

Rights issue offer booklet



ShareRoot Limited
ACN 063 144 865

A two (2) for three (3) non-renounceable pro-rata entitlement offer of shares in ShareRoot Limited at A\$0.001 per Offer Share to raise up to A\$954,342 (subject to rounding).

You should read this Booklet in full

This Booklet contains important information. You should read this Booklet in full and seek advice from your stockbroker, accountant or other professional adviser if you have any questions about your investment in the Company or about the impact of the transactions described in this Booklet. If you have any questions in relation to how to participate in the Entitlement Offer after reading this Booklet, please contact the Company's registry, Automic on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia).

This Booklet does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

This Booklet may not be distributed outside of Australia or New Zealand except in such other countries and to the extent contemplated under this Booklet.

Not for release or distribution in the United States (except by the Company to Approved US Shareholders).

Legal Adviser
Automic Legal Pty Ltd



Important information

This Booklet has been prepared by ShareRoot Limited ACN 063 144 865 (**Company**).

This Booklet is not a prospectus under the *Corporations Act 2001* (Cth) (**Corporations Act**) and has not been lodged with ASIC. This Booklet is dated 2 July 2019 and a copy was lodged with ASX on that date.

This Booklet and the accompanying Entitlement and Acceptance Form relate to a 2 for 3 (2 new Offer Shares for every 3 existing Shares) non-renounceable pro-rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company to ASX on 24 June 2019 (**Entitlement Offer**).

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.

No cooling off rights

Cooling off rights do not apply to an investment in Offer Shares. You cannot, in most circumstances, withdraw your Application once it has been accepted. Further, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

Not financial product advice

The information contained in this Booklet is not financial product advice, does not purport to contain all the information that you may require in evaluating a possible acquisition of Offer Shares in the Company and has been prepared without taking into account the investment objectives, financial situation or needs of you or any particular investor.

You should conduct your own independent review, investigation and analysis of the Company and the Offer Shares which are the subject of the Entitlement Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

Risks

Please refer to section D of this Booklet, which includes a non-exhaustive summary of the risk factors associated with an investment in the Company.

Foreign jurisdictions

This Booklet is being sent to all Shareholders on the share register as at 7.00pm (AEST) on 27 June 2019 (**Record Date**) with a registered address in Australia or New Zealand (**Eligible Shareholders**).

The Entitlement Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer and no action has been taken to register the Offer Shares or otherwise permit a public offering of the Offer Shares in any jurisdiction other than Australia and New Zealand. Return of the Entitlement and Acceptance Form shall be taken by the Company to constitute a representation by you that there has been no breach of any such laws. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how to proceed. The distribution of this document outside Australia may be restricted by law.

United States

This Booklet must not be taken into, distributed or released in the United States or distributed to any U.S. Person or to any person acting for the account or benefit of a U.S. Person. Persons who come into possession of this Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The information in this Booklet does not constitute an offer to sell, or the solicitation of an offer to buy, any Offer Shares in the United States or to any U.S. Person. Offer Shares may not be offered or

sold in the United States absent registration or an exemption from registration under the Securities Act. The Offer Shares to be offered and sold in the Entitlement Offer have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Offer Shares in this Entitlement Offer may only be offered and sold outside the United States, to persons that are not U.S. Persons or acting for the account or benefit of U.S. Persons.

New Zealand

This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This Booklet is not an investment statement, prospectus or product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that an investment statement, prospectus or product disclosure statement under New Zealand law is required to contain.

The Offer Shares are not being offered or sold to the public in New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand, to whom the offer of Offer Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

Other jurisdictions

The Offer Shares may not be offered or sold in any jurisdiction except to persons to whom such offer or sale is permitted under applicable law.

Nominees

Nominees and custodians may not distribute this Booklet or any other materials related to the Entitlement Offer, and may not permit any beneficial shareholder to participate in the Entitlement Offer, in any country outside Australia or New Zealand except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

Governing law

This Booklet, the Entitlement Offer and the contracts formed on receipt of your Application are governed by the law applicable in New South Wales. Each Shareholder who applies for Offer Shares submits to the non-exclusive jurisdiction of the courts of New South Wales.

Future performance

This Booklet may contain certain forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "objective", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors (many of which are beyond the control of the Company) that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. You should also have regard to the "Risk Factors" in Section D of this Booklet.

Past performance

Past performance information given in this Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Financial data

All dollar values are in Australian dollars (A\$) except where otherwise indicated.

Disclaimer of representatives

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Booklet.

Any information or representation that is not in this Booklet may not be relied on as having been authorised by the Company or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Booklet.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving Offer Shares. This Booklet does not contain or constitute tax advice and does not take account of the individual circumstances of particular Eligible Shareholders. The Company recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

Privacy

The Company collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Registry.

Trading Offer Shares

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Offer Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Registry or otherwise, or who otherwise trade or purport to trade Offer Shares in error or which they do not hold or are not entitled to.

Defined terms

Capitalised terms used in this Booklet have the meaning given to those terms in the glossary in Section F of this Booklet.

Letter from the Chairman

2 July 2019

Dear Shareholder

On behalf of the Directors, I am pleased to offer you the opportunity to participate in a 2 for 3 (2 new Offer Shares for every 3 existing Shares) non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price as announced by the Company to ASX on 24 June 2019 to raise up to A\$954,342 (**Entitlement Offer**).

The Entitlement Offer will not be underwritten.

The proceeds from the Entitlement Offer will be used by the Company as follows:

- to pay the costs of making the Entitlement Offer;
- scale the existing digital services platforms;
- complete development of MediaConsent Clinical; and
- the remaining balance will be used to fund ongoing working capital and strengthen the Company's balance sheet.

ShareRoot's future

ShareRoot has seen considerable amount of change in the past 5 months, with the company now focused on the \$86 billion digital healthcare market. ShareRoot has four digital healthcare platforms, three of which are generating revenue for the company and the fourth looking to come online towards the end of 2019.

The board and management believe that, with the current digital platforms and expertise within the company, ShareRoot will become a profitable business in the near term (subject to certain assumptions about costs and revenue being achieved in the Company's business plan). The Company is undertaking the Entitlement Offer to provide sufficient capital to scale its existing revenue streams and market these capabilities as well as complete the development of the fourth digital healthcare platform. Please refer to Section E for a more detailed breakdown of the proposed use of funds.

ShareRoot is currently generating revenue and has dramatically reduced its costs and has a path forward to grow our revenue as well as expand its client offerings into the multi-billion dollar digital healthcare space.

Offer details

The Entitlement Offer will include a shortfall facility under which Eligible Shareholders who take up their full Entitlement will be invited to apply for additional Offer Shares in the Entitlement Offer from a pool of those Entitlements not taken up by other Shareholders of the Company (**Shortfall Facility**). There is no guarantee that applicants under this Shortfall Facility will receive all or any of the additional Offer Shares that they applied for under the Shortfall Facility. The Board of the Company reserve their right to alter the allocation policy and to allocate and issue additional Offer Shares under the Shortfall Facility at their discretion.

Participation in the Entitlement Offer is optional and open to Eligible Shareholders, being holders of fully paid ordinary shares in the Company at 7.00 pm (AEST) on 27 June 2019 (**Record Date**) whose address on the share register is in Australia or New Zealand. As the Entitlement Offer is non-

renounceable, your right to participate in the Entitlement Offer is not transferable. You may not trade your Entitlement on ASX or transfer it to another person.

Eligible Shareholders who do not take up their Entitlement will not receive any value for their Entitlement and their proportionate economic interest in the Company will be diluted. All Offer Shares will rank equally with existing Shares in the Company.

The terms and conditions of the Entitlement Offer and your personalised Entitlement and Acceptance Form are provided in this Booklet. I urge you to read these materials in their entirety and seek your own financial, taxation and other professional advice in relation to the Entitlement Offer, before you decide whether to participate.

The Entitlement Offer opens on 2 July 2019 and is expected to close at 5.00 pm (AEST) on 12 July 2019.

If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Registry on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia) or consult your financial or other professional adviser.

On behalf of the Directors, I invite you to consider participating in the Entitlement Offer and look forward to your ongoing support of the Company as it moves towards a successful future.

Yours sincerely,

Dr Julian Chick
Chairman
ShareRoot Limited

A. Key dates for the Entitlement Offer*

Event	Date*
Announcement of Entitlement Offer	Monday, 24 June 2019
Ex-date for Entitlement Offer	Wednesday, 26 June 2019
Record Date	Thursday, 27 June 2019
Entitlement Offer opens Dispatch of Booklet and Entitlement and Acceptance Form	Tuesday, 2 July 2019
Entitlement Offer closes (Closing Date)	Friday, 12 July 2019
Shares quoted on a deferred settlement basis	Monday, 15 July 2019
Announcement of shortfall (if any) under the Entitlement Offer Notification of undersubscriptions	Wednesday, 17 July 2019
Issue and allotment of shares under the Entitlement Offer	Friday, 19 July 2019
Dispatch of holding statements	Friday, 19 July 2019
Commencement of trading of new shares	Monday, 22 July 2019

**The above timetable is indicative only and subject to change. The quotation of Shares is subject to ASX approval. Subject to the ASX Listing Rules and the Corporations Act and other applicable laws, the Company reserves the right to vary these dates, including the Closing Date, without notice, including extending the period of the Entitlement Offer or accepting late applications, either generally or in particular cases or bringing forward the Closing Date at its discretion. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the Shares. All dates and times in the timetable above are in Sydney, Australia time.*

B. How to apply

1 Please read the whole of this Booklet

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) which allows rights issues to be offered without a disclosure document or prospectus, provided certain conditions are satisfied.

As a result, it is important for Shareholders to read and understand the publicly available information on the Company and the Entitlement Offer prior to accepting their Entitlement. In particular, in considering whether or not to accept their Entitlements, Shareholders should refer to the attached materials, plus the Company's other periodic and continuous disclosure announcements available at www.asx.com.au.

2 Consider the Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent financial adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. In particular, please refer to the risk factors in Section D of this Booklet which describes some of the key risks in relation to an investment in the Company.

3 Who is eligible to participate?

The Entitlement Offer is being extended to Eligible Shareholders who are Shareholders that meet all of the following criteria:

- (a) they were registered as a holder of Shares on the Record Date;
- (b) they have a registered address in Australia or New Zealand;
- (c) they are not in the United States or a U.S. Person or acting for the account or benefit of such persons; and
- (d) they are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Entitlement Offer is not being extended to any Shareholder with a registered address outside Australia or New Zealand. By returning a completed Entitlement and Acceptance Form, making a payment in accordance with the instructions in the Entitlement and Acceptance Form, you will be taken to have represented and warranted that you satisfy each of the above criteria.

Eligible Shareholders who hold Shares in the capacity of trustee, nominee or custodian (or in any other capacity) for a person that would not satisfy the criteria of an Eligible Shareholder cannot take up Entitlements on behalf of that person.

Shareholders should note that the Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Nominees may not distribute this Booklet, the Entitlement and Acceptance Form, or any other material relating to the Entitlement Offer to anyone in the United States, anyone acting for the account or benefit of a person in the United States, or in any other jurisdiction in which it would be unlawful. Any failure to adhere to these restrictions may result in violation of applicable securities laws. Refer to the section of this Booklet titled "International Offer Restrictions" in section E below for further information.

The Company reserves the right to reject any Application that it believes comes from a person who is not an Eligible Shareholder.

4 Ineligible Shareholders

Having regard to the number of such Shareholders, their holdings and the compliance costs required to extend the Entitlement Offer to those Shareholders, the Company has determined that it is unreasonable to extend the Entitlement Offer to Shareholders of the Company who as of the Record Date are not an Eligible Shareholder (**Ineligible Shareholder**).

The shareholdings of Ineligible Shareholders will be diluted as a result of the Entitlement Offer.

5 Your options

Eligible Shareholders may take the following actions:

- (a) take up all of their Entitlement;
- (b) take up a proportion of their Entitlement;
- (c) allow all or part of their Entitlement to lapse; or
- (d) take up all of their Entitlement and apply for Additional Shares under the Shortfall Facility.

As your Entitlement is non-renounceable, you will not be able to trade your Entitlement on ASX or otherwise dispose of your Entitlement to any other party.

Shareholders who do not take up their Entitlements in full will not receive any payment or value from the Company for those Entitlements they do not take up. Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced.

Fractions arising in the calculation of Entitlements have been rounded down to the next whole number of Offer Shares.

6 Complete the accompanying Entitlement and Acceptance Form or pay by BPAY®

If you decide to participate in the Entitlement Offer, you may do so by completing and returning the Entitlement and Acceptance Form and attaching or making payment by following the instructions set out on the Entitlement and Acceptance Form (which includes by BPAY®).

If you take no action you will not be allocated any Offer Shares.

7 Acceptance of the Entitlement Offer and payment

You may take up all or part of your Entitlement by completing the Entitlement and Acceptance Form and attaching or making payment by following the instructions set out on the Entitlement and Acceptance Form.

Your completed Entitlement and Acceptance Form must be accompanied by a cheque in Australian currency for the amount of your Application monies, payable to “ShareRoot Limited” and crossed “Not Negotiable”.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application monies. If the amount of your cheque for Application monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of Offer Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole Offer Shares as your cleared Application monies will pay for (and to have specified that number of Offer Shares on your Entitlement and Acceptance Form).

If your payment is being made by BPAY® or via electronic funds transfer:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations in that form;

- (b) if you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have accepted your Entitlement in respect of such whole number of Offer Shares which is covered in full by your Application monies; and
- (c) it is your responsibility to ensure that your payment is received by the Registry by no later than the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Any payment received for more than your final allocation of Offer Shares will be refunded after the Offer Shares are issued. No interest will be paid to applicants on any payment received or refunded.

8 Shortfall Facility

Eligible Shareholders, other than directors and related parties of the Company may, in addition to taking up their Entitlements in full, apply for Additional Shares in excess of their Entitlements. Additional Shares will only be available where there is a shortfall between Applications received from Eligible Shareholders and the number of Offer Shares proposed to be issued under the Entitlement Offer. Additional Shares will be issued at the same Issue Price as the Offer Shares (A\$0.001). However, there is no guarantee that Eligible Shareholders who apply for Additional Shares under this Shortfall Facility will receive all or any of the Additional Shares.

The Directors reserve their right to alter the allocation policy and to allocate and issue Additional Shares under the Shortfall Facility at their discretion. Subject to any changes at the Directors' discretion, the allocation policy for Additional Shares subscribed for pursuant to the Shortfall Facility will be as follows:

- (a) Eligible Shareholders who have applied for Additional Shares through the Shortfall Facility will receive the Additional Shares they have applied for unless there is an over subscription for Additional Shares through the Shortfall Facility, in which case Eligible Shareholders will receive Additional Shares on a pro-rata basis having regard to their holdings as at the Record Date;
- (b) if any shortfall remains, the resulting shortfall may be allotted at the discretion of the Board within 3 months of the Closing Date.

Eligible Shareholders who apply for Additional Shares may be allocated a lesser number of Additional Shares than applied for, or may be allocated no Additional Shares at all, in which case excess Application monies will be refunded without interest.

Refund amounts, if any, will be paid in Australian dollars. You will be paid by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders). Alternatively, you will be paid by direct deposit where the Registry holds bank account details in respect of your shareholding.

If you wish to subscribe for Additional Shares in addition to your Entitlement then you should nominate the maximum number of Additional Shares you wish to subscribe for on the Entitlement and Acceptance Form and make payment for your full Entitlement plus the Additional Shares (at A\$0.001 per Offer Share).

If your payment is being made by BPAY® or via electronic funds transfer:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make each of the statements and representations in that form; and
- (b) if your payment exceeds the amount payable for your full Entitlement, you are taken to have accepted your Entitlement in full and to have applied for such number of Additional Shares which is covered in full by your Application monies.

If you apply for Additional Shares under the Shortfall Facility and your Application is successful (in whole or in part) your Additional Shares will be issued at the same time as other Offer Shares are issued under the Entitlement Offer.

In addition, no Shares under the Entitlement Offer will be issued to any Eligible Shareholder if, in the view of the Directors, to do so would increase that person's voting power above 19.9% or otherwise result in a breach of the ASX Listing Rules, the Corporations Act or any other applicable law.

9 Mail or deliver

It is important to note that the Entitlement Offer is scheduled to close at 5.00 pm (AEST) on 12 July 2019. To participate in the Entitlement Offer, your payment must be received no later than this date. Your completed Entitlement and Acceptance Form, together with Application monies, should be delivered as follows:

Mailing address:
ShareRoot Limited
c/- Automic Pty Ltd
GPO Box 5193
Sydney NSW 2001

Hand delivery address: **(Please do not use this address for mailing purposes)**
ShareRoot Limited
c/- Level 5, 126 Phillip Street
Sydney NSW 2000

If your payment is being made by BPAY® or electronic funds transfer, you do not need to mail or deliver the personalised Entitlement and Acceptance Form.

10 If you wish to do nothing and allow your Entitlements to lapse

If you do not wish to take up your Entitlement, you can simply do nothing.

If you have not completed your personalised Entitlement and Acceptance Form and it has not been received by the Registry at the address above by the Closing Date (or alternatively have not made a payment through BPAY® or by electronic funds transfer before that time), then your Entitlement will lapse.

11 Entitlement and Acceptance Form

A payment made through BPAY® or electronic funds transfer or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application monies constitutes a binding offer to acquire Offer Shares on the terms and conditions set out in this Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for Offer Shares. The Company's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final and binding.

By making a payment by BPAY® or electronic funds transfer, or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application monies, you will also be deemed to have given the following acknowledgements, representations and warranties on behalf of each person on whose account you are acting:

- (a) you acknowledge that you have read and understood this Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Booklet and the Company's constitution;
- (c) you authorise the Company to register you as the holder(s) of Offer Shares allotted to you;

- (d) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) you acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of Application monies via BPAY® or electronic funds transfer, you may not withdraw your Application or funds provided except as allowed by law;
- (g) you agree to apply for and be issued up to the number of Offer Shares specified in the personalised Entitlement and Acceptance Form (including any Additional Shares where applicable), or for which you have submitted payment of any Application monies via BPAY® or electronic funds transfer, at the Issue Price per Offer Share;
- (h) you authorise the Company, the Registry and their respective officers or agents to do anything on your behalf necessary for Offer Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) you acknowledge that the information contained in this Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that Offer Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (k) you acknowledge that this Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (l) you acknowledge the statement of risks in the "Risk Factors" in Section D of this Booklet and that investments in the Company are subject to risk;
- (m) you acknowledge that none of the Company, its related bodies corporate, affiliates and directors, or their respective officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) you represent and warrant that the law of any place does not prohibit you from being given this Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for Offer Shares (or where applicable, Additional Shares) and that you are otherwise eligible to participate in the Entitlement Offer;
- (q) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue Offer Shares under the Entitlement Offer;

- (r) you acknowledge that the Offer Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- (s) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States; and
- (t) you agree that if in the future you decide to sell or otherwise transfer the Offer Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or who is acting for the account or benefit of a person in the United States.

12 Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for Offer Shares under the Entitlement Offer or for additional Offer Shares under the Shortfall Facility.

The Company reserves the right to pay up to 6% in commission to any broker who assists the Company in placing the shortfall of the Entitlement Offer.

13 When will I receive my Offer Shares?

It is currently expected that the Offer Shares will be issued, and that confirmation of the issue of the Offer Shares will be dispatched, on or around 19 July 2019.

It is the responsibility of each Eligible Shareholder applying for Offer Shares to confirm their holding before trading in those Offer Shares on a deferred settlement basis. Any person who sells Offer Shares before receiving confirmation of their holding in the form of their confirmation statement will do so at their own risk. The Company and the Registry disclaim all liability, whether in negligence or otherwise, to any person who trades in Offer Shares before receiving their confirmation statement, whether on the basis of a confirmation of allocation provided by the Company, the Registry, a broker or otherwise.

14 Enquiries

If you have any questions about whether to accept the Entitlement Offer, please consult your financial adviser, accountant or other professional adviser.

If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Registry on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia) or consult your financial or other professional adviser.

C. Announcement



ASX / Media Release

24 June 2019

ShareRoot announces Non-Renounceable Entitlement Offer Business focused on digital healthcare Financial re-structure and cost cuts implemented

Highlights:

- The Company is undertaking a 2 for 3 (2 new shares for every 3 existing shares) non-renounceable pro-rata entitlement offer to raise up to approximately \$954,342 (before costs and subject to rounding)
- Directors and management of the Company committed to participating in the Entitlement Offer
- Focus on existing revenue streams in digital innovation and transformation in health
- SRO has restructured the business and financial expenditure
- Four technology opportunities in development

ShareRoot Limited (ASX:SRO) (ShareRoot or Company) is pleased to announce that the Company is undertaking a non-renounceable pro-rata entitlement offer to raise up to approximately A\$954,342 (before costs and subject to rounding).

The company also announced it has completed a restructure and now has a clear path forward to a profitable successful business in the digital healthcare industry. Management anticipates that the Entitlement Offer will provide capital for the company to drive towards profitability in the near term¹.

"We now have a secure framework for value creation in place, a sharper focus on revenue-generating services and development priorities, improved operational support and technical skills. ShareRoot has a clear, well researched and viable strategy to be a competitive leader in the rapidly growing global digital healthcare industry," stated ShareRoot CEO Michelle Gallaher.

In 2019, the Company has progressed a number of critical initiatives:

- appointed a new leadership team with deep experience in health, compliant marketing, digital transformation, artificial intelligence and machine learning;
- undertaken a financial restructure to significantly reduce costs and build a foundation towards profitability;
- developed and aligned a technology pipeline, now with four products, designed to address the unmet needs of the global biopharma, health and medtech market;
- strategic focus on the USD\$84 billion, rapidly growing digital healthcare industry; and
- readied the technology development function to be moved to Australia.

ShareRoot is now looking to leverage the momentum in compliantly accessing real world data and real world evidence in healthcare, by using artificial intelligence, machine learning and a proprietary analysis

¹ Subject to certain assumptions about costs and revenue being achieved in the Company's business plan.

process to gain deeper insights in order to deliver better healthcare and more patient-centric development of new medicines, medical devices and clinical practice.

ShareRoot will deploy the funds to be raised in the Entitlement Offer to support building a profitable business and strengthen the Company's balance sheet.

Financial Update

The key aspects of changes to the business

- The Company has reduced its staff numbers and related staff and contractor costs by over 40%, closing most of the US operations with the remaining US operations focused on current and new revenue generating client accounts.
- The Company actively reduced the capital expenditure during this quarter, with the Net cash burn for the company down 25% in April from the March spend and 40% down in May. ShareRoot will continue to conserve cash as it builds its revenue streams and income over the next 12 months.
- ShareRoot has restructured its client-facing teams to accelerating and expanding the delivery of current or near-term revenue-generating digital platforms and services.
- Two of the four ShareRoot technology platforms in development are already generating early revenue. The Company plans to complete the development of these platforms to full market launch, enabling greater scale with additional function and customization features.
- The Company plans to continue the development of the MediaConsent Clinical platform in Australia positioning the Company favorably towards collaboration grants and tax incentives.

"Given the considerable uphill challenge we found ourselves in, the past five months have been nothing short of transformative for ShareRoot. The Company now has a technology pipeline loaded with four competitive opportunities to capture a leading edge in the global digital healthcare sector. What we are developing is a unique convergence of artificial intelligence, real world healthcare data and social media, one of the most exciting new frontiers in the escalating digital transformation taking place in health." said CEO Michelle Gallaher.

The forecast revenue for the current financial year of the company is anticipated to be approximately \$0.85M. This result is a 90% increase from the previous year. Significant revenue-generating resources have been partially diverted for approximately six months, assisting with the financial restructure and strategic realignment of the company. The board and management expect strong revenue growth in the coming financial year, the main revenue increases likely to be derived from across the new AI-driven digital insights and 'Widget' divisions.

The Future of ShareRoot

ShareRoot has a range of marketing communications and strategic solutions platforms targeting the digital healthcare industry. The Company is looking to grow its revenue in three ways:

1. **Solutions and services** - by the continued growth of its existing business (The Social Science) in STEMM specialist social media communications, advertising and marketing. The Company has been scaling this business as well as expanding the resources and capabilities in new generation digital marketing tools. Currently, this part of the business provides the vast majority of ShareRoot's revenue.
2. **Market Insights (Opal)** - A new suite of tools and proprietary processes named Opal, based on artificial intelligence and machine learning, this service offering enables ShareRoot to provide clients with access to deep market insights derived ethically and compliantly from social media. Though still in development Opal has already begun generating revenue for ShareRoot and is expected to be a major driver for the company's revenue growth in the future.
3. **Digital technologies** - Two new technologies have been added to the ShareRoot development pipeline - "the widget" and Rank'd - to sit alongside MediaConsent Clinical. "The widget", an ecommerce efficiency technology is already operational at an MVP stage and generating early revenue with beta clients. Rank'd is also at MVP stage as is MediaConsent Clinical though not yet in beta testing with clients. ShareRoot is working with collaborative partners to complete the development of all three platforms and plan to launch all three with further investment from the Rights Issue.

The Company will also be looking to leverage its technology pipeline for partnerships and collaborations outside its core expertise, aiming to provide collaborative revenue streams for the company.

ShareRoot Digital Platforms

- The Social Science and ShareRoot US client team - providing social and digital media based marketing communication strategy and content creation predominantly for the STEMM industry. The Social Science is currently a profitable division within ShareRoot. The US client team consists of two part time revenue-generating client relationship managers who also have a development role with "the widget".
- Digital Insights (Opal) - using AI and machine learning, ShareRoot can provide companies with real world data and real world evidence analysis of patient reported outcomes and patient or physician generated content that can assist in the allocation of marketing budgets, market access strategies and a deep understanding and predictors of market drivers and patients and physician experiences and opinion. The Digital Insights division has already entered into a number of initial service contracts based on the minimum viable product (MVP) that has been developed so far.
- "The Widget" - an ecommerce accelerator digital platform, yet to be branded, disrupts the traditional influencer marketing model by enabling a measurable return on investment for

ecommerce focused companies, whilst also gathering customer and patient experiences. The “Widget” division is currently break-even at this stage of development with a number of paying clients already utilising this platform and providing critical development feedback.

- MediaConsent Clinical – a broad patient and physician healthcare research data insights and digital experience platform that will assist the healthcare and medical research sector to access real world data and real world evidence in a compliant and consenting framework. The platform features are being designed to improve clinical trial design, recruitment and engagement efficiencies, insight into clinical trial progress, access to donated real world data for behavioral studies and observational studies.
- “Rank’d” – an agile customizable application that supports all STEM researchers and healthcare providers sort through and rank published data and papers to support continuing education obligations and keep up to date with current research, clinical guidelines and products on market.

Entitlement Offer

The Company is undertaking a 2 for 3 (2 new shares for every 3 existing shares) non-renounceable pro-rata entitlement offer (**Entitlement Offer**) to raise up to A\$954,342 (before costs and subject to rounding) via the issue of up to approximately 954,342,166 shares (subject to rounding) at an issue price of A\$0.001 per share.

As the Entitlement Offer is not underwritten at present, the Company is of the view that the Entitlement Offer will not affect the control of the Company, and no Shareholder will individually obtain or exceed voting power of 20% or more.

The proceeds from the Entitlement Offer will be used by the Company as follows:

- to pay the costs of making the Entitlement Offer;
- scale the existing revenue-generating digital client services capabilities and capacity;
- complete and launch new technology products and roll out marketing campaigns;
- complete development of MediaConsent Clinical;
- re-name ShareRoot to reposition the company within the target market; and
- the remaining balance will be used to fund ongoing working capital and strengthen the Company’s balance sheet.

All shares issued under the Entitlement Offer will rank equally with existing fully paid ordinary shares in the Company as of the date of this announcement.

Eligible shareholders of the Company will only be those who are shareholders of the Company on the share register as of Thursday, 27 June 2019 (**Record Date**) with a registered address in Australia or New Zealand (**Eligible Shareholders**).

The Entitlement Offer is non-renounceable and the rights will not be able to be traded on the ASX and will not be transferable.

Eligible Shareholders wishing to participate in the Entitlement Offer should carefully read the Entitlement Offer Booklet and accompanying personalised Entitlement and Acceptance Form which are expected to be dispatched on or around 2 July 2019. Copies of the Entitlement Offer Booklet will be available on the Company's ASX website.

Directors and management of the Company committed to participating in the Entitlement Offer.

The Company reserves the right to pay up to 6% in Commission to any broker who assists the Company in placing the shortfall of the Entitlement Offer

Key Dates of the Entitlement Offer

Event	Date [*]
Announcement of Entitlement Offer	Monday, 24 June 2019
Ex-date for Entitlement Offer	Wednesday, 26 June 2019
Record Date	Thursday, 27 June 2019
Entitlement Offer opens	Tuesday, 2 July 2019
Dispatch of Booklet and Entitlement and Acceptance Form	
Entitlement Offer closes	Friday, 12 July 2019
Shares quoted on a deferred settlement basis	Monday, 15 July 2019
Announcement of shortfall (if any) under the Entitlement Offer	Wednesday, 17 July 2019
Notification of undersubscriptions	
Issue and allotment of shares under the Entitlement Offer	Friday, 19 July 2019
Dispatch of holding statements	Friday, 19 July 2019
Commencement of trading of new shares	Friday, 19 July 2019

^{*} The above timetable is indicative only and subject to change. The quotation of shares is subject to ASX approval. Subject to the ASX Listing Rules and the Corporations Act 2001 (Cth) and other applicable laws, the Company reserves the right to vary these dates, including the Closing Date, without notice, including extending the period of the Entitlement Offer or accepting late applications, either generally or in particular cases or bringing forward the Closing Date at its discretion. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the shares under the Entitlement Offer.

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D. Risk Factors

This section identifies the areas the Directors regard as risks associated with an investment in the Company.

Eligible Shareholders should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Eligible Shareholders should read the whole of this Booklet and consult with their professional advisers for legal, business, financial or tax advice in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for Offer Shares.

The following is a non-exhaustive summary of the key risks associated with an investment in the Company:

- (a) ***History of negative operating cash flows:*** There is a risk that the Company may not improve operating cash flows in the future. There is a possibility that the Company's financial restructure and revised business plan may not result in improved operating cash flow. There is also a possibility that the new revenue opportunities identified by the Company do not materialise as planned.
- (b) ***Dilution of existing Shareholdings in the Company:*** Shareholders who do not take up their Entitlements in full will have their percentage interest in the Company reduced. Given the structure of the Entitlement Offer (2 new Offer Shares for every 3 existing Shares) this will mean that the dilution to existing Shareholders who do not take up their Entitlements in full will be significant. At completion of the Entitlement Offer, if the full Entitlement is taken up, it is anticipated that the Company's share capital will increase from 1,569,454,374 Shares to approximately 2,523,796,540 Shares. For Shareholders who do not take up their Entitlements and in circumstances where any shortfall is fully subscribed, the Shareholder will have their percentage interest in the Company reduced by approximately 43%.
- (c) ***Constantly evolving operating environment:*** The Company operates in the marketing technology and social media services industry. These industries are characterised by rapidly changing technology, new service and product offerings and evolving consumer demands. Remaining innovative and developing new and unique offerings is costly and complex, which may erode the Company's competitive position in the industry, and adversely affect the growth and profitability of its business.
- (d) ***Ability to attract and retain skilled personnel:*** The responsibility of overseeing the day to day operations and the strategic management of the Company is substantially dependent upon its management and its key personnel. Whilst key personnel generally enter into service agreements with the Company, there may be a detrimental impact on the Company if they cease their employment or involvement with the Company. The future success of the Company also depends upon its continuing ability to attract and retain highly qualified personnel. Generally, the failure to attract and retain the necessary personnel could have a material effect upon the Company's business, results of operations and financial condition.
- (e) ***Technology, other systems and security:*** The Company generates revenue streams by rendering their services through User Generated Content and Social Media. As a result, its ability to provide reliable services largely depends on the efficient and uninterrupted operation of its core technologies, which include software systems, its website and hardware configurations. The Company's core technologies and other systems operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, hacking, power or telecommunication provider failures, fire, natural disasters, terrorist acts, war, human error or court ordered injunction in the event of an alleged breach of third party intellectual property rights. Events of that nature may cause one or more of those core technologies to become unavailable due to the

high level of integration between the disparate software systems that make up the Company's information technology environment. If the Company was to experience a significant security breach or systematic failure, then it is likely that its ability to deliver services to its customers could be delayed or interrupted. This in turn may impact its ability to attract and retain Customers, generate new business and protect its brand.

- (f) ***Future capital needs:*** Further funding may be required to advance the business objectives of the Company or for working capital purposes. There is a risk that despite efforts from the Company and its management, expansion efforts will fail, which will adversely affect the Company's growth and profitability. Moreover, there can be no assurance that additional funding will be available on satisfactory terms or at all. Any inability to obtain funding may adversely affect the financial condition of the Company and consequently, the value of its Shares.
- (g) ***Regulatory risk and government policy:*** Changes in relevant taxation, interest rates and other legal, legislative and administrative regimes and government policies in Australia, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.
- (h) ***Share market conditions:*** The price of the Company's Shares will be influenced by international and domestic factors which may cause the market price of the securities to fall and may be subject to varied and unpredictable influences on the market for equities. Shareholders should be aware that there are risks associated with any securities investment. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

E. Additional information

1 Quotation and trading

The Company has applied to ASX for the official quotation of the Offer Shares in accordance with the ASX Listing Rules. Subject to approval being granted by ASX, it is expected that normal trading of Offer Shares will commence on or about 22 July 2019.

2 Ranking of Offer Shares

Offer Shares (including any Additional Shares) issued under the Entitlement Offer will rank equally with existing Shares on issue.

3 Withdrawal

The Company reserves the right to withdraw all or part of the Entitlement Offer at any time, subject to applicable laws. If the Company exercises this right it will refund Application monies in relation to Offer Shares not already issued in accordance with the Corporations Act without the payment of interest.

4 Use of funds

If the Entitlement Offer is fully subscribed, the Company will raise approximately A\$954,342 (before expenses). The Company intends to apply the funds as follows:

- (a) to pay the costs of making the Entitlement Offer;
- (b) scale the existing revenue-generating digital client services capabilities and capacity;
- (c) complete and launch new technology products and roll out marketing campaigns;
- (d) complete development of MediaConsent Clinical;
- (e) re-name ShareRoot to reposition the company within the target market; and
- (f) the remaining balance will be used to fund ongoing working capital and strengthen the Company's balance sheet.

5 Effect on capital structure

Assuming that the Entitlement Offer is fully subscribed and all Offer Shares (including any Additional Shares) are issued and allotted, the Company's issued share capital will increase from 1,569,454,374 Shares to approximately 2,523,796,540 Shares (subject to rounding).

6 Potential effect on control

The potential effect the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. However, as the Entitlement Offer is a pro rata issue, and given the current level of holdings of substantial shareholders (based on substantial holder notices that have been given to the Company and lodged with ASX before the date of the announcement of the Entitlement Offer), the Entitlement Offer is not expected to have any material effect on the control of the Company and, as a result, there is not expected to be any consequences flowing from that effect. The risks associated with dilution are also set out in Section D of this Booklet.

The potential effect on control and/or dilution is summarised below:

- (a) if all Eligible Shareholders take up their Entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of the Company;
- (b) if some Eligible Shareholders do not take up all of their Entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders in the Company will be diluted;

- (c) the proportional interests of shareholders of the Company who are not Eligible Shareholders will be diluted because such shareholders are not entitled to participate in the Entitlement Offer; and
- (d) Eligible Shareholders that apply for additional Shares under the Shortfall Facility may increase their interests beyond their Entitlement. This could result in the dilution of holdings of those who failed to accept their Entitlements in full and those who failed to apply for Additional Shares under the Shortfall Facility.

7 No cooling off rights

Cooling off rights do not apply to an investment in Offer Shares. You cannot, in most circumstances, withdraw your Application once it has been accepted. Further, Entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

8 Taxation

The Directors do not consider it appropriate to give Eligible Shareholders advice regarding the taxation consequences of applying for Offer Shares (including any Additional Shares) under this Booklet.

Taxation implications will vary depending upon the individual circumstances of individual Eligible Shareholders. Eligible Shareholders are strongly recommended to obtain their own professional advice (including taxation advice) before deciding whether to accept the Entitlement Offer or apply for Additional Shares under the Shortfall Facility.

Neither the Company, nor any of its officers or employees or advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences, of the Entitlement Offer or the acquisition or disposal of securities in connection with the Entitlement Offer.

F. Glossary

In this Booklet, the following capitalised terms have the following meanings (unless the context requires otherwise).

Additional Shares	Offer Shares which comprises the shortfall, which may be applied for by Eligible Shareholders in excess of their Entitlement.
AEST	Australian Eastern Standard Time as observed in Sydney, New South Wales.
Announcement	the ASX announcement relating to the Entitlement Offer, as announced by the Company to ASX on 24 June 2019 and included in section C of this Booklet.
Application	an application for Offer Shares lodged in accordance with the instructions in this Booklet and the Entitlement and Acceptance Form.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the market operated by it as the context requires.
Booklet	this entitlement offer booklet.
Closing Date	5.00 pm (AEST) on 12 July 2019, or such other date as the Company determines.
Company or ShareRoot	ShareRoot Limited ACN 063 144 865.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Eligible Shareholder	a Shareholder who is a registered holder of Shares on the Record Date with a registered address in Australia or New Zealand.
Entitlement and Acceptance Form	your personalised application form enclosed with this Booklet.
Entitlement	the number of Offer Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer (ignoring the Shortfall Facility).
Entitlement Offer	a 2 for 3 (2 new Shares for 3 existing Shares) non-renounceable pro rata entitlement offer to subscribe for Offer Shares at the Issue Price set out in this Booklet and the Entitlement and Acceptance Form as announced by the Company to ASX on 24 June 2019.
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
Issue Date	19 July 2019, or such other date as the Company determines.
Issue Price	A\$0.001, being the price per Offer Share.

Offer Period	the period commencing on the Opening Date and ending on the Closing Date
Offer Shares	the new Shares offered under the Offer.
Opening Date	2 July 2019.
Record Date	7.00 pm (AEST) on 27 June 2019.
Register	the register of Shareholders.
Registry	Automic Pty Ltd ABN 27 152 260 814.
Section	a section in this Booklet.
Securities Act	the United States <i>Securities Act of 1933</i> , as amended.
Share	a fully paid ordinary share in the Company.
Shareholder	a registered holder of a Share.
Shortfall Facility	the mechanism by the Company may place the shares that comprise the shortfall as described in clause 8 of Section B.
US Private Placement	the offer and sale by the Company to Approved US Shareholders of Offer Shares as part of the Entitlement Offer in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.
US Securities Act	the US Securities Act of 1933.