| <b>Other comprehensive income</b>                                                              |      |                           |                           |
| <i>Items that may be reclassified subsequently to profit or loss</i>                           |      |                           |                           |
| Foreign currency translation                                                                   |      | <u>(48,298)</u>           | <u>(303,049)</u>          |
| Other comprehensive income for the year, net of tax                                            |      | <u>(48,298)</u>           | <u>(303,049)</u>          |
| <b>Total comprehensive income for the year attributable to the owners of ShareRoot Limited</b> |      | <b><u>(3,276,701)</u></b> | <b><u>(6,386,537)</u></b> |
|                                                                                                |      | Cents                     | Cents                     |
| Basic earnings per share                                                                       | 25   | (0.81)                    | (2.74)                    |
| Diluted earnings per share                                                                     | 25   | (0.81)                    | (2.74)                    |

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

# Statement of financial position

## As at 30 June 2017

| Assets                        | Note | Consolidated   |                  |
|-------------------------------|------|----------------|------------------|
|                               |      | 2017<br>\$     | 2016<br>\$       |
| Current assets                |      |                |                  |
| Cash and cash equivalents     | 8    | 493,804        | 2,299,174        |
| Trade and other receivables   | 9    | 89,484         | 66,507           |
| Total current assets          |      | 583,288        | 2,365,681        |
| Non-current assets            |      |                |                  |
| Property, plant and equipment |      | 14,845         | 29,454           |
| Intangibles                   |      | 25,200         | 45,103           |
| Other                         |      | 5,448          | -                |
| Total non-current assets      |      | 45,493         | 74,557           |
| <b>Total assets</b>           |      | <b>628,781</b> | <b>2,440,238</b> |
| <b>Liabilities</b>            |      |                |                  |
| Trade and other payables      | 10   | 335,366        | 185,545          |
| Deferred revenue              | 11   | 62,588         | 36,172           |
| Total current liabilities     |      | 397,954        | 221,717          |
| <b>Total liabilities</b>      |      | <b>397,954</b> | <b>221,717</b>   |
| <b>Net assets</b>             |      | <b>230,827</b> | <b>2,218,521</b> |
| Equity                        |      |                |                  |
| Issued capital                | 12   | 9,850,132      | 8,607,143        |
| Reserves                      | 13   | 546,263        | 548,543          |
| Accumulated losses            | 14   | (10,165,568)   | (6,937,165)      |
| <b>Total equity</b>           |      | <b>230,827</b> | <b>2,218,521</b> |

The above statement of financial position should be read in conjunction with the accompanying notes

## Statement of changes in equity For the year ended 30 June 2017

### Consolidated

|                                                              | Issued<br>capital<br>\$ | Reserves<br>\$ | Accumulated<br>losses<br>\$ | Total<br>equity<br>\$ |
|--------------------------------------------------------------|-------------------------|----------------|-----------------------------|-----------------------|
| Balance at 1 July 2015                                       | 32,630                  | (34,657)       | (853,677)                   | (855,704)             |
| Loss after income tax expense for the year                   | -                       | -              | (6,083,488)                 | (6,083,488)           |
| Other comprehensive income for the year, net of tax          | -                       | (303,049)      | -                           | (303,049)             |
| Total comprehensive income for the year                      | -                       | (303,049)      | (6,083,488)                 | (6,386,537)           |
| <i>Transactions with owners in their capacity as owners:</i> |                         |                |                             |                       |
| Shares issued during the year                                | 8,990,052               | -              | -                           | 8,990,052             |
| Costs of issue                                               | (415,539)               | -              | -                           | (415,539)             |
| Options issued to employees                                  | -                       | 12,452         | -                           | 12,452                |
| Share based payments to advisor                              | -                       | 735,000        | -                           | 735,000               |
| Treasury shares issued to employees                          | -                       | 138,797        | -                           | 138,797               |
| <b>Balance at 30 June 2016</b>                               | <b>8,607,143</b>        | <b>548,543</b> | <b>(6,937,165)</b>          | <b>2,218,521</b>      |

### Consolidated

|                                                              | Issued<br>capital<br>\$ | Reserves<br>\$ | Accumulated<br>losses<br>\$ | Total equity<br>\$ |
|--------------------------------------------------------------|-------------------------|----------------|-----------------------------|--------------------|
| Balance at 1 July 2016                                       | 8,607,143               | 548,543        | (6,937,165)                 | 2,218,521          |
| Loss after income tax expense for the year                   | -                       | -              | (3,228,403)                 | (3,228,403)        |
| Other comprehensive income for the year, net of tax          | -                       | (48,298)       | -                           | (48,298)           |
| Total comprehensive income for the year                      | -                       | (48,298)       | (3,228,403)                 | (3,276,701)        |
| <i>Transactions with owners in their capacity as owners:</i> |                         |                |                             |                    |
| Shares issued during the year                                | 1,342,372               | -              | -                           | 1,342,372          |
| Costs of issue                                               | (99,383)                | -              | -                           | (99,383)           |
| Options issued to employees                                  | -                       | 46,018         | -                           | 46,018             |
| <b>Balance at 30 June 2017</b>                               | <b>9,850,132</b>        | <b>546,263</b> | <b>(10,165,568)</b>         | <b>230,827</b>     |

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

## Statement of cash flows

### For the year ended 30 June 2017

|                                                                  | Note | Consolidated<br>2017<br>\$ | 2016<br>\$         |
|------------------------------------------------------------------|------|----------------------------|--------------------|
| <b>Cash flows from operating activities</b>                      |      |                            |                    |
| Receipts from customers (inclusive of GST)                       |      | 251,150                    | 366,799            |
| Payments to suppliers and employees (inclusive of GST)           |      | <u>(3,131,277)</u>         | <u>(3,490,234)</u> |
|                                                                  |      | (2,880,127)                | (3,123,435)        |
| Interest received                                                |      | <u>1,551</u>               | <u>7,162</u>       |
| Net cash used in operating activities                            | 24   | <u>(2,878,576)</u>         | <u>(3,116,273)</u> |
| <b>Cash flows from investing activities</b>                      |      |                            |                    |
| Payment for purchase of subsidiary, net of cash acquired         |      | -                          | 120,047            |
| Payments for plant and equipment                                 |      | -                          | (47,047)           |
| Proceeds from disposal of property, plant and equipment          |      | <u>11,223</u>              | <u>-</u>           |
| Net cash from investing activities                               |      | <u>11,223</u>              | <u>73,000</u>      |
| <b>Cash flows from financing activities</b>                      |      |                            |                    |
| Proceeds from issue of shares                                    | 12   | 1,200,815                  | 5,000,000          |
| Proceeds from borrowings                                         |      | -                          | 698,980            |
| Share issue transaction costs                                    |      | <u>(99,383)</u>            | <u>(415,539)</u>   |
| Net cash from financing activities                               |      | <u>1,101,432</u>           | <u>5,283,441</u>   |
| Net increase/(decrease) in cash and cash equivalents             |      | (1,765,921)                | 2,240,168          |
| Cash and cash equivalents at the beginning of the financial year |      | 2,299,174                  | 176,212            |
| Effects of exchange rate changes on cash and cash equivalents    |      | <u>(39,449)</u>            | <u>(117,206)</u>   |
| Cash and cash equivalents at the end of the financial year       | 8    | <u>493,804</u>             | <u>2,299,174</u>   |

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

***Historical cost convention***

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

***Critical accounting estimates***

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**Going concern**

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The consolidated entity has incurred net losses after tax of \$3,276,701 (2016: \$6,083,488) and net cash outflows from operating of \$2,878,576 (2016: \$3,116,273) for the year ended 30 June 2017, and had working capital of \$247,922 at 30 June 2017.

The directors have prepared cash flow forecasts which indicate that consolidated entity may be required to raise funds to provide additional working capital and to continue to market and further develop its ShareRoot Platform.

These conditions indicate a material uncertainty that may cast a significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

## **Notes to the financial statements**

### **30 June 2017**

#### **Note 1. Significant accounting policies (continued)**

Based on the consolidated entity's cash-flow forecasts and achieving the funding referred to above, the directors are confident that the consolidated entity will be able to continue as a going concern. In particular, the directors are confident in the company's ability to raise the capital mentioned above with the recent success in raising capital \$1 million in July 2017. The directors are also confident they are able to manage discretionary spending to ensure that cash is available to meet debts as and when they fall due.

Should the consolidated entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

#### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

The parent entity disclosure relates to the legal parent entity, ShareRoot Limited.

#### ***Principles of consolidation***

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of ShareRoot Limited ('company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the year then ended. ShareRoot Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

## **Notes to the financial statements**

### **30 June 2017**

#### **Note 1. Significant accounting policies (continued)**

##### ***ShareRoot Inc***

The consolidated entity results is based on reverse acquisition principals which results in the Legal Parent (in this case, ShareRoot Limited being accounted for as the subsidiary, while the Legal Acquiree (in this case, ShareRoot Inc), being accounted for as the parent.

The excess of fair value of the shares owned by the former ShareRoot Limited shareholders and the fair value of the identifiable net assets of ShareRoot Limited immediately prior to the completion of the merger is to be accounted for under "AASB 2: Share-based Payment" (AASB 2) as an expense and was expensed to the statement of profit or loss and other comprehensive income. The net assets of ShareRoot Limited was recorded at fair value at the completion of the acquisition.

##### **Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

##### **Foreign currency translation**

The financial statements are presented in Australian dollars, which is ShareRoot Limited's functional and presentation currency. For the ShareRoot Inc (accounting parent located in United States of America), its functional currency is denominated in US Dollars.

##### ***Foreign currency transactions***

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

##### ***Foreign operations***

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

##### **Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

##### ***Rendering of services***

The consolidated entity primarily generates revenue from sale of its annual subscription services, which enable its customer to access an online platform that allows them to search and source user generated content. The consolidated entity also sells advertising and contesting services that are sold in a one-off basis rather than a subscription model.



## **Notes to the financial statements**

### **30 June 2017**

#### **Note 1. Significant accounting policies (continued)**

The consolidated entity recognises revenue when all of the following criteria are met: amount of revenue can be measured, and it is probable that the economic benefits associated with the transaction will flow to the entity. If collection is not considered probable at the inception of arrangement, the consolidated entity does not recognise revenue until the fee is collected. The consolidated entity recognises subscription revenue over the subscription period (generally 1 year) on a straight line basis. For contracts where the consolidated entity is able to provide advertising services for a specific contract period, advertising revenue is recognised ratably over the advertising term. Contest revenue is recognised when the contest has concluded.

##### ***Interest***

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### ***Other revenue***

Other revenue is recognised when it is received or when the right to receive payment is established.

##### **Deferred revenue**

Deferred revenue includes billings or payments received in advance of revenue recognition and is recognised as the revenue recognition criteria are met. Deferred revenue primarily consists of unearned portion of subscription fees.

##### ***Income tax***

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

## **Notes to the financial statements**

### **30 June 2017**

#### **Note 1. Significant accounting policies (continued)**

##### ***Current and non-current classification***

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

##### ***Cash and cash equivalents***

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

##### ***Trade and other receivables***

Other receivables are recognised at amortised cost, less any provision for impairment.

##### ***Leases***

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

## **Notes to the financial statements**

### **30 June 2017**

#### **Note 1. Significant accounting policies (continued)**

##### **Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

##### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

##### **Employee benefits**

###### ***Defined contribution superannuation expense***

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

###### ***Share-based payments***

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

**Note 1. Significant accounting policies (continued)**

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**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.

**Earnings per share**

***Basic earnings per share***

Basic earnings per share is calculated by dividing the profit attributable to the owners of ShareRoot Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

## **Notes to the financial statements**

### **30 June 2017**

#### **Note 1. Significant accounting policies (continued)**

##### ***Diluted earnings per share***

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

##### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

##### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2017. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

##### ***AASB 15 Revenue from Contracts with Customers***

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

**Note 1. Significant accounting policies (continued)**

For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

***AASB 16 Leases***

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the consolidated entity.

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**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

## Notes to the financial statements

### 30 June 2017

#### Note 2. Critical accounting judgements, estimates and assumptions (continued)

##### *Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

##### *Provision for impairment of receivables*

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

##### *Impairment of non-financial assets*

The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

##### *Income tax*

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

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#### Note 3. Operating segments

##### *Identification of reportable operating segments*

The consolidated entity is organised into a single operating segments being the SaaS platform that allows for brand to instantly search and source User Generated Content for their own marketing purposes.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

All external revenue and non-current assets are primarily held in the United States of America.

**Notes to the financial statements**  
**30 June 2017**

**Note 4. Revenue**

|                                  | <b>Consolidated</b> |             |
|----------------------------------|---------------------|-------------|
|                                  | <b>2017</b>         | <b>2016</b> |
|                                  | <b>\$</b>           | <b>\$</b>   |
| <i>Sales revenue</i>             |                     |             |
| Sales from rendering of services | 169,094             | 56,037      |
| <i>Other revenue</i>             |                     |             |
| Rent                             | 18,9903             | -           |
| Revenue                          | 188,0847            | 56,037      |

**Note 5. Other income**

|                                                       | <b>Consolidated</b> |             |
|-------------------------------------------------------|---------------------|-------------|
|                                                       | <b>2017</b>         | <b>2016</b> |
|                                                       | <b>\$</b>           | <b>\$</b>   |
| Net gain on disposal of property, plant and equipment | 5,253               | -           |
| Exclusivity fee income                                | -                   | 302,174     |
| Interest income                                       | 1,551               | 7,162       |
| Other income                                          | 31,370              | 2,461       |
| Other income                                          | 38,1741             | 311,797     |

**Note 6. Expenses**

|                                                                  | <b>Consolidated</b> |             |
|------------------------------------------------------------------|---------------------|-------------|
|                                                                  | <b>2017</b>         | <b>2016</b> |
|                                                                  | <b>\$</b>           | <b>\$</b>   |
| Loss before income tax includes the following specific expenses: |                     |             |
| <i>Share based payments</i>                                      |                     |             |
| Options issued as part of prospectus to advisor                  | -                   | 735,000     |
| Options issued to employees                                      | 46,018              | 138,797     |
| Options issued to advisor                                        | -                   | 12,452      |
| Total                                                            | 46,018              | 886,249     |
| <i>Rental expense relating to operating leases</i>               |                     |             |
| Minimum lease payments                                           | 113,094             | 100,798     |
| <i>Superannuation expense</i>                                    |                     |             |
| Defined contribution superannuation expense                      | 3,797               | 6,023       |



**Notes to the financial statements**  
**30 June 2017**

**Note 7. Income tax expense**

|                                                                                      | <b>Consolidated</b> |             |
|--------------------------------------------------------------------------------------|---------------------|-------------|
|                                                                                      | <b>2017</b>         | <b>2016</b> |
|                                                                                      | <b>\$</b>           | <b>\$</b>   |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>  |                     |             |
| Loss before income tax expense                                                       | (3,228,403)         | (6,083,488) |
| Tax at the statutory tax rate of 30%                                                 | (968,521)           | (1,825,046) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: |                     |             |
| Share-based payments                                                                 | 13,805              | 265,875     |
| Listing expense                                                                      | -                   | 586,825     |
| Finance costs                                                                        | -                   | 62,281      |
|                                                                                      | (954,716)           | (910,065)   |
| Current year tax losses not recognised                                               | 954,716             | 910,065     |
| Income tax expense                                                                   | -                   | -           |

**Note 8. Current assets - Cash and cash equivalents**

|              | <b>Consolidated</b> |             |
|--------------|---------------------|-------------|
|              | <b>2017</b>         | <b>2016</b> |
|              | <b>\$</b>           | <b>\$</b>   |
| Cash at bank | 493,804             | 2,299,174   |

**Note 9. Current assets - Trade and other receivables**

|                   | <b>Consolidated</b> |             |
|-------------------|---------------------|-------------|
|                   | <b>2017</b>         | <b>2016</b> |
|                   | <b>\$</b>           | <b>\$</b>   |
| Other receivables | 56,917              | 22,292      |
| Deposits          | 32,567              | 25,333      |
| Prepayments       | -                   | 18,882      |
|                   | 89,484              | 66,507      |

**Note 10. Current liabilities - Trade and other payables**

|                             | <b>Consolidated</b> |             |
|-----------------------------|---------------------|-------------|
|                             | <b>2017</b>         | <b>2016</b> |
|                             | <b>\$</b>           | <b>\$</b>   |
| Trade payables              | 41,895              | 74,364      |
| Other payables and accruals | 293,471             | 111,181     |
|                             | 335,366             | 185,545     |

Refer to note 16 for further information on financial instruments.

| <b>Note 11. Non-current liabilities - Deferred revenue</b> | <b>Consolidated</b> |             |
|------------------------------------------------------------|---------------------|-------------|
|                                                            | <b>2017</b>         | <b>2016</b> |
|                                                            | <b>\$</b>           | <b>\$</b>   |
| Deferred revenue                                           | 62,588              | 36,172      |

**Note 12. Equity - Issued capital**

|                              | <b>Consolidated</b> |               | <b>2016</b> |
|------------------------------|---------------------|---------------|-------------|
|                              | <b>2017</b>         | <b>2016</b>   |             |
|                              | <b>Shares</b>       | <b>Shares</b> | <b>\$</b>   |
| Ordinary shares - fully paid | 445,554,422         | 326,870,173   | 9,850,132   |
|                              |                     |               | 8,607,143   |

**Movements in ordinary share capital**

| <b>Details</b>                                                                         | <b>Date</b>  | <b>Shares</b> | <b>\$</b> |
|----------------------------------------------------------------------------------------|--------------|---------------|-----------|
| Balance                                                                                | 1 July 2015  | 50,000,000    | 32,630    |
| Shares issued on settlement of convertible notes                                       |              | 19,647,871    | 576,838   |
| Public offer via prospectus                                                            |              | 100,000,000   | 5,000,000 |
| Shares for acquisition of ShareRoot Limited, deemed consideration on acquisition       |              | 140,000,000   | 2,044,777 |
| Shares issued to ShareRoot Lenders as described in Prospectus                          |              | 30,407,408    | 1,368,333 |
| Shares in ShareRoot on completion of acquisition                                       |              | 40,895,534    | -         |
| Issue of shares to Trust for employee share plan                                       |              | 15,565,147    | -         |
| Exercise of options                                                                    |              | 2,084         | 104       |
| Shareroot Inc shares eliminated on completion of acquisition                           |              | (69,647,871)  | -         |
| Less treasury shares issued during the year                                            |              | (15,565,147)  | -         |
| Less costs of issue during the period                                                  |              | -             | (415,539) |
| Balance                                                                                | 30 June 2016 | 311,305,026   | 8,607,143 |
| Issue of shares to Advisors                                                            |              | 3,129,000     | 78,225    |
| Issue of shares - Placement (September 2016)                                           |              | 45,901,526    | 459,015   |
| Issue of shares - Placement (December 2016)                                            |              | 61,816,667    | 741,800   |
| Allotment of shares under the employee share scheme (transferred from treasury shares) |              | 4,969,876     | -         |
| Share-based payment - Payment to supplier in lieu of cash (June 2017)                  |              | 4,124,185     | 33,332    |
| Share-based payment - Director fees (June 2017)                                        |              | 3,712,871     | 30,000    |
| Share issue costs                                                                      |              | -             | (99,383)  |
| Balance                                                                                | 30 June 2017 | 434,959,151   | 9,850,132 |

## Notes to the financial statements

### 30 June 2017

#### Note 12. Equity - Issued Capital (continued)

##### *Treasury shares*

| Details                                          | Date         | Shares             | \$       |
|--------------------------------------------------|--------------|--------------------|----------|
| Balance                                          | 1 July 2015  | -                  | -        |
| Issue of shares to Trust for employee share plan |              | <u>15,565,147</u>  | <u>-</u> |
| Balance                                          | 30 June 2016 | 15,565,147         | -        |
| Allotment during the year                        |              | <u>(4,969,876)</u> | <u>-</u> |
| Balance                                          | 30 June 2017 | <u>10,595,271</u>  | <u>-</u> |

##### *Options*

| Details                          | Date         | Number             |
|----------------------------------|--------------|--------------------|
| Balance                          | 1 July 2015  | -                  |
| Issue of options during the year |              | 77,618,676         |
| Exercise of options              |              | <u>-2,084</u>      |
| Balance                          | 30 June 2016 | 77,616,592         |
| Issue of options to employees    |              | 11,954,700         |
| Options lapsed during the year   |              | -5,572,642         |
| Issue of options to broker       |              | 14,272,500         |
| Issue of options to director     |              | <u>9,000,000</u>   |
| Balance                          | 30 June 2017 | <u>107,271,150</u> |

##### *Performance rights*

| Details                                                 | Date         | Number             |
|---------------------------------------------------------|--------------|--------------------|
| Balance                                                 | 1 July 2015  | -                  |
| Issue of performance rights to vendors of ShareRoot Inc |              | <u>120,000,000</u> |
| Balance                                                 | 30 June 2016 | <u>120,000,000</u> |
| Balance                                                 | 30 June 2017 | <u>120,000,000</u> |

## Notes to the financial statements

### 30 June 2017

#### Note 12. Equity - Issued Capital (continued)

##### *Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

##### *Treasury shares*

Treasury shares are shares in ShareRoot Limited that are held by the ShareRoot Employee Share Trust for the purposes of issuing shares to employees. Shares issued to employees are recognised on a first-in-first-out basis.

##### *Share buy-back*

There is no current on-market share buy-back.

##### *Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

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#### Note 13. Equity - Reserves

|                          | Consolidated   |                |
|--------------------------|----------------|----------------|
|                          | 2017           | 2016           |
|                          | \$             | \$             |
| Foreign currency reserve | (422,708)      | (374,410)      |
| Share premium reserve    | 735,000        | 735,000        |
| Options reserve          | 233,971        | 187,953        |
|                          | <u>546,263</u> | <u>548,543</u> |

## Notes to the financial statements

### 30 June 2017

#### Note 13. Equity - Reserves (continued)

##### *Foreign currency reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

##### *Options reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration as part of their compensation for services.

##### *Share based payment reserve*

The reserve is used to recognise the value of equity benefits to other parties as part of their compensation for services.

##### *Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

| <b>Consolidated</b>                  | <b>Foreign<br/>exchange<br/>reserve<br/>\$</b> | <b>Share based<br/>payment<br/>reserve<br/>\$</b> | <b>Option<br/>reserve<br/>\$</b> | <b>Total<br/>\$</b> |
|--------------------------------------|------------------------------------------------|---------------------------------------------------|----------------------------------|---------------------|
| Balance at 1 July 2015               | (71,361)                                       | -                                                 | 36,704                           | (34,657)            |
| Foreign currency translation         | (303,049)                                      | -                                                 | -                                | (303,049)           |
| Share based payments during the year | -                                              | 735,000                                           | -                                | 735,000             |
| Options issued during the year       | -                                              | -                                                 | 151,249                          | 151,249             |
| Balance at 30 June 2016              | (374,410)                                      | 735,000                                           | 187,953                          | 548,543             |
| Foreign currency translation         | (48,298)                                       | -                                                 | -                                | (48,298)            |
| Options issued during the year       | -                                              | -                                                 | 46,018                           | 46,018              |
| Balance at 30 June 2017              | (422,708)                                      | 735,000                                           | 233,971                          | 546,263             |

|                                                           | <b>Consolidated</b> |             |
|-----------------------------------------------------------|---------------------|-------------|
| <b>Note 14. Equity - accumulated losses</b>               | <b>2017</b>         | <b>2016</b> |
|                                                           | <b>\$</b>           | <b>\$</b>   |
| Accumulated losses at the beginning of the financial year | (6,937,165)         | (853,677)   |
| Loss after income tax expense for the year                | (3,228,403)         | (6,083,488) |
| Accumulated losses at the end of the financial year       | (10,165,568)        | (6,937,165) |

### **Note 15. Equity - Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

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### **Note 16. Financial instruments**

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

### **Market risk**

#### ***Foreign currency risk***

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. As each of the individual entity within the group primarily transact in their own respective functional currency, foreign currency risk is deemed to be minimal.

#### ***Price risk***

The consolidated entity is not exposed to any significant price risk.

#### ***Interest rate risk***

Interest rate risk is deemed to be minimal as the consolidated entity exposure on interest risk mainly on its cash at bank.

#### ***Credit risk***

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

**Notes to the financial statements**  
**30 June 2017**

**Note 16. Financial instruments (continued)**

ShareRoot/The consolidated entity deemed its credit risk to be minimal as its financial assets are mainly cash held at financial institutions.

***Liquidity risk***

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

***Remaining contractual maturities***

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| <b>Consolidated - 2017</b>  | <b>Weighted<br/>average<br/>interest rate<br/>%</b> | <b>1 year or<br/>less<br/>\$</b> | <b>Between 1<br/>and 2 years<br/>\$</b> | <b>Between 2<br/>and 5 years<br/>\$</b> | <b>Over 5 years<br/>\$</b> | <b>Remaining<br/>contractual<br/>maturities<br/>\$</b> |
|-----------------------------|-----------------------------------------------------|----------------------------------|-----------------------------------------|-----------------------------------------|----------------------------|--------------------------------------------------------|
| <b>Non-derivatives</b>      |                                                     |                                  |                                         |                                         |                            |                                                        |
| <i>Non-interest bearing</i> |                                                     |                                  |                                         |                                         |                            |                                                        |
| Trade payables              | -                                                   | 41,895                           | -                                       | -                                       | -                          | 41,895                                                 |
| Other payables              | -                                                   | 293,471                          | -                                       | -                                       | -                          | 293,471                                                |
| Total non-derivatives       |                                                     | 335,366                          | -                                       | -                                       | -                          | 335,366                                                |

| <b>Consolidated - 2016</b>  | <b>Weighted<br/>average<br/>interest rate<br/>%</b> | <b>1 year or<br/>less<br/>\$</b> | <b>Between 1<br/>and 2 years<br/>\$</b> | <b>Between 2<br/>and 5 years<br/>\$</b> | <b>Over 5 years<br/>\$</b> | <b>Remaining<br/>contractual<br/>maturities<br/>\$</b> |
|-----------------------------|-----------------------------------------------------|----------------------------------|-----------------------------------------|-----------------------------------------|----------------------------|--------------------------------------------------------|
| <b>Non-derivatives</b>      |                                                     |                                  |                                         |                                         |                            |                                                        |
| <i>Non-interest bearing</i> |                                                     |                                  |                                         |                                         |                            |                                                        |
| Trade payables              | -                                                   | 74,364                           | -                                       | -                                       | -                          | 74,364                                                 |
| Other payables              | -                                                   | 64,245                           | -                                       | -                                       | -                          | 64,245                                                 |
| Total non-derivatives       |                                                     | 138,609                          | -                                       | -                                       | -                          | 138,609                                                |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

***Fair value of financial instruments***

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 17. Key management personnel disclosures**

*Directors*

The following persons were directors of ShareRoot Limited during the financial year:

Lee Rodne (Appointed 26 April 2017)  
 Noah Abelson  
 Marc Angelone  
 Andrew Bursill  
 James Allchurch (Resigned 1 September 2016)

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

|                              | <b>Consolidated<br/>2017<br/>\$</b> | <b>2016<br/>\$</b> |
|------------------------------|-------------------------------------|--------------------|
| Short-term employee benefits | 495,404                             | 445,405            |
| Post-employment benefits     | 1,694                               | 990                |
| Share-based payments         | 30,019                              | -                  |
|                              | <u>527,117</u>                      | <u>246,505</u>     |

*Other Transactions with Key Management Personnel*

Company secretarial - provided by Franks & Associates Pty Ltd, an entity associated with Andrew Bursill, on commercial terms and conditions. Bookkeeping services - provided by Aretex Pty Ltd, an entity associated with Andrew Bursill.

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**Note 18. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by BDO East Coast Partnership (BDO), the auditor of the company:

|                                                                                         | <b>Consolidated<br/>2017<br/>\$</b> | <b>2016<br/>\$</b> |
|-----------------------------------------------------------------------------------------|-------------------------------------|--------------------|
| <i>Audit services - BDO East Coast Partnership (BDO) (2016: BDO (Audit) WA Pty Ltd)</i> |                                     |                    |
| Audit or review of the financial statements                                             | 56,500                              | 38,933             |
| <i>Other services - BDO East Coast Partnership (BDO) (2016: BDO (Audit) WA Pty Ltd)</i> |                                     |                    |
| Investigating accountant's report for prospectus                                        | -                                   | 42,636             |
|                                                                                         | <u>56,500</u>                       | <u>81,569</u>      |



## Notes to the financial statements

### 30 June 2017

#### Note 19. Commitments

|                                                                             | Consolidated  |                |
|-----------------------------------------------------------------------------|---------------|----------------|
|                                                                             | 2017          | 2016           |
|                                                                             | \$            | \$             |
| <i>Lease commitments - operating</i>                                        |               |                |
| Committed at the reporting date but not recognised as liabilities, payable: |               |                |
| Within one year                                                             | 20,450        | 132,252        |
| One to five years                                                           | -             | 44,751         |
|                                                                             | <u>20,450</u> | <u>177,003</u> |

#### Note 20. Related party transactions

##### *Parent entity*

Shareroot Limited is the legal parent entity.

For the purposes of consolidating the financial statements, Shareroot Inc is deemed to be the accounting parent entity.

##### *Subsidiaries*

Interests in subsidiaries are set out in note 22.

##### *Key management personnel*

Disclosures relating to key management personnel are set out in note 17 and the remuneration report included in the directors' report.

##### *Transactions with related parties*

The following transactions occurred with related parties:

|                                                                                                                             | Consolidated |        |
|-----------------------------------------------------------------------------------------------------------------------------|--------------|--------|
|                                                                                                                             | 2017         | 2016   |
|                                                                                                                             | \$           | \$     |
| Payment for goods and services:                                                                                             |              |        |
| Payment to Franks & Associates Pty Limited, associated with Andrew Bursill, for accounting and company secretarial services | 117,140      | 58,497 |
| Payment to Aretex Pty Limited, associated with Andrew Bursill, for bookkeeping services                                     | 19,438       | 19,854 |
| Payment to Mainstein Holding Trust, associated with James Allchurch, for consultancy services                               | -            | 55,000 |
| Payment to Leisurewest Consulting Pty Ltd, associated with Gary Steinepreis, for consultancy services                       | -            | 66,000 |

##### *Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

##### *Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

##### *Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

## Notes to the financial statements

### 30 June 2017

#### Note 21. Parent entity information

Set out below is the supplementary information about the parent entity.  
Statement of profit or loss and other comprehensive income

|                                        | Parent       |              |
|----------------------------------------|--------------|--------------|
|                                        | 2017<br>\$   | 2016<br>\$   |
| Loss after income tax                  | (619,104)    | (12,922,110) |
| Total comprehensive income             | (619,104)    | (12,922,110) |
| <i>Statement of financial position</i> |              |              |
|                                        | Parent       |              |
|                                        | 2017<br>\$   | 2016<br>\$   |
| Total current assets                   | 18,140       | 331,382      |
| Total assets                           | 251,993      | 2,296,176    |
| Total current liabilities              | 59,933       | 77,655       |
| Total liabilities                      | 59,933       | 77,655       |
| Equity                                 |              |              |
| Issued capital                         | 28,178,994   | 26,972,294   |
| Share premium reserve                  | 735,000      | 735,000      |
| Options reserve                        | 220,459      | 386,899      |
| Accumulated losses                     | (28,942,393) | (25,875,672) |
| Total equity                           | 192,060      | 2,218,521    |

#### *Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2017 and 30 June 2016.

#### *Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2017 and 30 June 2016.

#### *Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2017 and 30 June 2016.

#### *Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Note 22. Interests in subsidiaries**

(a) Ultimate parent

ShareRoot Limited is the ultimate parent entity and the parent entity of the consolidated entity from a legal perspective. For accounting purposes, ShareRoot Inc is the deemed ultimate parent of the consolidated entity in line with reverse acquisition accounting.

(b) Corporate structure

The legal corporate structure of the consolidated entity is set out below;

| Name                               | Principal place of business /<br>Country of incorporation | Ownership interest |           |
|------------------------------------|-----------------------------------------------------------|--------------------|-----------|
|                                    |                                                           | 2017<br>\$         | 2016<br>% |
| Legal parent<br>ShareRoot Limited  | Australia                                                 |                    |           |
| Legal subsidiaries                 |                                                           |                    |           |
| ShareRoot Inc                      | United States of America                                  | 100.00%            | 100.00%   |
| ShareRoot (Australian Ops) Pty Ltd | Australia                                                 | 100.00%            | 100.00%   |

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**Note 23. Events after the reporting period**

On 5 July 2017, the Company raised \$1.06 million through issue of 177,666,667 new shares (with attached 89,222,001 options (exercisable at \$0.01 expiring 11 January 2019)) at \$0.006 each. The Company also issued 22,000,000 options (exercisable at \$0.01 expiring 31 December 2018) to brokers for services for acting as lead manager and corporate advisor to the placement.

On 28 August 2017, the Company announced that it had completed placement of approximately 43 million shares at \$0.007 each raising approximately \$300,000.

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Notes to the financial statements**  
**30 June 2017**

**Note 24. Reconciliation of loss after income tax to net cash used in operating activities**

|                                                 | <b>Consolidated</b> |                    |
|-------------------------------------------------|---------------------|--------------------|
|                                                 | <b>2017</b>         | <b>2016</b>        |
|                                                 | <b>\$</b>           | <b>\$</b>          |
| Loss after income tax expense for the year      | (3,228,403)         | (6,083,488)        |
| Adjustments for:                                |                     |                    |
| Depreciation and amortisation                   | 28,542              | 31,978             |
| Share-based payments                            | 46,018              | 886,249            |
| Listing expenses                                | -                   | 1,956,083          |
| Other non-cash movement                         | 131,629             | -                  |
| Finance costs (income)                          | (1,551)             | 207,604            |
| Change in operating assets and liabilities:     |                     |                    |
| Increase in trade and other receivables         | (22,977)            | (56,298)           |
| Decrease in prepayment                          | 11,658              | -                  |
| Increase in other non-current assets            | (5,448)             | -                  |
| Increase/(decrease) in trade and other payables | 150,900             | (85,910)           |
| Increase in deferred revenue                    | 26,416              | 27,509             |
| Net cash used in operating activities           | <u>(2,878,576)</u>  | <u>(3,116,273)</u> |

**Note 25. Earnings per share**

|                                                                                           | <b>Consolidated</b> |                    |
|-------------------------------------------------------------------------------------------|---------------------|--------------------|
|                                                                                           | <b>2017</b>         | <b>2016</b>        |
|                                                                                           | <b>\$</b>           | <b>\$</b>          |
| Loss after income tax attributable to the owners of ShareRoot Limited                     | <u>(3,228,403)</u>  | <u>(6,083,488)</u> |
|                                                                                           | <b>Number</b>       | <b>Number</b>      |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | <u>399,320,888</u>  | <u>222,375,999</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>399,320,888</u>  | <u>222,375,999</u> |
|                                                                                           | <b>Cents</b>        | <b>Cents</b>       |
| Basic earnings per share                                                                  | (0.81)              | (2.74)             |
| Diluted earnings per share                                                                | (0.81)              | (2.74)             |

## Notes to the financial statements

### 30 June 2017

#### Note 26. Share-based payments

In August 2016, the Company issued 3,129,000 ordinary shares to advisors for services provided. The shares were issued at a price of \$0.025 each.

In June 2017, the Company issued 7,837,056 ordinary shares to Franks and Associates Pty Ltd, a company associated with Andrew Bursill, in lieu of cash payment for the provision of professional services and director fees provided to the Company. This has been issued at a price of \$0.00808 per share and has been approved by the shareholders at the Extraordinary General Meeting held on 22 June 2017.

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Board of Directors, grant options over ordinary shares in the company to certain personnel of the consolidated entity. Share options are issued at nil consideration.

In addition, options may also be issued to advisers of the Company for example to assist with capital raising activities.

Set out below are summaries of options granted under the plan:

#### 2017

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted           | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|-------------------|-----------|---------------------------|--------------------------------|
| 07/01/2016 | 31/12/2020  | \$0.050        | 21,000,000                       | -                 | -         | -                         | 21,000,000                     |
| 01/04/2016 | 01/04/2021  | \$0.030        | 1,177,780                        | -                 | -         | (1,177,780)               | -                              |
| 05/12/2016 | 05/12/2026  | \$0.120        | -                                | 11,954,700        | -         | (4,394,862)               | 7,559,838                      |
| 13/12/2016 | 31/12/2017  | \$0.000        | -                                | 14,272,500        | -         | -                         | 14,272,500                     |
| 27/06/2017 | 27/06/2022  | \$0.006        | -                                | 9,000,000         | -         | -                         | 9,000,000                      |
|            |             |                | <u>22,177,780</u>                | <u>35,227,200</u> | <u>-</u>  | <u>(5,572,642)</u>        | <u>51,832,338</u>              |

#### 2016

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted           | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|-------------------|-----------|---------------------------|--------------------------------|
| 07/01/2016 | 31/12/2020  | \$0.050        | -                                | 21,000,000        | -         | -                         | 21,000,000                     |
| 01/04/2016 | 01/04/2021  | \$0.030        | -                                | 1,177,780         | -         | -                         | 1,177,780                      |
|            |             |                | <u>-</u>                         | <u>22,177,780</u> | <u>-</u>  | <u>-</u>                  | <u>22,177,780</u>              |

**Notes to the financial statements**  
**30 June 2017**

**Note 26. Share-based payments (continued)**

Set out below are the options exercisable at the end of the financial year:

| Grant date | Expiry date | 2017<br>Number | 2016<br>Number |
|------------|-------------|----------------|----------------|
| 07/01/2006 | 31/12/2020  | 21,000,000     | 21,000,000     |
| 05/12/2016 | 05/12/2026  | 2,291,238      | -              |
| 13/12/2016 | 31/12/2017  | 14,272,500     | -              |
|            |             | 37,563,738     | 21,000,000     |

The exercise price ranges from \$0.006 to \$0.05 (2016 : \$0.03 to \$0.05).

The weighted average of the options remaining life is 4.6 years (2016: 5 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Grant date | Expiry date | Share price<br>at grant<br>date | Exercise<br>price | Expected<br>volatility | Dividend<br>yield | Risk-free<br>interest<br>rate | Fair value<br>at grant<br>date |
|------------|-------------|---------------------------------|-------------------|------------------------|-------------------|-------------------------------|--------------------------------|
| 05/12/2016 | 05/12/2026  | \$0.012                         | \$0.012           | 13.00%                 | -                 | 2.00%                         | \$0.0039                       |
| 13/12/2016 | 31/12/2017  | \$0.012                         | \$0.050           | 13.00%                 | -                 | 2.00%                         | \$0.0000                       |
| 27/06/2017 | 27/06/2020  | \$0.005                         | \$0.006           | 13.00%                 | -                 | 2.00%                         | \$0.0004                       |

**Note 27. Contingent liabilities**

The consolidated entity does not have any contingent liabilities as at 30 June 2017 (2016: nil).

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be a stylized 'M' followed by a long horizontal stroke.

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31 August 2017

## INDEPENDENT AUDITOR'S REPORT

To the members of ShareRoot Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of ShareRoot Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Share-based payments

| <i>Key audit matter</i>                                                                                                                                                                                                                                                                                                                                    | <i>How the matter was addressed in our audit</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>ShareRoot awarded share based payments, in the form of share options, to their advisors and employees as detailed in Note 26.</p> <p>Due to the complex and judgemental estimates used in determining the valuation of the share based payments. We consider the company's calculation of the share based payment expense to be a key audit matter.</p> | <p>Our procedures in relation to the share-based payments included amongst others:</p> <ul style="list-style-type: none"> <li>• Consideration of whether the Group used an appropriate model in valuing the options.</li> <li>• Evaluated management's assumptions used in the calculation including the interest rate, volatility, expected vesting period, and the number of options expected to vest.</li> <li>• Recalculated estimated fair value of the options using a relevant option valuation methodology, and assessed the valuations inputs.</li> <li>• Considered the adequacy of the Group's disclosures in respect of the accounting treatment of share-based payments in the financial statements, including the significant judgements involved, and the accounting policy adopted.</li> </ul> |

### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf)

This description forms part of our auditor's report.

### **Report on the Remuneration Report**

#### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of ShareRoot Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

#### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



BDO East Coast Partnership

*BDO*

*Gareth Few*

Gareth Few  
Partner

Sydney, 31 August 2017

**Shareholder information**  
**30 June 2017**

The shareholder information set out below was applicable as at 9 October 2017.

**ASX Listing Rule 4.10.19**

Share Root Limited has used the cash and assets in a form readily convertible to cash at the time of admission in a way consistent with its business objectives.

**Distribution of Equitable Securities**

Analysis of number of equitable security holders by size of holding:

| Security Class                                                       | 101,000 and over | 10,001 to 100,000 | 5,001 to 10,000 | 1,001 to 5,000 | 1 to 1,000 | Total |
|----------------------------------------------------------------------|------------------|-------------------|-----------------|----------------|------------|-------|
| Number of Holders of Ordinary Shares                                 | 512              | 498               | 88              | 210            | 2,095      | 3,403 |
| Number of Holders of Quoted Options \$0.05 expire 31 December 2017   | 79               | 171               | 18              | 111            | 174        | 553   |
| Number of Holders of Escrowed Shares until 14 January 2018           | 8                | -                 | -               | -              | -          | 8     |
| Number of Holders of Unquoted Options \$0.012 expire 5 December 2026 | 10               | -                 | -               | -              | -          | 10    |
| Number of Holders of Unquoted Options \$0.01 expire 31 December 2018 | 1                | -                 | -               | -              | -          | 1     |
| Number of Holders of Unquoted Options \$0.05 expire 31 December 2020 | 6                | -                 | -               | -              | -          | 6     |
| Number of Holders of Unquoted Options \$0.01 expire 11 January 2019  | 27               | -                 | -               | -              | -          | 27    |
| Number of Holders of Performance Rights - Tranche 1                  | 2                | -                 | -               | -              | -          | 2     |
| Number of Holders of Performance Rights - Tranche 2                  | 2                | -                 | -               | -              | -          | 2     |
| Number of Holders of Performance Rights - Tranche 3                  | 2                | -                 | -               | -              | -          | 2     |
| Number of Holders of Performance Rights - Tranche 4                  | 2                | -                 | -               | -              | -          | 2     |
| <b>Unmarketable Parcel</b>                                           |                  |                   |                 |                |            |       |
| Ordinary shares                                                      | 2743             |                   |                 |                |            |       |
| Listed Options                                                       | 527              |                   |                 |                |            |       |

## Equity Security Holders

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

|              |                                                 | <b>Ordinary Shares</b> |                                 |
|--------------|-------------------------------------------------|------------------------|---------------------------------|
|              |                                                 | <b>Number held</b>     | <b>% of total Shares Issued</b> |
| 1.           | GAVIN JEREMY DUNHILL                            | 28,000,000             | 5.00                            |
| 2.           | MR DAVID VIGOLA <VIGOLO FAMILY A/C>             | 20,000,000             | 3.57                            |
| 2.           | SCINTILLA STRATEGIC INVESTMENTS LIMITED         | 20,000,000             | 3.57                            |
| 3.           | BELLAIRE CAPITAL PTY LTD                        | 13,016,345             | 2.33                            |
| 4.           | MS CHUNYAN NIU                                  | 13,000,000             | 2.32                            |
| 5.           | NOAH ABELSON <SHAREROOT ESS A/C>                | 10,595,271             | 1.89                            |
| 6.           | MR BIN LIU                                      | 10,520,000             | 1.88                            |
| 7.           | MR KONSTANTINOS BAGIARTAKIS                     | 8,150,000              | 1.46                            |
| 8.           | BFD PARTNERSHIP                                 | 7,837,056              | 1.40                            |
| 9.           | CONQUEST MINING LIMITED                         | 6,666,667              | 1.19                            |
| 10.          | DEMASIADO PTY LTD <DEMASIADO FAMILY A/C>        | 6,500,000              | 1.16                            |
| 11.          | NOAH ABELSON                                    | 6,287,254              | 1.12                            |
| 12.          | LEE RODNE                                       | 5,833,334              | 1.04                            |
| 12.          | MARC ANGELONE                                   | 5,833,334              | 1.04                            |
| 13.          | MR MARK ANDREW TKOCZ                            | 5,795,882              | 1.04                            |
| 14.          | BNP PARIBUS NOMINEES PTY LIMITED                | 5,701,864              | 1.02                            |
| 15.          | VENTURE BROS LLP                                | 5,458,581              | 0.98                            |
| 16.          | MR JAMES PETER ALLCHURCH (MANSTEIN HOLDINGS)    | 5,436,667              | 0.97                            |
| 17.          | DEMASIADO PTY LTD <DEMASIADO FAMILY A/C>        | 5,200,000              | 0.93                            |
| 18.          | MGL CORP PTY LTD                                | 5,000,000              | 0.89                            |
| 18.          | MR BAOTANG SHEN                                 | 5,000,000              | 0.89                            |
| 18.          | CONRUL PTY LTD <PASAKOS FAMILY A/C>             | 5,000,000              | 0.89                            |
| 19.          | WILLIAM MITCHELL & DIANE MITCHELL <MITCHELL S/F | 4,578,020              | 0.82                            |
| 20.          | MR ANDREW RICHARD JACKSON BALL                  | 4,233,742              | 0.76                            |
| <b>Total</b> |                                                 | <b>213,644,017</b>     | <b>38.17</b>                    |

**Options over Ordinary Shares  
\$0.05 Quoted**

**Options  
expire  
31/12/2017**

|              |                                           | <b>Number<br/>held</b> | <b>% of total<br/>Options<br/>Issued</b> |
|--------------|-------------------------------------------|------------------------|------------------------------------------|
| 1.           | BELLAIRE CAPITAL PTY LTD                  | 7,486,667              | 10.74                                    |
| 2.           | MR KONSTANTINOS BAGIARTAKIS               | 5,328,859              | 7.64                                     |
| 3.           | DEMASIADO PTY LTD <DEMASIADO FAMILY A/C>  | 4,114,833              | 5.90                                     |
| 4.           | MR STEPHEN RAY BLAIR                      | 3,350,000              | 4.81                                     |
| 5.           | BNZ CORPORATION PTY LTD                   | 3,158,668              | 4.53                                     |
| 6.           | ASHLEY V. MOGENSEN & MICHELLE D. MOGENSEN | 3,085,467              | 4.43                                     |
| 7.           | NAIL BITER PTY LTD                        | 3,055,556              | 4.38                                     |
| 8.           | MR JAGAN MOHAN REDDY GUNREDDY             | 3,000,000              | 4.30                                     |
| 9.           | MR KUMARAN APPADURI                       | 1,873,823              | 2.69                                     |
| 10.          | CITICORP NOMINEES PTY LIMITED             | 1,859,960              | 2.67                                     |
| 11.          | CS FOURTH NOMINEES PTY LIMITED            | 1,500,000              | 2.15                                     |
| 12.          | MR NICHOLAS CHISELETT                     | 1,000,000              | 1.43                                     |
| 12.          | MR JASON JOHN STEPHENS                    | 1,000,000              | 1.43                                     |
| 12.          | BNZ CORPORATION PTY LTD                   | 1,000,000              | 1.43                                     |
| 13.          | ARISTOTLE CATERING SERVICES PTY LTD       | 900,000                | 1.29                                     |
| 14.          | MR JOHN JOSEPH GORMAN                     | 800,000                | 1.15                                     |
| 15.          | MR ANTONY WILLIAM ROBERTSON               | 738,111                | 1.06                                     |
| 16.          | MR JAMES PETER ALLCHURCH                  | 685,000                | 0.98                                     |
| 17.          | MS CORRINE SINGER                         | 656,667                | 0.94                                     |
| 18.          | HELMET NOMINEES PTY LTD                   | 609,059                | 0.87                                     |
| 19.          | ROWAN HALL PTY LTD                        | 580,000                | 0.83                                     |
| 20.          | MR RYAN KAINE DODGSHUN                    | 536,265                | 0.77                                     |
| <b>Total</b> |                                           | <b>46,318,935</b>      | <b>66.44</b>                             |

## Shareholder information

### 30 June 2017

#### Unquoted Equity Securities

|                                                 | Number on Issue | Number of holders |
|-------------------------------------------------|-----------------|-------------------|
| ESCROWED SHARES UNTIL 14 JANUARY 2018           | 108,250,429     | 8                 |
| \$0.05 UNLISTED OPTIONS EXPIRY 27 JUNE 2022     | 9,000,000       | 1                 |
| \$0.012 UNLISTED OPTIONS EXPIRY 5 DECEMBER 2026 | 9,064,700       | 10                |
| \$0.05 UNLISTED OPTIONS EXPIRY 31 DECEMBER 2020 | 21,000,000      | 6                 |
| \$0.01 UNLISTED OPTIONS EXPIRY 11 JANUARY 2019  | 89,222,001      | 27                |
| \$0.01 UNLISTED OPTIONS EXPIRY 31 DECEMBER 2018 | 22,000,000      | 1                 |
| PERFORMANCE RIGHTS – TRANCHE 1                  | 30,000,000      | 2                 |
| PERFORMANCE RIGHTS – TRANCHE 2                  | 30,000,000      | 2                 |
| PERFORMANCE RIGHTS – TRANCHE 3                  | 30,000,000      | 2                 |
| PERFORMANCE RIGHTS – TRANCHE 4                  | 30,000,000      | 2                 |

#### The following persons holds 20% or more of unquoted equity securities:

| Name                        | Class                                           | Number held |
|-----------------------------|-------------------------------------------------|-------------|
| NOAH ABELSON                | ESCROWED SHARES UNTIL 14 JANUARY 2018           | 49,118,821  |
| MARC ANGELONE               | ESCROWED SHARES UNTIL 14 JANUARY 2018           | 49,118,821  |
| NOAH ABELSON                | PERFORMANCE RIGHTS – TRANCHE 1                  | 15,000,000  |
| MARC ANGELONE               | PERFORMANCE RIGHTS – TRANCHE 1                  | 15,000,000  |
| NOAH ABELSON                | PERFORMANCE RIGHTS – TRANCHE 2                  | 15,000,000  |
| MARC ANGELONE               | PERFORMANCE RIGHTS – TRANCHE 2                  | 15,000,000  |
| NOAH ABELSON                | PERFORMANCE RIGHTS – TRANCHE 3                  | 15,000,000  |
| MARC ANGELONE               | PERFORMANCE RIGHTS – TRANCHE 3                  | 15,000,000  |
| NOAH ABELSON                | PERFORMANCE RIGHTS – TRANCHE 4                  | 15,000,000  |
| MARC ANGELONE               | PERFORMANCE RIGHTS – TRANCHE 4                  | 9,000,000   |
| LEE RODNE                   | \$0.006 UNLISTED OPTIONS EXPIRY 27 JUNE 2022    | 22,000,000  |
| BELLAIRE CAPITAL PTY LTD    | \$0.01 UNLISTED OPTIONS EXPIRY 31 DECEMBER 2018 | 14,000,000  |
| FOSTER STOCKBROKING PTY LTD | \$0.05 UNLISTED OPTIONS EXPIRY 31 DECEMBER 2020 |             |

#### Substantial Holders

Substantial holders in the company are set out below:

|               | Ordinary Shares<br>Number Held |
|---------------|--------------------------------|
| NOAH ABELSON  | 55,639,715                     |
| MARC ANGELONE | 54,952,155                     |

**Shareholder information**  
**30 June 2017**

**Voting rights**

Voting rights are as set out below:

*Ordinary shares*

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 upon a poll each share shall have one vote.

*Options*

All quoted and unquoted options do not carry any voting rights.

**ASX Listing Rule 3.13.1 and 14.3**

The Annual General Meeting is scheduled to be held on 9 November 2017.



# Corporate Directory

## Directors

Noah Abelson  
Marc Angelone  
Lee Rodne (appointed 18 April 2017)  
Peter McLennan (appointed 31 July 2017)  
Andrew Bursill (resigned 31 July 2017)

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## Company Secretary

Andrew Bursill

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## Registered Office

c/o Franks & Associates Pty Ltd  
Suite 2 Level 10  
70 Phillip Street  
Sydney NSW 2000

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## Share Register

Automic Pty Limited  
Level 3  
50 Holt Street  
Sydney NSW 2010

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## Auditors

BDO  
Level 11, 1 Margaret Street  
Sydney, NSW 2000

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## Solicitors

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

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## Bankers

National Australian Bank  
50 St. George Terrace  
Perth, WA 6000

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## Stock Exchange Listing

ShareRoot Limited shares are listed on the Australian Securities Exchange (ASX code: SRO)

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## Website

<http://www.shareroot.co/>

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ShareRoot Limited

ABN 71 063 144 865

ASX: SRO

[www.shareroot.co](http://www.shareroot.co)