

18



Annual Report 2018



| | |
|------------------------------------------------------------|----|
| CHAIRMAN'S LETTER | 2 |
| CHIEF EXECUTIVE OFFICER'S REPORT | 4 |
| DIRECTOR'S REPORT | 8 |
| DECLARATION OF INDEPENDENCE | 20 |
| STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | 22 |
| STATEMENT OF FINANCIAL POSITION | 23 |
| STATEMENT OF CHANGES IN EQUITY | 24 |
| STATEMENT OF CASH FLOWS | 25 |
| NOTES TO THE FINANCIAL STATEMENTS | 27 |
| DIRECTORS' DECLARATION | 54 |
| INDEPENDENT AUDITOR'S REPORT | 55 |
| SHAREHOLDER INFORMATION | 60 |
| CORPORATE DIRECTORY | 64 |





CHAIRMAN'S LETTER

**“with annual revenue up over 350% this year
which reflects the potential of SROs platform”**

Dear Fellow Shareholders,

I am pleased to present this Annual Report for ShareRoot Limited (ShareRoot) for the year ending 30 June 2018, a year in which we laid the foundation to transform the Company into an emerging digital marketer with the very “Best of Breed” consumer data and privacy practices.

ShareRoot is well-positioned to capitalise on this large market opportunity following the implementation of key strategies and investments, and the strengthening and diversification of our operations. The CEO provides a more detailed overview of this progress and the benefits that our growth initiatives are now starting to deliver.

The Company strengthened its capabilities and customer offerings with its acquisition of The Social Science (TSS) in April 2018. TSS is a growing and profitable media and digital marketing agency that strengthens ShareRoot’s capabilities in providing compliant social media management services, content creation, thought leadership, advisory services on compliant data, social engagement and privacy practices within the STEM and Health Sciences sectors.

TSS was co-founded by Michelle Gallaher who was awarded Victorian Business Woman of the Year and Victorian Entrepreneur of the Year at the 2017 Telstra Business Women’s Awards. Michelle has considerable knowledge of the social media and digital marketing sector and considerably strengthens the ShareRoot Management team and capabilities. The Company also secured high-end partnerships with some of the world’s larger social media sites for ShareRoot’s proprietary User Generated Content Platform (UGC), which gave us a much stronger foothold in the ad tech and social media markets.

Furthermore, the Company projected an increase in revenues, clients and new users in last year’s Annual Report, and pleasingly, we have delivered on these metrics with annual revenue up over 350% this year which reflects the potential of ShareRoot’s platforms and services.

ShareRoot is well placed to continue this upward trajectory with its upcoming launch of MediaConsent and as the UGC revenue base grows together with other exciting product initiatives, we expect ongoing growth over the next 12 months.

I would like to commend the efforts of CEO Noah Abelson-Gertler and his team for their hard work and dedication during a transformational period for the Company. This year, we have added new businesses and operating divisions to ShareRoot through organic growth and M&A activities. These initiatives have strengthened our talent pool, capabilities and customer offerings across social and digital marketing segments. We welcome these new team members to ShareRoot.

We look forward to building on the strong platforms that we have created. The Board will continue to support and challenge its management team on its growth strategies and initiatives, and ensuring the efficient deployment of resources and funds are in the best interests of shareholders. FY2018 presented several consolidation and growth opportunities and we look forward to another encouraging year under the leadership of our CEO and his management team.

On behalf of the Board and management, I also want to thank shareholders for their ongoing commitment and support.



Lee Rodne
Non-Executive Chairman



CHIEF EXECUTIVE OFFICER'S REPORT

“positioning the Company as an early-mover that can capitalise on the consumer data and privacy market which is expected to be a US\$14.5 billion market by 2021”

Dear Fellow Shareholders,

In Financial Year 2018 ShareRoot Limited (ShareRoot) has made considerable progress strengthening and diversifying the Company's operations and setting a strong platform for continued growth and a transformational 2019.

Our objective is very clear - positioning the Company as an early-mover that can capitalise on the consumer data and privacy market which is expected to be a US\$14.5¹ billion market by 2021. Considerable progress has been made during the year with multiple milestones delivered.

The launch of MediaConsent's Beta program

MediaConsent is ShareRoot's new platform that was announced in November 2017. The platform allows companies to be compliant with new digital privacy regulations that are being implemented globally. These regulations allow consumers to control how they are being tracked and marketed to online. MediaConsent is an early-mover in this rapidly growing industry that has emerged due to the growing need for compliant marketing practices and the protection of consumer data and privacy.

ShareRoot has now initiated the launch of MediaConsent's Beta program to its international advisors' board, made up of experts with considerable international privacy and marketing experience.

The initial Beta launch to global advisors was dedicated to using all features and functionality of the platform so the advisory panel can provide their feedback and recommendations to our development and marketing teams ahead of releasing to Beta and Pilot customers. This will ensure that the platform is positioned to solve all of the issues and concerns of multinational businesses as they strive to comply with new data privacy and identity management regulations being put in place throughout the world. It is putting the consumer back in control with respect to their online privacy and the products and services they to which they are exposed.

Acquisition of The Social Science

ShareRoot completed the acquisition of The Social Science (TSS) on 9 April 2018 and the management team have been focused on its integration into ShareRoot, implementing business efficiencies and a foundation for further growth. As a result of these initiatives, TSS has performed ahead of expectations, doubling the number of client retainer accounts since the acquisition.

TSS' capabilities and services complement the existing SRO business and include providing compliant data and social management services, content creation, thought leadership, advisory services on compliant data, social engagement, and privacy practices. This has been an outstanding acquisition and TSS is benefiting from cross-selling a broader range of services.

User Generated Content Platform development complete

The Group completed the development roadmap for its User Generated Content (UGC) Platform at the beginning of May 2018. From that time, the UGC platform has traded as a profitable, standalone business unit. ShareRoot will continue to drive renewals and upsells from its impressive client base which include Johnson and Johnson, Singapore Tourism Board, and Costco to name a few. New business inquiries and partnerships and user growth, which was above 668,000 by the end of the June quarter, were also pleasing developments for the year.

¹ Marketsandmarkets.com 2016

Continuing to invest in top talent

Based on shared vision for the future direction of the marketing sector, ShareRoot was pleased to have attracted seasoned social media executive, Jason Weaver to the Company in July 2017. Jason has been an excellent addition to our senior ranks and has been overseeing the development of MediaConsent.

Jason brings an enviable track record as a successful social media entrepreneur having raised over US\$50m in social media technology funding. Jason grew social media marketing company Shoutlet to +130 member team before it was acquired by Spreadfast, a US social media marketing software company.

This investment in top talent is paying off for ShareRoot and helping the Company capitalise on its broader product suite.

Partnerships with the World's leading social media sites

In late 2017, ShareRoot launched integrations with Facebook, Instagram, and Snapchat's Ads Managers, which enabled clients to use photos and videos obtained from the Group's UGC platform directly into Snapchat, Facebook, and Instagram Ads Manager.

The new integrations further built the Group's relationship with Facebook and signaled its first partnership integrations with Instagram, and Snapchat. The interoperability with Snapchat, Facebook and Instagram Ad Managers further advanced the Group's push into the lucrative social media and ad tech markets in FY 2018.

ShareRoot also secured its first UGC video content agency partner, as a result of the superior search functionality which continues to improve the Company's UGC platform as part of the now completed development and rollout strategy. The partner, Jukin Media, has provided video content to household-name media brands and global television networks including NBC, Fox, MTV, BBC, CNN and popular daytime talk show Ellen. This partnership along with others will result in increased exposure and sales for The Group's UGC platform without adding expenses to its bottom line.

Appointment of DigitalX as Blockchain advisors

DigitalX is a Blockchain technology consultancy company with offices in Perth and New York. It provides ICO advisory services, Blockchain consulting services and Blockchain related software development services to deliver innovative products to global markets.

The Group engaged DigitalX with the aim of introducing a suitable, high quality Blockchain solution that can be incorporated into ShareRoot's platforms and services. This includes the potential to incorporate Blockchain data storage technology into MediaConsent, the UGC platform as well as future partnerships and collaborations. The introduction of Blockchain technology has the potential to add another layer of legal protection to all of ShareRoot's platforms and services.

Establishment of ShareRoot's Advisory Board

As ShareRoot's operations expand, the Board took the decision to establish an Advisory Board that has the necessary global sector experience to help guide the Board and the Management Team on its strategies and growth initiatives.

Members of the Advisory Board include Dr. Paul-Olivier Dehaye who has become one of the leading global experts on personal data through testifying to the UK Parliament on the Cambridge Analytica/Facebook scandal; Kirsten Daru, Chief Privacy Officer from Electronic Arts (EA); Chris Ciavarrá, former SVP, Head of Marketing for Cracker Barrel Old Country Store, Inc.; Ari Scharg, Founder of the Digital Privacy Alliance; and prominent class action attorney, and EU Parliament member and serial technology entrepreneur, Antonas Guoga.

The Advisory Board continues to provide excellent support to ShareRoot and their involvement is helping the Company strengthen its product and service offerings.

Record Highs in revenue receipts from customers, and UGC user growth

Underpinning all these milestones is ShareRoot's improving financial performance and user growth. Total booked revenue was well above \$1m AUD, for the year, while receipts from customers was up 350% annually to \$450,000 AUD driven by a very solid final June quarter. While our underlying operations contributed, additional revenue from TSS was also a factor.

UGC user numbers continue to growth and exceeded 668,000 users as at 30 June 2018. We expect both revenue and user growth will reflect this in continuing to track up in the first quarter of FY2019.

Achieving global exposure in the consumer data and privacy sector is our goal

ShareRoot's public profile as a credible authority on data breaches and online privacy is now emerging and the Company expects that this profile will deliver lasting commercial benefits.

ShareRoot's executives have been highly sought after for comment across a broad range of technology and business publications and channels, and at various conferences globally. The Company will continue to harness such opportunities so as to enhance the Company's brand and corporate reputation in the consumer data and privacy market.

Outlook

ShareRoot is well positioned to become a leader in the protection of consumer data and privacy through compliant digital marketing campaigns and technology platforms. Adding TSS is a significant building block, complementing ShareRoot's existing offerings, as well as delivering scale to both operations.

The launch of the MediaConsent platform is a pivotal growth driver for ShareRoot, as it maintains the Company's early-mover status for what is a massive market opportunity for consumer data and privacy.

We are looking forward to capitalising on the milestones of 2018 to ensure that 2019 is indeed a transformational year for ShareRoot and its shareholders. I join the Chairman in thanking you for your ongoing support for the Company.



Noah Abelson-Gertler

Chief Executive Officer and Managing Director
ShareRoot Limited

DIRECTOR'S REPORT



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 2018.

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)
Noah Abelson-Gertler
Marc Angelone (Resigned 20 April 2018)
Peter McLennan (Appointed 31 July 2017)
Andrew Bursill (Resigned 31 July 2017)

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 changes 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

Revenue for the financial year reached \$390,956 which represented over a 100% growth from the previous financial year. The overall loss for the consolidated entity after providing for income tax amounted to \$3,035,627 (30 June 2017: \$3,228,403).

Operational Progress

ShareRoot's results for the financial year ending 30 June 2018 reflect continued growth and improvements over the previous 12 month period. During the financial year, the Company continued to grow its revenue in the UGC space while building its MediaConsent platform to provide protection for both consumers and companies across digital marketing and data privacy.

The Company further invested in its MediaConsent platform during the financial year. MediaConsent expands the Company's UGC product offering and places it in the multi-billion dollar digital marketing consent market also known as Customer Identity and Access Management (CIAM). MediaConsent is designed to enable consumers to protect their personal data and specify how and when they are interacted with by companies and marketing agencies. MediaConsent is also designed to enable companies to comply with new data privacy laws and regulations that are being implemented globally.

MediaConsent is ShareRoot's new platform that allows companies to be compliant with new digital privacy laws and regulations that are being implemented globally and to allow consumers and individuals to control how they're being tracked and marketed to by companies.

The Company was able to attract data privacy and marketing experts to its MediaConsent advisory board and expects MediaConsent to contribute to this financial year's revenue and profitability growth.

ShareRoot completed its acquisition of the social media specialist agency The Social Science (TSS) on 9 April 2018 and successfully completed its integration into ShareRoot during the June quarter. TSS' capabilities and services complement the existing SRO business and includes providing compliant data and social media management services, content creation, thought leadership, advisory services on compliant data, social engagement and privacy practices.

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

On 24 July 2018, the Company announced that it has appointed Mr Antanas 'Tony' Guoga, better known as Tony G, to its advisory board. Mr Guoga and sophisticated and professional investors in his network have made a strategic investment of \$0.5M into the company. Mr Guoga brings extensive experience across technology companies and recent European GDPR legislation.

No other matter or circumstance has arisen since 30 June 2018 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

ShareRoot's public profile as a credible authority on data breaches and online privacy is now emerging and the Company expects that this profile will deliver lasting commercial benefits.

ShareRoot is well positioned to become a leader in the protection of consumer data and privacy through compliant digital marketing campaigns and technology platforms.

The launch of the MediaConsent platform is a pivotal growth driver for ShareRoot, as it maintains the Company's early-mover status for what is a massive market opportunity for consumer data and privacy.

The acquisition of The Social Science (TSS) on 9 April 2018 was a significant building block, complementing ShareRoot's existing offerings, as well as delivering scale to both operations. TSS' capabilities and services complement the existing SRO business and include providing compliant data and social management services, content creation, thought leadership, advisory services on compliant data, social engagement, and privacy practices. This has been an outstanding acquisition and TSS is benefiting from cross-selling a broader range of services.

We are looking forward to capitalising on the milestones of 2018 to ensure that 2019 is a transformational year for ShareRoot.

Environmental regulation

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

Information on directors

| | |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name: | Lee Rodne |
| 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&A, capital raisings, sales, and commercialising new technology-based initiatives.</p> <p>Previously, 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): | Admedus Limited |
| Interests in shares: | 9,333,335 |
| Interests in options: | 11,916,666 |

| | |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name: | Noah Abelson-Gertler |
| Title: | Chief Executive Officer and Managing Director |
| Experience and expertise: | <p>Mr Abelson-Gertler holds a Bachelor of Arts degree in Psychology from the University of Maryland.</p> <p>Mr Abelson-Gertler is Chief Executive Officer of ShareRoot and is responsible for executing ShareRoot's strategic development plan.</p> <p>Mr Abelson-Gertler has previous management experience in new products and has launched a vitamin supplement company.</p> <p>Mr Abelson-Gertler 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.</p> |
| Other current directorships: | N/A |
| Former directorships (last 3 years): | N/A |
| Interests in shares: | 55,406,075 |
| Interests in options: | 2,916,666 |
| Interests in rights: | 45,000,000 performance rights |

Name: **Marc Angelone** (Resigned 20 April 2018)
Title: Executive Director and Chief Technical Officer
Experience and expertise: Mr Angelone has a Master 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 front-end, 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 NYSE.

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 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.

Other current directorships: N/A
Former directorships (last 3 years): N/A
Interests in shares: 54,952,155 (at date of resignation)
Interests in options: 2,916,666 (at date of resignation)

Name: **Peter McLennan** (Appointed 31 July 2017)
Title: Non-Executive Director
Experience and expertise: Peter McLennan has over 20 years' experience in financial services and technology in Australia and the UK working for some of world's leading companies in those sectors. Peter is the founder of FitzRoy Capital a corporate financial advisory business. He is also a cofounder of WG Partners LP, a life sciences sector specialist financial advisor.

In 2010 Peter was a founding shareholder in York Potash now Sirius Minerals which is now a FTSE250 company. Previously he was a Principal at investment bank Piper Jaffray in London. Peter commenced his career at IBM, eventually taking leadership roles in managing some of IBM's largest clients in Europe and Australia.

Other current directorships: N/A
Former directorships (last 3 years): N/A
Interests in shares: 2,000,000
Interests in options: 11,000,000

| | |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name: | Andrew Bursill (Resigned 31 July 2017) |
| Title: | Non-Executive Director |
| Experience and expertise: | Andrew Bursill has 19 years of experience as CFO of ASX listed, public and private companies in tech, biotech, medical devices, mining and VC. 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 – a provider of outsourced CFO and Company Secretarial services, where he has participated in numerous successful IPOs and backdoor listings. Andrew is a member of the Chartered Accountants Australia and New Zealand. |
| 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) |

'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

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each director were:

| | Full Board | |
|----------------------|------------|------|
| | Attended | Held |
| Noah Abelson-Gertler | 5 | 5 |
| Marc Angelone | 4 | 4 |
| Andrew Bursill | 1 | 1 |
| Lee Rodne | 5 | 5 |
| Peter McLennan | 4 | 4 |

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 information
- 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 complimentary 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.

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.

Voting and comments made at the Company's 2017 Annual General Meeting ('AGM')

At the 2017 AGM, more than 75% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2017. 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:

- Lee Rodne
- Noah Abelson-Gertler
- Marc Angelone (Resigned 20 April 2018)
- Peter McLennan (Appointed 31 July 2017)
- Andrew Bursill (Resigned 31 July 2017)

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

| | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | | Total |
|---------------------------------|----------------------------|------------------|--------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|----------------|
| | Cash salary and fees \$ | Cash bonus \$ | Non-monetary \$ | Super-annuation \$ | Long service leave \$ | Equity-settled shares \$ | Equity-settled option \$ | |
| 2018 | | | | | | | | |
| <i>Non-Executive Directors:</i> | | | | | | | | |
| Lee Rodne | 93,000 | - | - | 8,835 | - | - | 26,775 | 128,610 |
| Peter McLennan * | 40,000 | - | - | - | - | - | 20,167 | 60,167 |
| <i>Executive Directors:</i> | | | | | | | | |
| Noah Abelson-Gertler | 232,138 | - | - | - | - | - | - | 232,138 |
| Marc Angelone ** | 193,449 | - | - | - | - | - | - | 193,449 |
| | <u>558,587</u> | <u>-</u> | <u>-</u> | <u>8,835</u> | <u>-</u> | <u>-</u> | <u>46,942</u> | <u>614,364</u> |

* Appointed 31 July 2017

** Resigned 20 April 2018

Andrew Bursill, a non-executive director and company secretary, is also an associate of Franks & Associates Pty Ltd and a director for Aretex Pty Ltd who provide 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.

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

* Resigned 1 September 2016

** Resigned 31 July 2017

*** Appointed 26 April 2017

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

| Name | Fixed remuneration | | At risk - STI | | At risk - LTI | |
|---------------------------------|--------------------|------|---------------|------|---------------|------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| <i>Non-Executive Directors:</i> | | | | | | |
| James Allchurch * | - | 100% | - | - | - | - |
| Andrew Bursill ** | - | - | - | - | - | 100% |
| Lee Rodne *** | 79% | 99% | - | - | 21% | 1% |
| Peter McLennan**** | 66% | - | - | - | 34% | - |
| <i>Executive Directors:</i> | | | | | | |
| Noah Abelson-Gertler | 100% | 100% | - | - | - | - |
| Marc Angelone ***** | 100% | 100% | - | - | - | - |

* Resigned 1 September 2016

** Resigned 31 July 2017

*** Appointed 26 April 2017

**** Appointed 31 July 2017

***** Resigned 20 April 2018

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-Gertler**
Title: Managing Director and Chief Executive 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 Abelson-Gertler 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-Gertler may terminate the Director Service Agreement without cause by giving the other party six months' notice.

Name: **Marc Angelone** (Resigned 20 April 2018)
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 six months' notice.

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

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2018.

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 | \$0.0049 |
| Peter McLennan** | 11,000,000 | 9 November 2017 | | 10 November 2022 | \$0.005 | \$0.0047 |

* 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.

** Approved in the AGM on 9 November 2017.

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 2018.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2018 are summarised below:

| | 2018 \$ | 2017 \$ | 2016 \$ | 2015* \$ | 2014* \$ |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| Sales revenue | 390,956 | 169,094 | 56,037 | - | - |
| Loss after income tax | (3,035,627) | (3,228,403) | (6,083,488) | (4,476,738) | (2,666,040) |

* operating as Monto Minerals Limited

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

| | 2018 | 2017 | 2016 | 2015* | 2014* |
|----------------------------------------------|--------|--------|--------|--------|--------|
| Share price at financial year end (\$) | 0.01 | 0.01 | 0.04 | 0.04 | 0.10 |
| Basic earnings per share (cents per share) | (0.33) | (0.81) | (2.74) | (0.58) | (0.20) |
| Diluted earnings per share (cents per share) | (0.33) | (0.81) | (2.74) | (0.58) | (0.20) |

* Operating as Monto Minerals Limited

Additional disclosures relating to key management personnel

Shareholding

The number of 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 start of the year | Received as part of remuneration | Additions | Disposals/ Other | Balance at the end of the year |
|-------------------------------------------|----------------------------------------|----------------------------------------|------------|---------------------|--------------------------------------|
| <i>Ordinary shares</i> | | | | | |
| Noah Abelson-Gertler | 49,572,741 | - | 5,833,334 | - | 55,406,075 |
| Marc Angelone (resigned 20 April 2018) ** | 49,118,821 | - | 5,833,334 | (54,952,155) | - |
| Andrew Bursill ** (resigned 31 July 2017) | 8,337,056 | - | - | (8,337,056) | - |
| Lee Rodne | - | - | 9,333,335 | - | 9,333,335 |
| Peter McLennan (appointed 31 July 2017) | - | - | 2,000,000 | - | 2,000,000 |
| | 107,028,618 | - | 23,000,003 | (63,289,211) | 66,739,410 |

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

** Resigned 20 April 2018, the amount in "other" represents his balance at date of resignation

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:

| | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ Other | Balance at the end of the year |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------|------------|-----------|---------------------------------|--------------------------------------|
| <i>Options over ordinary shares</i> | | | | | |
| Noah Abelson-Gertler | - | 2,916,666 | - | - | 2,916,666 |
| Marc Angelone (resigned 20 April 2018, the amount in "other" represents his balance at date of resignation) | - | 2,916,666 | - | (2,916,666) | - |
| Lee Rodne (appointed 26 April 2017) | 9,000,000 | 2,916,666 | - | - | 11,916,666 |
| Peter McLennan (appointed 31 July 2017) | - | 11,000,000 | - | - | 11,000,000 |
| | 9,000,000 | 19,749,998 | - | (2,916,666) | 25,833,332 |

| | Vested options | Unvested options | Balance at the end of the year |
|-------------------------------------|-------------------|---------------------|--------------------------------------|
| <i>Options over ordinary shares</i> | | | |
| Noah Abelson-Gertler | 2,916,666 | - | 2,916,666 |
| Lee Rodne | 2,916,666 | 9,000,000 | 11,916,666 |
| Peter McLennan | - | 11,000,000 | 11,000,000 |
| | 5,833,332 | 20,000,000 | 25,833,332 |

Performance rights holding

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 start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|------------------------------------------------|----------------------------------------|----------|-----------|---------------------------------|--------------------------------------|
| <i>Performance rights over ordinary shares</i> | | | | | |
| Noah Abelson-Gertler | 60,000,000 | - | - | (15,000,000) | 45,000,000 |
| Marc Angelone (resigned 20 April 2018) * | 60,000,000 | - | - | (60,000,000) | - |
| | <u>120,000,000</u> | <u>-</u> | <u>-</u> | <u>(75,000,000)</u> | <u>45,000,000</u> |

* The amount in "other" for Marc Angelone is made up of 15,000,000 lapsed performance rights and 45,000,000 representing his balance at date of resignation.

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 2018 was \$93,913 (2017 : \$117,140).

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 2018 was \$19,327 (2017: \$19,438).

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:

| Grant date | Expiry date | Exercise price | Number under option |
|------------|-------------|----------------|---------------------|
| 14/01/2016 | 31/12/2020 | \$0.050 | 21,000,000 |
| 05/12/2016 | 05/12/2026 | \$0.012 | 4,248,000 |
| 27/06/2017 | 27/06/2022 | \$0.006 | 9,000,000 |
| 11/07/2017 | 11/01/2019 | \$0.010 | 89,222,001 |
| 11/07/2017 | 31/12/2018 | \$0.010 | 22,000,000 |
| 09/11/2017 | 09/11/2022 | \$0.005 | 11,000,000 |
| 21/02/2018 | 05/06/2022 | \$0.007 | 8,000,000 |
| 21/02/2018 | 20/02/2023 | \$0.005 | 3,000,000 |
| 21/02/2018 | 13/04/2022 | \$0.005 | 11,842,105 |
| 04/02/2018 | various | various | 23,591,666 |
| 24/07/2018 | 24/07/2023 | \$0.010 | 25,000,000 |
| | | | <u>227,903,772</u> |

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 2018 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.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

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



Noah Abelson-Gertler
Chief Executive Officer and Managing Director
ShareRoot Limited

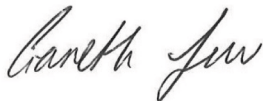
31 August 2018

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

As lead auditor of ShareRoot Limited for the year ended 30 June 2018, 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 2018

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 2018. 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 24 "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

ShareRoot Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

ShareRoot

| | Note | Consolidated 2018 \$ | 2017 \$ |
|---------------------------------------------------------------------------------------------------|-------------|-------------------------------------|--------------------|
| Revenue | 4 | 390,956 | 188,084 |
| Other income | 5 | 28,517 | 38,174 |
| Expenses | | | |
| Employee benefits expense | | (1,607,636) | (1,791,628) |
| Depreciation and amortisation expense | | (34,857) | (28,542) |
| Finance costs | | (946) | - |
| Occupancy costs | | (42,185) | (113,094) |
| Administration expenses | | (1,092,461) | (1,065,522) |
| Consultancy costs | | (346,420) | (337,028) |
| Corporate compliance and management | | (96,674) | (72,829) |
| Share based payment | 6 | (233,921) | (46,018) |
| Loss before income tax expense | | (3,035,627) | (3,228,403) |
| Income tax expense | 7 | - | - |
| Loss after income tax expense for the year attributable to the owners of ShareRoot Limited | 16 | (3,035,627) | (3,228,403) |
| Other comprehensive income | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation | | 29,143 | (48,298) |
| Other comprehensive income for the year, net of tax | | 29,143 | (48,298) |
| Total comprehensive income for the year attributable to the owners of ShareRoot Limited | | (3,006,484) | (3,276,701) |
| | | Cents | Cents |
| Basic earnings per share | 29 | (0.33) | (0.81) |
| Diluted earnings per share | 29 | (0.33) | (0.81) |

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

| | Note | Consolidated 2018 \$ | 2017 \$ |
|--------------------------------|--------|----------------------------|----------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 8 | 1,546,284 | 493,804 |
| Trade and other receivables | 9 | 185,959 | 56,917 |
| Prepayments and other deposits | 10 | 129,252 | 32,567 |
| Total current assets | | <u>1,861,495</u> | <u>583,288</u> |
| Non-current assets | | | |
| Property, plant and equipment | | 4,918 | 14,845 |
| Intangibles | 11, 25 | 161,658 | 25,200 |
| Other assets | | 5,653 | 5,448 |
| Total non-current assets | | <u>172,229</u> | <u>45,493</u> |
| Total assets | | <u>2,033,724</u> | <u>628,781</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 12 | 514,868 | 335,366 |
| Deferred revenue | 13 | 103,179 | 62,588 |
| Total current liabilities | | <u>618,047</u> | <u>397,954</u> |
| Non-current liabilities | | | |
| Deferred revenue | 13 | 21,560 | - |
| Total non-current liabilities | | <u>21,560</u> | <u>-</u> |
| Total liabilities | | <u>639,607</u> | <u>397,954</u> |
| Net assets | | <u>1,394,117</u> | <u>230,827</u> |
| Equity | | | |
| Issued capital | 14 | 13,673,475 | 9,850,132 |
| Reserves | 15 | 921,837 | 546,263 |
| Accumulated losses | 16 | (13,201,195) | (10,165,568) |
| Total equity | | <u>1,394,117</u> | <u>230,827</u> |

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

ShareRoot Limited
Statement of changes in equity
For the year ended 30 June 2018

ShareRoot

| Consolidated | Issued capital \$ | Reserves \$ | Accumulated losses \$ | Total equity \$ |
|--------------------------------------------------------------|------------------------------|------------------------|----------------------------------|----------------------------|
| 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 | - | 46,018 | - | 46,018 |
| Balance at 30 June 2017 | <u>9,850,132</u> | <u>546,263</u> | <u>(10,165,568)</u> | <u>230,827</u> |
| Consolidated | Issued capital \$ | Reserves \$ | Accumulated losses \$ | Total equity \$ |
| Balance at 1 July 2017 | 9,850,132 | 546,263 | (10,165,568) | 230,827 |
| Loss after income tax expense for the year | - | - | (3,035,627) | (3,035,627) |
| Other comprehensive income for the year, net of tax | - | 29,143 | - | 29,143 |
| Total comprehensive income for the year | - | 29,143 | (3,035,627) | (3,006,484) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Shares issued during the year | 4,197,127 | - | - | 4,197,127 |
| Costs of issue | (373,784) | - | - | (373,784) |
| Options issued | - | 346,431 | - | 346,431 |
| Balance at 30 June 2018 | <u>13,673,475</u> | <u>921,837</u> | <u>(13,201,195)</u> | <u>1,394,117</u> |

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

ShareRoot Limited
Statement of cash flows
For the year ended 30 June 2018

ShareRoot

| | | Consolidated | |
|------------------------------------------------------------------|-------------|---------------------|----------------|
| | Note | 2018 | 2017 |
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 452,266 | 251,150 |
| Payments to suppliers and employees (inclusive of GST) | | (3,318,552) | (3,131,277) |
| | | (2,866,286) | (2,880,127) |
| Interest received | | 2,193 | 1,551 |
| Net cash used in operating activities | 28 | (2,864,093) | (2,878,576) |
| Cash flows from investing activities | | | |
| Payment for purchase of business, net of cash acquired | 25 | (499,649) | - |
| Proceeds from disposal of property, plant and equipment | | 3,954 | 11,223 |
| Net cash from/(used in) investing activities | | (495,695) | 11,223 |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | 14 | 4,197,127 | 1,200,815 |
| Share issue transaction costs | | (260,416) | (99,383) |
| Repayment of director loan | 25 | 461,364 | - |
| Drawings from director loan | | (16,177) | - |
| Net cash from financing activities | | 4,381,898 | 1,101,432 |
| Net increase/(decrease) in cash and cash equivalents | | 1,022,110 | (1,765,921) |
| Cash and cash equivalents at the beginning of the financial year | | 493,804 | 2,299,174 |
| Effects of exchange rate changes on cash and cash equivalents | | 30,370 | (39,449) |
| Cash and cash equivalents at the end of the financial year | 8 | <u>1,546,284</u> | <u>493,804</u> |

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



NOTES TO THE FINANCIAL STATEMENTS

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').

The financial statements has been approved and authorised for issue on 31 August 2018 by the Board of Directors.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

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 \$3,035,627 (2017: \$3,228,403) and net cash outflows from operating of \$2,864,093 (2017: \$2,878,576) for the year ended 30 June 2018, and had working capital of \$1,346,627 (2017: \$247,922) at 30 June 2018.

The directors have prepared cash flow forecasts which indicate that the 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.

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 \$520k in July 2018. 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 be unable to raise capital or rationalise costs, 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.

Note 1. Significant accounting policies (continued)

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 24.

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 2018 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.

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.

Note 1. Significant accounting policies (continued)

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.

The consolidated entity recognises revenue when all of the following criteria are met: the risks and reward of ownership have transferred to the customer, it is probable that future economic benefits will flow to the entity, and the amount of revenue and associated costs can be measured reliably. If fees cannot be measured reliably at the outset of the arrangement, revenue is recognised when fees are due and payable. If collection is not considered probable at the inception of arrangement, the consolidated entity does not recognise revenue until the fee is collected.

Rendering of services

Revenue from the sale of annual subscription services, which enable its customer to access an online platform that allows them to search and source user generated content is recognised over the subscription period (generally 1 year) on a straight-line basis.

Revenue from advertising and contesting services are sold in a one-off basis rather than a subscription model. 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.

Revenue from its social media marketing agency arm is recognised when it is received (retainer contracts) or when the right to receive payment is established (for project revenue).

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.

Note 1. Significant accounting policies (continued)

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.

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.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

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.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

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.

Note 1. Significant accounting policies (continued)

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 is 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.

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.

Note 1. Significant accounting policies (continued)

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.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 1. Significant accounting policies (continued)

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.

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 issued but not yet effective

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 2018. A discussion of those future requirements and their impact on the Company is as follows:

Note 1. Significant accounting policies (continued)

| New / revised pronouncement | Nature of change | Mandatory and anticipated date of application for the group | Likely impact on initial application |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AASB 9 Financial Instruments | <p>AASB 9:</p> <ul style="list-style-type: none"> - replaces AASB 139 Financial Instruments: Recognition and Measurement; - require entities to classify financial assets and liabilities using a new method. This is expected to result in changes in the way the value of financial instruments are recognised and forecasted. - Financial assets including trade receivables will be subject to a new impairment model based on the concept of 'expected loss'. This new model will require entities to recognise losses related to doubtful debts earlier. The new standard also prescribes new hedging rules and guidance on recognition and derecognition of financial instruments. - The Group will apply the new standard for all accounting periods starting on and after 1 July 2018 to all applicable items recognised. The cumulative effect of the initial application will be recognised as an adjustment to the opening balance of retained earnings. | 1 July 2018 | The Group will adopt this standard from 1 July 2018, but the impact of its adoption is yet to be assessed by the Group. |
| AASB 15 Revenue from Contracts with Customers | <p>AASB 15:</p> <ul style="list-style-type: none"> - replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations; - establishes a new revenue recognition model; - changes the basis for deciding whether revenue is to be recognised over time or at a point in time; - provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing); and - expands and improves disclosures about revenue. | 1 July 2018 | The Group is in the process of reviewing major customers and contracts and is unable to form a complete assessment of the impact of the new accounting standards. Management will continue to consider the implications of AASB15 on acceptance of any new arrangements with the Group's customers. |
| AASB 16 Leases | <p>AASB 16:</p> <ul style="list-style-type: none"> - replaces AASB 117 Leases and some lease-related Interpretations - requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases - provides new guidance on the application of the definition of lease and on sale and lease back accounting - largely retains the existing lessor accounting requirements in AASB 117 - requires new and different disclosures about leases. | 1 July 2019 | Management has completed an assessment by reviewing all leases. Based on the work performed to date the findings indicate that the application of AASB16 will not have a material impact on the recognition of expenses for rent, depreciation or financing costs or on the recognition of leased assets or lease liabilities. Currently all leases are for a term of less than 12 months. |

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.

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.

Impairment of goodwill

At each reporting date, the Group reviews the carrying amount of its goodwill to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the goodwill is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows (CGUs) from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amounts of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into a single operating segment being ShareRoot's global business solving the issues faced by consumers and companies in data and privacy in digital marketing. The segment has three platforms: firstly, ShareRoot's Legal Rights Management UGC platform protecting against unauthorised use of people's social and digital content; secondly, its social media marketing agency 'The Social Science' providing client services and account management layer behind the Group's technology properties and thirdly, the new MediaConsent platform which is the first platform to give consumers/citizens control of their data and privacy through a preference and consent management dashboard.

The Chief Operating Decision Maker (CODM) reviews cash flows, revenue and profit / loss before tax. 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.

Major customers

The consolidated entity does not have any single customer which contributes more than 10% of the consolidated entity's revenue.

Geographical information

| | Sales to external customers | |
|-----------|------------------------------------|----------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Australia | 134,372 | - |
| USA | 256,584 | 188,084 |
| | <u>390,956</u> | <u>188,084</u> |

Note 4. Revenue

| | Consolidated | |
|----------------------------------|---------------------|----------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Sales revenue | | |
| Sales from rendering of services | 390,956 | 169,094 |
| Other revenue | | |
| Rent | - | 18,990 |
| Revenue | <u>390,956</u> | <u>188,084</u> |

Note 5. Other income

| | Consolidated | |
|-------------------------------------------------------|---------------------|---------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Net gain on disposal of property, plant and equipment | 3,719 | 5,253 |
| Interest income | 2,193 | 1,551 |
| Other income | 22,605 | 31,370 |
| Other income | <u>28,517</u> | <u>38,174</u> |

Note 6. Expenses

| | Consolidated | |
|------------------------------------------------------------------|---------------------|-------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Loss before income tax includes the following specific expenses: | | |
| <i>Share based payments</i> | | |
| Options issued to employees, directors and other parties | 233,921 | 46,018 |
| <i>Rental expense relating to operating leases</i> | | |
| Minimum lease payments | 42,185 | 113,094 |
| <i>Superannuation expense</i> | | |
| Defined contribution superannuation expense | 16,911 | 3,797 |

Note 7. Income tax expense

| | Consolidated | |
|--------------------------------------------------------------------------------------|---------------------|-------------|
| | 2018 | 2017 |
| | \$ | \$ |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i> | | |
| Loss before income tax expense | (3,035,627) | (3,228,403) |
| Tax at the statutory tax rate of 27.5% (2017: 30%) | (834,797) | (968,521) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Share-based payments | 64,328 | 13,805 |
| | (770,469) | (954,716) |
| Current year tax losses not recognised | 770,469 | 954,716 |
| Income tax expense | - | - |

Deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

Note 8. Current assets - Cash and cash equivalents

| | Consolidated | |
|--------------|---------------------|-------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Cash at bank | 1,546,284 | 493,804 |

Note 9. Current assets - Trade and other receivables

| | Consolidated | |
|-------------------|---------------------|-------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Other receivables | 185,959 | 56,917 |

Note 10. Current assets - Prepayments and other deposits

| | Consolidated | |
|-------------|---------------------|---------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Prepayments | 112,394 | 16,319 |
| Deposits | 16,858 | 16,248 |
| | <u>129,252</u> | <u>32,567</u> |

Note 11. Non-current assets - intangibles

| | Consolidated | |
|--------------------------------------------------------|---------------------|---------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Goodwill - at cost (see note 25 Business combinations) | 161,623 | - |
| Intellectual property - at cost | 92,941 | 89,575 |
| Less: Accumulated amortisation | (92,906) | (64,375) |
| | <u>35</u> | <u>25,200</u> |
| | <u>161,658</u> | <u>25,200</u> |

Reconciliations

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

| | Goodwill | Intellectual Property | Total |
|---------------------------------------------------|----------------|--------------------------|----------------|
| | \$ | \$ | \$ |
| Consolidated | | | |
| Balance at 1 July 2016 | - | 45,103 | 45,103 |
| Exchange differences | - | (2,960) | (2,960) |
| Amortisation expense | - | (16,943) | (16,943) |
| Balance at 30 June 2017 | - | 25,200 | 25,200 |
| Additions through business combinations (note 25) | 161,623 | - | 161,623 |
| Exchange differences | - | 3,366 | 3,366 |
| Amortisation expense | - | (28,531) | (28,531) |
| Balance at 30 June 2018 | <u>161,623</u> | <u>35</u> | <u>161,658</u> |

Impairment of goodwill is discussed at Note 25.

Note 12. Current liabilities - Trade and other payables

| | Consolidated | |
|-----------------------------|---------------------|----------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Trade payables | 50,544 | 41,895 |
| Other payables and accruals | 464,324 | 293,471 |
| | <u>514,868</u> | <u>335,366</u> |

Refer to note 18 for further information on financial instruments.

Note 13. Current and Non-Current liabilities - Deferred revenue

| | Consolidated | |
|--------------------------------|---------------------|---------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Deferred revenue – current | 103,179 | 62,588 |
| Deferred revenue – non-current | 21,560 | - |
| | <u>124,739</u> | <u>62,588</u> |

Deferred revenue expected to be realised more than 12 months after the reporting period are presented under non-current liabilities.

Note 14. Equity - Issued capital

| | Consolidated | | | |
|------------------------------|----------------------|--------------------|-------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | Shares | Shares | \$ | \$ |
| Ordinary shares - fully paid | <u>1,231,699,788</u> | <u>445,554,422</u> | <u>13,673,475</u> | <u>9,850,132</u> |

Note 14. Equity - Issued capital (continued)

Movements in ordinary share capital

| Details | Date | Shares | \$ |
|----------------------------------------------------------------------------------------|------------------|----------------------|-------------------|
| Balance | 1 July 2016 | 326,870,173 | 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 to ordinary shares) | | (4,969,876) | - |
| 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 | 445,554,422 | 9,850,132 |
| Issue of shares - Placement (July 2017) | 11 July 2017 | 178,444,002 | 1,070,664 |
| Issue of shares - Placement (September 2017) | 4 September 2017 | 43,978,020 | 307,846 |
| Shares issued pursuant to Rights Issue | 12 January 2018 | 143,723,344 | 718,617 |
| Rights Issue Shortfall | 22 January 2018 | 257,063,712 | 1,285,319 |
| Issue of shares - Placement (January 2018) | 22 January 2018 | 162,936,288 | 814,681 |
| Share issue costs | | - | (373,784) |
| Balance | 30 June 2018 | <u>1,231,699,788</u> | <u>13,673,475</u> |

Movements in options

| Details | Date | |
|--------------------------------|--------------|--------------------|
| Balance | 1 July 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 | | 9,000,000 |
| Balance | 30 June 2017 | 107,271,150 |
| Options lapsed during the year | | (73,023,150) |
| Issue of options to broker | | 22,000,000 |
| Issue of options to director | | 11,000,000 |
| Issue of options to employees | | 46,433,771 |
| Issue of options - placements | | 89,222,001 |
| Balance | 30 June 2018 | <u>202,903,772</u> |

Movements in performance rights

| Details | Date | |
|-----------------------------|--------------|---------------------|
| Balance | 1 July 2016 | <u>120,000,000</u> |
| Balance | 30 June 2017 | 120,000,000 |
| Lapse of performance rights | | <u>(30,000,000)</u> |
| Balance | 30 June 2018 | <u>90,000,000</u> |

Note 14. 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.

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.

Note 15. Equity - Reserves

| | Consolidated | |
|--------------------------|---------------------|----------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Foreign currency reserve | (393,565) | (422,708) |
| Options reserve | 1,315,402 | 968,971 |
| | <u>921,837</u> | <u>546,263</u> |

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, directors and other parties as part of their remuneration and compensation for services.

Note 15. Equity - Reserves (continued)

Movements in reserves

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

| | Foreign exchange reserve \$ | Option reserve \$ | Total \$ |
|--------------------------------|--------------------------------------|-------------------------|----------------|
| Consolidated | | | |
| Balance at 1 July 2016 | (374,410) | 922,953 | 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) | 968,971 | 546,263 |
| Foreign currency translation | 29,143 | - | 29,143 |
| Options issued during the year | - | 346,431 | 346,431 |
| Balance at 30 June 2018 | <u>(393,565)</u> | <u>1,315,402</u> | <u>921,837</u> |

Note 16. Equity - accumulated losses

| | Consolidated | |
|-----------------------------------------------------------|----------------------------|----------------------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Accumulated losses at the beginning of the financial year | (10,165,568) | (6,937,165) |
| Loss after income tax expense for the year | <u>(3,035,627)</u> | <u>(3,228,403)</u> |
| Accumulated losses at the end of the financial year | <u><u>(13,201,195)</u></u> | <u><u>(10,165,568)</u></u> |

Note 17. Equity - Dividends

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

Note 18. 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.

Note 18. Financial instruments (continued)

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.

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.

| | Weighted average interest rate % | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Remaining contractual maturities \$ |
|-----------------------------|-------------------------------------------|----------------------|--------------------------------|--------------------------------|--------------------|----------------------------------------------|
| Consolidated - 2018 | | | | | | |
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade payables | - | 50,544 | - | - | - | 50,544 |
| Other payables | - | 464,324 | - | - | - | 464,324 |
| Total non-derivatives | | 514,868 | - | - | - | 514,868 |
| | Weighted average interest rate % | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Over 5 years \$ | Remaining contractual maturities \$ |
| Consolidated - 2017 | | | | | | |
| Non-derivatives | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade payables | - | 41,895 | - | - | - | 41,895 |
| Other payables | - | 293,471 | - | - | - | 293,471 |
| Total non-derivatives | | 335,366 | - | - | - | 335,366 |

Note 18. Financial instruments (continued)

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 19. Key management personnel disclosures

Directors

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

Lee Rodne
Noah Abelson-Gertler
Marc Angelone (Resigned 20 April 2018)
Andrew Bursill (Resigned 31 July 2017)
Peter McLennan (Appointed 31 July 2017)

Compensation

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

| | Consolidated | |
|------------------------------|---------------------|----------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Short-term employee benefits | 558,587 | 495,404 |
| Post-employment benefits | 8,835 | 1,694 |
| Share-based payments | 46,942 | 30,019 |
| | <u>614,364</u> | <u>527,117</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. See note 23.

Note 20. 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:

| | Consolidated | |
|----------------------------------------------------------|---------------------|---------------|
| | 2018 | 2017 |
| | \$ | \$ |
| <i>Audit services - BDO East Coast Partnership (BDO)</i> | | |
| Audit or review of the financial statements | <u>62,500</u> | <u>56,500</u> |

Note 21. Contingent liabilities

On 9 April 2018, the Company completed the acquisition of 100% of the ordinary shares of The Social Science Pty Ltd (TSS) for \$500,000 (refer Business combinations note 25) plus future contingent consideration of up to \$333,333 depending on revenue performance milestones as outlined below.

As part of the Purchase Agreement, the vendors of The Social Science are entitled to receive performance shares in the Company (Shares) equal to the Tranche 2 Consideration Securities (\$166,667 worth of Shares calculated at 30-day VWAP as at 30 June 2019) and Tranche 3 Consideration Securities (\$166,667 worth of Shares calculated at 30-day VWAP as at 30 June 2020).

The revenue performance milestones for the contingent consideration are:

- Tranche 2 - during the 12 month period from 1 July 2018 to 30 June 2019, minimum of \$900,000 revenue
- Tranche 3 - during the 12 month period from 1 July 2019 to 30 June 2020, minimum of \$1,200,000 revenue

At acquisition date management consider these to be stretch targets and as such considered remote in the likelihood of settlement and as such are considered a contingent liability.

Note 22. Commitments

| Consolidated | |
|--------------|------|
| 2018 | 2017 |
| \$ | \$ |

Lease commitments - operating

Committed at the reporting date but not recognised as liabilities, payable:

Within one year

| | |
|---|--------|
| - | 20,450 |
|---|--------|

Note 23. 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 26.

Key management personnel

Disclosures relating to key management personnel are set out in note 19 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

| Consolidated | |
|--------------|------|
| 2018 | 2017 |
| \$ | \$ |

Payment for goods and services:

Payment to Franks & Associates Pty Limited, associated with Andrew Bursill, for accounting and company secretarial services

| | |
|--------|---------|
| 93,913 | 117,140 |
|--------|---------|

Payment to Aretex Pty Limited, associated with Andrew Bursill, for bookkeeping services

| | |
|--------|--------|
| 19,327 | 19,438 |
|--------|--------|

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.

Note 23. Related party transactions (continued)

Loans to/from related parties

Director loans receivable amounting to \$461,364 were acquired as a result of the The Social Science Pty Ltd (TSS) acquisition. This loan was collected in full during the year. In addition, during the year, drawings were made during the year amounting to \$16,177 which remains outstanding as at 30 June 2018.

Terms and conditions

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

Note 24. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

| | Parent | |
|----------------------------|---------------|-------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Loss after income tax | (1,006,294) | (619,104) |
| Total comprehensive income | (1,006,294) | (619,104) |

Statement of financial position

| | Parent | |
|-----------------------------|---------------|--------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Total current assets | 877,221 | 18,140 |
| Total assets | 877,221 | 251,993 |
| Total current liabilities | 237,389 | 59,933 |
| Total liabilities | 237,389 | 59,933 |
| Equity | | |
| Issued capital | 16,991,196 | 28,178,994 |
| Share-based payment reserve | 735,000 | 735,000 |
| Options reserve | 779,347 | 220,459 |
| Accumulated losses | (17,865,711) | (28,942,393) |
| Total equity | 639,832 | 192,060 |

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 2018 and 30 June 2017.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2018 and 30 June 2017.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018 and 30 June 2017.

Note 24. Parent entity information (continued)

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 25. Business combinations

On 9 April 2018, the Company completed the acquisition of 100% of the ordinary shares of The Social Science Pty Ltd (TSS) for \$500,000 plus future contingent consideration of up to \$333,333 depending on revenue performance milestones as outlined below.

TSS' capabilities and services complement the existing ShareRoot business and include providing compliant data and social management services, content creation, thought leadership, advisory services on compliant data, social engagement, and privacy practices.

As part of the Purchase Agreement, the vendors of The Social Science are entitled to receive performance shares in the Company (Shares) equal to the Tranche 2 Consideration Securities (\$166,667 worth of Shares calculated at 30-day VWAP as at 30 June 2019) and Tranche 3 Consideration Securities (\$166,667 worth of Shares calculated at 30-day VWAP as at 30 June 2020).

The revenue performance milestones for the contingent consideration are:

- Tranche 2 - during the 12 month period from 1 July 2018 to 30 June 2019, minimum of \$900,000 revenue
- Tranche 3 - during the 12 month period from 1 July 2019 to 30 June 2020, minimum of \$1,200,000 revenue

At acquisition date management consider these to be stretch targets and as such considered remote in the likelihood of settlement and as such are considered a contingent liability.

The acquired business contributed revenues of \$136,982 and loss after tax of \$38,343 to the consolidated entity for the period from 9 April 2018 to 30 June 2018. If the acquisition occurred on 1 July 2017, the full year contributions would have been revenues of \$587,045 and profit after tax of \$45,780.

The initial accounting for the business combination is provisional due to the uncertainty around the fair value of assets and liabilities at acquisition date. This will be reassessed for the end of the next financial reporting period.

Note 25. Business combinations (continued)

The fair value of the assets and liabilities acquired as at the date of acquisition and used for provisional accounting were as follows:

| | Fair value \$ |
|--------------------------------------------------------------------|--------------------------|
| Cash and cash equivalents | 351 |
| Trade receivables | 132,656 |
| Director's loan receivable | 461,364 |
| Trade payables | (39,975) |
| Other payables | (216,019) |
| | <hr/> |
| Net assets acquired | 338,377 |
| Goodwill | 161,623 |
| | <hr/> |
| Acquisition-date fair value of the total consideration transferred | 500,000 |
| | <hr/> |
| Representing: | |
| Cash paid or payable to vendor* | 500,000 |
| Acquisition costs expensed to profit and loss | 585 |
| | <hr/> |
| | 500,585 |
| | <hr/> |
| Cash used to acquire business, net of cash acquired: | |
| Cash paid | 500,000 |
| Less: cash and cash equivalents | (351) |
| | <hr/> |
| Net cash used | 499,649 |
| | <hr/> |

The goodwill recognised in relation to the acquisition of TSS is attributable to the skills and technical talent of the employees of the acquisition and the synergies expected to be achieved from integrating the business into the Group's existing operations. Goodwill is not expected to be deductible for tax.

* Contingent consideration not considered probable at the date of acquisition and therefore valued at zero for the purposes of AASB3.

Impairment testing of goodwill on acquisition

The impairment testing of goodwill involves the use of accounting estimates and assumptions. The recoverable amount of the cash generating unit is determined on the basis of value in use calculations.

The value in use is calculated using a discounted cash flow methodology covering a four year period with an appropriate terminal value before the end of year four for the cash generating unit.

The value generated from the cash flow projections to arrive at a recoverable value for goodwill is then compared with the carrying value of goodwill.

Assumptions used

The following describes the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill.

- Cashflow forecasts: Cash flow forecasts are based on four year valuation forecasts for growth and profitability.
- Terminal value: Terminal value is calculated using a perpetuity growth formula based on the cash flow forecast for year four. Terminal growth rate is based on past performance and management's conservative expectations for future performance. The terminal growth rate assumption is 2%.
- Discount rate: Discount rate used reflects a beta and equity risk premium appropriate to the Group with risk adjustments where applicable. The pre-tax discount rate used for cash generating unit is 15%

Impairment testing

There was no impairment charge recognised during the year.

Note 26. 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 / Country of incorporation | Ownership interest | |
|------------------------------------|-----------------------------------------------------------|--------------------|-----------|
| | | 2018 % | 2017 % |
| Legal parent | | - | - |
| 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% |
| The Social Science Pty Ltd | Australia | 100.00% | - |

Note 27. Events after the reporting period

On 24 July 2018, the Company announced that it has appointed Mr Antanas 'Tony' Guoga, better known as Tony G, to its advisory board. Mr Guoga and sophisticated and professional investors in his network have made a strategic investment of \$0.5M into the company. Mr Guoga brings extensive experience across technology companies and recent European GDPR legislation.

No other matter or circumstance has arisen since 30 June 2018 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.

Note 28. Reconciliation of loss after income tax to net cash used in operating activities

| | Consolidated | |
|----------------------------------------------------|--------------------|--------------------|
| | 2018 \$ | 2017 \$ |
| Loss after income tax expense for the year | (3,035,627) | (3,228,403) |
| Adjustments for: | | |
| Depreciation and amortisation | 34,857 | 28,542 |
| Share-based payments | 233,921 | 46,018 |
| Other non-cash movement | (4,577) | 126,366 |
| Change in operating assets and liabilities: | | |
| Decrease/(increase) in trade and other receivables | 3,614 | (34,625) |
| Decrease/(increase) in prepayments | (96,685) | 11,658 |
| Decrease/(increase) in other non-current assets | (205) | (5,448) |
| Increase/(decrease) in trade and other payables | (61,542) | 150,900 |
| Increase in deferred revenue | 62,151 | 26,416 |
| Net cash used in operating activities | <u>(2,864,093)</u> | <u>(2,878,576)</u> |

Note 29. Earnings per share

| | Consolidated | |
|-------------------------------------------------------------------------------------------|---------------------|--------------------|
| | 2018 | 2017 |
| | \$ | \$ |
| Loss after income tax attributable to the owners of ShareRoot Limited | <u>(3,035,627)</u> | <u>(3,228,403)</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | <u>906,305,094</u> | <u>399,320,888</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>906,305,094</u> | <u>399,320,888</u> |
| | Cents | Cents |
| Basic earnings per share | (0.33) | (0.81) |
| Diluted earnings per share | (0.33) | (0.81) |

Note 30. Share-based payments

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.

Note 30. Share-based payments (continued)

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

| 2018 | | | | | | | |
|------------|-------------|----------------|----------------------------------|-------------------|-----------|---------------------------|--------------------------------|
| 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 |
| 05/12/2016 | 05/12/2026 | \$0.012 | 7,559,838 | - | - | (3,311,838) | 4,248,000 |
| 13/12/2016 | 31/12/2017 | \$0.050 | 14,272,500 | - | - | (14,272,500) | - |
| 27/06/2017 | 27/06/2022 | \$0.006 | 9,000,000 | - | - | - | 9,000,000 |
| 21/02/2018 | 05/06/2022 | \$0.007 | - | 8,000,000 | - | - | 8,000,000 |
| 21/02/2018 | 20/02/2023 | \$0.005 | - | 3,000,000 | - | - | 3,000,000 |
| 21/02/2018 | 13/04/2022 | \$0.005 | - | 11,842,105 | - | - | 11,842,105 |
| 11/07/2017 | 31/12/2018 | \$0.010 | - | 22,000,000 | - | - | 22,000,000 |
| 09/11/2017 | 10/11/2022 | \$0.005 | - | 11,000,000 | - | - | 11,000,000 |
| 01/04/2017 | 01/04/2027 | \$0.006 | - | 1,500,000 | - | - | 1,500,000 |
| 01/04/2017 | 01/04/2027 | \$0.006 | - | 750,000 | - | - | 750,000 |
| 06/02/2017 | 06/02/2027 | \$0.008 | - | 600,000 | - | - | 600,000 |
| 20/03/2017 | 20/03/2027 | \$0.025 | - | 425,000 | - | - | 425,000 |
| 20/03/2017 | 20/03/2027 | \$0.025 | - | 566,666 | - | - | 566,666 |
| 20/03/2017 | 20/03/2027 | \$0.025 | - | 500,000 | - | - | 500,000 |
| 26/01/2018 | 26/01/2028 | \$0.006 | - | 750,000 | - | - | 750,000 |
| 05/04/2018 | 05/04/2023 | \$0.005 | - | 200,000 | - | - | 200,000 |
| 05/04/2018 | 05/04/2023 | \$0.005 | - | 200,000 | - | - | 200,000 |
| 19/02/2018 | 20/02/2023 | \$0.006 | - | 3,000,000 | - | - | 3,000,000 |
| 01/04/2017 | 01/04/2027 | \$0.006 | - | 1,500,000 | - | - | 1,500,000 |
| 01/04/2017 | 01/04/2027 | \$0.006 | - | 1,500,000 | - | - | 1,500,000 |
| 17/04/2018 | 17/04/2023 | \$0.005 | - | 300,000 | - | - | 300,000 |
| 18/04/2018 | 18/04/2023 | \$0.005 | - | 300,000 | - | - | 300,000 |
| 06/03/2018 | 04/05/2023 | \$0.005 | - | 9,000,000 | - | - | 9,000,000 |
| 04/05/2018 | 04/05/2023 | \$0.005 | - | 2,500,000 | - | - | 2,500,000 |
| | | | <u>51,832,338</u> | <u>79,433,771</u> | <u>-</u> | <u>(17,584,338)</u> | <u>113,681,771</u> |
| 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 | \$0.050 | - | 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> |

The weighted average of the options remaining life is 3.7 years (2017: 4.6 years)

Note 30. Share-based payments (continued)

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

| Grant date | Expiry date | 2018 Number | 2017 Number |
|------------|-------------|-------------------|-------------------|
| 07/01/2006 | 31/12/2020 | 21,000,000 | 21,000,000 |
| 05/12/2016 | 05/12/2026 | 4,248,000 | 2,291,238 |
| 13/12/2016 | 31/12/2017 | - | 14,272,500 |
| 11/07/2017 | 31/12/2018 | 22,000,000 | - |
| 09/11/2017 | 10/11/2022 | 11,000,000 | - |
| 21/02/2018 | 05/06/2022 | 8,000,000 | - |
| 21/02/2018 | 19/02/2013 | 3,000,000 | - |
| 21/02/2018 | 13/04/2022 | 11,842,105 | - |
| 01/04/2017 | 01/04/2027 | 375,000 | - |
| 01/04/2017 | 01/04/2027 | 187,500 | - |
| 06/02/2017 | 06/02/2027 | 225,000 | - |
| 20/03/2017 | 20/03/2027 | 150,000 | - |
| 20/03/2017 | 20/03/2027 | 200,000 | - |
| 20/03/2017 | 20/03/2027 | 200,000 | - |
| 01/04/2017 | 01/04/2027 | 375,000 | - |
| 01/04/2017 | 01/04/2027 | 375,000 | - |
| | | <u>83,177,605</u> | <u>37,563,738</u> |

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 (note that some options granted during the financial year ended 30 June 2017 were not registered until the following year and so are included here):

| Grant date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Dividend yield | Risk-free interest rate | Fair value at grant date |
|------------|-------------|------------------------------|-------------------|------------------------|-------------------|----------------------------|-----------------------------|
| 21/02/2018 | 19/02/2023 | \$0.006 | \$0.005 | 175.00% | - | 2.16% | \$0.0057 |
| 21/02/2018 | 05/06/2022 | \$0.006 | \$0.007 | 175.00% | - | 2.16% | \$0.0056 |
| 21/02/2018 | 13/04/2022 | \$0.006 | \$0.005 | 175.00% | - | 2.16% | \$0.0056 |
| 01/04/2017 | 01/04/2027 | \$0.006 | \$0.006 | 175.00% | - | 2.60% | \$0.0059 |
| 06/02/2017 | 06/02/2027 | \$0.008 | \$0.008 | 175.00% | - | 2.60% | \$0.0080 |
| 20/03/2017 | 20/03/2027 | \$0.006 | \$0.025 | 175.00% | - | 2.60% | \$0.0059 |
| 26/01/2018 | 26/01/2028 | \$0.006 | \$0.006 | 175.00% | - | 2.60% | \$0.0060 |
| 05/04/2018 | 05/04/2023 | \$0.005 | \$0.005 | 175.00% | - | 2.16% | \$0.0047 |
| 19/02/2018 | 20/02/2023 | \$0.006 | \$0.006 | 175.00% | - | 2.16% | \$0.0057 |
| 01/04/2017 | 01/04/2027 | \$0.006 | \$0.006 | 175.00% | - | 2.60% | \$0.0060 |
| 17/04/2018 | 17/04/2023 | \$0.006 | \$0.005 | 175.00% | - | 2.16% | \$0.0052 |
| 18/04/2018 | 18/04/2023 | \$0.006 | \$0.005 | 175.00% | - | 2.16% | \$0.0057 |
| 06/03/2018 | 04/05/2023 | \$0.006 | \$0.005 | 175.00% | - | 2.16% | \$0.0059 |
| 04/05/2018 | 04/05/2023 | \$0.005 | \$0.005 | 175.00% | - | 2.16% | \$0.0048 |
| 11/07/2017 | 31/12/2018 | \$0.007 | \$0.010 | 200.00% | - | 2.08% | \$0.0052 |
| 09/11/2017 | 10/11/2022 | \$0.005 | \$0.008 | 175.00% | - | 2.21% | \$0.0047 |



DIRECTORS' DECLARATION & INDEPENDENT AUDITOR'S REPORT


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 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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 read 'Noah - Gertler', with a stylized flourish at the end.

Noah Abelson-Gertler
Chief Executive Officer and Managing Director
ShareRoot Limited

31 August 2018

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 statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 2018 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 matters</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 30.</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 included the following, amongst others:</p> <ul style="list-style-type: none"> • Considered whether the Group used an appropriate model in valuing the options. • Evaluated management's assumptions used in the calculation being interest rate, volatility, the expected vesting period, and the number of options expected to vest. • Reviewed the market announcement and board minutes to ensure all the share based payment arrangements have been completely accounted for. • Evaluated the adequacy and accuracy of the disclosure of the share-based payment arrangements within the financial report including disclosures comprising key management personnel remuneration. |

Business Combination

| <i>Key audit matter</i> | <i>How the matter was addressed in our audit</i> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>During the year, ShareRoot Limited acquired the Social Science as detailed in Note 25.</p> <p>The Group performed a valuation on acquisition, resulting in goodwill being recognised.</p> <p>Due to the Group's estimation process in determining the purchase value, the business combination is considered a key audit matter.</p> | <p>Our procedures included the following, amongst others:</p> <ul style="list-style-type: none"> • Assessed whether the acquisition during the year met the criteria of a business combination in accordance with the relevant accounting standard. • Determined whether the date of acquisition was correctly determined by reading the key transaction documents to understand key terms and conditions. • Assessed the fair value of assets and liabilities recorded in the purchase price allocation, by performing procedures including independently confirming the balance of assets and liabilities acquired and ensuring any contingent consideration has been adequately and appropriately accounted for. • Used our knowledge of the acquired business, and its industry, to assess the value of intangible assets/goodwill recognised on date of acquisition. |

- Assessed the Group's disclosures in respect of business combinations with reference to the relevant financial reporting framework.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report (excluding the audited Remuneration Report section) for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report to Shareholders, which is expected to be made available to us after that date.

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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Annual Report to Shareholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

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

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

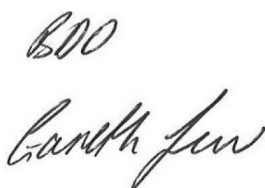
We have audited the Remuneration Report included in the directors' report under the heading 'Remuneration Report' for the year ended 30 June 2018.

In our opinion, the Remuneration Report of ShareRoot Limited, for the year 30 June 2018, 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



Gareth Few
Partner

Sydney, 31 August 2018



SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 31 August 2018.

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.

Shareholder information
30 June 2018

Distribution of Equitable Securities

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

| No. of Holders: | Ordinary Shares | Unlisted Options Exercise price \$0.01, Expiry 31/12/2018 | Unlisted Options Exercise price \$0.01, Expiry 11/01/2019 | Unlisted Options Exercise price \$0.05, Expiry 31/12/2020 | Unlisted Options Exercise price \$0.05, Expiry 27/06/2022 | Unlisted Options Exercise price \$0.005, Expiry 10/11/2022 |
|---------------------------------------|-----------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------|
| 1 to 1,000 | 2,068 | - | - | - | - | - |
| 1,001 to 5,000 | 188 | - | - | - | - | - |
| 5,001 to 10,000 | 82 | - | - | - | - | - |
| 10,001 to 100,000 | 442 | - | - | - | - | - |
| 100,001 and over | 798 | 1 | 27 | 1 | 1 | 1 |
| Total | 3,578 | 1 | 27 | 1 | 1 | 1 |
| Holding less than a marketable parcel | 2,690 | - | - | - | - | - |

| No. of Holders: | Unlisted Options Exercise price \$0.012, Expiry 05/12/2026 | Unlisted Options Exercise price \$0.007, Expiry 05/06/2022 | Unlisted Options Exercise price \$0.005, Expiry 19/02/2023 | Unlisted Options Exercise price \$0.05, Expiry 13/04/2022 | Unlisted ESS Options Exercise price Various Expiry Various | Unlisted Performance Rights Tranche 2 |
|---------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------|
| 1 to 1,000 | - | - | - | - | - | - |
| 1,001 to 5,000 | - | - | - | - | - | - |
| 5,001 to 10,000 | - | - | - | - | - | - |
| 10,001 to 100,000 | - | - | - | - | - | - |
| 100,001 and over | 4 | 1 | 1 | 1 | 16 | 1 |
| Total | 4 | 1 | 1 | 1 | 16 | 1 |
| Holding less than a marketable parcel | - | - | - | - | - | - |

| No. of Holders: | Unlisted Performance Rights Tranche 3 | Unlisted Performance Rights Tranche 4 |
|---------------------------------------|------------------------------------------|------------------------------------------|
| 1 to 1,000 | - | - |
| 1,001 to 5,000 | - | - |
| 5,001 to 10,000 | - | - |
| 10,001 to 100,000 | - | - |
| 100,001 and over | 1 | 1 |
| Total | 1 | 1 |
| Holding less than a marketable parcel | - | - |

Shareholder information
30 June 2018

Equity Security Holders

Twenty largest quoted equity security holders

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

| | | Ordinary Shares | |
|----|--------------------------------------------------------------------|------------------------|---------------|
| | | Number Held | % IC |
| 1 | MR MARAT BASYROV | 73,000,000 | 5.46% |
| 2 | MR ANTANAS GUOGA | 60,000,000 | 4.49% |
| 3 | MR SUFIAN AHMAD | 49,600,000 | 3.71% |
| 4 | NOAH ABELSON | 49,118,821 | 3.68% |
| 5 | SCINTILLA STRATEGIC INVESTMENTS LIMITED | 45,000,000 | 3.37% |
| 6 | MR DESMOND PATRICK MANUEL PILLAI | 32,904,894 | 2.46% |
| 7 | SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C> | 31,000,000 | 2.32% |
| 8 | MARC ANGELONE | 24,952,155 | 1.87% |
| 9 | HARSHELL INVESTMENTS PTY LTD <KAPLAN FAMILY A/C> | 20,000,000 | 1.50% |
| 10 | BAB SUPER FUND PTY LTD <BAB SUPER FUND A/C> | 16,600,000 | 1.24% |
| 11 | MRS IFRAH NISHAT | 16,000,000 | 1.20% |
| 12 | RCKC NOMINEES PTY LTD | 15,000,000 | 1.12% |
| 13 | MR KONSTANTINOS BAGIARTAKIS | 13,898,410 | 1.04% |
| 14 | BRSB SUPER FUND PTY LTD <BRSB SUPER FUND A/C> | 12,870,000 | 0.96% |
| 15 | MR JAMES PETER ALLCHURCH <MANSTEIN HOLDINGS A/C> | 12,698,668 | 0.95% |
| 16 | BLOOMGOLD RESOURCES PTY LTD | 12,650,000 | 0.95% |
| 17 | MR BILAL AHMAD | 12,000,000 | 0.90% |
| 18 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 11,715,877 | 0.88% |
| 19 | MR ANDREW RICHARD JACKSON BALL | 11,336,182 | 0.85% |
| 20 | MR NOAH ABELSON <SHARERROOT ESS A/C> | 10,595,271 | 0.79% |
| | Total | 530,940,278 | 39.74% |

Shareholder information
30 June 2018

Unquoted Equity Securities

| | Number | Number |
|----------------------------------------------------------|---------------|---------------|
| \$0.05 UNLISTED OPTIONS EXPIRY 27 JUNE 2022 | 9,000,000 | 1 |
| \$0.05 UNLISTED OPTIONS EXPIRY 10 NOVEMBER 2022 | 11,000,000 | 1 |
| \$0.012 UNLISTED OPTIONS EXPIRY 5 DECEMBER 2026 | 4,248,000 | 4 |
| \$0.007 UNLISTED OPTIONS EXPIRY 5 JUNE 2022 | 8,000,000 | 1 |
| \$0.05 UNLISTED OPTIONS EXPIRY 27 JUNE 2022 | 3,000,000 | 1 |
| \$0.005 UNLISTED OPTIONS EXPIRY 19 FEBRUARY 2023 | 11,842,105 | 1 |
| \$0.005 UNLISTED OPTIONS EXPIRY 13 APRIL 2022 | 21,000,000 | 6 |
| \$0.01 UNLISTED OPTIONS EXPIRY 11 JANUARY 2019 | 89,222,001 | 28 |
| \$0.01 UNLISTED OPTIONS EXPIRY 31 DECEMBER 2018 | 22,000,000 | 2 |
| VARIOUS EXPIRY PRICE /EXERCISEDATES ISSUED UNDER SRO ESS | 48,591,666 | 16 |
| 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 | 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 | 15,000,000 |

Substantial Holders

Substantial holders in the company are set out below:

| | Ordinary Shares Number Held |
|------------------|--------------------------------------------|
| MR MARAT BASYROV | 73,000,000 |

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 unquoted options do not carry any voting rights.

Corporate Directory

Directors Lee Rodne (Chairman)
Noah Abelson-Gertler
Peter McLennan (appointed 31 July 2017)
Marc Angelone (resigned 18 April 2018)
Andrew Bursill (resigned 31 July 2017)

Company Secretary Andrew Bursill

Registered Office Franks & Associates Pty Ltd
Suite 2 Level 10
70 Phillip Street
Sydney NSW 2000

Share Register Automic Pty Limited
Level 3
50 Holt Street
Sydney NSW 2010

Auditors BDO
Level 11, 1 Margaret Street
Sydney, NSW 2000

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

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

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

Website www.shareroot.co



