

Schrole™

PROSPECTUS

For an offer of up to 300,000,000 Shares at an issue price of \$0.02 each to raise up to \$6,000,000 (Public Offer) (before costs).

(See inside cover for full detail)

ACN 164 440 859

IMPORTANT INFORMATION This is an important document and investors should read the document in its entirety and are advised to consult with their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

Any investment in the Company under this Prospectus should be considered highly speculative in nature and prospective investors should be aware that they may lose some or all of their investment.



Lead Manager



Co-Lead Manager

**AQUAINT CAPITAL HOLDINGS LIMITED
(TO BE RENAMED 'SCHROLE GROUP LTD')
ACN 164 440 859
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)**

For an offer of up to 300,000,000 Shares at an issue price of \$0.02 each to raise up to \$6,000,000 (**Public Offer**) (before costs).

This Prospectus also contains the following **Secondary Offers**:

1. an offer of 150,000,000 Shares to the Vendors (or their nominees) and 290,000,000 Performance Shares to the Majority Vendors (or their nominees) (on a post-Consolidation basis) in consideration for the acquisition of all shares in Schrole Operations Ltd (**Consideration Offer**);
2. an offer of 97,000,000 Options (on a post-Consolidation basis) to the Vendors (or their nominees) (**Vendor Option Offer**);
3. an offer of 15,000,000 Shares (on a post-Consolidation basis) to Alto Capital (or its nominee) in lieu of advisory fees in respect of the Public Offer (**Lead Manager Offer**);
4. an offer of 80,000,000 Shares and 25,000,000 Options (on a post-Consolidation basis) to Xcel Capital (or its nominee) in lieu of DOCA recapitalisation and advisory fees for services provided to the Company (**Facilitator Offer**);
5. an offer of 50,000,000 Options (on a post-Consolidation basis) to Xcel Capital (or its nominee) in lieu of services provided to the Company (**Adviser Offer**);
6. an offer of 8,000,000 Shares (on a post-Consolidation basis) to Enerly as partial repayment of a Schrole shareholder loan (**Loan Offer**); and
7. an offer of 25,000,000 Shares and 25,000,000 free attaching Options (on a post-Consolidation basis) on conversion of the convertible notes issued by Schrole (**Conversion Offer**),

(together with the Public Offer, the Offers).

It is proposed that the Offers will close at 5.00pm (WST) on 15 September 2017. The Directors reserve the right to close the Offers earlier or to extend this date without notice. Applications must be received before that time.

Re-compliance with Chapters 1 and 2

In addition to the purpose of raising funds under the Public Offer, this Prospectus is issued for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Listing Rules following a change to the nature and scale of the Company's activities.

Conditional Offers

The Offers are conditional upon certain events occurring. Please refer to Section 3.3 for further information.

The Offers are not underwritten.

Lead Manager to the Public Offer:



Co-Lead Manager to the Public Offer:



IMPORTANT INFORMATION This is an important document and investors should read the document in its entirety and are advised to consult with their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

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IMPORTANT INFORMATION





Prospectus

This Prospectus is dated 18 August 2017, and was lodged with ASIC on that date. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Prospectus after that expiry date.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to this Prospectus to be admitted for quotation on the ASX.

Persons wishing to apply for Securities pursuant to the Offers must do so using the applicable Application Form attached to or accompanying this Prospectus. Before applying for Securities potential investors should carefully read this Prospectus so that they can make an informed assessment of:

- the rights and liabilities attaching to the Securities;
- the assets and liabilities of the Company; and
- the Company's financial position and performance, profits and losses, and prospects.

Investors should carefully consider these factors in light of their own personal financial and taxation circumstances.

No person is authorised to give any information or to make any representation in relation to the Offers that is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offers.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to applying for Securities. This examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Securities under the Offers set out in this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

Re-compliance with Chapters 1 and 2 of the Listing Rules

The Acquisition will constitute a change to the nature and scale of the Company's activities. Pursuant to Listing Rule 11.1.3, the Company must re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules, as if applying for admission to the official list of ASX. Accordingly, this Prospectus is issued for the purpose of satisfying Chapters 1 and 2 of the Listing Rules, as well as for the purpose of raising funds under the Public Offer.

Conditional Offers

The Offers contained in this Prospectus are conditional on certain events occurring. If these events do not occur, those Offers will not proceed and the affected investors will be refunded their application monies without interest. Please refer to Section 3.3 for further details on the conditions attaching to the Offers.

Electronic Prospectus and Application Form

This Prospectus will generally be made available in electronic form by being posted on the Company's website at www.aquaint.com.au. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Public Offer Application Form (free of charge) from the Company's registered office by contacting the Company as detailed in the Corporate Directory. The Offers constituted by this Prospectus in electronic form are only available to persons receiving an electronic version of this Prospectus and the Application Form.

Applications for the Public Offer will only be accepted on the Application Form attached to, or accompanying, this Prospectus or in its paper copy form as downloaded in its entirety from www.aquaint.com.au. The Corporations Act prohibits any person from passing on to another person the Public Offer Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Securities under the Offers should complete the relevant Application Form. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Offers outside Australia

This document does not constitute an offer of Securities offered under this Prospectus in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Securities offered under this Prospectus may not be offered or sold, in any country outside Australia except to the extent permitted below.

Singapore

This document and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities, may not be issued, circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's Shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Securities. The Securities may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

Speculative Investment

The Securities offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Securities offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Securities in the future.

Prospective investors should carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 6 for details relating to the key risks applicable to an investment in the Securities.

Using this Prospectus

Persons wishing to subscribe for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus. If persons considering subscribing for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 6. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Miscellaneous

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$" or "A\$" are references to Australian dollars.

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

Defined terms and abbreviations used in this Prospectus are detailed in Section 14.

There may be discrepancies between totals and sums of components in tables contained in this Prospectus due to rounding.

**CORPORATE
DIRECTORY**

Existing Board of Directors

Ms Sara Kelly	Non-Executive Director
Mr Jeremy King	Non-Executive Director
Ms Kyla Garic	Non-Executive Director

Proposed Board of Directors

Mr Robert Graham	Managing Director
Mr Stuart Carmichael	Non-Executive Chairman
Mr Shaun Hardcastle	Non-Executive Director
Mr Craig Read-Smith	Non-Executive Director

Company Secretary

Current: Ms Kyla Garic
Proposed: Mr Nick Allan

Registered Office

108 Outram Street
WEST PERTH WA 6005
Telephone: +61 8 9486 7244
Facsimile: +61 8 9463 6373
Email: info@aquaint.com.au

Share Registry*

Link Market Services Limited
QV1 Building, Level 12
250 St Georges Terrace,
Perth WA 6000
Telephone: +61 1300 554 474

ASX Code

Current: AQU
Proposed: SCL
Website
Current: www.aquaint.com.au
Proposed: www.schrolegroup.com

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Investigative Accountant

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Legal Adviser

Bellanhouse
Level 19, Alluvion
58 Mounts Bay Road
PERTH WA 6000

Lead Manager and Corporate Adviser

Alto Capital
Ground Floor
16 Ord Street
WEST PERTH WA 6005
AFSL No: 279099

Co-Lead Manager and Adviser

Xcel Capital
Suite 4
11 Ventnor Avenue
WEST PERTH WA 6005
AFSL No: 456663

Intellectual Property Expert

Williams & Hughes
25 Richardson Street
WEST PERTH WA 6005

* This entity is included for information purposes only. They have not been involved in the preparation of this Prospectus.

LETTER FROM
THE CHAIRMAN

DEAR INVESTOR,

ON BEHALF OF THE BOARD IT IS MY PLEASURE TO INVITE YOU TO PARTICIPATE IN THE PUBLIC OFFER BY THE COMPANY TO BECOME A SHAREHOLDER OF AQUAINT CAPITAL HOLDINGS LIMITED (TO BE RENAMED "SCHROLE GROUP LTD") (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (AQUAINT OR COMPANY).

The Business

Schrole is an innovative technology based software developer and provides schools (both domestic and international) with technology based recruitment platforms and consulting service solutions to enable schools to address staffing and recruitment solutions and the development of customized advisory and training services.

Schrole's unique and sustainable competitive advantage comes from a focused strategy to bring together core competencies in technology development, recruitment and educational management.

Schrole has leveraged existing intellectual property and deep industry knowledge to create a related product and service portfolio with a diversified global revenue stream.

Schrole has developed and commercialised two innovative, low-cost technology solutions to help transform the traditional and antiquated recruitment methods of the education sector. Schrole Connect is an efficient, low-cost recruitment solution for international schools, attracting the best candidates to vacant teaching roles. Schrole Cover services the short-term relief teacher market, reducing a currently painstaking and time-consuming process to fill short-term vacancies to a result within minutes.

As at 30 June 2017 Schrole's products were being used by 174 international and domestic schools in 32 countries with a growing database of over 42,000 education professionals.

Schrole has identified two main pathways for immediate growth and expansion following completion of the Public Offer being (i) targeting Australian and international schools, expanding into new markets including the United Kingdom and (ii) expanding Schrole Cover into a number of vertical industries where there is a need to find temporary staff solutions including hospitality, hospitals and local councils.

We believe that our innovative technology solutions, established track record, deep industry knowledge and identified growth opportunities will support the continued growth of the Schrole business.

The Market

It is estimated by The International Schools Consultancy that the international school education market generates US\$39 billion in annual fee income. This market potential along with the fact there are currently approximately 8,900 international schools globally and 400,000 international school teachers with 80,000 teacher placements worldwide each year presents a significant opportunity for Schrole.

The Team

Schrole's Managing Director, Mr Robert Graham, has more than 30 years' experience in the education sector where he has had direct involvement in recruitment and training as an international school principal and then as owner of an international school recruitment firm prior to developing the Schrole business. Mr Graham is supported by a strong executive team who also have significant industry experience as educators and administrators in international schools, finance and technology.

The Offers

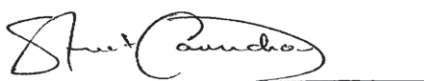
The Company is seeking to raise up to \$6,000,000 under the Public Offer. The funds raised will be used to support the continued growth and expansion of the Company, customer support and retention, software development, costs associated with the acquisition, recapitalisation and the offer as well as providing general working capital. Please refer to Section 3 of this Prospectus for details about the Offers.

An investment in the Company involves a number of risks which are addressed in both Section 6.

This Prospectus contains important information regarding the Company and I encourage you to read it in its entirety.

On behalf of the Board I look forward to welcoming you as a Shareholder of Schrole.

Yours sincerely,



Stuart Carmichael
Chairman Designate
Aquaint Capital Holdings Limited (to be renamed "Schrole Group Ltd")
(Subject to Deed of Company Arrangement)

**KEY OFFER
DETAILS**

KEY OFFER DETAILS

Key offer details ¹	Minimum Subscription	Maximum Subscription
Offer Price per Share under the Public Offer	\$0.02 per Share	\$0.02 per Share
Shares to be offered under the Public Offer	275,000,000	300,000,000
Cash raised under the Public Offer (before expenses)	\$5,500,000	\$6,000,000
Shares to be offered under the Consideration Offer	150,000,000	150,000,000
Shares to be offered under Lead Manager Offer	15,000,000	15,000,000
Shares to be offered under Facilitator Offer	80,000,000	80,000,000
Shares to be offered under the Loan Offer	8,000,000	8,000,000
Shares to be issued upon conversion of Convertible Notes	25,000,000	25,000,000
Shares on issue prior to the Offers (on a post-Consolidation basis)	2,050,007	2,050,007
Total number of Shares on issue following the Offers	555,050,007	580,050,007
Total number of Options on issue following the Offers ²	211,000,000	211,000,000
Total number of Performance Shares on issue following the Offers ³	290,000,000	290,000,000
Ownership by Vendors at ASX relisting ⁴	28.5%	27.2%
Ownership by investors under Public Offer at relisting ⁵	49.5%	51.7%

Note:

- The figures shown above assume none of the Options are exercised and the Performance Shares have not converted into ordinary Shares. Please refer to Section 3.4 for further details relating to the proposed capital structure of the Company.
- The Company also proposes to issue a total of 211,000,000 Options under the Offers comprising of:
 - 97,000,000 Options to be offered under Vendor Option Offer;
 - 25,000,000 Options to be offered under Facilitator Offer;
 - 50,000,000 Options to be offered under Adviser Offer;
 - 25,000,000 Options to be issued upon conversion of Convertible Notes; and
 - 14,000,000 Options to be issued to Directors.
Please see Section 3.4 for further details relating to the proposed capital structure of the Company.
- The Company proposes to issue 290,000,000 Performance Shares under the Consideration Offer. Please see Section 3.4 for further details relating to the proposed capital structure and Section 12.7 for the terms and conditions of the Performance Shares.
- These percentages of the ownership by Vendors assumes none of the Options are exercised and the Performance Shares have not converted into ordinary Shares. Please refer to Section 3.4 for further details relating to the effect on voting power.

**INDICATIVE
TIMETABLE**

INDICATIVE TIMETABLE

Event	Date
Lodgement of this Prospectus with ASIC	18 August 2017
Opening Date for the Public Offer	26 August 2017
Shareholder Meeting	13 September 2017
Closing Date for the Public Offer	15 September 2017
Completion of the Acquisition	25 September 2017
Issue of Securities under the Offers	29 September 2017
Dispatch of holding statements	29 September 2017
Date for Shares to be reinstated to trading on ASX	20 October 2017

Note:

The dates shown above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to invest in the Company. The Company also reserves the right not to proceed with any of the Offers at any time before the issue of Securities to Applicants.

INVESTMENT OVERVIEW





This Section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

Item	Summary	More Information
Introduction		
Who is the Company and what does it do?	<p>Aquaint Capital Holdings Limited (to be renamed "Schrole Group Ltd") (ACN 164 440 859) (Subject to Deed of Company Arrangement) (Company) is an Australian investment management company listed on the ASX.</p> <p>The Company's shares were suspended from official quotation on 14 August 2015 and have remained suspended since that date.</p> <p>On 14 June 2016, the Company announced that the Company's then board had resolved to appoint Samuel John Freeman, Clint Joseph and Adam Paul Nikitins as joint and several voluntary administrators of the Company. On 15 November 2016 Clint Joseph resigned as one of the Joint and Several Deed Administrators for the Company.</p> <p>Following a creditors' meeting on 22 August 2016, the Company entered into a Deed of Company Arrangement (DOCA) with CPS Capital Group Limited (as proponent) on 9 September 2016.</p>	Section 4.1
What is the Acquisition?	<p>The Company is proposing to acquire 100% of the issued capital of Schrole Operations Ltd (ACN 131 115 878) (Schrole) (the Acquisition).</p> <p>The Acquisition will result in a material change in the nature and scale of the Company's activities, and requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules.</p>	Sections 1 and 4.2
Who is Schrole and what does it do?	<p>Schrole is an Australian company that provides schools (both domestic and international) with innovative, technology-based recruitment platforms and consulting service solutions to enable schools to address staffing and recruitment challenges.</p>	Section 4.3
What products and services does the Company offer?	<p>Schrole has three Business Units:</p> <p>Schrole Connect – an online software-as-service (SaaS) platform that enables international schools to streamline teacher recruitment and candidate management activities;</p> <p>Schrole Cover – a cloud-based SaaS platform providing fast-fill casual teacher recruitment services into schools; and</p> <p>Schrole Develop – an expert consulting and professional services business. This unit also incorporates ETAS Group which provides customised accredited training solutions to established clients.</p>	Section 4.3

Item	Summary	More Information
Summary of key risks		
<p>Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks. The risk factors set out in Section 6, and other general risks applicable to all investments in listed securities, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises the key risks which apply to an investment in the Company and investors should refer to Section 6 for a more detailed summary of the risks.</p>		
Reinstatement of Shares to quotation on ASX	<p>The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List of ASX.</p> <p>There is a risk that the Company will not be able to satisfy one or more of those requirements. Should this occur the Company's listed securities may remain suspended from quotation until such time as the Company does re-comply with the Listing Rules.</p>	Section 6.1(a)
Limited operating history of Schrole	<p>Schrole has a limited operating history for its Schrole Connect, Schrole Cover and Schrole Develop products and services on which to evaluate its business and prospects. Schrole's operations are subject to all of the risks inherent in a recently formed business enterprise. There is the possibility that revenue may be lower and costs may be higher than currently anticipated. ETAS Group, which provides business to business accredited training, has been operating for 20 years. Schrole has no significant history of operations for Schrole Connect, Schrole Cover and Schrole Develop, which is expected to generate the largest portion of the future business, and there can be no assurance that Schrole will be able to generate or increase revenues from these proposed products or even avoid losses in any future period.</p>	Section 6.2(a)

Item	Summary	More Information
Future capital requirements	<p>The Company intends to use the net proceeds of the Public Offer to expand the sales and marketing of the Schrole Connect, Schrole Cover and Schrole Develop product and service offering into further international and domestic schools, other short term employment industries and complete the development of Schrole Cover to potentially market for use in other industries. There is always a risk that the Company will not spend the net proceeds wisely or that it will underestimate the costs associated with the operation and expansion of the Company and Schrole. The Company could spend the net proceeds from the Public Offer in ways that may be ineffective or with which the Shareholders may not agree.</p> <p>The Company may require further financing in the future, in addition to amounts raised pursuant to the Public Offer (particularly if only the Minimum Subscription is met). Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or price of the Public Offer) or may involve restrictive covenants that limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.</p>	Section 6.2(b)
Competition risks	<p>The international schools recruitment market has a number of companies offering recruitment services. Should any of Schrole's competitors repurpose their databases leading to similarities to the Schrole Connect system or participate more aggressively on price, product, innovation or other means then this could have a material adverse impact on Schrole's financial performance and future prospects of the business. There are already companies providing products that cover the short term relief market in Australia. There is no guarantee that the Company, through Schrole, will be able to gain market share.</p> <p>Existing competitors may take steps to compete with or hinder Schrole's plans to market, launch, and commercialise its products and may take steps to cause downward price pressure, thus potentially reducing margins and revenues available to the Company.</p>	Section 6.2(c)

Item	Summary	More Information
Technology risks	<p>Schrole's business of providing online products relies on the availability, reliability and performance of its technology platforms, communications systems, servers, the internet, hosting services and the cloud-based environment in which it provides its products. Although Schrole has back-up, restoration and recovery procedures in place there is a risk that these systems may be affected by various factors such as damage, faulty or aging equipment, power surges or failures, computer viruses, or misuse by staff or contractors. Other factors such as hacking, denial of service attacks or natural disasters may also adversely affect these systems and cause them to become unavailable. Any significant interruption to Schrole's technology systems or a major loss of data could impair the ability of Schrole to continue to provide its products and/or services.</p>	Section 6.2(d)
Intellectual property risks	<p>Schrole's business relies on intellectual property of its development software: Schrole Connect and Schrole Cover. There is a risk that if Schrole, or any of the businesses it may partner or invest in, does not own or have licences to use any of the intellectual property it relies upon, its business could be adversely affected.</p> <p>The Company may be required to incur significant expenses in monitoring and protecting Schrole's intellectual property rights, in particular its trade secrets and copyright rights. Although no third party has asserted a claim of intellectual property against Schrole, others may hold proprietary rights that could prevent Schrole's products from being marketed.</p> <p>Schrole relies on trade secrets to help protect its proprietary know-how. However, trade secrets are difficult to protect. Schrole relies in part on confidentiality agreements with its employees, consultants, contractors and other third parties to protect its trade secrets. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorised disclosure of confidential information. In addition, others may independently discover Schrole's trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of Schrole's proprietary rights. Failure to obtain or maintain trade secret protection, or failure to adequately protect Schrole's intellectual property could enable competitors to develop generic products or use Schrole proprietary information to develop other products that compete with Schrole's products or cause additional, material adverse effects upon Schrole's business, results of operations and financial condition.</p>	Section 6.2(e)

Item	Summary	More Information
Barriers to entering new markets	Schrole's long term goal is to offer its products and services in numerous overseas markets. The Company's ability to grow and enter these new markets may involve certain barriers to entry from competitors in those overseas markets, different or prohibitive regulatory requirements, further investment in the products to adapt the technology for local market requirements and funding to expand the Company's business operations to these overseas markets.	Section 6.2(j)
Reliance on key personnel	Schrole has a number of key management personnel, and its future depends on retaining and attracting these and other suitable qualified personnel. Although these individuals have entered into contracts with Schrole, there is no assurance that such contracts will not be terminated. If such contracts are terminated or breached, or if these individuals no longer continue in their current roles, new personnel will need to be employed, which may adversely affect the business. Schrole is also substantially dependent on the continued service of its existing development personnel because of the complexity of its services and technologies. There is no assurance that Schrole will be able to retain the services of these persons.	Section 6.2(m)
Protection of personal information and data	<p>Schrole collects a wide range of personal information from its clients. This information includes (without limitation) personal data, employment history and banking details. The Company's efforts to protect such information may be unsuccessful due to the actions of third parties, software bugs or other technical malfunctions, employee error or other factors.</p> <p>Allegations of, or actual, unauthorised access or loss of such sensitive data could occur, resulting in a breach of the Company's obligations under applicable laws or regulations. Affected clients or government authorities could initiate legal or regulatory action against the Company in connection with any such breaches. Any such allegations, unauthorised access or breaches of laws or regulations could have an adverse effect on the Company's reputation, future financial position and performance and market position.</p>	Section 6.2(n)
Foreign currency and exchange rate fluctuations	<p>Schrole conducts business in other jurisdictions and is therefore exposed to the effects of changes in currency exchange rates. Schrole has a policy to undertake all overseas transactions primarily in USD, which is the preferred currency of international schools and many multi-national entities which reduces the risk exposure of foreign exchange fluctuations to a single currency. Schrole maintains USD denominated trading accounts, which may provide access to favourable exchange rates.</p> <p>Unhedged, unfavourable movements in foreign exchange rates may have an adverse effect of the Company's revenue and/or cost of operating and therefore affect the market price of the Shares.</p>	Section 6.2(r)

Item	Summary	More Information
Directors, Key Management Personnel and Substantial Holders		
Directors	<p>On completion of the Acquisition and subject to Shareholder approval at the Meeting, it is intended the Board will comprise:</p> <ul style="list-style-type: none"> (a) Mr Robert Graham – Managing Director; (b) Mr Stuart Carmichael – Non-Executive Chairman; (c) Mr Shaun Hardcastle – Non-Executive Director; and (d) Mr Craig Read-Smith – Non-Executive Director. <p>The profiles of each of these individuals are detailed in Section 10.2. Details of the personal interests in the Company of each of the above individuals are in Sections 10.3 and 10.4.</p> <p>It is intended that the current Directors, Mr Jeremy King, Ms Sara Kelly and Ms Kyla Garic, will retire at the Meeting.</p>	Section 10
Additional Key Management Personnel	<p>Upon successful completion of the Acquisition, it is proposed that Mr Nick Allan will be engaged as Chief Financial Officer and Company Secretary of the Company. The profile of Mr Allan is detailed in Section 10.2(e).</p> <p>It is intended that the current Company Secretary, Ms Kyla Garic, will retire at Completion.</p> <p>The Company's other key senior management member is Michael Kirkwood – General</p>	Sections 4.3 and 10.2
Related party transactions	<p>Details of Director remuneration and interests in the Securities are provided in Sections 10.4 and 10.5.</p> <p>Details of related party transactions are provided in Section 10.6.</p> <p>The Company has entered the following related party transactions on arms' length terms:</p> <ul style="list-style-type: none"> (a) letters of appointment or executive services agreements with each of its Directors and proposed Directors on standard terms (refer to Sections 11.6 and 11.7 for details); (b) a loan agreement with major shareholder Enerly Pty Ltd as trustee for Stronada Trust (refer to Section 11.10 for details), a related party of proposed Managing Director, Mr Robert Graham; (c) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 11.14 for details); (d) consultancy services from Systemic Pty Ltd, a related party of proposed Director, Mr Craig Read-Smith have been previously provided to Schrole for a total of \$8,400 (excluding GST); and (e) accounting and company secretary services from Onyx Corporate Pty Ltd, a related party of Director, Kyla Garic, have been provided to the Company to a total of approximately \$30,000. <p>Proposed Director Mr Shaun Hardcastle is also a director of Bellanhouse, the legal advisors for the Company. Bellanhouse will be paid the fees in relation to the Offers as set out in Section 12.10(c).</p>	Sections 10.4 to 10.6 and 11

Item	Summary	More Information
Who will be the substantial holders of the Company?	<p>As at the date of this Prospectus, Tan Yang Po holds an interest in 5% or more of the Shares on issue (being 5.7%).</p> <p>Based on the information known as at the date of this Prospectus, upon re-admission of the Company's Shares to Official Quotation, Enerly (a related party of proposed Managing Director, Robert Graham) is expected to have an interest in 5% or more of the Shares on issue as follows (assuming no convertible Securities are converted into Shares):</p> <p>(a) on Minimum Subscription – 14.1% and</p> <p>(b) on Maximum Subscription – 13.5%.</p> <p>Whilst the Joint Lead Managers are expected to hold 17.1% of Shares (on the Minimum Subscription) and 16.4% (on the Maximum Subscription), the Joint Lead Managers intend to issue a portion of Shares to nominees who assist with the Offers, which will reduce this percentage holding.</p>	Section 12.9
Financial information		
How have the Company and Schrole performed over the past 12 months?	<p>The statements of financial position of the Company and Schrole as at 31 December 2016 are set out in the Investigating Accountant's Report in Section 8.</p> <p>Following the change in the nature of its activities, the Company will be focused on developing Schrole's products and services. Therefore, the past operational and financial performance of the Company should not be relied on as a guide to future performance.</p>	Sections 7 and 8
What is the financial outlook for the Company?	<p>Please refer to the Investigating Accountant's Report in Section 8 which includes a pro-forma balance sheet of the Company post-Completion.</p> <p>There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.</p>	Section 8
Does the Company have sufficient funds for its activities?	<p>The funding for the Company's short to medium term activities will be generated from funds raised under the Public Offer.</p> <p>The Board is satisfied that upon completion of the Public Offer, the Company will have sufficient working capital to meet its stated objectives.</p>	Section 4.4

Item	Summary	More Information
What is the proposed use of funds raised under the Public Offer?	The Company intends to apply the funds raised from the Public Offer as set out in Section 4.4.	Section 4.4
What are the Offers?		
What is the Public Offer?	The Public Offer is an offer inviting the general public to apply for up to 300,000,000 Shares at an Offer Price of \$0.02 per Share to raise funds of up to \$6,000,000 (before costs).	Section 3.1
Is there a Minimum Subscription?	Yes. The minimum level of subscription is 275,000,000 Shares to raise \$5,500,000.	Section 3.1
What are the other Offers?	<p>The Company is also undertaking the following Secondary Offers in connection with the Acquisition:</p> <ul style="list-style-type: none"> (a) an offer of: <ul style="list-style-type: none"> (i) 150,000,000 Shares to the Vendors (or their nominees); and (ii) 290,000,000 Performance Shares to the Majority Vendors (or their nominees), (on a post-Consolidation basis) in consideration for the Acquisition (Consideration Offer); (b) an offer of 97,000,000 Options (on a post-Consolidation basis) to the Vendors (or their nominees) (Vendor Option Offer); (c) an offer of 15,000,000 Shares (on a post-Consolidation basis) to Alto Capital (or its nominee) in lieu of success fees in relation to the Public Offer (Lead Manager Offer); (d) an offer of 80,000,000 Shares and 25,000,000 Options (on a post-Consolidation basis) to Xcel Capital (or its nominee) in lieu of DOCA recapitalisation and advisory fees for services provided to the Company (Facilitator Offer); (e) an offer of 50,000,000 Options (on a post-Consolidation basis) to Xcel Capital (or its nominee) in lieu of advisory services provided to the Company (Adviser Offer); (f) an offer of 8,000,000 Shares (on a post-Consolidation basis) to Enerly as partial repayment of a Schrole shareholder loan (Loan Offer); and (g) an offer of 25,000,000 Shares and 25,000,000 free attaching Options (on a post-Consolidation basis) on conversion of the convertible notes issued by Schrole (Conversion Offer). 	Section 3.2
What are the conditions of the Offers?	<p>The Offers under this Prospectus are conditional upon the following events occurring:</p> <ul style="list-style-type: none"> (a) effectuation of the DOCA; (b) the Acquisition Agreement becoming unconditional; (c) Shareholders approving the Acquisition Resolutions; (d) the Company completing the Public Offer; and (e) ASX granting in-principle approval to reinstate the Securities to trading on ASX on conditions reasonably satisfactory to the Company. <p>If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Public Offer in accordance with the Corporations Act.</p>	Section 3.3

Item	Summary	More Information
Why is the Public offer being conducted?	<p>The purposes of the Public Offer are to:</p> <ul style="list-style-type: none"> (a) ensure the Company re-complies with ASX's admission requirements in accordance with Chapters 1 and 2 of the Listing Rules; (b) provide funding for the purposes outlined in Section 4.4; (c) provide the Company with access to equity capital markets for future funding needs; and (d) enhance the public and financial profile of the Company. 	Section 3.1(c)
Additional information		
Will the Company be adequately funded after completion of the Public Offer?	The Directors are satisfied that on completion of the Public Offer, the Company will have sufficient working capital to carry out its stated objectives.	Section 4.4
What rights and liabilities attach to the Securities on issue post-Acquisition?	<p>All Shares issued under the Offers will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 12.1.</p> <p>The terms and conditions attaching to the Options issued under the Offers are described in Sections 12.2 to 12.6. The Shares issued on exercise of the Options will rank equally in all respects with existing Shares on issue.</p> <p>The terms and conditions attaching to the Performance Shares to be issued to the Majority Vendors under the Consideration Offer are described in Section 12.7. The Shares issued on conversion of the Performance Shares will rank equally in all respects with existing Shares on issue.</p>	Sections 12.1 to 12.7
Is the Public Offer underwritten?	No, the Public Offer is not underwritten.	Section 3.6
Will the Securities issued under the Offers be quoted?	<p>The Company will apply to ASX no later than seven days from the date of this Prospectus for official quotation of the Shares issued under this Prospectus on the ASX. The Shares will be quoted under the new code, "SCL".</p> <p>The Options and Performance Shares will not be quoted on ASX. If the Company is listed on the ASX at the time the Performance Shares convert into Shares, the Company will apply for those Shares to be quoted within seven days after the conversion.</p>	"Important Information" and Section 2.3
What are the tax implications of investing in Securities under the Offers?	<p>The tax consequences of any investment in Securities under the Offers will depend upon your particular circumstances.</p> <p>Prospective investors should obtain their own tax advice before deciding to invest.</p>	Section 3.15
How do I apply for Securities under the Offers?	Applications for Securities under the Offers must be made by completing the relevant Application Form and, for the Public Offer, must be either by BPAY® or accompanied by a cheque in Australian dollars for the full amount of the application, being the number of Shares applied for multiplied by \$0.02 per Share. Applications under the Public Offer must be for a minimum of 100,000 Shares (\$2,000). Cheques must be made payable to "Aquaint Capital Holdings Limited – Share Application Account" and should be crossed "Not Negotiable". The Company will also accept electronic transfers of Application Monies.	Section 3.7

Item	Summary	More Information
When will I receive confirmation that my application has been successful?	It is expected that holding statements will be sent to successful applicants by post on or about 29 September 2017.	"Indicative Timetable"
Will any Securities be subject to escrow?	No Shares issued under the Public Offer will be subject to escrow. Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, the Company understands that certain Securities on issue (including the Securities issued under the Secondary Offers) may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.	Section 3.10
What is the Company's dividend policy?	It is anticipated that, post-settlement of the Acquisition, the Company will focus on developing Schrole's Business Units. The Company does not expect to declare any dividends during this period. Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results, financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.	Section 4.6
How can I find out more about this Prospectus or the Offers?	Questions relating to the Offers and the completion of an Application Form can be directed to Daniel Chiew from Alto Capital on +61 8 9223 9833.	Section 3.16

02.

TRANSACTION OVERVIEW





2.1 The Acquisition

On 13 June 2017, the Company announced it had entered into a conditional binding agreement (**Acquisition Agreement**) with the Majority Vendors of Schrole under which the Company will acquire 100% of the issued capital of Schrole (Acquisition).

A summary of the Acquisition Agreement, including the conditions precedent to settlement occurring on the Acquisition, is set out in Section 11.3. Upon successful completion of the Acquisition, the Company will focus on developing Schrole's products and services. A summary of Schrole's operations and the proposed business of the Company following completion of the Acquisition is set out in Section 4.

Completion of the Acquisition is subject to a number of conditions, including the following:

- (a) the Company completing a capital raising to raise a minimum of \$5,500,000 under the Public Offer;
- (b) the Company obtaining all necessary Shareholder approvals required by the Corporations Act and Listing Rules in relation to the Acquisition; and
- (c) the Company receiving conditional approval from ASX to reinstate the securities of the Company to trading.

2.2 About Schrole

The Company is proposing to acquire 100% of the issued share capital of Schrole.

Please refer to Section 4.3 for a summary of Schrole and the Company's proposed activities following completion of the Acquisition.

2.3 Suspension and reinstatement on ASX

The Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's operations from an investment management company to a technology company.

The change in the nature and scale of the Company's activities requires:

- (a) the approval of Shareholders; and
- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

The Company's Securities are currently suspended from trading on ASX and will not be reinstated unless:

- (a) each Acquisition Resolution is passed by Shareholders at the Meeting (see Section 2.4 below for further details); and
- (b) ASX is satisfied the Company has met the requirements of Chapters 1 and 2 of the Listing Rules.

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the Shares held by those Shareholders; and
- (b) the Company must satisfy the "assets test" as set out in Listing Rule 1.3.

It is expected that by conducting the Public Offer pursuant to this Prospectus, the Company will be able to satisfy the above requirements.

Applicants should be aware that ASX will not re-admit or admit any Securities to Official Quotation until the Company re-complies with Chapters 1 and 2 of the Listing Rules and is re-admitted by ASX to the Official List. In the event the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Offers and will repay all Application Monies received by it in connection with the Public Offer (without interest).

If Shareholder approval to the change in nature and scale of the Company's activities is obtained, the Company will apply to ASX to have its securities reinstated to trading.

The Company will apply to ASX no later than seven days from the date of this Prospectus for ASX to grant official quotation of the Shares issued pursuant to this Prospectus. If those Shares are not admitted to quotation within three months after the date of this Prospectus, no Shares will be issued and Application Monies received under the Public Offer will be refunded in full without interest in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation to the Securities issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

2.4 Shareholder Meeting

The Company has called a Shareholder meeting primarily for the purpose of seeking the approval of Shareholders to a number of resolutions required to implement the Acquisition (**Meeting**).

As a condition to completion of the Offers under this Prospectus, as well as the Acquisition, each of the following resolutions must be approved by Shareholders:

- (a) approval under Listing Rule 11.1.2 for a significant change in the nature or scale of the Company's operations;
 - (b) approval for the issue of a new class of shares, being the Performance Shares, which are to be issued to the Majority Vendors (or their nominees) as part-consideration for the Acquisition;
 - (c) approval for the issue at Completion of:
 - (i) 150,000,000 Shares to the Vendors (or their nominees); and
 - (ii) 290,000,000 Performance Shares to the Majority Vendors (or their nominees, (on a post-Consolidation basis) in consideration for Acquisition;
 - (d) approval for the issue at Completion of a minimum of 275,000,000 Shares (on a post-Consolidation basis) to raise \$5,500,000 via this Prospectus;
 - (e) approval for the issue at Completion of 97,000,000 Options (on a post-Consolidation basis) to the Vendors;
 - (f) approval for the issue at Completion of 80,000,000 Shares and 25,000,000 Options (on a post-Consolidation basis) to Xcel Capital (or its nominee) in lieu of DOCA recapitalisation and advisory fees in relation to the Acquisition, the options on the terms set out in Section 12.3;
 - (g) approval for the issue at Completion of 15,000,000 Shares (on a post-Consolidation basis) to Alto Capital in lieu of advisory fees in relation to the Acquisition;
 - (h) approval for the issue at Completion of 50,000,000 Options (on a post-Consolidation basis) to Xcel Capital (or its nominee) in lieu of services on the terms set out in Section 12.4;
 - (i) approval for the appointment of four proposed Directors nominated by Schrole, Alto Capital and Xcel Capital to the Board, being Mr Robert Graham, Mr Stuart Carmichael, Mr Shaun Hardcastle and Mr Craig Read-Smith;
 - (j) approval for the issue for 8,000,000 Shares (on a post-Consolidation basis) as partial repayment of a Schrole shareholder loan to Enerly. See Section 11.10 for further details on the loan;
 - (k) approval for the issue of 14,000,000 Options (on a post-Consolidation basis) to the proposed non-executive Directors on the terms set out in Section 12.6 (Director Options);
 - (l) approval for the conversion of the convertible notes issued by Schrole into a total 25,000,000 Shares and 25,000,000 free attaching Options (on a post-Consolidation basis) on the term set out in Section 12.5 (**Attaching Options**);
 - (m) approval to increase the maximum total aggregate amount of fees payable to the non-executive Directors from \$108,000 per annum to \$200,000 per annum;
 - (n) approval for proposed non-executive Directors, Mr Stuart Carmichael and Mr Shaun Hardcastle to participate in the Public Offer for up to 1,500,000 Shares;
 - (o) approval of a new employee incentive scheme to be known as "Schrole Group Ltd Employee Incentive Scheme" and the issue of securities under that scheme. A summary of the Scheme is in Section 12.8; and
 - (p) approval for the change of the Company's name to "Schrole Group Ltd" subject to Completion and with effect from when ASIC alters the details of the Company's registration,
- (each, an **Acquisition Resolution** and together, the **Acquisition Resolutions**).

If any of the Acquisition Resolutions are not approved by Shareholders, the Acquisition (including the Offers under this Prospectus) will not be completed.

03.

DETAILS OF THE OFFER





3.1 Public Offer

(a) General

By this Prospectus, pursuant to the Public Offer the Company offers up to 300,000,000 Shares at an Offer Price of \$0.02 per Share to raise funds of up to \$6,000,000 (before costs). The Public Offer is open to the general public.

The Shares issued under the Public Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. The rights and liabilities attaching to the Shares are further described in Section 12.1 of this Prospectus.

Applications for Shares under the Public Offer must be made on the Public Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Securities under the Public Offer should refer to Section 3.7 for further details and instructions.

(b) Minimum subscription

The minimum level of subscription for the Public Offer is 275,000,000 Shares to raise \$5,500,000 (before costs). If the minimum subscription has not been achieved within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any Securities under this Prospectus and will repay all Application Monies in accordance with the Corporations Act.

(c) Purpose of the Public Offer

The purposes of the Public Offer are to:

- (i) ensure the Company re-complies with ASX's admission requirements in accordance with Chapters 1 and 2 of the Listing Rules;
- (ii) provide funding for the purposes outlined in Section 4.4;
- (iii) provide the Company with access to equity capital markets for future funding needs; and
- (iv) enhance the public and financial profile of the Company.

3.2 Secondary Offers

The Company is also undertaking the Secondary Offers (described below). The Secondary Offers are being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale of any Securities (or any Shares issued on conversion of any Securities into Shares) that are issued under the Secondary Offers.

(a) Consideration Offer

This Prospectus also includes the Consideration Offer, under which the Company offers:

- (i) 150,000,000 Shares to the Vendors (or their nominees); and
- (ii) 290,000,000 Performance Shares to the Majority Vendors (or their nominees),

on a post-Consolidation basis for the acquisition of all the shares in Schrole.

The Shares to be issued pursuant to the Consideration Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 12.1 of this Prospectus.

The terms and conditions of the Performance Shares to be issued under the Consideration Offer are described in Section 12.7. If the Performance Shares convert into Shares upon the relevant performance milestones being achieved, then the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

Applications for Securities under the Consideration Offer may only be made by the Vendors (or their nominees) on the personalised Consideration Offer Application Form issued to the Vendors together with a copy of this Prospectus, and must be completed and received by the Company on or before the Closing Date. The Company will only provide Consideration Offer Application Forms to persons entitled to participate in the Consideration Offer.

No Application Monies are payable under the Consideration Offer.

(b) Vendor Option Offer

The Company has agreed to offer 97,000,000 Options to the Vendors (or their nominees) in consideration for the Acquisition and for the cancellation of the Vendor's options in Schrole.

The rights and liabilities attaching to the Options issued under the Vendor Option Offer are described in Section 12.2. If the Options issued under the Vendor Option Offer are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

Only the Vendors (or their nominees) may accept the Vendor Option Offer. A personalised Application Form in relation to the Vendor Option Offer will be issued to such persons with a copy of this Prospectus.

No Application Monies are payable under the Vendor Option Offer.

The Options will not be quoted.

The Company anticipates that the Options will be held in escrow for 12 months from the date of issue for the Options issued to unrelated parties and up to 24 months from the date of Official Quotation for any Options issued to related parties.

(c) Lead Manager Offer

The Company has agreed to offer 15,000,000 Shares to Alto Capital (or its nominees) on successful completion of the Acquisition.

The Shares to be issued pursuant to the Lead Manager Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 12.1 of this Prospectus.

Only Alto Capital (or its nominees) may accept the Lead Manager Offer. A personalised Application Form in relation to the Lead Manager Offer will be issued to Alto Capital together with a copy of this Prospectus. The Company will only provide a Lead Manager Offer Application Form to Alto Capital.

The Shares issued under the Lead Manager Offer will be held in escrow for 24 months from the date of Official Quotation.

No Application Monies are payable under the Lead Manager Offer.

(d) Facilitator Offer

The Company has agreed to offer 80,000,000 Shares and 25,000,000 Options to Xcel Capital (or its nominees) in lieu of DOCA recapitalisation and advisory fees in connection with the Public Offer.

The Shares to be issued pursuant to the Facilitator Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares and the Options is set out in Sections 12.1 and 12.3 of this Prospectus respectively. If the Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

Only Xcel Capital (or its nominees) may accept the Facilitator Offer. A personalised Application Form in relation to the Facilitator Offer will be issued to Xcel Capital together with a copy of this Prospectus. The Company will only provide a Facilitator Offer Application Form to Xcel Capital.

The Securities issued under the Facilitator Offer will be held in escrow for 24 months from the date of Official Quotation.

The Options will not be quoted.

No Application Monies are payable under the Facilitator Offer.

(e) Adviser Offer

The Company has agreed to offer 50,000,000 Options to Xcel Capital (or its nominees to Xcel Capital in lieu of services provided to the Company on Completion of the Acquisition.

The rights and liabilities attaching to the Options issued under the Adviser Offer are described in Section 12.4. If the Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

Only Xcel Capital (or its nominees) may accept the Adviser Offer. A personalised Application Form in relation to the Adviser Offer will be issued to Xcel Capital together with a copy of this Prospectus. The Company will only provide an Adviser Offer Application Form to Xcel Capital.

The Options issued under the Adviser Offer will be held in escrow for 24 months from the date of Official Quotation.

The Options will not be quoted.

No Application Monies are payable under the Adviser Offer.

(f) Loan Offer

The Company has agreed to offer 8,000,000 Shares to Enerly (or its nominee) at a deemed issue price of \$0.02 as partial repayment (i.e. \$160,000) of a shareholder loan for the amount of \$260,000 that Enerly provided to Schrole (Loan). Settlement of the remaining \$100,000 will be paid to Enerly out of the funds raised from the Public Offer. A summary of the Enerly Loan Agreement is set out in Section 11.10.

The Shares to be issued pursuant to the Loan Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 12.1 of this Prospectus.

Only Enerly (or its nominee) may accept the Loan Offer. A personalised Application Form in relation to the Loan Offer will be issued to Enerly together with a copy of this Prospectus. The Company will only provide a Loan Offer Application Form to Enerly.

No Application Monies are payable under the Loan Offer.

(g) **Conversion Offer**

The Company has agreed to offer 25,000,000 Shares and 25,000,000 Attaching Options to be issued to the Schrole Noteholders (or their nominees) on conversion of the convertible notes in Schrole.

The Shares to be issued pursuant to the Conversion Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares and the Attaching Options is set out in Sections 12.1 and 12.5 of this Prospectus respectively. If the Attaching Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

Only the Schrole Noteholders (or their nominees) may accept the Conversion Offer. A personalised Application Form in relation to the Conversion Offer will be issued to the Schrole Noteholders together with a copy of this Prospectus. The Company will only provide a Conversion Offer Application Form to Schrole Noteholders.

The Attaching Options issued under the Adviser Offer will be held in escrow for 12 months from the date of issue.

The Attaching Options will not be quoted.

No Application Monies are payable under the Conversion Offer.

3.3 Conditional

The Offers under this Prospectus are conditional upon the following events occurring:

- (a) effectuation of the DOCA;
- (b) the Acquisition Agreement becoming unconditional;
- (c) Shareholders approving the Acquisition Resolutions;
- (d) the Company completing the Public Offer; and
- (e) ASX granting in-principle approval to reinstate the Securities to trading on ASX on conditions reasonably satisfactory to the Company.

If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Public Offer in accordance with the Corporations Act.



3.4 Capital structure

The proposed pro forma capital structure of the Company following completion of the Offers and the Acquisition is as follows:

	Minimum Subscription	Maximum Subscription	Options	Performance Shares
	Shares			
Securities currently on issue (post- Consolidation)	2,050,007	2,050,007	-	-
Securities issued under Consideration Offer	150,000,000 ¹	150,000,000 ¹		290,000,000 ²
Options to be issued under the Vendor Option Offer ³	-	-	97,000,000	-
Conversion Securities	25,000,000	25,000,000	25,000,000 ⁴	-
Securities to be issued under Facilitator Offer	80,000,000 ⁵	80,000,000 ⁵	25,000,000 ⁶	-
Shares to be issued under Lead Manager Offer ⁷	15,000,000	15,000,000	-	-
Options to be issued under Adviser Offer ⁸	-	-	50,000,000	-
Director Options ⁹	-	-	14,000,000	-
Shares to be issued under Loan Offer ¹⁰	8,000,000	8,000,000	-	-
Shares to be issued under Public Offer ¹¹	275,000,000	300,000,000	-	-
TOTAL	555,050,007	580,050,007	211,000,000	290,000,000
FULLY DILUTED¹²	1,056,050,007	1,081,050,007	-	-

Notes:

- Issued to the Vendors as consideration for the Acquisition under the Consideration Offer.
- Issued to the directors and senior management of Schrole as consideration under the Consideration Offer for cancellation of existing performance shares (see Section 12.7 for the terms and conditions of the Performance Shares).
- Options issued to existing shareholders of Schrole and optionholders of Schrole to cancel existing options in Schrole, exercisable at \$0.04 each, with an expiry date that is 3 years after the issue date (see Section 12.2 for the terms and conditions of the Options issued under the Vendor Option Offer).
- Options issued to the Convertible Noteholders under the Conversion Offer, exercisable at \$0.02 each with an expiry date that is 3 years after the issue date (see Section 12.5 for the terms and conditions of the Attaching Options).
- Issued to Xcel Capital (or its nominees) in lieu of DOCA recapitalisation and advisory fees in respect of the Acquisition.
- Options issued to Xcel Capital (or its nominees) exercisable at \$0.02 each, with an expiry date that is 3 years after the issue date (see Section 12.3 for the terms and conditions of the Options issued under the Facilitator Offer).
- Issued to Alto Capital (or its nominee) on successful completion of the Acquisition.
- Options issued to Xcel Capital (or its nominee) exercisable at \$0.03, with an expiry date that is 3 years after the issue date (see Section 12.4 for the terms and conditions of the Options issued under the Adviser Offer).
- Comprised of:
 - 7,000,000 Options exercisable at \$0.03 each on or before the date that is 3 years after issue; and
 - 7,000,000 Options exercisable at \$0.04 each (and vesting only if the 10 day VWAP of the Company's shares is \$0.04 or more) on or before a date that is 3 years after issue (see Section 12.6 for the terms and conditions of the Director Options).
- Issued to Enerly as partial repayment of \$160,000 of the outstanding loan owed by Schrole.
- Based on a minimum raise of \$5,500,000 and a maximum raise of up to \$6,000,000 with an issue price of \$0.02 per share.
- Based on all the Performance Shares and Options having converted to Shares.

3.5 Effect on voting power

Assuming Completion of the Acquisition, the issue of the maximum number of Securities pursuant to the Offers, and none of the Company's convertible Securities are exercised or converted, existing Shareholders, Enerly, the Vendors, the Joint Lead Managers, the Convertible Noteholders and investors under the Public Offer will each have the following voting power in the Company:

Shareholder	Minimum Subscription		Maximum Subscription	
	Shares	Voting power %	Shares	Voting power %
Existing Company Shareholders ¹	2,050,007	0.37	2,050,007	0.35
Enerly ²	78,363,529	14.11	78,363,529	13.51
Vendors ³	79,636,471	14.35	79,636,471	13.73
Joint Lead Managers ⁴	95,000,000	17.12	95,000,000	16.38
Convertible Noteholders	25,000,000	4.50	25,000,000	4.31
Investors under the Public Offer	275,000,000	49.55	300,000,000	51.72
Total	555,050,007	100.0	580,050,007	100.0

Notes:

1. Assumes that none of the existing Shareholders participate in the Public Offer.
2. Comprising 70,363,529 Shares to be issued under the Consideration Offer and 8,000,000 Shares to be issued under the Loan Offer.
3. Excluding Enerly's interest.
4. Comprising 15,000,000 Shares to be issued to Alto Capital under the Lead Manager Offer and 80,000,000 Shares to be issued to Xcel Capital under the Facilitator Offer.

Refer to Section 12.9 for further detail in relation to the effect of the Offers on control and substantial Shareholders.

3.6 No underwriting

The Public Offer is not underwritten.

3.7 Applications

Applications for Securities under the Offers can only be made using the relevant Application Form accompanying this Prospectus or otherwise provided by the Company. The Application Form must be completed in accordance with the instructions set out on the form.

Applications under the Public Offer must be for a minimum of 100,000 Shares (\$2,000) then in increments of 25,000 Shares (\$500). No brokerage, stamp duty or other costs are payable by applicants. Applicants wishing to apply for Shares under the Public Offer and are not paying by BPAY® must provide a cheque made payable to "Aquaint Capital Holdings Limited – Share Application Account" and should be crossed "Not Negotiable". All Application Monies will be paid into a trust account. Applicants wishing to provide Application Monies via electronic funds transfer should follow the instructions on the Application Form or contact the Joint Lead Managers.

Completed Application Forms and accompanying cheques must be received by the Company before 5.00pm WST on the Closing Date by either being delivered to or posted to the following address:

Aquaint Capital Holdings Limited
(Subject to Deed of Company Arrangement)
Ground Floor, 16 Ord Street
WEST PERTH WA 6005

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

If paying via BPAY®, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY® by the Closing Date. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Application Form and Applicants will not need to return the Application Form.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

The Offers may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offers or accept late Applications.

3.8 Allocation and allotment of Securities

The Directors reserve the right to reject any application or to allot a lesser number of Securities than that applied for. If the number of Securities allocated is less than that applied for, or no allotment is made, any surplus Application Monies will be refunded without interest.

Subject to ASX granting approval for quotation of the Securities, the allotment of Securities to be issued under the Public Offer will occur as soon as practicable after the Public Offer closes and the conditions set out in Section 11.3(b) have been satisfied. Holding statements will be dispatched as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Securities.

Applicants who sell the Securities before they receive their holding statement will do so at their own risk.

3.9 Application Monies to be held in trust

The Application Monies for Securities to be issued pursuant to the Public Offer will be held in a separate bank account on behalf of applicants until the Securities are allotted. If the Securities to be issued under the Public Offer are not admitted to quotation within a period of three months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and any Securities issued pursuant to the Public Offer will be deemed to be void. All interest earned on Application Monies (including those which do not result in the issue of Securities) will be retained by the Company.

3.10 Restricted Securities

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, the Company understands that certain Securities on issue (including the Securities issued under the Secondary Offers) may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.

During the period in which these Securities are prohibited from being transferred, trading in Securities may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Securities in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (which is subject to ASX's discretion and approval).

3.11 CHESS and issuer sponsorship

The Company participates in CHESS. All trading on the ASX in existing Shares is, and in new Shares will be, settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry operates an electronic

issuer sponsored sub-register and an electronic CHES sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHES, the Company does not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHES (for Shareholders who elect to hold Securities on the CHES sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Securities allotted under this Prospectus and will provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Securities on the CHES sub-register) or Shareholder reference number (for Shareholders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

3.12 Risks

As with any investment in shares, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 6 of this Prospectus. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

3.13 Overseas investors

No offer is made pursuant to this Prospectus to those persons that cannot lawfully receive, or in those places where it would not be lawful to make, the offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in respect of the Offers.

(a) Singapore

This document and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities, may not be issued, circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's Shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(b) Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Securities. The Securities may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

3.14 Privacy disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Securities, to provide facilities and services to Security holders, and to carry out various administrative functions.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

If the information requested is not supplied, applications for Securities will not be processed. By submitting an Application Form, you agree that the Company may use the information provided by you on the Application Form for the purposes set out herein and may disclose it for those purposes to the Company's Share 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 authorities.

A Security holder has a right to gain access to, correct and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

3.15 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offers, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

3.16 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for Securities under this Prospectus. Any investment in the Company under this Prospectus should be considered speculative.

Questions relating to the Offers and the completion of an Application Form can be directed to Daniel Chiew from Alto Capital on +61 8 9223 9833.

04.

COMPANY OVERVIEW





4.1 The Company

The Company was incorporated on 24 June 2013 and admitted to the Official List of ASX on 11 November 2013. The Company is an ASX-listed investment management company.

The Company's securities were suspended from official quotation on 14 August 2015.

On 14 June 2016, the Company announced that the Company's then board had resolved to appoint Samuel John Freeman and Adam Paul Nikitins as joint and several voluntary administrators of the Company.

Following a creditors' meeting on 22 August 2016:

- (a) the Deed Administrators prepared the Report to Creditors dated 12 August 2016 (**Creditors' Report**); and
- (b) the Company entered into a Deed of Company Arrangement (**DOCA**) with CPS Capital Group Limited (as proponent) (**CPS Capital**) on 9 September 2016.

As at the date the Administrators were appointed, the Company had various subsidiaries which are now deregistered or in liquidation. One of the subsidiaries, Aquaint Property Pte Ltd (**Aquaint Property**), which is currently in liquidation, has an interest in a 99 year lease over a parcel of land in Laos which was funded by the Company. The Deed Administrators noted in the Creditors' Report that there is a potential contingent asset in relation to the land (if re-zoned) which has been valued by the Deed Administrators at AUD\$12 million. The Company may potentially receive a distribution from Aquaint Property for up to an amount of AUD\$12 million, subject to certain circumstances, including re-zoning of the land. The Board considers the likelihood of a distribution from Aquaint Property to be low. However, in accordance with the terms of the DOCA, if the trustees of the Creditors' Trust receive funds from Aquaint Property it will be distributed in accordance with the terms of Creditor's Trust Deed, which provides that any surplus funds after all creditor claims have been satisfied will be distributed to the Company.

The Company has executed a binding deed poll which covenants that in the event that any surplus funds are received by the Company from the Creditor's Trust, the Company shall distribute the surplus funds to the Shareholders of the Company (as at 14 June 2016, which is the date the Deed Administrators were appointed) on a pro rata basis. Investors wishing to subscribe for Securities under the Offers should be aware that in the event of any distribution of surplus funds to the Company from the Creditor's Trust, an investor (who was not a Shareholder as at 14 June 2016) will not be entitled to any distribution.

4.2 Acquisition of Schrole

On 13 June 2017, the Company announced that it had entered into a binding conditional agreement with Schrole Operations Ltd (formerly "Schrole Group Ltd") (**Schrole**) and its majority vendors pursuant to which the Company will acquire 100% of the issued capital of Schrole (**Acquisition**).

A summary of the material terms of the Acquisition Agreement is set out in Section 11.3 below.

Pursuant to the terms of the Acquisition Agreement, Schrole shall become a wholly owned subsidiary of the Company. Section 4.3 details the operations of Schrole.

4.3 Overview of Schrole

(a) Background

Schrole is an Australian company that provides schools (both domestic and international) with innovative, technology-based recruitment platforms and consulting service solutions to enable schools to address staffing and recruitment challenges.

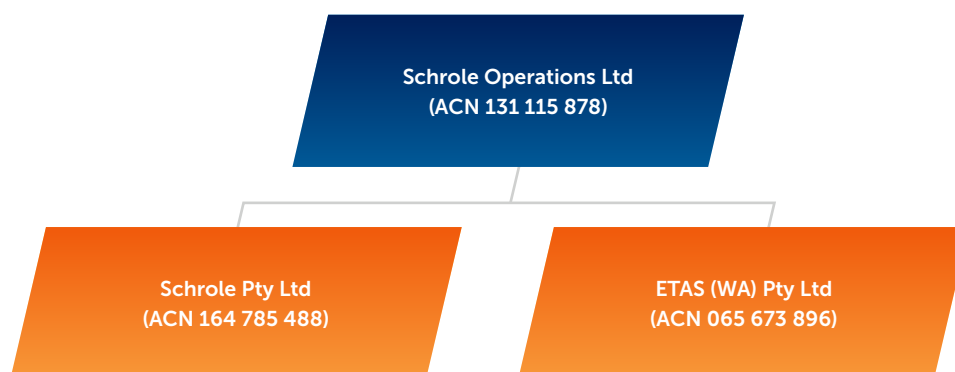
Schrole was incorporated on 15 May 2008. On 12 November 2015, Schrole changed its name to Schrole Group Pty Ltd following the consolidation by acquisition of Schrole Pty Ltd (**SPL**) and ETAS (WA) Pty Ltd trading as ETAS Group (**ETAS Group**), to create a single provider of integrated and comprehensive software solutions and professional services to the international and domestic schools sector.

SPL was established in July 2013 to target the growing international schools market by developing innovative technical platforms and expert service solutions to assist in responding to issues, challenges and opportunities in schools.

ETAS Group was established in 1994 and is an accredited training solutions provider. ETAS has historically serviced the resources industry and in recent years has provided leadership and management courses to the education sector.

On 17 June 2016, Schrole converted into a public unlisted company. On 25 July 2017, the Company change its name to Schrole Operations Ltd.

Schrole's current corporate structure is as follows:



Further details of Schrole, including historical statements of financial position and comprehensive income, are set out in sections 6.2 and 6.3 of the Independent Expert's Report.

Schrole has three Business Units:



- (i) **Schrole Connect** – an online software-as-service (SaaS) platform that enables international schools to streamline teacher recruitment and candidate management activities;
- (ii) **Schrole Cover** – a cloud-based SaaS platform providing fast-fill casual teacher recruitment services into schools; and
- (iii) **Schrole Develop** – an expert consulting and professional services business. This unit also incorporates ETAS Group which provides customised accredited training solutions to established clients.

A brief description of the key milestones Schrole has achieved since incorporation are set out below:

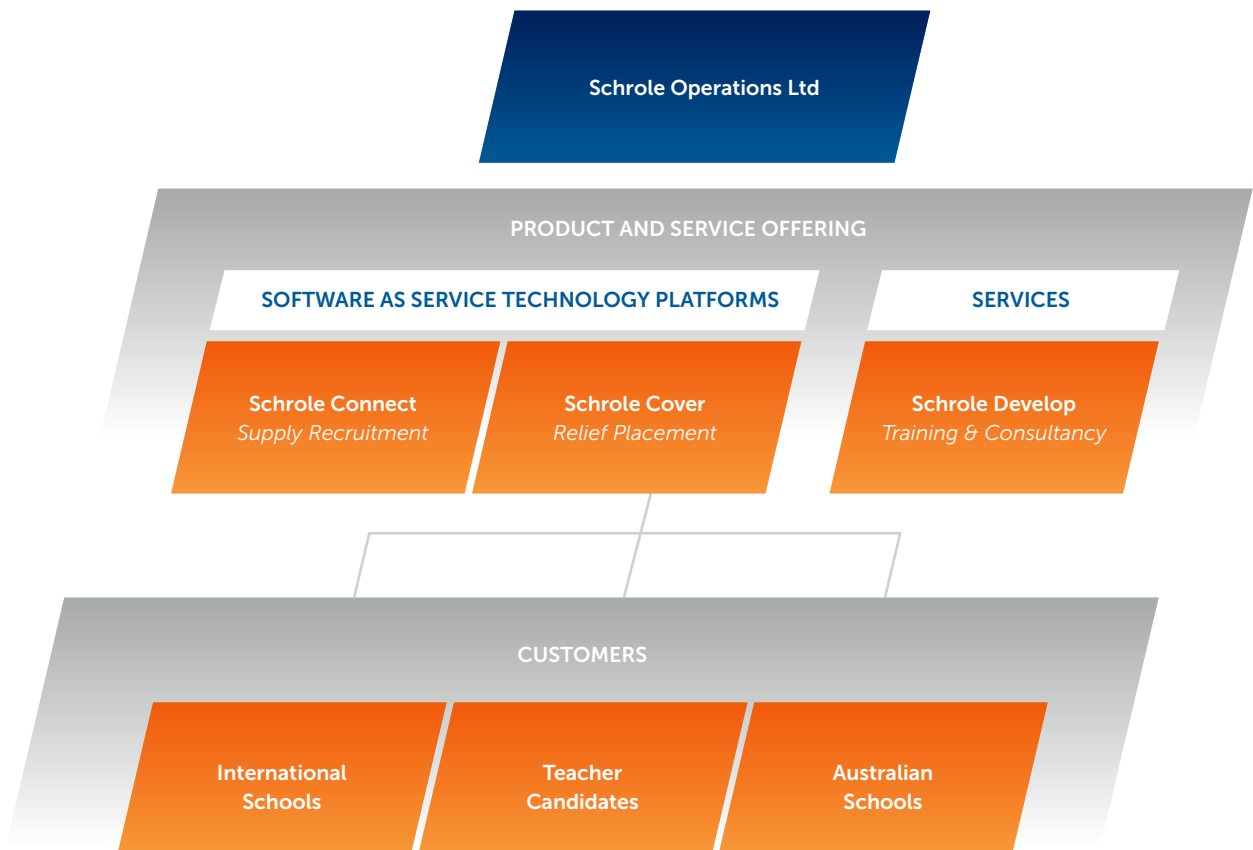
Product	Date	Description	Number of school licences
Schrole Connect	October 2013	Launch of Schrole Connect to trial schools	6 trial schools
	August 2014	Commercial sales of Schrole Connect begin	12
	June 2017	Number of Schrole Connect schools	103
Schrole Cover	May 2016	Launch of Schrole Cover	9 trial schools
	November 2016	Launch of White Label version of Schrole Cover	
	June 2017	Number of Schrole Cover Schools	71
Total – Connect & Cover	June 2017	Total schools	174 in 32 countries

(b) **Schrole’s business model**

Schrole’s business is focused on the education industry in Australia and internationally. Schrole’s core competence is the design and development of technology platforms that seek to solve short and long-term recruitment challenges and the development and delivery of customised advisory and training services.

Schrole’s vision is to provide globally recognized innovative solutions for teachers and schools.

Schrole’s business model is diagrammatically set out below:



Schrole provides products and services to the customers as set out below:

Who uses Schrole?	How does Schrole help them?
<p>International schools use Schrole Connect and Schrole Develop</p>	<p>Schrole’s international customers aspire to best practice educational outcomes to attract students. In order to attract students, international schools need to attract the best possible teaching candidates with specific qualifications and experience for each role. Moreover, they need to retain these candidates for as long as possible to maintain continuity within their system. Schrole Connect is a technology platform that provides international schools with high quality solutions and full customer support which are aligned to meet these recruitment needs and help drive a school’s performance.</p> <p>In addition, Schrole understands that schools seek to provide high quality training and development opportunities to ensure that their teachers are well qualified and feel valued by the school. There are ongoing opportunities to deliver training through Schrole Develop.</p>
<p>Australian schools use Schrole Cover and Schrole Develop</p>	<p>Schrole’s Australian school customers require a process to place the appropriate relief/supply teaching candidate for the vacant casual role in the most efficient way possible. Schrole Cover is a technology platform that aims to achieve these goals for schools by enabling efficient matching and placing of vacant casual roles with the most suitable candidate for the position.</p> <p>In addition, Schrole provides training and nationally recognised qualifications to teachers who deliver vocational education training in the public and private system.</p>
<p>Teachers use Schrole Connect, Schrole Cover and Schrole Develop</p>	<p>Aspirational teacher candidates looking for work or new opportunities require access to as many opportunities as they can source. In addition, candidates seek high quality training and development opportunities provided by institutions to ensure that any application made is targeted towards an institution with the optimal cultural fit. Candidates will seek institutions who can, or may, provide the right training opportunities. Schrole Connect is a technology platform that provides teacher candidates access to information on international schools and relevant job opportunities. Schrole Develop also provides teachers with training courses that are aligned to meet each candidate’s needs and expectations.</p>

To date Schrole has been focused on providing its products and services to the Australian and international schools markets. However, the business activities of Schrole are strongly synergistic with opportunities for business development within Australia and internationally in education markets and other areas such as health and aged care, potentially developing a further diversified series of revenue streams for Schrole.

Schrole’s unique and sustainable competitive advantage comes from a focused strategy to bring together core competencies in technology development, recruitment and educational management. Schrole has leveraged existing intellectual property and deep industry knowledge to create a related product and service portfolio with a diversified global revenue stream.

Further details of each Business Unit are set out in Sections 4.3(c) to 4.3(e) below.

(c) **Schrole Connect**

Based on Schrole’s research, a critical issue for international schools is the effective and efficient recruitment of excellent teachers in the face of growing competition in the sector. Schrole Connect is a new way to link candidate teachers to some of the best international schools through a global database. Schrole Connect is an innovative SaaS system offering recruiting and candidate management systems for international schools. The cloud-based software was developed by experienced international school educators and uses a unique process to rank and rate candidates, which aims to save time and cost for school administration.

The Schrole Connect platform provides a secure system for schools to promote roles, receive applications and manage teacher candidate information. The online application process gathers qualifications and references from teachers to

pre-qualify those candidates. The system collates standard and specific candidate information and allows schools to tailor the matching process to suit their particular needs. School-based recruiting teams can access vital information anytime through the Schrole Connect application to assess and shortlist candidates.

Schrole Connect helps to reduce the time-consuming process of sorting applications, searching emails, and copying information to share with colleagues. Schrole Connect's unique system provides recruiting teams with applications which have been rated and ranked to make it easier to identify the top candidates for each role. Pre-qualification, rating and ranking of candidates seeks to allow school administrators to determine a shortlist quickly, consistently and efficiently.

Schrole Connect also links teacher candidates with some of the world's best international schools.

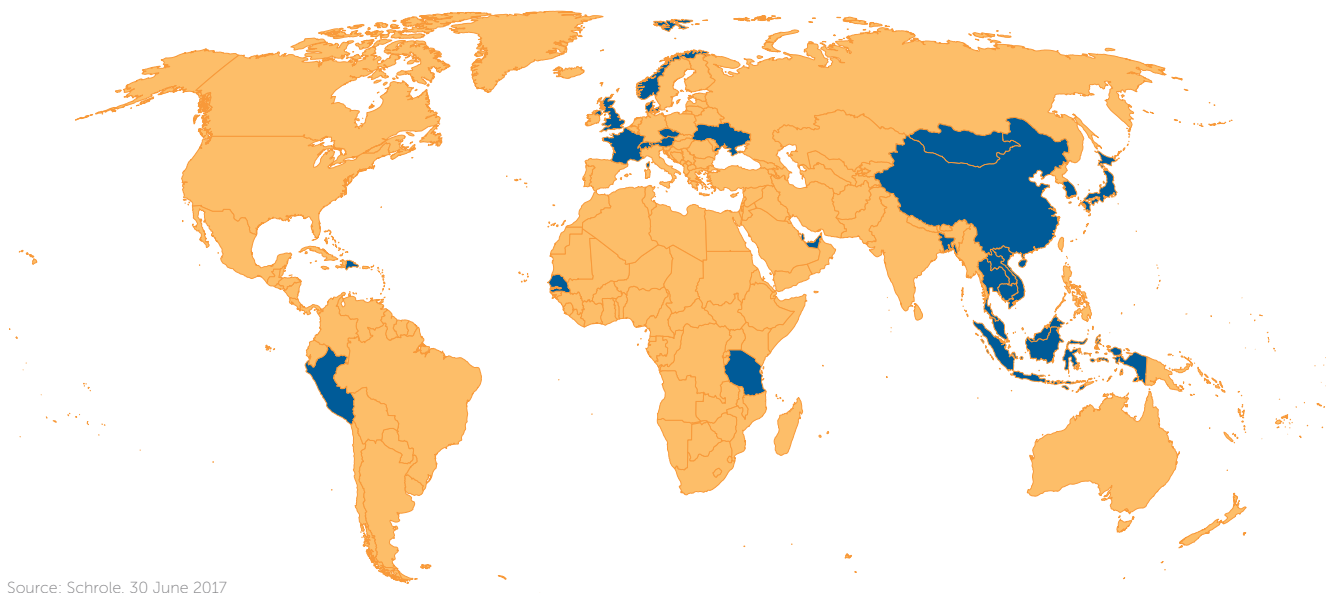
The number of schools using Schrole Connect has increased by more than 100% for each year of operation since its launch in 2013. A premium paid service is also available to all candidates giving powerful options to quickly find the right vacancy in the right schools. A premium candidate is able to configure their own unique job alert preferences and have the ability to apply for all vacancies from their dashboard. As at 31 July 2017, over 1,300 candidates were signed up to the Schrole Connect premium service.

As at 30 June 2017, the Schrole Connect system was being used by 106 of the leading international schools in 32 countries (see Figure 1) and holds a growing database of over 43,000 education professionals.



Schrole Connect has a deep and rich prequalified candidate database with over 43,000 registered candidates as at 31 July 2017. From 1 December 2016 to 31 July 2017, 13,363 new candidates were registered in the Schrole Connect system. Each Schrole Connect candidate must supply 2 referee letters with every job application. Currently over 53,000 individual referees have been contacted to provide references using Schrole Connect's online human resources system. Schrole averaged over 46,000 sessions on its Schrole Connect website (www.schroleconnect.com) per month from 3 August 2016 to 31 July 2017.

Figure 1 - Countries where Schrole Connect is currently sold as at 30 June 2017



Source: Schrole, 30 June 2017

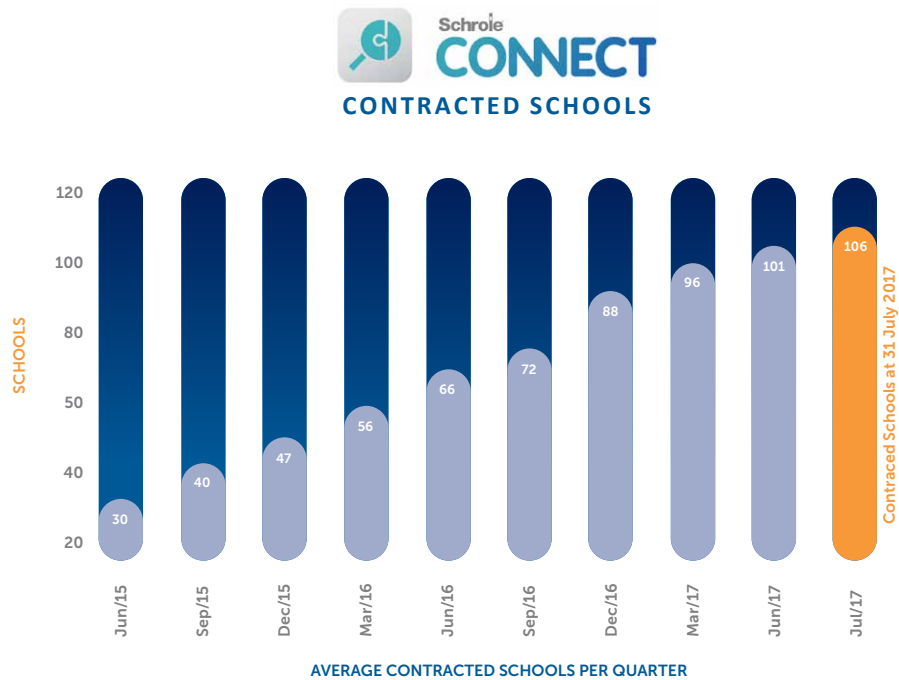
The annual recurring subscription fee for the use of Schrole Connect by schools is a key revenue stream for Schrole. Schrole will also be looking to unlock additional income from advertising and premium services over the next 12 months. Revenues from China and the European Union represent Schrole's largest market share to date, with the Middle East being the third largest.

Revenue streams for Schrole Connect include:

- (i) annual licence for Schrole Connect - schools are charged an annual licence fee based on the size of the school;
- (ii) annual licence for Schrole Connect premium - schools are charged an additional fee for a premium service to access the candidate dataset;
- (iii) annual premium licence for candidates - candidates can opt for a premium account. This gives candidates access to all school vacancies and regular updates on new positions;
- (iv) advertising - schools are able to opt for several advertising packages; and
- (v) placement fees for customised recruitment programs for schools.

The current revenues derived from Schrole Connect are annuity based with the number of schools covered by contracts growing from 12 at 30 June 2014 to 106 at 31 July 2017 (see Figure 2). The figures in relation to Schrole Connect in this Section 4.3(c) are based on past performance and are not a guide to future performance.

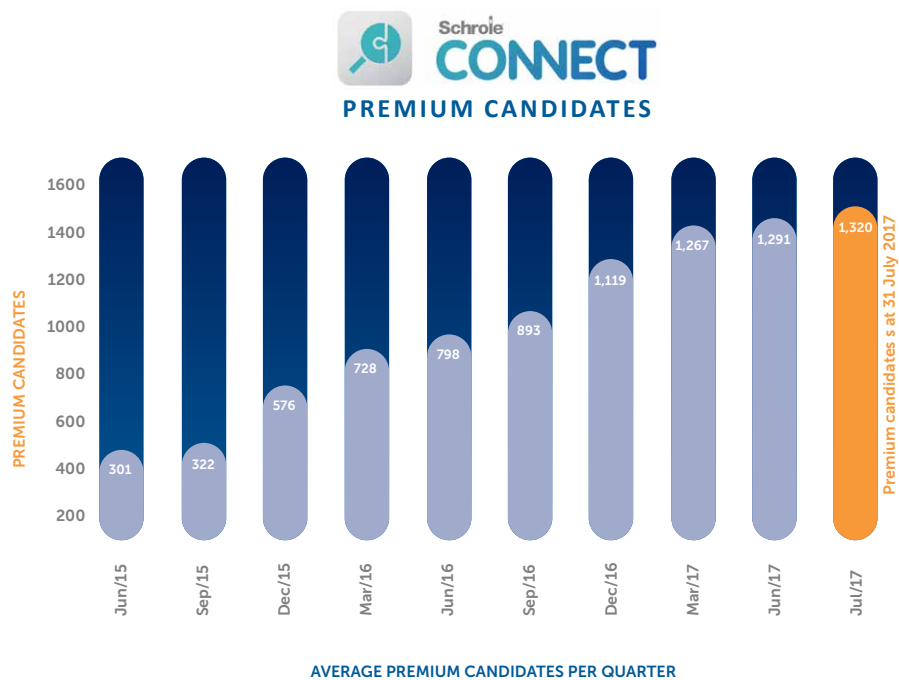
Figure 2 - Graph of school uptake



Source: Schrole

Revenue from candidates in 2015 and 2016 came from a growing number of teacher candidates who pay for premium access to Schrole Connect (see Figure 3).

Figure 3 - Graph of premium candidate uptake



Source: Schrole

(d) **Schrole Cover**

Schrole Cover is a cloud-based SaaS platform that uses smart phone notifications to simplify and automate the process for finding replacement staff when workers are absent or to assist employers to fill casual placements.

Staff absences, planned and unplanned, can cause serious disruption to businesses and finding temporary staff solutions at short notice may cause stress for managers. In many cases, the administration of last-minute vacancies costs additional money.

The Schrole Cover application allows school leaders to send job listings to pre-approved, specifically selected lists of relief staff who fit specific criteria and requirements set by the relevant school. The application uses intelligent technology to prioritise urgent listings and only sends the listings to available relief staff. In listing or ongoing communication with potential candidates, schools are able to provide detailed information to users including job descriptions, task lists, site information and more.

The software for Schrole Cover, which is available on both iOS and Android platforms, was initially designed for the education market and is currently marketed to schools in Australia and New Zealand to provide for short term relief teachers. Schrole Cover was made commercially available to schools in May 2016 and the number of schools signing up to the system increased from 8 to 89 as at 31 July 2017 (see Figure 4). The figures in relation to Schrole Cover in this Section 4.3(d) are based on past performance and are not a guide to future performance.

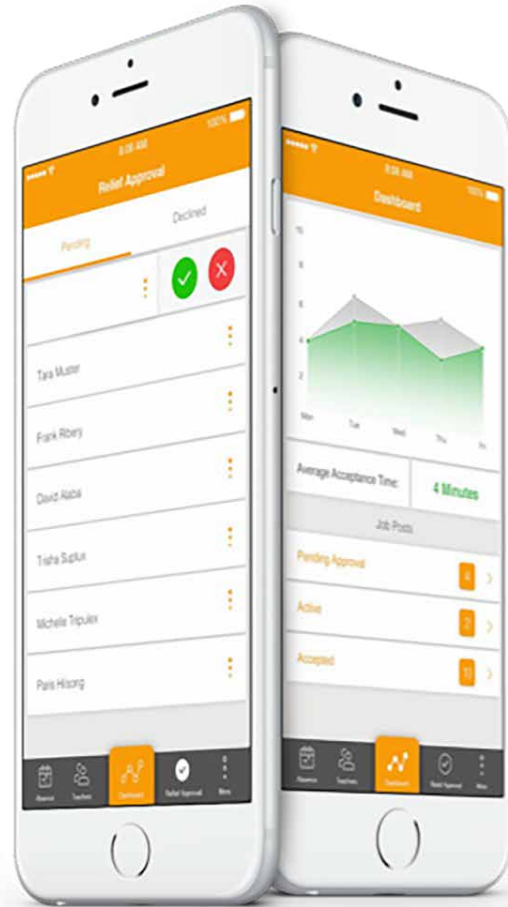
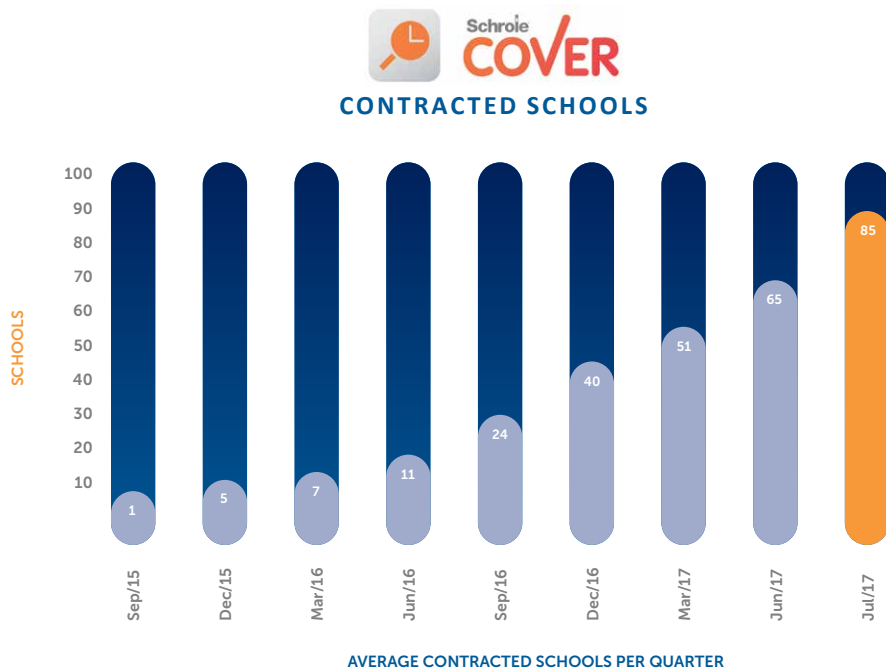


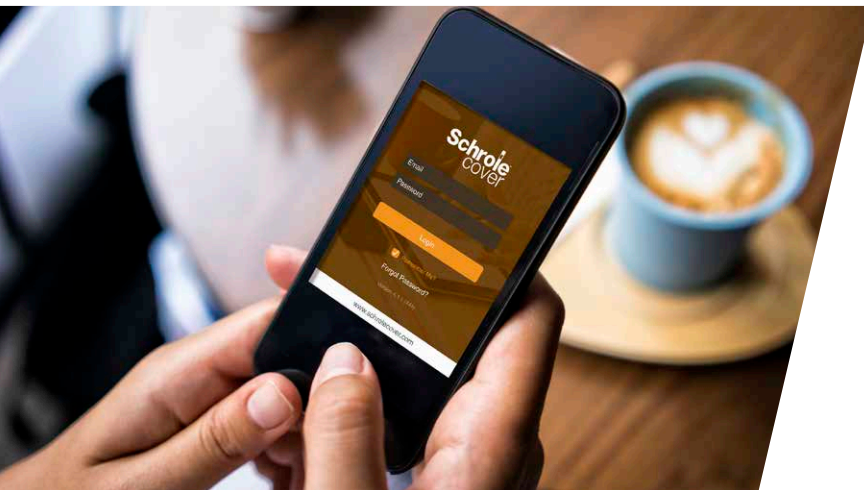
Figure 4 - Graph of school uptake



Source: Schrole

Schrole Cover may potentially be used for a wide range of applications in other industries and Schrole is exploring the possibility of expanding the use of the software into other industries requiring temporary replacement staff (such as hospitality, aged care, security and hospitals) by providing a “white labelled” version of the software. The most recent version of Schrole Cover was released in November 2016 and since that date the number of users has increased by over 140% (see table below). This version enables Schrole Cover to be used in other industries in addition to education.

Schrole Cover user numbers			
	Nov 2016	Aug 2017	% increase
Coordinators	160	386	141%
Teachers	1,318	3,826	149%
Relief staff	1,887	4,929	161%



Schrole Cover is built on Microsoft Azure services with native Android and iOS mobile applications. This system provides a highly scalable, multi-tenanted solution with support for single-tenant deployments for medium to large clients. It incorporates regional solutions to meet local privacy and language requirements.

Flexible payment models support either subscription based or “per job filled” fees for small and medium-sized enterprises to national enterprises.

(e) **Schrole Develop**

Schrole Develop provides expert consultancy services to international schools across a wide range of needs including school start-up and expansion, personnel searches, accreditation, training and curriculum development. Through specialist expertise in international school management and vocational training, Schrole Develop has engaged with schools in 5 countries providing services across all levels of education (including Germany, Laos, Mongolia, China and Egypt).

Schrole Develop leverages existing intellectual property derived from the experience of Schrole’s key management and personnel to deliver certified or specialised training to employees at international schools around the world.

Schrole Develop consultants are able to deliver customised qualifications onsite directly to staff in international schools. This is quite different to the training courses currently on offer internationally, which are usually only available in the United States of America or United Kingdom, and presents a significant opportunity for Schrole.

Through Schrole’s wholly-owned subsidiary ETAS Group, a Registered Training Organisation (RTO), Schrole Develop is also able to provide training and award Australian government recognised qualifications for teachers and school administrative staff. These qualifications are attractive to international schools, particularly in the developing world where accessing accredited training in English can be problematic. Australian certified qualifications are a major point of difference between Schrole’s training and consultancy products and those of competitors.

ETAS Group specialises in building the capacity of supervisors and first level managers through programs in training, leadership and management, and has been successfully providing training services across a variety of industries for more than 20 years. ETAS Group has successfully worked with a client group consisting of recognised names in the resources industry in Australia, major government agencies and also has a wide global footprint with successful projects in Africa, China, Germany, Kazakhstan, Laos, Mongolia and Papua New Guinea.

ETAS Group has also worked with foreign government agencies to deliver Australian qualifications in training and assessment to vocational teachers. It is this wide scope of successful projects that supports the synergistic delivery of training to international school clients.

ETAS Group continues to provide accredited training services to large companies in Western Australia and globally.

Schrole Develop generates revenue from consultancy and training fees. Schrole's main historic revenues have been generated from training provided by ETAS Group, however Schrole intends to focus more on the consultancy services provided by Schrole Develop, as well as its Schrole Connect and Schrole Cover SaaS products.

(f) Schrole's board and management team

As at the date of this Prospectus, Schrole employs 14 people across Australia and Thailand. Schrole's management team is comprised of managing director Mr Robert Graham, director and general manager, Mr Michael Kirkwood, as well as chief financial officer Mr Nick Allan, who collectively have decades of senior level experience as educators and administrators in international schools, finance, and technology.

Managing Director and co-founder of Schrole, Mr Robert Graham, has more than 30 years of experience in education and business. Mr Graham has an extensive understanding of the training and education market through his direct involvement in recruitment and training as an international school principal and then as owner of an international school recruitment firm prior to developing the Schrole Connect system with fellow co-founder, Mr Gregory Smith. Subject to Shareholder approval, the Company intends to appoint Mr Graham as a Director of the Company on Completion of the Acquisition.

Director and General Manager of Schrole, Mr Michael Kirkwood oversees the operations of Schrole. He has more than 30 years of Australian and international finance experience in a variety of industries including insurance, mining, gas exploration and commodity trading.

Mr Gregory Smith (a former director and co-founder of Schrole), has been retained by the Company on a fixed term contract to work on strategic projects for the Company in the short term. Further details of Mr Smith's consultancy agreement with the Company are set out in Section 11.9.

(g) Intellectual property

Schrole has been developing its proprietary technology and intellectual property underlying its SaaS systems via third party developers and employees since 2013.

Schrole's intellectual property, including the algorithms, code base, online processes, functionality, data infrastructure and other information technology underlying the technology platforms are key assets of the business.

Schrole has ensured that each third party developer and employee has entered into a deed of assignment of intellectual property rights (or similar) to assign to Schrole all of its rights, title and interest in the intellectual property rights created, developed or otherwise held by the third party or employee, as well as all future intellectual property rights and improvements to Schrole's intellectual property rights.

Schrole primarily relies on trade secrets and copyright to protect its intellectual property rights in the Schrole Connect and Schrole Cover SaaS applications. Consistent with an approach taken by many technology companies, Schrole believes that its intellectual property rights are best protected through the use of trade secrets rather than through registration of patents, which are expensive to develop, obtain and maintain and which can involve public disclosure of the relevant intellectual property. In order to assist in protecting these trade secrets, Schrole ensures that any engagement with employees, consultants, contractors or third parties contains appropriate confidentiality provisions in its contracts and agreements to ensure that Schrole's trade secrets are kept confidential and protected.

Schrole has registered two trade marks for "Schrole" in Australia.

Whilst domain name themselves provide no proprietary rights, they are generally recognised as extremely useful vehicles for marketing in the online space. As at the date of this Prospectus, Schrole has registered various domain names including:

- (i) www.schrole.com
- (ii) www.schrolegroup.com
- (iii) www.schrolecover.com
- (iv) www.schroleconnect.com

For further information on the risks associated with intellectual property, please refer to Section 6.2(e). Please also refer to Section 9 for the Intellectual Property Report.

(h) Competitive strengths

The main point of difference between Schrole's technology products and other competitors' offerings resides in Schrole's process management solutions designed specifically for an entire value chain for the education industry. Schrole's other competitive advantages in the industry include:

- (i) two SaaS platforms, Schrole Connect and Schrole Cover, for short and long term recruitment, which aim to disrupt the traditional recruitment model in the international and domestic education sector;
- (ii) the scalability of the Schrole's SaaS product offerings, being cloud-based and deployable to clients quickly and efficiently without heavy personnel requirements for installation and support;
- (iii) Schrole's unique business model combining technology platforms and service offerings in the education and training sectors;
- (iv) multiple revenue streams;
- (v) a large base of existing customers around the world using Schrole Connect and Schrole Cover, as well as the existing customers of ETAS Group;
- (vi) the ability to cross sell its SaaS products and training and consultancy services to existing customers;
- (vii) minimal exposure to a supplier threat – Schrole sees no threat or shortage in supply of contractors for its teaching and training services, and software developers;
- (viii) the ability to offer Australian certified qualifications; and
- (ix) the Schrole Cover application is unrestricted by geography or industry, whereas other software platforms are typically industry specific.

Schrole believes that these competitive advantages may also be applicable to other industries which could utilise Schrole Cover for the temporary replacement of staff, such as hospitality, aged care, security and hospitals.

(i) Key Dependencies

The key factors that the Company will depend on to meet its objectives are:

- (i) the successful completion of the Acquisition Agreement;
- (ii) the ability to protect the Company's intellectual property;
- (iii) retaining key personnel of Schrole; and
- (iv) a comprehensive sales and marketing strategy for both Schrole Connect and Schrole Cover.

(j) Key strengths of Schrole**(i) Value propositions**

Schrole's software platforms were developed to simplify the short and long term recruitment processes in international schools globally. This means that administrators can utilise the software to conduct the recruitment process more efficiently and as a result may reduce time and money spent on such tasks. This can lead to direct improvement in productivity and enables schools to focus on providing better outcomes for the students and the school in general.

(ii) Customer relationship

While many of Schrole's software systems are designed to be automated there is also a dedicated customer support and account management for the SaaS products. Within the expert services portfolio, the development of a strong customer relationship can form the basis upon which expansion and continuation of service provision is formed. This ongoing support and customisation of services is a key point of difference between Schrole and other competitors.

(iii) Key resources

The key resources of Schrole are its SaaS products, client data, intellectual property, brand, and a highly skilled team of software developers and education trainers and consultants.

The two software platforms are fully developed, deployed and scalable. Key employees of Schrole bring significant knowledge through their experience as principals and heads of schools in the international schools industry as well as experience in the international schools recruitment industry. This knowledge and experience has been used in developing the two SaaS products and has resulted in purpose-built software to assist in solving problems faced by schools in dealing with short and long-term recruitment.

(iv) Growing market

Schrole's key target market is the growing international schools market. According to The International Schools Consultancy of Faringdon, Oxfordshire (ISC), as at 1 August, 2017, there were 8,932 English-medium international schools around the world¹. This is more than a 40% increase in the past 5 years with an annual fee income for these schools estimated at USD\$39 billion in aggregate. The ISC predicts fee income to increase to USD\$89 billion annually by 2026².

(v) Established brands

The Schrole Connect and Schrole Cover brands are established in the market, and school and teacher communities. Schrole believes these brands will continue to grow with further selective marketing and advertising.

(k) **Barriers to entry for competitors**

(i) Schrole Connect

There are a number of barriers for competitors to enter into international schools. These include the following:

- (A) the need to understand the international school market and to have developed long term relationships with key staff in schools;
- (B) development of competing technology takes time, extensive domain knowledge, money, and ongoing school relationships; and
- (C) many competitors have legacy candidate management systems that are difficult to update to compete with the Schrole Connect system.

(ii) Schrole Cover

There are a number of barriers for competitors to enter into domestic and international schools. These include the following:

- (A) the need to understand the domestic and international school market and the key issues faced by schools, which is something that the Schrole Cover platform seeks to address;
- (B) development of competing technology takes time, extensive domain knowledge, money, and ongoing school relationships; and
- (C) many competitors have legacy systems that rely on older technology and communications methods and that are difficult to update to compete with the Schrole Cover system.

(l) **Revenue model**

Schrole currently derives revenue from all three of its Business Units. It earns United States dollar denominated revenue from Schrole Connect and Schrole Develop, through ETAS Group's international work, and Australian dollar denominated revenue from Schrole Cover and ETAS Group's training services within Australia. Schrole derives its SaaS revenues from Australia and a number of overseas jurisdictions, with China, the European Union and the Middle East representing the largest portion of the Company's revenue to date.

Schrole generates revenue from multiple revenue streams, including:

- (i) annuity payments for software - both Schrole Connect and Schrole Cover are sold with annual contracts;
- (ii) advertising - there are opportunities offered to schools to advertise featured vacancies and also directly market vacancies and associated services to the Company's entire candidate database;
- (iii) consultancy services - Schrole provides a range of paid consultancy services to schools, such as management procedures and policies and human resources processes; and
- (iv) training services - ETAS Group continues to provide accredited training services to large companies in Western Australia and globally.

¹ The International Schools Consultancy Research Database <http://www.isc-r.com/> (The author has not provided consent for this statement to appear in this Prospectus).

² The International Schools Consultancy Research Database <http://www.isc-r.com/> (The author has not provided consent for this statement to appear in this Prospectus).

SPL has received a total of \$346,807 in research and development grants as at the date of this Prospectus. A redevelopment of Schrole's SaaS platforms was completed in November 2016 and SPL will be lodging a claim for the 2016/17 financial year estimated at \$111,500.

Schrole's entities generated sales revenue of \$3.5 million, \$1.7 million and \$1.6 million in the years ending 30 June 2015, 30 June 2016 and 30 June 2017 respectively. Historically Schrole's revenue has primarily been driven by ETAS Group. However, in line with Schrole's business objectives and strategy, Schrole is now focused on Schrole Connect, Schrole Cover and Schrole Develop and, therefore, historic revenues of ETAS should be read with that in mind. The historical financial information in relation to Schrole Connect is based on past performance and is not a guide to future performance.

(m) **Growth strategy**

(i) Strategic intent and focus

Schrole's strategic intent is to enhance educational outcomes for students by providing the most innovative and effective solutions to help schools recruit and produce the best teachers.

Schrole proposes to leverage its reputation as a trusted source of high quality solutions and products to become a dominant provider in the high growth international and Australian school markets in order to achieve Schrole's strategic intent. Schrole's corporate strategy to achieve this is focused on responding to three critical needs in the education sector:

- (A) recruitment of quality teachers for the right roles;
- (B) training and developing international teachers; and
- (C) providing consulting expertise to international school operators to open and manage new schools.

Broadly, Schrole intends to meet these needs by focusing on the following areas:

- (A) developing and designing SaaS platforms, as well as educational training and consulting services, targeted at domestic and international markets; and
- (B) sales and marketing activities for each of the Business Units.

(ii) Defined business opportunities

Schrole's Business Units currently operate in the education and training sectors with Schrole's products and services targeting recruitment, training, and consultancy. Schrole has purposely diversified its product offering to de-risk its revenue model.

Schrole has identified two main pathways for immediate growth and expansion following Completion of the Acquisition:

(A) Expansion by geography – All Business Units

Schrole aims to provide its suite of products and services to markets which Schrole understands are growing quickly, where it believes its disruptive technologies will continue to attract new customers and incumbents alike.

Schrole is currently targeting the Australian and international schools markets across the global market place, and has already sold its technology platforms to 195 schools across 32 countries and provided training and consultancy services in 8 countries. This strong demand for Schrole's products and services supports its strategic decision to continue to target the global market as its products and services seek to meet the immediate functional requirements of teachers, administrators and developers globally.

In particular, Schrole plans to market Schrole Cover in the United Kingdom in the future.

Where customers purchase Schrole's SaaS products, Schrole has the opportunity to add value by cross selling its training and consulting services to these customers.

In order to do this, resources will be committed to ongoing software and services development, as well as expansion of sales and marketing activities for each of the Business Units.

(B) Expansion by industry – Schrole Cover

Schrole has identified multiple vertical opportunities to expand its audiences where implementation of Schrole Cover would assist other businesses to find temporary staff solutions.

Resources may also be utilised to develop “white labelled” versions of Schrole Cover for use by other industries, with the intention to generate revenue from a subscription-based fee model. At the date of this Prospectus, Schrole is in advanced negotiations with a party with respect to creating a white labelled version of Schrole Cover for use in the education industry and a separate party in relation to the healthcare industry.

(n) **Experienced management and Board**

On completion of the Acquisition, the Company will have an experienced Board and management personnel including:

- (i) Mr Robert Graham, proposed Managing Director;
- (ii) Mr Stuart Carmichael, proposed Non-Executive Chairman;
- (iii) Mr Shaun Hardcastle, proposed Non-Executive Director;
- (iv) Mr Craig Read-Smith, proposed Non-Executive Director; and
- (v) Mr Nick Allan, proposed Chief Financial Officer and proposed Company Secretary.

Further details of the proposed Directors and their experience is described in Section 10.

4.4 Proposed use of funds

The Company intends to apply the funds raised from the Public Offer, together with any existing cash reserves post-Acquisition in the next 12 months following the reinstatement of the Company’s Securities to quotation on the Official List of ASX as follows:

Allocation of funds	Minimum Subscription		Maximum Subscription	
	Amount (\$)	%	Amount (\$)	%
Sales and marketing	1,700,000	30	1,700,000	28
Customer support and retention	800,000	15	800,000	13
Software development	700,000	13	700,000	12
Finance lease and bank loan repayment	300,000	5	300,000	5
Expenses of the Offers ¹ and costs associated with the Acquisition	700,000	13	730,000	12
Recapitalisation Payment ²	400,000	7	400,000	7
Repayment of Enerly Loan ³	100,000	2	100,000	2
General working capital ⁴	800,000	15	1,270,000	21
Total	5,500,000	100	6,000,000	100

Notes:

1. This includes the expenses paid or payable by the Company in relation to the Offers as detailed in Section 12.12.
2. \$400,000 of the funds raised under the Public Offer will be allocated to payment to the Deed Administrators as part of the Creditors’ Trust Deed, including a \$370,000 DOCA payment and \$30,000 deposit to be refunded to CPS Capital.
3. \$100,000 of the funds raised under the Public Offer will be allocated to partly repay a loan to the Company made by Enerly with funds used for development of the Schrole Connect, Schrole Cover and Schrole Develop products and services. See Section 11.10 for more details.
4. General working capital will be utilised by the Company to pay for cost overruns in forecast expenditures (if any).

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

The Board is satisfied that upon completion of the Public Offer, the Company will have sufficient working capital to meet its stated objectives.

The use of further equity funding or Share placements will be considered by the Board where it is appropriate to accelerate a specific project or strategy.

4.5 Corporate Structure of the Company

Upon listing, the Company's corporate structure will be as set out in the following diagram:



4.6 Dividend policy

It is anticipated that, post-Completion of the Acquisition, the Company will focus on developing Schrole's operations. The Company does not expect to declare any dividends during this period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results, financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

4.7 Top 20 Shareholders

The Company will announce to ASX details of its top 20 Shareholders following completion of the Offers and prior to the Shares re-commencing trading on ASX.



05.

INDUSTRY OVERVIEW





5.1 International schools (recruitment and consulting)

(a) Overview

Schrole's primary target market for Schrole Connect is the international schools market. International schools are also a key market for the consulting and training services undertaken by Schrole Develop.

The international schools market comprises more than 8,900 schools, 4.8 million students, 400,000 international school teachers and US\$39 billion in annual fee income³.

(b) Size of market

According to ISC, as at 1 August 2017, there were 8,932 English-medium international schools around the world, with an annual fee income for these schools estimated at USD\$39 billion in aggregate⁴. Recent growth in the sector has been led by Asia and the Middle East⁵. According to the ISC:

- (i) Asia now accounts for more than half of all international schools and 60% of all international students; and
- (ii) there were 4,870,381 international students studying at schools in 238 countries as at 1 August 2017⁶.

Schools in Australia and New Zealand are the initial target market for Schrole Cover with potential to expand into the health and other industries.

In 2016 there were 9,414 schools in Australia (Australian Bureau of Statistics 2017)⁷.

At 1 July 2016, the number of state, state-integrated, private, and partnership schools in New Zealand was 2,529⁸.

The ISC lists the following school and student numbers across the globe as at August 2017:

- (iii) Europe has 1,820 international schools teaching 847,718 students;
- (i) the Americas have 1,195 international schools teaching 559,586 students; and

- (ii) Asia has 5,014 international schools teaching 3,062,964 students⁹.

Reports indicate that recruitment of teachers will be a priority for international schools as competition increases. The increasing demand for teachers in international schools is already challenging traditional processes as schools look to complete their hiring earlier in the school year.

(c) Trends and key drivers

Based on Schrole's research, a number of trends and key drivers relevant to the international and domestic schools industry have been identified, including the rapid growth of for profit international schools in the Asia and Middle East region. This is due to the demand from an increasing number of host country nationals who are seeking an English language education for their children. According to the ISC, the number of international schools is forecast to more than double in the next 10 years, and there is an ongoing need to source excellent teachers to work in these schools¹⁰.

(d) Competitive landscape

Currently traditional recruitment providers are servicing this education recruitment industry. These include International School Services and Search Associates. Both companies use recruitment databases and recruitment fairs at key locations around the world to help schools recruit teachers. These recruitment fairs are expensive to attend, inefficient, and have not changed in nature in the last twenty years. The Schrole Connect system presents an alternative to this model, and presents recruiters with the ability to conduct all their recruiting from their own schools. The Schrole Connect system streamlines and speeds up the recruitment process. It enables school recruiters to quickly filter applications down to pre-referenced, high quality candidates. Recruiters can then make informed decisions about the candidates they wish to interview and ultimately hire.

3 The International Schools Consultancy Research Database <http://www.isc-r.com/> (The author has not provided consent for this statement to appear in this Prospectus).

4 The International Schools Consultancy Research Database <http://www.isc-r.com/> (The author has not provided consent for this statement to appear in this Prospectus).

5 The International Schools Consultancy Research Database <http://www.isc-r.com/> (The author has not provided consent for this statement to appear in this Prospectus).

6 The International Schools Consultancy Research Database <http://www.isc-r.com/> (The author has not provided consent for this statement to appear in this Prospectus).

7 Australian Bureau of Statistics, 2017 (see Table 35b All Schools, 2001-2016 at <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4221.02016?OpenDocument>)

8 Education Counts, New Zealand Government, 2016 <https://www.educationcounts.govt.nz/statistics/schooling/number-of-schools>

9 The International Schools Consultancy Research Database <http://www.isc-r.com/> (The author has not provided consent for this statement to appear in this Prospectus).

10 The International Schools Consultancy Research Database <http://www.isc-r.com/> (The author has not provided consent for this statement to appear in this Prospectus).

No single company dominates the recruitment of teachers in the international schools market.

Traditional international school recruiting agency companies include:

- (A) Search Associates;
- (B) International School Services;
- (C) Teachers International Consultancy Recruitment;
- (D) Teachanywhere;
- (E) Teacher Horizons;
- (F) Edvectus; and
- (G) The International Educator.

5.2 Domestic school systems (fast-fill relief placement)

(a) Overview

Schrole Cover's initial target market is domestic schools. Australian schools must maintain an adult to student ratio within legislative guidelines and therefore must routinely replace a significant portion of absent staff. Schools (at the site level, rather than a centralised management function) generally have the responsibility for managing this role and the arrangements are completed in a variety of ways including telephone calls and text messages.

(b) Size of market

In 2016 there were 9,414 schools in Australia (Australian Bureau of Statistics 2017). Figure 5 below shows the breakdown by each State and Territory.

Figure 5 - Counts of all schools, 2010-2016

	Government schools	Non-Government schools	Total
Victoria	1,522	703	2,225
New South Wales	2,152	929	3,081
Queensland	1,233	496	1,729
South Australia	518	199	717
Western Australia	779	304	1,083
Tasmania	192	67	259
Northern Territory	151	37	188
ACT	87	45	132
Australia	6,634	2,780	9,414

Source: Australian Bureau of Statistics, 2017 (see Table 35b All Schools, 2001-2016 at <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/4221.02016?OpenDocument>)

At 1 July 2016, the number of state, state-integrated, private, and partnership schools in New Zealand was 2,529. Figure 6 below from Education Counts (New Zealand Government) shows the breakdown of schools.

Figure 5 - Counts of all schools, 2016

Type of New Zealand school	Number of Schools
Primary	1,951
Composite	172
Secondary	368
Special	38
Total	2,529

Source: Education Counts, New Zealand Government, 2016
<https://www.educationcounts.govt.nz/statistics/schooling/number-of-schools>

(c) Competitive landscape

Within the Australian market there are competitors offering similar, although not identical services for fast-fill relief teacher placements. Other companies offering similar services within Australia include Class Cover, Tap for Teacher and relief teacher agencies.

Schrole Cover was developed by ex-Principals who understood the key pain points that impact schools for fast-fill relief teacher placements. This knowledge has led to a difference in approach and features which in total results in a service that is different to existing competition. Key features include:

- (i) The ability to push out a job notification via the Schrole Cover app to staggered groups of pre-set relief teachers. This may lead to a lower cost service compared to other competitors who use SMS or telephone calls to contact relief teachers.
- (ii) Schrole Cover can be used to find replacements for any staff; including but not limited to teachers, education assistants, and administration staff. Some competitors only provide their services for teachers to Schrole’s knowledge.
- (iii) Schrole Cover provides greater flexibility in enabling schools to tailor the way job notifications are pushed out to relief teachers. A combination of job type, leave type, staff priority groups and organisation priority groups allow the school to narrow or broaden the relief teachers that are invited. This process is automated or can be manually overridden by the school.

- (iv) The relief staff on the Schrole Cover system are set up by each school. This is attractive for many schools since other systems result in a school’s existing relief teachers being pooled and available to all other schools. Further, Schrole Cover has the flexibility to allow relief teachers who are on the Schrole Cover App to apply to other schools.

5.3 Domestic training industry (accredited training courses)

(a) Overview

Schrole Develop (through ETAS Group) continues to offer accredited training courses to large companies in the mining and construction industries and increasingly provides courses to educational institutions.

(b) Size of market and competitive landscape

ETAS Group’s main point of difference is the ability to offer nationally accredited qualifications to its customers in Australia and internationally.

In 2017 ETAS Group was authorised by the Training Accreditation Council of Western Australia to deliver the TAE40116 Certificate IV in Training and Assessment. This qualification is regarded as the standard qualification for trainers in all industries in Australia. As of 1 August 2017, only 18 registered training organisations in Australia are authorised to deliver this qualification to Schrole’s knowledge. This gives a considerable competitive advantage to ETAS Group with selling the qualification to its traditional customer base in the mining and resources space. However, as noted in Section 4.3(e), Schrole intends to focus more on the consultancy services provided by Schrole Develop.



06.

RISK FACTORS





As with any investment in securities, there are risks involved with an investment in the Company. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Security holders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Securities.

Any investment in the Company under this Prospectus should be considered highly speculative.

6.1 Risks relating to the change in nature and scale of activities

(a) Reinstatement of Shares to quotation on ASX

The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List of ASX.

There is a risk that the Company will not be able to satisfy one or more of those requirements. Should this occur the Company's listed securities may remain suspended from quotation until such time as the Company does re-comply with the Listing Rules.

(b) Dilution risk

As at the date of the Meeting it is expected that Company will have 123,000,392 Shares on issue (on a pre-consolidated basis). On Completion, the Company proposes to consolidate the existing Shares, issue Shares, Options and Performance Shares as required pursuant to the Acquisition Agreement and issue Shares as part of the Public Offer.

On issue of the Consideration Securities under the Acquisition Agreement and the subscription of Shares under the Public Offer (assuming maximum subscription under the Public Offer and no convertible Securities are exercised or converted), the existing Shareholders will retain approximately 0.35% of the issued capital of the Company, the Vendors (or their nominees) will hold 27.24%, and the investors under the Public Offer will hold 51.72% of the issued capital of the Company on a post-Consolidation basis.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company.

(c) Liquidity risk

The Company estimates that approximately 186,304,057 Shares, representing 33.6% of the undiluted issued capital of the Company on a minimum subscription basis, will be subject to escrow restrictions in accordance with Chapter 9 of the Listing Rules. This could be considered an increased liquidity risk as the issued capital will not be able to be traded freely for a period of time.

Following the end of the relevant escrow period, a significant sale of Shares by some or all of the Shareholders or the perception that such sales have occurred or might occur, could adversely affect the price of Shares.

Alternatively, the absence of any sale of Shares by the existing Shareholders may cause or contribute to a diminution in the liquidity of the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares.

(d) Contractual and Completion risk

Pursuant to the Acquisition Agreement the Company has agreed to acquire Schrole subject to the fulfilment of certain conditions precedent. If any of the conditions precedent are not satisfied or waived, or any of the counterparties do not comply with their obligations, completion of the Acquisition may be deferred or not occur. Failure to complete the Acquisition would mean the Company may not be able to meet the requirements of ASX for re-quotation of its Shares, and the Company's listed securities may remain suspended from quotation until such time as the Company does re-comply with the Listing Rules.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

6.2 Specific risks to the Company's operations

There are a number of specific risks involved for the Company, and consequently its security holders, in the Acquisition of Schrole, including risks specific to the business and assets of Schrole, which include the following non-exhaustive list.

(a) Limited operating history of Schrole

Schrole has a limited operating history for its Schrole Connect, Schrole Cover and Schrole Develop products and services on which to evaluate its business and prospects. Schrole's operations are subject to all of the risks inherent in a recently formed business enterprise.

There is the possibility that revenue may be lower and costs may be higher than currently anticipated. ETAS Group, which provides business to business accredited training, has been operating for 20 years. Schrole has no significant history of operations for Schrole Connect, Schrole Cover and Schrole Develop, which is expected to generate the largest portion of the future business, and there can be no assurance that Schrole will be able to generate or increase revenues from these proposed products or even avoid losses in any future period.

(b) Future capital requirements

The Company intends to use the net proceeds of the Public Offer to expand the sales and marketing of the Schrole Connect, Schrole Cover and Schrole Develop product and service offering into further international and domestic schools, other short term employment industries and complete the development of Schrole Cover to potentially market for use in other industries. There is always a risk that the Company will not spend the net proceeds wisely or that it will underestimate the costs associated with the operation and expansion of the Company and Schrole. The Company could spend the net proceeds from the Public Offer in ways that may be ineffective or with which the Shareholders may not agree.

The Company may require further financing in the future, in addition to amounts raised pursuant to the Public Offer (particularly if only the Minimum Subscription is met). Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or price of the Public Offer) or may involve restrictive covenants that limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

(c) Competition risks

The international schools recruitment market has a number of companies offering recruitment services. Should any of Schrole's competitors repurpose their databases leading to similarities to the Schrole Connect system or participate more aggressively on price, product, innovation or other means then this could

have a material adverse impact on Schrole's financial performance and future prospects of the business. There are already companies providing products that cover the short term relief market in Australia. There is no guarantee that the Company, through Schrole, will be able to gain market share.

Existing competitors may take steps to compete with or hinder Schrole's plans to market, launch, and commercialise its products and may take steps to cause downward price pressure, thus potentially reducing margins and revenues available to the Company.

While the market for professional development is less developed, other companies may also see the same opportunities and establish a competitive presence offering similar products.

An increase in competition may result in Schrole having to increase its sales and marketing activities or adjust Schrole's pricing model to respond to the increased competition. Schrole may also, from time to time, introduce new and expanded services in order to generate additional revenues, and there can be no guarantee that these new businesses will eventuate or be successful.

(d) Technology risks

Schrole's business of providing online products relies on the availability, reliability and performance of its technology platforms, communications systems, servers, the internet, hosting services and the cloud-based environment in which it provides its products. Although Schrole has back-up, restoration and recovery procedures in place there is a risk that these systems may be affected by various factors such as damage, faulty or aging equipment, power surges or failures, computer viruses, or misuse by staff or contractors. Other factors such as hacking, denial of service attacks or natural disasters may also adversely affect these systems and cause them to become unavailable. Any significant interruption to Schrole's technology systems or a major loss of data could impair the ability of Schrole to continue to provide its products and/or services.

There is also a risk that Schrole's current information technology and software products may be superseded or displaced in the market by new technology offerings or software, which clients perceive have advantages over the Company's offerings. This could adversely affect Schrole's business and/or require that the Company outlay additional capital to improve Schrole's platforms or software. This could have a material and adverse impact on the Company's financial position and performance.

(e) **Intellectual property risks**

Schrole's business relies on intellectual property of its development software: Schrole Connect and Schrole Cover. There is a risk that if Schrole, or any of the businesses it may partner or invest in, does not own or have licences to use any of the intellectual property it relies upon, its business could be adversely affected.

The Company may be required to incur significant expenses in monitoring and protecting Schrole's intellectual property rights, in particular its trade secrets and copyright rights. Although no third party has asserted a claim of intellectual property against Schrole, others may hold proprietary rights that could prevent the Schrole's products from being marketed.

Schrole relies on trade secrets to help protect its proprietary know-how. However, trade secrets are difficult to protect. Schrole relies in part on confidentiality agreements with its employees, consultants, contractors and other third parties to protect its trade secrets. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorised disclosure of confidential information. In addition, others may independently discover Schrole's trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of Schrole's proprietary rights. Failure to obtain or maintain trade secret protection, or failure to adequately protect Schrole's intellectual property could enable competitors to develop generic products or use Schrole proprietary information to develop other products that compete with Schrole's products or cause additional, material adverse effects upon Schrole's business, results of operations and financial condition.

(f) **Brand and reputation**

Maintaining the strength of the Company's reputation is important for attracting potential users to Schrole Connect and Schrole Cover, as well as maintaining relationships with clients through Schrole Develop in the education industries. There is a risk that the actions of any one of the Company's Directors, employees, agents, education institutions or educational professionals may damage the Company's reputation or that unforeseen issues or events may adversely affect the Company's brand and/or reputation. Significant erosion in the reputation of, or value associated with the Schrole's brands, could have an adverse effect on customer loyalty, relationships with key clients, employee retention rates and overall demand on Schrole's products.

(g) **Market and business risks**

The success of the Company is dependent on market growth and acceptance of the Schrole Connect and Schrole Cover technology, training and development products. Factors affecting market acceptance include software development and repurposing costs, sales and hiring prices, marketing and operational aspects of Schrole. Failure to attain sufficient market acceptance will have a material adverse impact on the success and prospects of the Company. There are already competitors marketing technology for relief teachers in Australia and there is no guarantee that the Company will gain significant market share in the domestic relief teacher market.

(h) **Growth risks**

Schrole's software products are at an early start up stage, and as such its future success is modelled on accelerating market growth and acquiring a significant amount of new clients. If Schrole doesn't achieve its expected results, its financial performance could be adversely affected.

(i) **Response to market dynamics**

The inability to respond to developments in recruitment, relief cover, training and development in a timely manner could have an adverse impact on the revenue and operating results of the Company. While the Company is not aware of any other party who is presently developing a product similar to Schrole, this may occur, and that party may be more successful in releasing its competing products to the market. In that event, the release of the competing product could likewise have an adverse impact on the revenue and operating results of the Company.

(j) **Barriers to entering new markets**

As described in Section 4.3(m), Schrole's long term goal is to offer its products and services in numerous overseas markets. The Company's ability to grow and enter these new markets may involve certain barriers to entry from competitors in those overseas markets, different or prohibitive regulatory requirements, further investment in the products to adapt the technology for local market requirements and funding to expand the Company's business operations to these overseas markets.

(k) **Regulatory risks**

There is a risk that laws or regulations may be introduced or amended in Australia, or in foreign jurisdictions in which the Company may operate. Changes to the regulatory environment could have a material effect in a number of ways. For example, changes to legislation involving the imposition of

additional reporting or licensing requirements on the Company may increase costs of compliance, and impact the Company's profitability. In addition, change to legislation relating to data security in any relevant market or jurisdiction may impact the way the Company's platform operates or the cost of operation of the platform, and impact the Company's ability to offer certain products or features of products to customers. While the Directors are not aware of any current issues, or any impending regulatory change in relevant markets, there is the potential for any such measures to materially reduce the Company's revenues or increase its costs.

ETAS Group (a subsidiary of Schrole) is a RTO, and is registered by the Training Accreditation Council until August 2019. There is a risk that at the time of re-registration in 2019 ETAS Group could lose the accreditation to deliver courses which would impact on the Company's revenue streams until such time that ETAS Group could be accredited again (if at all).

(l) Marketing and promotion risks

Following Completion of the Acquisition, the Company intends to continue with the commercialisation of Schrole's SaaS products and services, including brand development and sales and marketing. By its nature, there is no guarantee that the Company's brand development and sales and marketing campaign will be successful. In the event that it is not, the Company may encounter difficulty in creating market awareness of the brand. This would likely have an adverse impact on the Company's ability to generate revenue.

Even if the Company does successfully commercialise its SaaS products and services, there is a risk the Company will not achieve a commercial return. The Company may not be able to sell products and services to clients at a rate which covers its operating and capital costs, or new technology may overtake the Company's technology.

(m) Reliance on key personnel

Schrole has a number of key management personnel, and its future depends on retaining and attracting these and other suitable qualified personnel. Although these individuals have entered into contracts with Schrole, there is no assurance that such contracts will not be terminated. If such contracts are terminated or breached, or if these individuals no longer continue in their current roles, new personnel will need to be employed, which may adversely affect the business. Schrole is also substantially dependent on the continued service of its existing development personnel because of the complexity of its services and technologies. There is no assurance that Schrole will be able to retain the services of these persons.

(n) Protection of personal information and data

Schrole collects a wide range of personal information from its clients. This information includes (without limitation) personal data, employment history and banking details. The Company's efforts to protect such information may be unsuccessful due to the actions of third parties, software bugs or other technical malfunctions, employee error or other factors.

Allegations of, or actual, unauthorised access or loss of such sensitive data could occur, resulting in a breach of the Company's obligations under applicable laws or regulations. Affected clients or government authorities could initiate legal or regulatory action against the Company in connection with any such breaches. Any such allegations, unauthorised access or breaches of laws or regulations could have an adverse effect on the Company's reputation, future financial position and performance and market position.

(o) Domain name risk

Schrole's businesses depend to some extent on customers being attracted to its websites. Schrole has registered several domain names. Should the Company not renew or otherwise lose control of the domain names, it would lose all website traffic direct to that domain. This would likely adversely affect the Company's potential to earn revenue.

(p) Changes to Privacy Legislation

The collection, use, storage and disclosure of personal and sensitive information in Australia is governed by the Privacy Act and the Australian Privacy Principles contained in Schedule 1 of the Privacy Act. Any future changes in privacy legislation (including changes to the Privacy Act, Privacy Principles or any other privacy laws in other applicable jurisdictions), or changes in the way privacy laws are interpreted in the future could render Schrole's products, or the way it currently operates, less attractive or contrary to law, which could have a material adverse effect on its business, operations and financial performance, and the price of its Shares.

(q) Operations in People's Republic of China

Schrole conducts part of its business in the People's Republic of China (PRC). Accordingly, Schrole's operations in the PRC are dependent on any economic and political developments in the PRC and Schrole's ability to enforce its contracts in the PRC.

Schrole's operations in the PRC are governed by PRC laws and regulations. The PRC has a civil law legal system based on written statutes. Unlike the common law system, previous court decisions in the PRC may be cited for reference but have limited precedential value. Although the overall effect of legislation over

the past 30 years has significantly enhanced the protections afforded to various forms of foreign investments in the PRC, it has not developed a fully integrated legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities. In particular because these laws and regulations are relatively new, and because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. Such uncertainties may limit the legal protections available to the Company and its investors.

In addition, the legal system in the PRC is based in part on government policies and certain internal rules, some of which are not published on a timely basis or at all and which may have retroactive effect. As a result, the Company may not be aware of its violation of these policies and internal rules until sometime after the violation. Also, any administrative or court proceedings may be protracted, resulting in substantial costs and diversion of resources and management attention if the Company seeks to enforce its legal rights through administrative or court proceeding. Moreover, compared to more developed legal systems, the PRC administrative and court authorities have significantly wider discretion in interpreting and implementing statutory and contractual provisions. As a result, it may be more difficult to evaluate the outcomes of the administrative and judicial proceedings as well as the level of protections the Company is entitled to. These uncertainties may impede the Company's ability to enforce its contracts, which could in turn materially and adversely affect the Company's business and operations.

(r) **Foreign currency and exchange rate fluctuations**

Schrole conducts business in other jurisdictions and is therefore exposed to the effects of changes in currency exchange rates. Schrole has a policy to undertake all overseas transactions primarily in USD, which is the preferred currency of international schools and many multi-national entities which reduces the risk exposure of foreign exchange fluctuations to a single currency. Schrole maintains USD denominated trading accounts, which may provide access to favourable exchange rates.

Unhedged, unfavourable movements in foreign exchange rates may have an adverse effect of the Company's revenue and/or cost of operating and therefore affect the market price of the Shares.

(s) **Previous revenue streams**

Historically Schrole's revenue has primarily been driven by ETAS Group. However, in line with Schrole's business objectives and strategy, the Company will be focused on Schrole Connect, Schrole Cover and Schrole Develop and, therefore, historic revenues of ETAS Group should be read with that in mind. The Company provides no guarantees or forecasts as to the future revenues.

6.3 General risks

(a) **General economic climate**

Factors such as inflation, currency fluctuations, interest rates, legislative and taxation changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors and, in particular, by exchange rate movements.

(b) **Policies and legislation**

Any material adverse changes in government policies or legislation of Australia, or any other country that the Company has economic interests and operations may affect the viability and profitability of the Company.

(c) **Negative publicity may adversely affect the Share price**

Any negative publicity or announcement relating to any of the Company's substantial Shareholders, key personnel or activities may adversely affect the stock performance of the Company, whether or not this is justifiable. Examples of such negative publicity or announcements may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions.

(d) **Stock market conditions**

As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the offer price under the Public Offer. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of Company's operational performance.

General factors that may affect the market price of Shares include without limitation economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation,

variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(e) **Other industries**

The Company will aim to expand Schrole Cover into other industries where staff must be replaced if they are not available (such as hospitality, aged care, security and hospitals). Any efforts by the Company to enter into a new market space holds the risk that the product offering does not meet the needs or demand of that market. New markets usually cost substantially more to penetrate than a market known to the Company and may result in a diversion of attention and time of the management and technical team. Accordingly, such efforts may have a materially adverse effect on the value and prospectus of the Company.

6.4 Speculative investment

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

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

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



07.

FINANCIAL INFORMATION

7.1 Financial information

The Investigating Accountant's Report contained in Section 8 sets out:

- (a) the Company's audited historical consolidated statements of financial position as at 31 December 2016, consolidated statement of profit or loss and other comprehensive income, and consolidated statement of cash flows for the Company for the year ended 31 December 2016;
- (b) Schrole's audited historical consolidated statements of financial position as at 31 December 2016, 30 June 2016, and 31 December 2015, consolidated statement of profit or loss and other comprehensive income, and consolidated statement of cash flows for the Company for the half years ended 31 December 2016 and 31 December 2015 and the year ended 30 June 2016; and
- (c) SPL and ETAS' audited historical consolidated statements of financial position as at 30 June 2015, consolidated statement of profit or loss and other comprehensive income, and consolidated statement of cash flows for the year ended 30 June 2015.

Investors are urged to read the Investigating Accountant's Report in full.

The financial statements for the Company for its financial years ended 2016, 2015 and 2014 can be found at the Company's ASX announcements platform on www.asx.com.au.

The Company notes that for the purposes of the Meeting, BDO Corporate Finance (WA) Pty Ltd acted as independent expert and provided an independent expert's report opining that the Acquisition is fair and reasonable to the non-associated shareholders of the Company. Details of the valuation of the Company following Completion are set out in section 11 of the Independent Expert's Report annexed to the Company's notice of the Meeting and dispatched to Shareholders on 14 August 2017.

7.2 Forecast financial information

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to the timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

08.

INVESTIGATING ACCOUNTANT'S REPORT







AQUAINT CAPITAL HOLDINGS LIMITED
(to be renamed Schrole Group Ltd)

(Subject to Deed of Company Arrangement)

Investigating Accountant's Report

18 August 2017



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38 Station Street
Subiaco, WA 6008
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Australia

18 August 2017

The Directors
45 Richardson Street
West Perth WA 6005

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by Aquaint Capital Holdings Limited (Subject to Deed of Company Arrangement) ('Aquaint', 'AQU' or 'the Company') to prepare this Investigating Accountant's Report ('Report') in relation to certain financial information of the Company for inclusion in the Prospectus. The Prospectus is required under Australian Securities Exchange ('ASX') listing requirements for the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules, as a result of the Company executing a Sale Agreement for the acquisition of 100% of the issued share capital of Schrole Operations Ltd ('Schrole') ('Proposed Acquisition').

On 14 June 2016, the Company announced that the Company's then board had resolved to appoint Samuel John Freeman, Clint Joseph and Adam Paul Nikitins as joint and several voluntary administrators of the Company ('Administrators'). On 15 November, Clint Joseph resigned as one of the Joint and Several Deed Administrators for the Company. Following a creditors' meeting on 22 August 2016, the Company entered into a Deed of Company Arrangement ('DOCA') on 9 September 2016.

Broadly, the Prospectus will offer the following:

- a) up to 300 million Shares to the public at an issue price of \$0.02 per share to raise up to \$6 million before costs ('Public Offer'). The Offer is subject to a minimum subscription level of 275 million Shares to raise \$5.5 million before costs;
- b) an offer of 150,000,000 Shares to the Vendors (or their nominees) and 290,000,000 Performance Shares to the Majority Vendors (or their nominees) (on a post-Consolidation basis) in consideration for the acquisition of all shares in Schrole Operations Ltd ('Consideration Offer');

2

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

- c) an offer of 97,000,000 Options (on a post-Consolidation basis) to the Vendors (or their nominees) ('Vendor Option Offer');
- d) an offer of 15,000,000 Shares (on a post-Consolidation basis) to Alto Capital (or its nominee) in lieu of advisory fees in respect of the Public Offer ('Lead Manager Offer');
- e) an offer of 80,000,000 Shares and 25,000,000 Options (on a post-Consolidation basis) to Xcel Capital (or its nominee) in lieu of DOCA recapitalisation and advisory fees for services provided to the Company ('Facilitator Offer');
- f) an offer of 50,000,000 Options (on a post-Consolidation basis) to Xcel Capital (or its nominee) in lieu of services provided to the Company ('Adviser Offer');
- g) an offer of 8,000,000 Shares (on a post-Consolidation basis) to Enerly as partial repayment of a Schrole shareholder loan ('Loan Offer'); and
- h) an offer of 25,000,000 Shares and 25,000,000 free attaching Options (on a post-Consolidation basis) on conversion of the convertible notes issued by Schrole ('Conversion Offer'),

(together with the Public Offer, 'the Offers').

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a review engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Historical Financial Information

You have requested BDO to review the following historical financial information (together the 'Historical Financial Information') included in the Prospectus:

- AQU's audited historical Consolidated Statements of Financial Position as at 31 December 2016, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and Consolidated Statement of Cash Flows for the Company for the year ended 31 December 2016;
- Schrole's audited historical Consolidated Statements of Financial Position as at 31 December 2016, 30 June 2016, and 31 December 2015, Consolidated Statement of Profit or Loss and Other Comprehensive Income, and Consolidated Statement of Cash Flows for the Company for the half years ended 31 December 2016 and 31 December 2015 and year ended 30 June 2016; and
- Schrole Pty Ltd and ETAS (WA) Pty Ltd audited historical Consolidated Statements of Financial Position as at 30 June 2015, Consolidated Statement of Profit or Loss and

Other Comprehensive Income, and Consolidated Statement of Cash Flows for the year ended 30 June 2015.

The Historical Financial Information of the Company has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies. The Historical Financial Information has been extracted from the financial report of the Company for the year ended 31 December 2016, which was audited by BDO Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit (WA) Pty Ltd issued a modified audit opinion on the financial report, with the basis for a disclaimer of opinion a result of the Company being placed into Administration on 14 June 2016.

The Historical Financial Information of Schrole has been extracted from the financial report for period ended 31 December 2016. The Historical Financial Information for the period ended 31 December 2016 was audited by BDO Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit (WA) Pty Ltd issued an unmodified opinion on the financial report, however did include an emphasis of matter that noted that the financial statements are special purposes financial reports.

The Historical Financial Information of Schrole Pty Ltd and Etas (WA) Pty Ltd has been extracted from the financial reports of Schrole Pty Ltd and Etas (WA) Pty Ltd for the year ended 30 June 2016 and the year ended 30 June 2015. The Historical Financial Information for the year ended 30 June 2015 and 30 June 2016 was audited by BDO Audit (WA) Pty Ltd in accordance with the Australian Accounting Standards. BDO Audit (WA) Pty Ltd issued an unmodified audit opinion on the financial reports, however did include an emphasis of matter that noted the financial statements are special purposes financial reports.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the 'Pro Forma Historical Financial Information') of the Company included in the Prospectus:

- the pro forma historical Statement of Financial Position of AQU as at 31 December 2016.

The Pro Forma Historical Financial Information has been derived from the historical financial information after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by the Company to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on AQU's financial position as at 31 December 2016. As part of this process, information about AQU's financial position has been extracted by the Company from AQU's financial statements for the year ended 31 December 2016.

3. Directors' responsibility

The Directors of the Company are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial

Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our review procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our review engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the audited historical consolidated Statements of Financial Position, Performance and Cash Flows for the Company for the years ended 31 December 2016;
- the audited historical Statements of Financial Position, Performance and Cash Flows for Schrole for the half year ended 31 December 2016 and the Statement of Financial Performance and Cash Flows for the years ended 30 June 2016 and 2015 and reviewed statements for the half year ended 31 December 2015; and
- the audited historical Statements of Financial Position, Performance and Cash Flows for Schrole Pty Ltd and Etas (WA) Pty Ltd for the year ended 30 June 2015.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our review engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of AQU as at 31 December 2016,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma Statement of Financial Position reflects the following events that have occurred subsequent to the period ended 31 December 2016:

- On 9 January 2017, Schrole received the final payment of \$198,196 in relation to a Refundable Research and Development offset claim;
- Schrole consolidated its existing shares through the conversion of every five shares held into four shares following shareholder approval at a general meeting held on 13 February 2017;
- On 21 April 2017, Schrole entered into a Convertible Note Agreement with ACNS Capital Markets Pty Ltd, trading as Alto Capital, as lender for an amount of \$500,000 ('Schrole Convertible Note'). The Schrole Convertible Notes will be automatically redeemed on completion of the acquisition by way of issue of Shares at a conversion price of \$0.02 with an additional one free attaching option for each share issued pursuant to the Convertible Note Agreement ('Conversion Offer'); and
- On 12 July 2017, Schrole Group Ltd changed its name to Schrole Operations Ltd.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Schrole not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 31 December 2016, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of up to 300 million Shares to the public at an issue price of \$0.02 per share to raise up to \$6 million before costs. The Public Offer is subject to a minimum subscription level of 275 million Shares to raise \$5.5 million before costs;
- Costs of the Offer are estimated to be \$700,000 under the minimum subscription and \$730,000 under the maximum subscription ('Costs of the Offer'). Under the minimum subscription, \$364,000 will be directly attributable to the raising of funds, and therefore offset against contributed equity, with the remaining \$336,000 expensed through accumulated losses. Under the maximum subscription, \$379,600 will be directly attributable to the raising of funds, and therefore offset against contributed equity, with the remaining \$350,400 expensed through accumulated losses;
- Prior to reinstatement of the Company and Post the Public Offer, Completion of the DOCA including:
 - the Company raising no less than \$3,800,000 (before costs);
 - the Company and the Deed Administrators establishing a Creditors' Trust, with the Deed Administrators acting as Trustees;

- the assets of the Company being transferred to the Creditors' Trust, including the amount of \$400,000, to be paid by the Company out of the funds raised from the Offer; and
 - all claims of creditors against the Company being extinguished, discharged or released.
- The issue of 150 million Shares to the Vendors and 290 million Performance Shares to the Majority Vendors in consideration for the acquisition of all shares in Schrole (Consideration Offer). The Performance Shares are subject to the following milestones being achieved:
 - Series A Performance Shares will convert to Shares on Schrole obtaining 215 schools with a subscription for the Schrole Connect products or 198 licenses with a subscription for the Schrole Cover product prior to the Milestone Date;
 - Series B Performance Shares will convert to Shares on Schrole achieving total annual sales revenue of \$7 million over any 12-month period prior to the Milestone Date; and
 - Series C Performance Shares will convert to Shares on Schrole achieving an accumulated EBITDA of \$3 million over any 12-month period prior to the Milestone Date.
- The issue of 14 million Options to the Directors of the Company ('Director Options A' and 'Director Options B');
- The issue of 97 million Options to the Vendors (Vendor Option Offer);
- The issue of 15 million Shares to Alto Capital in lieu of advisory fees in respect of the Offer and Proposed Acquisition (Lead Manager Offer);
- The issue of 80 million Shares and 25 million Options to Xcel Capital (or its nominee) in lieu of DOCA recapitalisation and advisory fees to services provided to the Company (Facilitator Offer);
- The issue of 50 million Options to Xcel Capital (or its nominee) in lieu of services provided to the Company (Adviser Offer);
- The issue of 8 million Shares to Enerly as partial repayment of a Schrole shareholder loan, with the remainder of the loan to be paid in cash. The loan from Enerly Pty Ltd has a balance of \$256,795, of which \$160,000 will be settled by shares and the remaining \$96,795 to be settled in cash (Loan Offer); and
- The issue of 25 million Shares and 25 million free attaching Options on conversion of the convertible notes issued by Schrole (Conversion Offer).

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Offers other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO is the auditor of the Company and from time to time provides the Company with certain other professional services for which normal professional fees are received. BDO is also the auditor of Schrole and from time to time provides Schrole with certain other professional services for which normal professional fees are received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Adam Myers

Director

APPENDIX 1

AQUAINT CAPITAL HOLDINGS LIMITED (TO BE RENAMED SCHROLE GROUP LTD)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Aquaint Capital Holdings Limited (Subject to Deed of Company Arrangement) Consolidated Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 31-Dec-16 \$
Revenue	-
Other Income	7,000
	7,000
Administrative expenses	(440,918)
Finance costs	(4,668)
	(438,586)
Loss before income tax	(438,586)
Income tax benefit	-
	-
Loss for the year	(438,586)
Other comprehensive income	
<i>Items that may be reclassified to profit or loss</i>	
Foreign currency translation difference (at nil tax)	-
	-
Other comprehensive income (loss) for the year	-
Total comprehensive loss for the period, net of tax	(438,586)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 2
AQUAINT CAPITAL HOLDINGS LIMITED (TO BE RENAMED SCHROLE GROUP LTD)
CONSOLIDATED STATEMENT OF CASH FLOWS

Aquaint Capital Holdings Limited (Subject to Deed of Company Arrangement) Consolidated Statement of Cash Flows	Audited for the year ended 31-Dec-16 \$
Cash flows from operating activities	
Loss for the year	(438,586)
Interest on convertible notes	4,668
Net cash used in operating activities	<u>(433,918)</u>
Net (decrease) in cash	(433,918)
Cash and cash equivalents at the beginning of the period	871,242
Cash and cash equivalents at the end of the period	<u>437,325¹</u>

¹ Cash is held by AIF a Managed Investment Scheme (MIS); the cash is for the benefit of MIS unit holders and settlement of creditors related to the MIS only.

APPENDIX 3
AQUAINT CAPITAL HOLDINGS LIMITED (TO BE RENAMED SCHROLE GROUP LTD)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	Notes	Aquist Audited as at 31-Dec-16	Schrole Audited as at 31-Dec-16	Subsequent events	DOCA Pro-forma*	Pro-forma adjustments		Pro-forma after offer	
		\$	\$	\$	\$	\$5.5 million	\$6 million	\$5.5 million	\$6 million
CURRENT ASSETS									
Cash and cash equivalents	3	437,325	48,459	698,196	(837,325)	4,703,205	5,173,205	5,049,860	5,519,860
Trade and other receivables	4	582,290	434,619	(198,196)	(582,290)	-	-	236,423	236,423
Loan and receivables		-	-	-	-	-	-	-	-
NCA to be transferred to the Creditors Trust		36,916,358	-	-	(36,916,358)	-	-	-	-
TOTAL CURRENT ASSETS		37,935,973	483,078	500,000	(38,335,973)	4,703,205	5,173,205	5,286,283	5,756,283
NON-CURRENT ASSETS									
Property, plant & equipment		-	129,456	-	-	-	-	129,456	129,456
Intangible assets		-	627,146	-	-	-	-	627,146	627,146
TOTAL NON-CURRENT ASSETS		-	756,602	-	-	-	-	756,602	756,602
TOTAL ASSETS		37,935,973	1,239,680	500,000	(38,335,973)	4,703,205	5,173,205	6,042,885	6,512,885
CURRENT LIABILITIES									
Trade and other payables		4,550,225	183,313	-	(4,550,225)	-	-	183,313	183,313
Financial liabilities	5	840,044	99,968	500,000	(840,044)	(500,000)	(500,000)	99,968	99,968
Deferred revenue		-	454,711	-	-	-	-	454,711	454,711
Provisions		-	73,379	-	-	-	-	73,379	73,379
TOTAL CURRENT LIABILITIES		5,390,269	811,371	500,000	(5,390,269)	(500,000)	(500,000)	811,371	811,371
NON-CURRENT LIABILITIES									
Financial liabilities	6	568,499	466,124	-	(568,499)	(256,795)	(256,795)	209,329	209,329
Deferred tax liabilities		1,440,975	-	-	(1,440,975)	-	-	-	-
Provisions		-	54,311	-	-	-	-	54,311	54,311
TOTAL NON-CURRENT LIABILITIES		2,009,474	520,435	-	(2,009,474)	(256,795)	(256,795)	263,640	263,640
TOTAL LIABILITIES		7,399,743	1,331,806	500,000	(7,399,743)	(756,795)	(756,795)	1,075,011	1,075,011
NET ASSETS		30,536,230	(92,126)	-	(30,936,230)	5,460,000	5,930,000	4,967,874	5,437,874
EQUITY									
Issued capital	7	39,104,161	3,606,123	-	-	(31,167,161)	(30,682,761)	11,543,123	12,027,523
Reserves	8	(391,356)	(1,232,900)	-	-	2,093,356	2,093,356	469,100	469,100
Accumulated losses	9	(8,176,575)	(2,465,349)	-	(30,936,230)	34,533,805	34,519,405	(7,044,349)	(7,058,749)
TOTAL EQUITY		30,536,230	(92,126)	-	(30,936,230)	5,460,000	5,930,000	4,967,874	5,437,874

The above pro-forma Consolidated Statement of Financial Position after the Offers is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4.

APPENDIX 4

AQUAINT CAPITAL HOLDINGS LIMITED (TO BE RENAMED SCHROLE GROUP LTD)
NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION**Note 1: Summary of 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 periods presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

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

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

These consolidated financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

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 judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Basis of consolidation*Business combinations*

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interest in the acquire; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquire; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with the business combination are expensed as incurred.

Business combinations involving entities under common control

In the case of acquisitions of businesses or entities under common control the acquired assets and liabilities are initially recognised in the consolidated financial statements at their predecessor carrying amounts, which are the carrying amounts from the consolidated financial statements at the highest level of common control as at the date of acquisition. The difference between the cost of acquisition and the share of the carrying amounts of the acquired net assets is recognised directly in equity.

The profit or loss of the entity joining the group under common control is included from the date of the acquisition.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases

Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains an interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transitions, are eliminated in preparing the consolidated financial statement.

Going Concern

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Directors believe there are sufficient funds to meet the Group's working capital requirements and can meet all liabilities as and when they fall due. However, should the Initial Public Offer not be successful, there is a material uncertainty that may cast doubt on the group's ability to continue as a going concern. In the event of an unsuccessful Initial Public Offer, the Directors will suspend planned expenditure to expand the business and will restructure to remove costs required to support the operations in a listed environment.

Revenue recognition

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

Rendering of services

Revenue relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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.

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.

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 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 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

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Category	Depreciation Method	Useful Life
Developed software	Straight line	4 years - 5 years
Plant and equipment	Diminishing value	6 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible Assets*Goodwill*

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see the note on Business combinations.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group, and have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Except for goodwill, intangible assets are amortised on a slight line basis in profit or loss over their estimated useful lives, from the date they are available for use.

The estimate useful lives for the current and comparative period are as follows:

- Capitalised development costs 4 years - 5 years

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 company 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.

Impairment of non-financial assets

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

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the company 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*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

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

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.

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

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

R&D Incentives

Refundable tax incentives are accounted for as government grants under AASB 120. Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 31 March 2016. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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.

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.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Deferred taxes

The company has recognised deferred tax assets relating to income tax timing and carried forward tax losses to the extent there is sufficient certainty that they can be utilised. Utilisation of the tax losses depends on the ability to satisfy certain tests at the time the losses are recouped. Due to the planned Initial Public Offer in Q4 2016, there are some concerns that the company may fail to satisfy the continuity of ownership test and same business test. As a result, the company has not recognised \$300,821 of consolidated deferred tax assets relating to carried forward tax losses. However, if the company is successful in satisfying the continuity of ownership or same business tests then up to \$300,821 of deferred tax assets would have to be recognised as a reduction of income tax expense in a future year.

	Audited 31-Dec-16 \$	Pro-forma \$5.5 million \$	Pro-forma \$6.0 million \$
NOTE 3. CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	437,325	5,049,860	5,519,860
Audited balance of the Company at 31 December 2016		437,325	437,325
Audited balance of Schrole at 31 December 2016		48,459	48,459
<i>Subsequent events:</i>			
Receipt of Schrole Convertible Note funds		500,000	500,000
R&D Offset Received 9/1/2017		198,196	198,196
		698,196	698,196
<i>Pro-forma adjustments:</i>			
Transfer of assets under the DOCA		(437,325)	(437,325)
DOCA Payment		(400,000)	(400,000)
Proceeds from the Offer		5,500,000	6,000,000
Costs of the Offer		(700,000)	(730,000)
Repay balance of Enerly Pty Ltd Loan		(96,795)	(96,795)
		3,865,880	4,335,880
Pro-forma Balance		5,049,860	5,519,860

	Audited 31-Dec-16 \$	Pro-forma \$5.5 million \$	Pro-forma \$6.0 million \$
NOTE 4. TRADE AND OTHER RECEIVABLES			
Trade and other receivables	582,290	236,423	236,423
Audited balance of the Company at 31 December 2016		582,290	582,290
Audited balance of Schrole at 31 December 2016		434,619	434,619
<i>Subsequent events:</i>			
Elimination of R&D Offset		(198,196)	(198,196)
		(198,196)	(198,196)
<i>Pro-forma adjustments:</i>			
Transfer of assets under the DOCA		(582,290)	(582,290)
		(582,290)	(582,290)
Pro-forma Balance		236,423	236,423

	Audited 31-Dec-16	Pro-forma \$5.5 million	Pro-forma \$6.0 million
NOTE 5. CURRENT FINANCIAL LIABILITIES			
Financial liabilities	\$ 840,044	\$ 99,968	\$ 99,968
Audited balance of the Company at 31 December 2016		840,044	840,044
Audited balance of Schrole at 31 December 2016		99,968	99,968
<i>Subsequent events:</i>			
Issue of Schrole Convertible Notes		500,000	500,000
		500,000	500,000
<i>Pro-forma adjustments:</i>			
Transfer of assets under the DOCA		(840,044)	(840,044)
Conversion of Schrole Convertible Notes		(500,000)	(500,000)
		(1,340,044)	(1,340,044)
Pro-forma Balance		99,968	99,968
NOTE 6. NON-CURRENT FINANCIAL LIABILITIES			
Financial liabilities	\$ 568,499	\$ 209,329	\$ 209,329
Audited balance of the Company at 31 December 2016		568,499	568,499
Audited balance of Schrole at 31 December 2016		466,124	466,124
<i>Pro-forma adjustments:</i>			
Discharge of liabilities under the DOCA		(568,499)	(568,499)
Elimination of Enerly Pty Ltd loan		(256,795)	(256,795)
		(825,294)	(825,294)
Pro-forma Balance		209,329	209,329

NOTE 7. ISSUED CAPITAL	Audited		Pro-forma after Offer	
	31-Dec-16		\$5.5 million	\$6.0 million
	\$	\$	\$	\$
Issued capital	39,104,161	39,104,161	11,543,123	12,027,523
	Number of shares (min)	Number of shares (max)	\$	\$
Fully paid ordinary share capital of the Company at 31 December 2016	123,000,392	123,000,392	39,104,161	39,104,161
Fully paid ordinary share capital of Schrole at 31 December 2016	-	-	3,606,123	3,606,123
<i>Subsequent events:</i>				
Reduction on share consolidation of the Company (60:1)	(120,950,385)	(120,950,385)	-	-
	(120,950,385)	(120,950,385)	-	-
<i>Pro-forma adjustments:</i>				
Elimination of Aquaint Issued Capital on RTO	-	-	(39,104,161)	(39,104,161)
Proceeds from shares issued under this Prospectus	275,000,000	300,000,000	5,500,000	6,000,000
Costs of the Offer	-	-	(364,000)	(379,600)
Shares issued under Lead Manager Offer	15,000,000	15,000,000	300,000	300,000
Shares issued on conversion of options under Facilitator Offer	-	-	(300,000)	(300,000)
Shares issued under the Consideration Offer	150,000,000	150,000,000	541,000	541,000
Shares issued under the Facilitator Offer	80,000,000	80,000,000	1,600,000	1,600,000
Shares issued under the Loan Offer	8,000,000	8,000,000	160,000	160,000
Shares issued under the Conversion Offer	25,000,000	25,000,000	500,000	500,000
	553,000,000	578,000,000	(31,167,161)	(30,682,761)
Pro-forma Balance	555,050,007	580,050,007	11,543,123	12,027,523

NOTE 8. RESERVES	Audited		Pro-forma after Offer	
	31-Dec-16		\$5.5 million	\$6.0 million
	\$	\$	\$	\$
Issued capital	(391,356)		469,100	469,100
			\$	\$
Audited balance of the Company as at 31 December 2016			(391,356)	(391,356)
Audited balance of Schrole at 31 December 2016			(1,232,900)	(1,232,900)
<i>Pro-forma adjustments:</i>				
Elimination of Aquaint Reserves on RTO			391,356	391,356
Issue of Vendor Options			776,000	776,000
Options issued under the Facilitator Offer			300,000	300,000
Options issued under the Adviser Offer			500,000	500,000
Issue of Director Options (Tranche A)			70,000	70,000
Issue of Director Options (Tranche B)			56,000	56,000
			2,093,356	2,093,356
Pro-forma Balance			469,100	469,100

The value of the free-attaching options issued under the Conversion Offer have been incorporated into the value attributed to Shares issued under the Conversion Offer in Note 7.

We note that the Performance Shares issued to the Vendors have an underlying value of \$0.02 cents per Performance Right, however no expense is recognised due to the milestones attached to the Performance Rights are non-market based vesting conditions, and accordingly under AASB 2 paragraph 19, 'Vesting Conditions, other than market conditions, shall not be taken into account when estimated the fair value of the shares or options at the measurement date.

Options to be issued	Vendor Options	Facilitator Offer	Adviser Offer	Director Options (A)	Director Options (B)
Number of options	97,000,000	25,000,000	50,000,000	7,000,000	7,000,000
Underlying share price	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
Exercise price	\$ 0.04	\$ 0.02	\$ 0.03	\$ 0.03	\$ 0.04
Expected volatility	90%	90%	90%	90%	90%
Expiry date (years)	3.0	3.0	3.0	3.0	3.0
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk free rate	1.91%	1.91%	1.91%	1.91%	1.91%
Value per Option	\$ 0.008	\$ 0.012	\$ 0.010	\$ 0.010	\$ 0.008
Value per Tranche	\$ 776,000	\$ 300,000	\$ 500,000	\$ 70,000	\$ 56,000

	Audited 31-Dec-16	Pro forma after Offer \$5.5 million	Pro forma after Offer \$6.0 million
NOTE 9. ACCUMULATED LOSSES			
Accumulated losses	(8,176,575)	(7,044,349)	(7,058,749)
Audited balance of the Company at 31 December 2016		(8,176,575)	(8,176,575)
Audited balance of Schrole at 31 December 2016		(2,465,349)	(2,465,349)
<i>Pro-forma adjustments:</i>			
DOCA expense		(30,936,230)	(30,936,230)
Elimination of accumulated losses on RTO		38,712,805	38,712,805
Shares issued under Lead Manager Offer		(300,000)	(300,000)
Shares issued under the Facilitator Offer		(1,600,000)	(1,600,000)
Issue of Director Options		(70,000)	(70,000)
Issue of Director Options		(56,000)	(56,000)
Issue of New Options under the Adviser Offer		(500,000)	(500,000)
Issue of New Options under the Consideration Offer		(776,000)	(776,000)
Costs of the Offer		(336,000)	(350,400)
Listing expense (see Note 10)		(541,000)	(541,000)
		3,597,575	3,583,175
		<u>(7,044,349)</u>	<u>(7,058,749)</u>

Note 10: ACQUISITION ACCOUNTING

Provisional accounting for the Acquisition

A summary of the details with respect to the proposed Acquisition as included in our Report is set out below. These details have been determined for the purpose of the pro-forma adjustments as at 31 December 2016 and will require re-determination based on the identifiable assets and liabilities as at the successful acquisition date, which may result in changes to the value as disclosed below.

Under the Acquisition, AQU will acquire 100% of the issued capital in Schrole by issuing 150,000,000 Ordinary Shares to Schrole shareholders, giving Schrole a controlling interest in the combined entity following the Acquisition. Schrole has thus been deemed the acquirer for accounting purposes as its shareholders will own approximately 98.84% of the consolidated entity (exclusive of the shares issued under the public offer). The acquisition of AQU by Schrole is not deemed to be a business combination, as AQU is not considered to be a business under AASB 3 *Business Combinations*.

As such the consolidation of these two companies is on the basis of the continuation of Schrole with no fair value adjustments, whereby Schrole is deemed to be the accounting parent. Therefore, the most appropriate treatment for the transaction is to account for it under *AASB 2 Share Based Payments*, whereby Schrole is deemed to have issued shares to Aquaint shareholders in exchange for the net assets held by AQU.

In this instance, the value of the AQU shares provided has been determined as the notional number of equity instruments that the shareholders of Schrole would have had to issue to AQU to give the owners of AQU the same percentage ownership in the combined entity. We have deemed this to be \$541,000

The pre-acquisition equity balances of Aquaint are eliminated against this increase in Share Capital upon consolidation and the balance is deemed to be the amount paid for the ASX listing status of AQU, being \$541,000 and treated as a share based payment.

The net assets acquired, and the amount recognised as an ASX listing expense, are as follows:

	Acquiree's carrying amount pre-Acquisition
NOTE 10. PROVISIONAL ACCOUNTING FOR THE ACQUISITION	
	\$
Net assets acquired:	
Cash and cash equivalents	437,325
Trade and other receivables	582,290
Non Current Assets to be transferred to the Creditors Trust	36,916,358
Trade and other payables	(4,550,225)
Financial liabilities	(1,408,543)
Deferred tax liability	(1,440,975)
Net assets of Aquaint at 31 December 2016	30,536,230
Fair value of Schrole's consideration	541,000
Total net assets acquired on Acquisition	30,536,230
Effectuation of the DOCA	(30,536,230)
Amount recognised as ASX listing expense upon Acquisition	541,000

Note 11: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Director Interests are disclosed in the Prospectus.

NOTE 12: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

APPENDIX 4
SCHROLE GROUP LIMITED (TO BE RENAMED SCHROLE OPERATIONS LIMITED)
HISTORICAL FINANCIAL INFORMATION

Statement of Comprehensive Income	Audited for the half year ended 31-Dec-16 \$	Audited for the year ended 30-June-16 \$	Audited for the year ended 30-June-15 \$
Revenue	914,828	1,779,506	3,551,349
Expenses			
Employee benefits expense	(636,092)	(1,409,257)	(1,014,760)
Depreciation expense	(132,850)	(104,538)	(71,625)
Travel expense	(89,132)	(142,220)	(203,615)
Issue of options	(154,893)	-	-
Other expenses	(643,833)	(1,284,283)	(1,304,217)
Loss before income tax expense	(741,972)	(1,160,792)	957,132
Income tax expense	(8,042)	(163,899)	(241,306)
Loss after income tax	(750,014)	(1,324,691)	715,826
Other comprehensive income for the period	-	-	-
Total comprehensive loss for the period	(750,014)	(1,324,691)	715,826

Statement of Cash Flows	Audited for the half year ended 31-Dec-16 \$	Audited for the year ended 30-June-16 \$	Audited for the half year ended 31-Dec-15 \$
Cash flows from operating activities			
Receipts from customers	1,207,347	1,818,039	1,108,121
Payments to suppliers and employees	(1,320,762)	(2,669,919)	(1,222,977)
Income tax received/ (paid)	(46,749)	(3,678)	278
Other	7,703	62,413	9,231
Interest received	111	56	-
Net cash used in operating activities	(152,350)	(793,089)	(105,347)
Cash flows from investing activities			
Cash from acquisition of Schrole Pty Ltd	-	167,643	167,643
Payments for property plant and equipment and intangibles	(219,746)	(220,475)	-
Receipts on sale of property plant and equipment	-	32,047	15,020
R&D claim refund received	31,180	-	-
Net cash used in investing activities	(188,566)	(20,785)	182,663
Cash flows from financing activities			
Receipts from Shares issued	523,280	1,171,441	860,940
Dividends paid	-	(650,000)	(261,214)
Receipt of bank loan	-	410,000	42,160
Repayments of bank loans	(40,897)	(375,116)	-
Enerly Pty Ltd loan repayments	(27,600)	(204,493)	-
Enerly Pty Ltd loan proceeds	-	477,670	-
Interest paid	(14,089)	(14,258)	-
Finance lease costs	(62,565)	(105,671)	(56,638)
Net cash used in financing activities	378,129	709,573	585,248
Net (decrease) in cash	37,213	(104,301)	662,564
Cash and cash equivalents at the beginning of the period	11,246	115,547	115,547
Cash and cash equivalents at the end of the period	48,459	11,246	778,111

APPENDIX 4
HISTORICAL FINANCIAL INFORMATION

Statement of Comprehensive Income	Schrole Pty Ltd Audited for the year ended 30 June 2015 \$	ETAS Pty Ltd Audited for the year ended 30 June 2015 \$
Revenue	278,085	3,045,422
Expenses		
Travel expenses	(65,871)	-
Employee benefits expense	-	(1,139,222)
Depreciation expense	(89,587)	(91,315)
Other expenses	(116,864)	(1,539,288)
Profit before income tax expense	5,763	275,597
Income tax expense	(25,575)	(146,874)
Profit after income tax for the year attributable to the owners of ETAS	(19,812)	128,723
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	(19,812)	128,723

Statement of Cash Flows	Schrole Pty Ltd Audited for the year ended 30 June 2015 \$	ETAS Pty Ltd Audited for the year ended 30 June 2015 \$
Cash flows from operating activities		
Receipts from customers	304,092	2,873,004
Payments to suppliers and employees	(188,873)	(2,350,762)
Income tax received/(paid)	-	(207,605)
Other	-	36,202
Interest received	-	37
Net cash used in operating activities	115,219	350,876
Cash flows from investing activities		
Cash from acquisition of Schrole Pty Ltd		
Payments for property plant and equipment and intangibles	(190,856)	(12,313)
Receipts on sale of property plant and equipment	-	53,843
R&D claim refund received	65,555	-
Net cash used in investing activities	(125,301)	41,530
Cash flows from financing activities		
Dividends paid	-	(574,000)
Receipt of loans	537	555,796
Interest paid	-	(197,237)
Net cash used in financing activities	537	(215,441)
Net (decrease) in cash	(9,545)	176,966
Cash and cash equivalents at the beginning of the period	71,779	(12,466)
Cash and cash equivalents at the end of the period	62,234	164,500

09.

INTELLECTUAL PROPERTY REPORT







16 August 2017

The Directors
Aquaint Capital Holdings Limited
Level 2, 45 Richardson Street
WEST PERTH 6005

Dear Directors

Intellectual Property Due Diligence Report for the Acquisition of Schrole Operations Ltd by Aquaint Capital Holdings Limited


Our Ref: 28786

Introduction

1. We have been instructed by Bellanhouse Legal, acting for and on behalf of Aquaint Capital Holdings Limited, to provide an intellectual property law due diligence report for the acquisition of Schrole Operations Ltd (**Schrole**).
2. This report identifies:
 - 2.1 material intellectual property rights; and
 - 2.2 various intellectual property rights under development.
3. Our usual disclaimers are set out at paragraphs 28 to 30, below.

Trade Marks

4. Trade marks are, in essence, statutory monopoly rights in a brand which are bestowed by trade mark registrars in various jurisdictions.
5. Trade marks are important for a number of legal reasons, primarily because trade marks serve to protect the goodwill and reputation in a brand within a specific legal marketplace.
6. We have reviewed the information provided to us and have conducted a search of the Australian trade mark registry. Our investigations confirm that Schrole Pty Ltd, a wholly owned subsidiary of Schrole, is the registered owner of the two trade mark registrations set out in the table below:

Trade Mark Number	Trade Mark Representation	Classes	Status	Priority Date
1571627		Class 9: Computer databases; Computer programs for use in database management; Computer software programs for database management; Database programs; Databases; Databases (electronic)	Registered	30 July 2014

Perth Office
Ground Floor, 25 Richardson Street
West Perth, Western Australia 6005
t +61 8 9481 2040
f +61 8 9481 2041
e office@whlaw.com.au

Geraldton Office
288 Foreshore Drive
Geraldton, Western Australia 6530
t +61 8 9921 2344
f +61 8 9921 2243
e office@whlaw.com.au

whlaw.com.au

Schrole Group Ltd

16 August 2017

Trade Mark Number	Trade Mark Representation	Classes	Status	Priority Date
		<p>publications)</p> <p>Class 35: Commercial information services provided by access to a computer database; Compilation of information into computer databases; Computerised database management; Database management; Maintaining data in databases; Systemization of information into computer databases; Updating data in databases; Business recruitment consultancy; Consultancy relating to personnel recruitment; Employment recruitment; Executive recruitment services; Interviewing services (for personnel recruitment); Office support staff recruitment services; Permanent staff recruitment; Personnel recruitment; Personnel recruitment advertising; Personnel recruitment agency services; Personnel recruitment consultancy; Professional recruitment services; Recruitment advertising; Recruitment consultancy services; Recruitment of personnel; Staff recruitment consultancy services; Staff recruitment services; Business promotion services; Consultancy relating to business promotion; Demonstration of goods for promotional purposes; Online promotion on a computer network; Promotion (advertising) of business; Promotional marketing; Promotional services</p> <p>Class 36: Advice relating to insurance; Advisory services relating to insurance; Advisory services relating to insurance claims; Advisory services relating to life insurance; Arranging of insurance; Brokerage advisory services relating to insurance; Brokerage of insurance; Consultancy services relating to insurance; Consultations (Insurance); Health insurance; Information services relating to insurance; Insurance; Insurance advice; Insurance advisory services; Insurance agency services; Insurance arranging services; Insurance consultancy; Insurance</p>		

Schrole Group Ltd

16 August 2017

Trade Mark Number	Trade Mark Representation	Classes	Status	Priority Date
		<p>consultation services; Insurance for businesses; Insurance services; Insurance services relating to pension funds; Insurance services relating to travel; Life insurance; Management consultancy relating to insurance; Medical insurance; Medical, surgical or hospital health insurance; Private health insurance; Providing information, including online, about insurance, financial and monetary affairs and real estate affairs; Administration of pension funds; Administration of pension schemes; Management of pension funds; Pension advisory services; Pension and retirement and superannuation plans and funds; Pension consultancy; Pension fund services; Pension management services; Pension plan services; Pension planning services; Pension scheme services; Pension services; Provision of pension information; Provision of pension schemes</p> <p>Class 38: Providing access to databases; Providing access to online computer databases</p> <p>Class 41: Adult education; Adult education services; Advisory services relating to education; Conducting of educational courses; Consultancy services relating to education; Education advisory services; Education information; Education services; Educational advisory services; Educational assessment services; Educational consultancy services; Educational instruction; Educational seminars; Educational services; Higher education services; Information relating to education; Information services relating to education; Management of education services; Management of educational events; Mentoring (education and training); Occupational health and safety services (education and training services); Primary education services; Providing facilities for educational purposes; Providing information, including online, about education, training, entertainment, sporting and cultural activities;</p>		

Schrole Group Ltd

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Trade Mark Number	Trade Mark Representation	Classes	Status	Priority Date
		Provision of education courses; Provision of educational courses; Provision of information relating to education; Services of schools (education); Vocational education Class 42: Computer database consultancy services; Database design; Design of computer databases; Hosting of databases		
1779655	SCHROLE	Class 38: Providing access to databases; Providing access to online computer databases; provision of online forums including in relation to employment opportunities, employment and staff hiring and career networking services Class 42: Computer database consultancy services; Database design; Design of computer databases; Hosting of databases	Registered	4 July 2016

7. Schrole Pty Ltd also has the following pending trade mark applications:

- 7.1 application number 25820118 for the trade mark 'SCHROLE' in classes 38 and 42 in China; and
- 7.2 application number 304238280 for the trade mark 'SCHROLE' in classes 38 and 42 in Hong Kong.

8. We are instructed that, although operating in the Middle East, Schrole intends to apply to register 'SCHROLE' in the jurisdictions comprising the Middle East upon receipt of further funding in the future. This is not unusual given the expense of filing trade mark applications in this area (in particular in Saudi Arabia and the United Arab Emirates).

Domain Names

9. According to the information provided to us, as well as online registry records, the following domain names have been registered in the name of Schrole Pty Ltd:

- 9.1 www.schrole.com
- 9.2 www.schrolegroup.com
- 9.3 www.schrolecover.net.au
- 9.4 www.schrolesmart.com.au
- 9.5 www.schrolecover.net.au

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- 9.6 www.schrole.com.au
- 9.7 www.schrole.net.au
10. According to the information provided to us, as well as online registry records, the following domain names have been registered in the name of ETAS (WA) Pty Ltd (**ETAS**):
- 10.1 www.schroledvelop.com
- 10.2 www.schrolecover.co.nz
- 10.3 www.schrolecover.com
- 10.4 www.schrolecover.net
- 10.5 www.schrole.biz
- 10.6 www.schrole.net
- 10.7 www.scrole.org
- 10.8 www.schrole.co
- 10.9 www.schrole.co.uk
- 10.10 www.schrole.eu
- 10.11 www.schrole.asia
- 10.12 www.schrole.info
11. We are instructed that the domains listed at paragraph 10 are held on trust for Schrole by ETAS, a wholly owned subsidiary of Schrole.
12. Our searches have not indicated that any other organisation or individual has applied to register domain names consisting of the term 'SCHROLE' or which might interfere in Schrole's business.

Patents

13. We are instructed that Schrole are currently seeking advice with respect to filing patent applications to protect other aspects of the intellectual property in its recruitment program and software application (**Technology**).
14. Given the effort and cost of searching patent registries and filing and prosecuting a patent portfolio, it is not unusual for such protection to be addressed after other intellectual property has been secured and funds have been raised by investors.
15. We are not able to detail the nature and merits of any future patent application, as disclosure of such information would conceivably constitute a negation of the novelty of any such patent. "Novelty" is a necessary prerequisite for potential protection and can be destroyed by public disclosure of the invention prior to filing a patent to protect the invention.

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16. Accordingly, at this stage, we cannot be certain that third parties have no rights in Schrole's Technology, nor that unauthorised use or access of intellectual property relevant to Schrole's business will not be undertaken by third parties to the detriment of Schrole, its operations and business.
17. In addition, there can be no guarantee that unauthorised use or copying of Schrole's Technology will be prevented.
18. Any infringement of third party rights, or unauthorised use, access or copying of Schrole's intellectual property could impact adversely on Schrole's margins and revenue.
19. However, we note that as the Technology encompasses a software application, the *Copyright Act 1968* (Cth) (**Act**) provides Schrole with certain protections, as set out below.
20. Further, we are instructed that the Technology is also protected by appropriate obligations of confidentiality in employment agreements and policies.

Copyright

21. Section 10 of the Act defines a 'literary work' in the following way:

literary work includes:

- (a) a table, or compilation, expressed in words, figures or symbols; and
- (b) a computer program or compilation of computer programs.

22. Section 10 of the Act defines 'computer program' as:

a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result.

23. Having regard to these definitions, the Technology is protected by copyright.
24. In creating the Technology, Schrole obtained the services of third party developers.
25. We are instructed that written agreements have been executed with each third party developer, as well as Schrole's employees, by which copyright in the Technology has been assigned to Schrole.
26. Copyright is not capable of registration in Australia. However, we are instructed that Schrole will apply to register copyright ownership in target markets which permit such registration (such as the United States, China and Taiwan) upon entering those markets.

Credentials

27. The author of this report is an Australian intellectual property lawyer who has:
 - 27.1 been in practice for 22 years, of which the last 16 years have been exclusively in the field of intellectual property law; and

Schrole Group Ltd

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- 27.2 is experienced in the provision of intellectual property advice and has previously provided intellectual property due diligence reports in Australia and Hong Kong.

Disclaimer

28. This report is:

- 28.1 not based on any strategic audit, which would
- (a) propose a strategy for the intellectual property rights that is in line with Aquaint's multi-year global strategy;
 - (b) analyse the existing portfolio of intellectual property rights and identify discrepancies between the actual and the desired situation;
 - (c) contain recommendations for actions (additional filings, withdrawals, changing of owner, central management, licensing systems, user guidelines for licensees, renewals, geographic expansions, and so forth);
- 28.2 not a "freedom to operate" search (sometimes called a "clearance search"). A clearance search concentrates on uncovering enforceable patents that might act as "roadblocks" to commercialisation of a product or service in a particular jurisdiction. We are instructed that no "freedom to operate" searches have been conducted by Aquaint or Schrole;
- 28.3 not a "novelty search". A novelty search endeavours to find prior art references that may be relevant to the invention's novelty and non-obviousness. These prior art references comprise a wide array of materials, such as issued patents, published patent applications, journals and other non-patent literature, and other sources, and which have been made public at any point prior to the invention's creation. We are instructed that no such searches have been conducted by Aquaint or Schrole, and so there may be in existence prior art which might undermine the novelty patents filed by Aquaint or Schrole;
- 28.4 not an analysis of any part of the patent landscape relating to the technology forming part of the assets of Schrole or Schrole's business. Patent landscape reports (PLRs) provide an assessment of the third party patent profile of a specific technology, either within a given country or region, or globally; and
- 28.5 to be considered solely in the context of the related prospectus.

29. This report has been prepared solely with reference to:

- 29.1 the Schrole's relevant agreements and policies;
- 29.2 searches of the Australian Trade Marks and Patent Office databases; and
- 29.3 domain name registry resources.

Schrole Group Ltd

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30. We have not conducted prior art searches and the proprietor searches conducted are limited to the accuracy and scope of the databases searched.

Yours faithfully



David Stewart

10.

BOARD, MANAGEMENT AND CORPORATE GOVERNANCE





10.1 Board of Directors

As at the date of this Prospectus, the Board comprises of:

- (a) Ms Sara Kelly – Non-Executive Director;
- (b) Mr Jeremy King - Non-Executive Director; and
- (c) Ms Kyla Garic - Non-Executive Director and Company Secretary.

It is intended that the current Directors will retire at the Meeting.

The Company will appoint the following persons as Directors at Completion, subject to prior Shareholder approval:

- (a) Mr Robert Graham as Managing Director;
- (b) Mr Stuart Carmichael as Non-Executive Chairman;
- (c) Mr Shaun Hardcastle as Non-Executive Director; and
- (d) Mr Craig Read-Smith as Non-Executive Director.

10.2 Directors' and Senior Management Profiles

Details of the Company's senior management following Completion are set out below.

(a) **Mr Robert Graham – Managing Director**

Mr Graham has over 30 years of experience in education and business. Mr Graham has a unique understanding of the education market through his direct involvement in recruitment and training as an international school principal and then as owner of an international school recruitment firm. His eight years as Managing Director of ETAS Group ensures a strong connection to the vocational education market and a close engagement with major clients.

Mr Graham holds a Master of Education and a Bachelor of Education from Edith Cowan University.

(b) **Mr Stuart Carmichael – Non-Executive Chairman**

Mr Carmichael is a Chartered Accountant with over 20 years of experience in the provision of corporate advisory services both within Australia and internationally. Mr Carmichael is a principal and director of Ventnor Capital Pty Ltd and Ventnor Securities Pty Ltd which specialises in the provision of corporate and financial advice to small cap ASX listed companies including capital raisings, initial public offerings, corporate restructures and mergers and acquisitions.

Mr Carmichael holds a Bachelor of Commerce from the University of Western Australia.

Mr Carmichael is also a non-executive director of De.mem Limited

(ASX: DEM) and non-executive chairman of Kabuni Limited (ASX: KBU).

(c) **Mr Shaun Hardcastle – Non-Executive Director**

Mr Hardcastle is a corporate lawyer with experience on a broad range of cross-border and domestic transactions including equity capital markets, mergers & acquisitions, project finance and corporate governance. He is a Partner of Bellanhouse Lawyers which predominantly advises on equity capital markets, re-compliance transactions and takeovers across a variety of industries.

He has worked both domestically and internationally for top-tier law firms, and spent time as corporate counsel for a major international oil and gas company. Mr Hardcastle holds a Bachelor of Laws, and is a member of the Australian Institute of Company Directors and the Association of International Petroleum Negotiators.

Mr Hardcastle is also a non-executive director of Hawkstone Mining Limited (ASX: HWK).

(d) **Mr Craig Read-Smith – Non-Executive Director**

Mr Read-Smith is an experienced Software Development Manager and Senior Software Engineer/Architect who has significant experience in the design, development and management of software projects in the defence, investment banking and telecommunications industries. Mr Read-Smith has commercial experience in the United States of America, Australia and the United Kingdom and has helped successfully deliver many projects using the latest of technologies.

(e) **Mr Nick Allan – Chief Financial Officer and Company Secretary**

Mr Allan has had a 20 year career in corporate finance, accounting and information technology. After obtaining a Bachelor of Commerce from the University of Western Australia, Mr Allan qualified as a Chartered Accountant in the United Kingdom with Coopers & Lybrand, and later worked with JP Morgan in its European Mergers & Acquisitions Division. After returning to Australia Mr Allan worked with Deloitte and Ernst & Young in their Corporate Finance departments and with Patersons Securities.

Mr Allan was previously the Chief Financial Officer and Company Secretary of an ASX-listed public company. Since 2007 he has provided corporate advisory, general management and information technology consulting services to a wide variety of companies.

(f) **Mr Michael Kirkwood – General Manager**

Mr Kirkwood oversees the operations of Schrole. He has more than 30 years of Australian and international finance experience in a variety of industries including insurance, mining, gas exploration and commodity trading.

10.3 Directors' Interests

Other than as disclosed in this Prospectus, no Director holds at the date of this Prospectus or held at any time during the last 2 years, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- the Offers.

Further, other than as disclosed in this Prospectus, the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a Director, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offers.

10.4 Directors' security holdings

(a) **Pre-Acquisition interests in Securities**

Directors are not required to hold any Shares under the Constitution of the Company. Immediately prior to Completion of the Acquisition, the current and proposed Directors are not expected to hold (directly or indirectly) any interests in Securities.

(b) **Post-Acquisition interests in Securities**

Details of the anticipated relevant interests in the Shares of the Company (assuming no Options or Performance Shares have converted into Shares) held directly and indirectly by the current and proposed Directors upon Completion of the Acquisition and all Offers are set out in the table below:

Director	Minimum Subscription		Maximum Subscription	
	Shares at Completion	% interest at Completion	Shares at Completion	% interest at Completion
Sara Kelly	Nil	0	Nil	0
Jeremy King	Nil	0	Nil	0
Kyla Garic	Nil	0	Nil	0
Robert Graham ¹	78,363,529	14.1	78,363,529	13.5
Stuart Carmichael ²	500,000	0.09	500,000	0.09
Shaun Hardcastle ³	1,000,000	0.18	1,000,000	0.17
Craig Read-Smith	Nil	0	Nil	0

Notes:

- Proposed Managing Director Mr Graham will indirectly hold the Shares, through Enerly, of which Mr Graham is a beneficiary. Comprising 70,363,529 Shares to be issued under the Consideration Offer and 8,000,000 Shares to be issued under the Loan Offer. As at the date of this Prospectus, Enerly holds 16,706,456 fully paid ordinary shares and 589,868 performance shares in Schrole. At Completion, the 589,868 performance shares will convert into fully paid ordinary shares in Schrole (totalling 17,296,324 shares) and the Company will issue 70,363,529 Shares in consideration for the acquisition of Enerly's 17,296,324 shares in Schrole, subject to Shareholder approval at the Meeting.
- Assumes participation in the Public Offer by proposed Director, Mr Stuart Carmichael (or his nominee) of up to 500,000 Shares, subject to Shareholder approval at the Meeting.
- Assumes participation in the Public Offer by proposed Director, Mr Shaun Hardcastle (or his nominee) of up to 1,000,000 Shares, subject to Shareholder approval at the Meeting.

Details of the anticipated relevant interests in the other Securities held directly and indirectly by the current and proposed Directors upon Completion of the Acquisition are set out in the table below:

Director	Options	Performance Shares
Sara Kelly	Nil	Nil
Jeremy King	Nil	Nil
Kyla Garic	Nil	Nil
Robert Graham	2,975,312 ¹	280,000,000 ²
Stuart Carmichael	6,000,000 ³	Nil
Shaun Hardcastle	4,000,000 ⁴	Nil
Craig Read-Smith	4,000,000 ⁵	Nil

Notes:

- Proposed Managing Director Mr Graham will indirectly hold the Options, through Enerly, of which Mr Graham is a beneficiary. The Options will be issued to Enerly under the Vendor Option Offer, subject to Shareholder approval. Full terms of the Options to be issued under the Vendor Option Offer are set out in Section 12.2.
- Proposed Managing Director Mr Graham will indirectly hold the Performance Shares, through Enerly, of which Mr Graham is a beneficiary. The Performance Shares will be issued to Enerly under the Consideration Offer, subject to Shareholder approval at the Meeting. Comprising 45,000,000 Series A Performance Shares, 90,000,000 Series B Performance Shares and 145,000,000 Series C Performance Shares. Full terms of the Performance Shares to be issued under the Consideration Offer are set out in Section 12.7.
- Subject to Shareholder approval at the Meeting, 6,000,000 Options (comprising of 3,000,000 Tranche 1 Director Options and 3,000,000 Tranche 2 Director Options) will be issued to Mr Stuart Carmichael (or his nominee). Full terms of the Director Options are set out in Section 12.6.
- Subject to Shareholder approval at the Meeting, 4,000,000 Options (comprising of 2,000,000 Tranche 1 Director Options and 2,000,000 Tranche 2 Director Options) will be issued to Mr Shaun Hardcastle (or his nominee). Full terms of the Director Options are set out in Section 12.6.
- Subject to Shareholder approval at the Meeting, 4,000,000 Options (comprising of 2,000,000 Tranche 1 Director Options and 2,000,000 Tranche 2 Director Options) will be issued to Mr Craig Read-Smith (or his nominee). Full terms of the Director Options are set out in Section 12.6.

10.5 Remuneration of Directors

The Constitution provides that the Directors (other than the Managing Director or an Executive Director) may be paid remuneration up to an aggregate maximum sum as determined by the Company in Shareholder meetings. The current maximum amount of remuneration that may be paid to all non-executive Directors has been set at \$108,000 per annum. Subject to Shareholder approval at the Meeting, the Company will increase the maximum amount of remuneration to be paid to all non-executive Directors to \$200,000 per annum.

Remuneration for a Managing Director or an Executive Director may be fixed by the Directors.

The remuneration paid to the current Directors is set out in the table below:

Director	Year ended 30 June 2017 ¹
Ms Sara Kelly	\$15,000
Mr Jeremy King	\$15,000
Ms Kyla Garic	\$15,000
Tan Yang Po ²	-
Ian Taylor ²	-
Taya Burnett ²	-

Notes:

- Assumes the current Directors are entitled to payment of 10 months for the period between their appointment on 1 December 2016 and Completion of the Acquisition and the Offers.
- The previous Directors employment agreements ended upon the Company entering into administration on 14 June 2016. The incumbent Board of Directors resigned on 1 December 2016 in accordance with the terms of the DOCA.

All the current Directors were appointed on 1 December 2016 in accordance with DOCA. It is intended that all current Directors will retire at the Meeting.

10.6 Related Party Transactions

The Company has entered into the following related party transactions on arms' length terms:

- (a) letters of appointment with each of its Directors on standard terms (refer to Section 11.7 for details);
- (b) executive services agreement with Mr Robert Graham on standard terms (refer to Section 11.6 for details);
- (c) a loan agreement with major shareholder Enerly Pty Ltd as trustee for Stronada Trust (refer to Section 11.10 for details), a related party of proposed Managing Director, Mr Robert Graham;
- (d) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 11.14 for details);
- (e) consultancy services from Systemic Pty Ltd, a related party of proposed Director, Mr Craig Read-Smith have been previously provided to Schrole for a total of \$8,400 (excluding GST); and
- (f) accounting and company secretary services from Onyx Corporate Pty Ltd, a related party of Director, Kyla Garic, have been provided to the Company to a total of approximately \$30,000.

Proposed Director Mr Shaun Hardcastle is also a director of Bellanhouse, the legal advisors for the Company. Bellanhouse will be paid the fees in relation to the Offers as set out in Section 12.10(c).

At the date of this Prospectus, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in this Prospectus.

10.7 ASX Corporate Governance Council Principles and Recommendations

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out in this Section 10.7. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations (Recommendations). To the extent applicable, commensurate with the Company's size and nature, the Company has adopted the Recommendations.

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the Recommendations.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and further details on the Company's corporate governance procedures, policies and practices can be obtained from the Company website at www.aquaint.com.au.

(a) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the Executive Directors;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;
- (v) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (vi) approving operating budgets and major capital expenditure;
- (vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;
- (viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Securities;
- (ix) ensuring the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and
- (x) monitoring the effectiveness of the Company's governance practices.

- (xi) The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and the Company has in place written agreements with each Director which detail the terms of their appointment.

(b) Composition of the Board

Election of Board members is substantially the province of the Shareholders in Shareholder meetings. As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) Identification and management of risk

The Board has not established a risk management committee and the full Board is responsible for overseeing the risk management function. The Board is responsible for ensuring the risks and opportunities are identified on a timely basis.

(d) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) Remuneration arrangements

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders at a Shareholder meeting in accordance with the Constitution, the Corporations Act and the Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain Directors who will create value for Shareholders, having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

(g) Securities trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of Securities by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Company Secretary or Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

(h) Diversity policy

The Company does not have an express diversity policy specifically addressing the achievement of gender diversity. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future.

The Company's Corporate Governance Plan includes a corporate code of conduct, which provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.

(i) Audit and risk

The Company does not have an audit committee. The full Board fulfils the Company's corporate governance and monitoring responsibilities in relation to the Company's risks associated with the integrity of the financial reporting, internal control systems and the independence of the external audit function.

(j) External audit

The Company in Shareholder meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

10.8 Departures from Recommendations

Following re-admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are detailed in the table below.

Principles and Recommendations	Explanation for Departures
2.1 The board of a listed entity should have a nomination committee.	<p>The Company has not established a nomination committee.</p> <p>The Board considers that the Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.</p> <p>Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to Shareholders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.</p>
4.1 The board of a listed entity should have an audit committee of at least three members that are non-executive.	<p>The Board has not established a separate audit committee. The full Board carries out the duties that would ordinarily be assigned to the audit committee.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate audit committee.</p>
7.1 The board of a listed entity should have a risk committee.	<p>The Board has not established a separate Risk Management Committee.</p> <p>The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are considered by the Board.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk committee.</p>
8.1 The board of a listed entity should have a remuneration committee of at least three members, a majority of whom are independent	<p>The Board has not established a separate remuneration committee.</p> <p>The Board as a whole performs the function of the Remuneration committee, which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate remuneration committee.</p>

11.

MATERIAL CONTRACTS





11.1 Introduction

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for Securities under the Offers. The provisions of such material contracts are summarised in this Section.

11.2 DOCA

The Company entered into a Deed of Company Arrangement (**DOCA**) with CPS Capital (as proponent) on 9 September 2016.

The Company's creditors approved the DOCA Proposal in respect of the Company on 22 August 2016. If the DOCA completes, all claims of Creditors against the Company will be extinguished, discharged and released.

(a) DOCA Proposal

A summary of the material terms of the DOCA Proposal is set out below:

- (i) the Company and the Deed Administrators will establish the Creditors' Trust, with the Deed Administrators acting as trustees;
- (ii) the assets of the Company will be transferred to the Creditors' Trust, including the amount of \$400,000, to be paid by the Company out of the funds raised from the Public Offer upon completion of the DOCA. The payment comprises \$370,000 to be paid upon completion of the DOCA and a \$30,000 deposit paid by CPS Capital on 9 September 2016;
- (iii) the claims of all creditors against the Company will be replaced with a right to prove debts against the Trustee of the Creditors' Trust and payment will be made in accordance with the DOCA and the Creditors' Trust Deed;
- (iv) upon completion of the DOCA, the Creditors' Trust Fund will be distributed as follows:
 - (A) first, to the Deed Administrators' costs, expenses and remuneration;
 - (B) second, to pay the Trustees' costs expenses and remuneration;
 - (C) third, to pay the admitted claims of the Secured Creditor;
 - (D) fourth, to pay the admitted claims of any priority creditors;

- (E) fifth, to pay any further admitted claims of the Secured Creditor;
- (F) sixth, to pay the admitted claims of any unsecured creditors; and
- (G) the balance, if any, to be returned to the Company immediately upon the distribution of the last dividend pursuant to the Creditors' Trust Deed;

- (v) the Deed Administrators cause the then Company Secretary and Directors of the Company to be removed and appoint nominees of CPS Capital as Company Secretary and Directors of the Company. The nominee Directors and Company Secretary were appointed on the 1 December 2016;
- (vi) all security over the Company's assets will be discharged and released; and
- (vii) the Company will undertake the Consolidation.

(b) Conditions precedent

Key conditions precedent for completion of the DOCA include (amongst other things):

- (i) payment of the \$400,000 recapitalisation payment;
- (ii) discharge and release of the security interest held by the Secured Creditor over the Company's assets;
- (iii) the Company raising no less than \$3,800,000 (before costs);
- (iv) the Company obtaining an ASX waiver from ASX Listing Rules 1.1 condition 12 and 2.1 condition 2;
- (v) termination or repudiation of existing employment and service contracts; and
- (vi) Shareholder approval being obtained to give effect to the DOCA Proposal.

For the avoidance of doubt, upon completion of the DOCA the Company will be debt free and no security will exist over it or any of its assets.

The conditions precedent must be satisfied by 13 October 2017 or such later date as may be agreed in writing between the Deed Administrators, CPS Capital and the Secured Creditor.

11.3 Acquisition Agreement

(a) Consideration

In consideration for 100% of the issued capital of Schrole, the Company will issue:

- (i) 150,000,000 Shares to the Vendors (or their nominees); and
- (ii) 290,000,000 Performance Shares (or their nominees),

(together, the Consideration Securities).

(b) Conditions Precedent

Completion is conditional upon the satisfaction (or waiver) of the following material conditions precedent:

- (i) **ASX reinstatement:** conditional approval from ASX to reinstate the securities of the Company to trading on conditions reasonably satisfactory to the Company;
- (ii) **Shareholder approvals:** the Company obtaining all necessary shareholder approvals required by the Corporations Act and the Listing Rules in relation to the Acquisition including, without limitation, approval for:
 - (A) the issue of the Consideration Securities;
 - (B) the issue of Options under the Vendor Option Offer;
 - (C) the issue of Shares under the Public Offer;
 - (D) the issue of Shares under the Lead Manager Offer;
 - (E) the issue of Securities under the Facilitator Offer;
 - (F) the issue of Options under the Adviser Offer;
 - (G) the issue of Shares under the Loan Offer;
 - (H) the issue of the Director Options;
 - (I) the issue of the Conversion Securities;
 - (J) Enerly's voting power in the Company increasing over 20% as a result of the Acquisition (including the commissioning of the Independent Expert's Report);
 - (K) approval for the Consolidation;
 - (L) the appointment of 4 directors nominated by Schrole, Alto Capital and Xcel Capital to the Board; and
 - (M) the change of the Company's name to "Schrole Group Ltd";

(iii) **ASX waivers:** the Company obtaining:

- (A) a waiver from ASX in respect of:
 - (1) Listing Rule 2.1 (Condition 2) to undertake the Capital Raising at an issue price of \$0.02 per share;
 - (2) Listing Rule 1.1 condition 12 to permit the Company to issue Options at an exercise price of less than \$0.20 per share; and
 - (3) Listing Rule 9.1.3 to the extent necessary to apply the restrictions in paragraph 1, 2 and 10 of Appendix 9B (as applicable) to Shares to be issued to the Vendors as Consideration Securities; and
- (B) approval from ASX that the terms of the Performance Shares satisfy Listing Rule 6.1;

(iv) **Schrole shareholder approvals:** the Vendors obtaining all necessary shareholder approvals including:

- (A) change of name;
- (B) cancellation of existing series B, C and D performance shares; and
- (C) conversion of existing series A performance shares into ordinary shares in Schrole.

(v) **Public Offer:** the Company completing the Public Offer;

(vi) **Board changes:** the current Directors resigning and the appointment of four directors to the Board nominated by Schrole, Alto Capital and Xcel Capital;

(vii) **Cancellation of options:** Schrole cancelling all options that are on issue at the date of the Acquisition Agreement;

(viii) **DOCA effectuation:** the DOCA effectuating in accordance with its terms and the Deed Administrators having lodged formal notice with ASIC to that effect;

(ix) **Agreement of minority Vendors:** completion of the short form share sale agreements (including execution and delivery of share transfer forms) with the minority Vendors;

(x) **Other approvals:** the Company and Schrole obtaining any other necessary shareholder and regulatory approvals pursuant to the Listing Rules, Corporations Act or any other applicable law or regulations to lawfully complete the Acquisition; and

- (xi) **Third party consents:** the Company and Schrole obtaining any other necessary third party consents to allow the Company and Schrole to lawfully complete the Acquisition, including but not limited to assignment of any relevant agreements in accordance with their terms.

If the conditions precedent are not satisfied (or waived) on or before 5.00pm (WST) on 9 December 2017, or such other date as the parties agree in writing, the Acquisition Agreement may be terminated by Schrole, the Majority Vendors or the Company.

11.4 Joint Lead Manager Mandate

The Company entered into a mandate with Alto Capital (as **Lead Manager**) and Xcel Capital (as **Co-Lead Manager**, together the **Joint Lead Managers**) for joint lead manager and corporate advisory services (**Joint Lead Manager Mandate**). Pursuant to the Joint Lead Manager Mandate, the following fees are payable:

- (a) a capital raising fee of 6% plus GST to the Joint Lead Managers of all funds raised under the Public Offer by the Joint Lead Managers;
- (b) the Joint Lead Managers reserve the right to a lead manager fee of 2% of any amount that is not raised by the Joint Lead Managers under the Public Offer;
- (c) Alto Capital will receive a success fee with respect to the Public Offer of:
 - (i) 15,000,000 Advisor Shares; and
 - (ii) \$20,000 plus GST; and
- (d) a corporate adviser retainer of \$10,000 per month plus GST is payable to the Alto Capital for 12 consecutive months following Official Quotation, (which will be the subject of a separate mandate) and subject to agreement of the incoming Directors.

The Joint Lead Managers also reserve the first right of refusal to participate in a minimum of 10% of any intended capital raising by the Company and be paid a minimum of 4% in the event Alto Capital is not the lead manager for a period of up to 6 months following termination of the Joint Lead Manager Mandate.

Either the Company or the Joint Lead Managers may terminate the Joint Lead Manager Mandate by giving the party 2 months' written notice. If within 6 months of termination, the Company or the majority Shareholders enter into reverse takeover with any third party introduced by the Joint Lead Managers (or that is assisting the Joint Lead Managers) during the Joint Lead Manager Mandate, the Company agrees to pay the fees detailed in Sections 11.4(a) to 11.4(c).

This Joint Lead Manager Mandate otherwise contains terms standard for a mandate of this nature.

11.5 Xcel Capital Mandate

The Company entered into a mandate with Xcel Capital for financial advisory services (**Xcel Capital Mandate**). Pursuant to the Xcel Capital Mandate and subject to the Completion of the Acquisition, the Company will issue the following Securities to Xcel Capital:

- (a) 80,000,000 Shares and 25,000,000 Options to be issued under the Facilitator Offer, as detailed in Section 3.2(d) and on the terms conditions in Section 12.3; and
- (b) 50,000,000 Adviser Options to be issued under the Adviser Offer, as detailed in Section 3.2(e) and on the terms conditions in Section 12.4.

On Completion of the Acquisition, the Company will also pay Xcel Capital a success fee of \$100,000 out of the Public Offer funds.

The Xcel Capital Mandate otherwise contains terms standard for a mandate of this nature.

11.6 Executive Services Agreement and Letter Agreement – Mr Robert Graham

Schrole has entered into an executive services agreement with Mr Graham (Graham Agreement).

Under the Graham Agreement, Mr Graham is engaged by Schrole to provide executive services to the Company as an executive director on a full time basis in the role of Managing Director. Schrole remunerates Mr Graham for his services with an executive remuneration package comprising the following:

- (a) a base salary of \$207,200 per annum;
- (b) superannuation in accordance with statutory requirements; and
- (c) reimbursement for reasonable expenses necessarily incurred by Mr Graham in the performance of his services as an executive director.

In the event of a change in control event post-Completion, Mr Graham will receive a bonus payment comprising a lump sum gross payment of 12 months of his base salary.

Mr Graham's employment under the Graham Agreement will continue until terminated in accordance with the Graham Agreement.

During the term, the Graham Agreement may be terminated by Schrole at any time:

- (a) by 3 months' written notice to Mr Graham;
- (b) by 1 month's written notice to Mr Graham in cases of prolonged illness or incapacity (mental or physical); or
- (c) by summary notice in circumstances where Mr Graham neglects to perform his duties or comply with reasonable or proper direction, or engages in serious misconduct.

Otherwise, the Graham Agreement may be terminated by Mr Graham at any time for any reason by giving not less than 3 months' notice in writing to the Company. Mr Graham may also terminate the Graham Agreement immediately by giving notice if at any time Schrole is in breach of a material term of the Graham Agreement. In the event of termination, Mr Graham will resign from all offices held in the Company, including its subsidiaries.

As an Executive Director, Mr Graham shall (amongst other things):

- (a) be engaged as a full-time employee of Schrole and during usual business hours and such other hours as the exigencies of business may from time to time require; and
- (b) use his best endeavours to promote the interests of Schrole and of such related corporations of Schrole as Schrole may from time to time direct.

Mr Graham is under an obligation under the Graham Agreement to notify any potential corporate opportunities and discoveries that may be related to the business of Schrole to the Board. Any failure to notify shall be a breach of the agreement and gives rise to a right of termination by Schrole.

Mr Graham acknowledges that all intellectual property concerning Schrole, whether such rights are registered or capable of registration, is owned exclusively by Schrole and Mr Graham assigns and transfers any rights, title and interest in any such intellectual property to Schrole in accordance with the Graham Agreement.

Mr Graham is also subject to restrictions in relation to the use of confidential information during and after his employment with Schrole ceases and being directly or indirectly involved in a competing business during the continuance of his employment with Schrole and for a period of 12 months after his employment with Schrole ceases, on terms which are otherwise considered standard for agreements of this nature.

The Graham Agreement contains additional provisions considered standard for agreements of this nature.

The Company has separately entered into a letter of appointment with Mr Graham to confirm his appointment as Managing Director effective from Completion of the Acquisition with no additional payments to the Graham Agreement.

11.7 Non-Executive Director Letter of Appointments – Mr Stuart Carmichael, Mr Shaun Hardcastle and Mr Craig Read-Smith

The Company has entered into separate non-executive director letter agreements with each of Mr Carmichael, Mr Hardcastle and Mr Read-Smith.

The Company has agreed to pay Mr Carmichael a director's fee of \$48,000 including superannuation per year for services provided to the Company as a non-executive Chairman and 6,000,000 Options (subject to Shareholder approval) on the terms set out in Section 12.6.

The Company has agreed to pay Mr Hardcastle a director's fee of \$36,000 including superannuation per year for services provided to the Company as a non-executive Director and 4,000,000 Options (subject to Shareholder approval) on the terms set out in Section 12.6.

The Company has agreed to pay Mr Read-Smith a director's fee of \$36,000 including superannuation per year for services provided to the Company as a non-executive Director and 4,000,000 Options (subject to Shareholder approval) on the terms set out in Section 12.6.

Payments to the non-executive Directors will commence upon the Company gaining successful admission to the Official List.

11.8 Employment Agreement – Mr Michael Kirkwood

Schrole has entered into an employment agreement with Mr Michael Kirkwood (Kirkwood Agreement). Mr Kirkwood is a director of Schrole.

Under the Kirkwood Agreement, Mr Kirkwood is engaged by Schrole to provide services to Schrole as a general manager on a full-time basis to oversee Schrole's operations. Schrole remunerates Mr Kirkwood for his services with a remuneration package comprising the following:

- (a) a base salary of \$165,900 per annum;
- (b) superannuation in accordance with statutory requirements; and
- (c) reimbursement for reasonable expenses necessarily incurred by Mr Kirkwood in the performance of his services as a director and the general manager of Schrole.

Mr Kirkwood's employment under the Kirkwood Agreement will continue until terminated in accordance with the Kirkwood Agreement. During the term, the Kirkwood Agreement may be terminated by Schrole at any time:

- (a) by 3 months' written notice to Mr Kirkwood;
- (b) by 1 month's written notice to Mr Kirkwood in cases of prolonged illness or incapacity (mental or physical); or
- (c) by summary notice in circumstances where Mr Kirkwood neglects to perform his duties or comply with reasonable or proper direction, or engages in serious misconduct.

Otherwise, the Kirkwood Agreement may be terminated by Mr Kirkwood at any time for any reason by giving not less than 3 months' notice in writing to Schrole. Mr Kirkwood may also terminate the Kirkwood Agreement immediately by giving notice if at any time Schrole is in breach of a material term of the Kirkwood Agreement.

Mr Kirkwood is under an obligation under the Kirkwood Agreement to notify any potential corporate opportunities and discoveries that may be related to the business of Schrole to the Board. Any failure to notify shall be a breach of the agreement and gives rise to a right of termination by Schrole.

Mr Kirkwood acknowledges that all intellectual property concerning Schrole, whether such rights are registered or capable of registration, is owned exclusively by Schrole and Mr Kirkwood assigns and transfers any rights, title and interest in any such intellectual property to Schrole in accordance with the Kirkwood Agreement.

The Kirkwood Agreement contains additional provisions considered standard for agreements of this nature.

11.9 Consultancy Agreement – Mr Gregory Smith

Schrole has entered into a consultancy agreement with Mr Gregory Smith (Consultancy Agreement). Mr Smith is a co-founder of Schrole and former director.

Under the Consultancy Agreement, Mr Smith is engaged by Schrole to provide consultancy services by achieving defined deliverables to Schrole, including, but not limited to:

- (a) development of a software strategy;
- (b) preparation of a management strategy for Schrole Connect and Schrole Develop;
- (c) conference and forum attendance; and
- (d) delivering a final report on each deliverable under the Consultancy Agreement.

In consideration for the consultancy services, Schrole will pay Mr Smith:

- (a) \$136,245 (excluding GST) to be paid in instalments on completion of each deliverable to the satisfaction of Schrole; and
- (b) reimbursement for reasonable expenses necessarily incurred by Mr Smith in the performance of the consultancy services.

The Consultancy Agreement will continue until completion of each deliverable in accordance with the Consultancy Agreement.

Mr Smith is under an obligation under the Consultancy Agreement to notify any matter which may be of interest or of any importance or use to Schrole. Any failure to notify shall be a breach of the agreement and gives rise to a right of termination by Schrole.

Any intellectual property which is made, discovered or suggested by Mr Smith in connection with the consultancy services will be the property of Schrole.

The Consultancy Agreement contains additional provisions considered standard for agreements of this nature.

11.10 Enerly Loan Agreement

On 12 November 2015, Schrole entered into a loan agreement between Enerly and ETAS Group in which \$477,670 of a final \$650,000 dividend paid by ETAS Group through Schrole to Enerly was loaned back to Schrole. The funds received by Schrole have been applied towards development expenditure for Schrole.

Schrole may repay at any time and from time to time the whole or any part of the loan plus interest. Interest applies from 1 July 2016 at 6% on a daily compounding basis. The balance of the loan at 30 June 2017 is \$264,531. Mr Robert Graham has a beneficial interest in Enerly.

Subject to receiving a conditional reinstatement letter from the ASX, on terms satisfactory to the Company, the balance of the loan (in full and final satisfaction) will be paid by the Company issuing 8,000,000 Shares at a deemed issue price of \$0.02 each equating to \$160,000 under the Loan Offer and a cash payment of \$100,000 of the funds raised under the Public Offer with funds used for development of the Schrole Connect, Schrole Cover and Schrole Develop products and services.

11.11 Convertible Note Deed

On 21 April 2017, Schrole entered into a convertible note deed (Convertible Note Deed) with ACNS Capital Markets Pty Ltd trading as Alto Capital (or its nominees) as the lender (together, the Schrole Noteholders) for an amount of \$500,000 (Convertible Notes). The Schrole Noteholders are unrelated to the Company. The conversion of the Convertible Notes in to Shares in the Company is a condition of the Acquisition.

The Convertible Note Deed contains the following terms and conditions:

- (a) the Convertible Notes are unsecured;
- (b) the Convertible Notes are repayable within 2 business day of the maturity date, being 31 March 2018, (unless converted earlier);
- (c) the Convertible Notes will be automatically redeemed on Completion of the Acquisition by way of issue of Shares at a conversion price of \$0.02 with an additional 1 free attaching Option for each Share issued pursuant to the Conversion Offer;
- (d) the Options issued on conversion are expected to be subject to an escrow period of up to 24 months from the date of Official Quotation and the Schrole Noteholder agrees to enter into an escrow deed as required by the Company;

- (e) the Convertible Notes are not redeemable at the election of the Schrole Noteholder; and
- (f) interest is payable on the loan amount in the amount of 10% of the principal amount (which amounts to a total of \$50,000 and payable on Completion of the Acquisition).

The Convertible Note Deed contains additional provisions considered standard for converting loan agreements of this nature.

The funds raised pursuant to the Convertible Note Deed have been used by Schrole to advance the development of the Schrole Cover and Schrole Connect software platforms and to undertake sales and marketing initiatives.

11.12 Loan agreements – ANZ Bank

ETAS Group has two business loans with the ANZ Bank which were agreed on commercial terms and rates. The loans are as follows:

- (a) \$300,721 with a 4 year and 9 month term commencing September 2015 at the ANZ's Business Mortgage Index rate less 2.07%. The balance at 30 June 2017 is \$204,729 of which \$64,848 is a current liability; and
- (b) \$100,000 with a 4 year term commencing November 2015 at the ANZ's Business Mortgage Index rate less 2.07%. The balance at 30 June 2017 is \$62,582 of which \$26,944 is a current liability.

The loans are secured by:

- (a) an individual guarantee and indemnity (limited to \$602,000) given by Robert Nolan Graham and Stephanie June Debnam in favour of ANZ in respect of the obligations of ETAS Group;
- (b) a corporate guarantee and indemnity given by the Company in favour of ANZ Bank in respect of the obligations of ETAS Group under the loan arrangements;
- (c) a first registered mortgage given by Robert Nolan Graham and Stephanie June Debnam over certain residential properties; and
- (d) a general security agreement given by ETAS Group over all present and after acquired property.

The loans will be repaid on the basis of their commercial terms, with approximately \$92,000 expected to be paid in the 2017/18 financial year for both loans.

11.13 Agency Agreement

On 11 March 2016, SPL engaged Turnbull Nominees Pty Ltd ATF The John Turnbull Family Trust (Turnbull) as the exclusive agent to market and sell the Schrole Cover software within Australia and provide support to customers for a period of 12 months (Agency Agreement). The Agency Agreement does not restrict SPL in any way from marketing and selling Schrole Cover to any third party. On 5 December 2016, the parties agreed to extend the Agency Agreement for a further period of 36 months ending 31 March 2020.

In consideration for the services SPL has agreed to pay Turnbull the following commission:

- (a) 20% of the sales revenue from any 12-month subscription for Schrole Cover; and
- (b) 15% of the sales revenue from any additional 12-month renewal of the subscription for Schrole Cover,

received by SPL from a customer who has signed SPL's terms and conditions (exclusive of GST and any costs incurred by SPL for installation or set-up of Schrole Cover).

Amongst other customary events resulting in termination, SPL may terminate the Agency Agreement upon 30 days' written notice to Turnbull and may terminate the Agency Agreement immediately if Turnbull is fraudulent, is guilty of misrepresentation in its dealings with SPL or its customers (current or potential) or Turnbull breaches a fundamental term of the Agreement.

Turnbull is subject to a restraint of trade for a 3 month period and provides indemnities and other provisions standard for agreements of this nature.

11.14 Deeds of indemnity, insurance and access

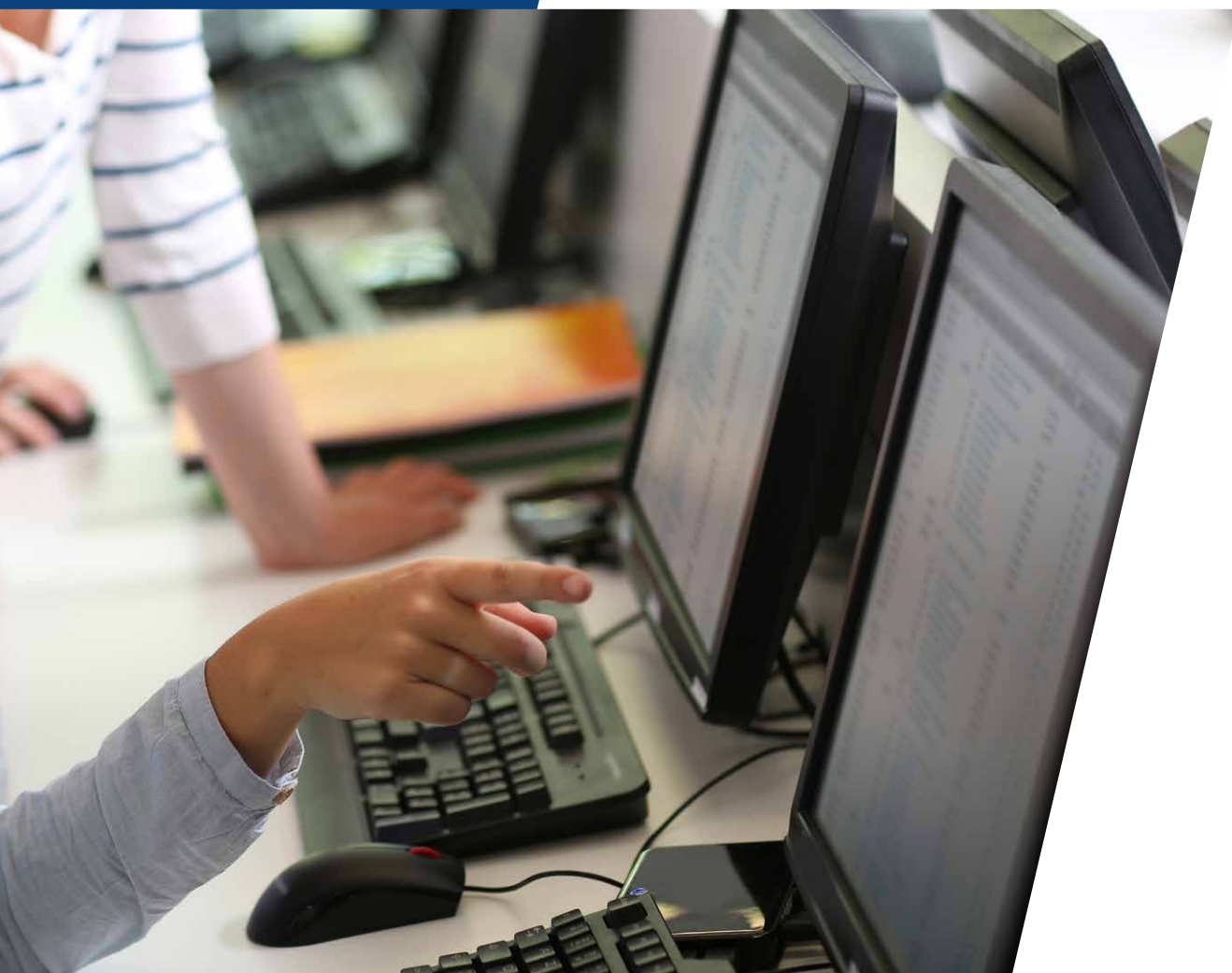
The Company is party to a deed of indemnity, insurance and access with each of the Directors, the Company Secretary, proposed Directors and proposed Company Secretary. Under these deeds, the Company indemnifies each Director and the Company Secretary to the extent permitted by law against any liability arising as a result of the Director or Company Secretary acting as a director or company secretary of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director or Company Secretary and must allow the Directors and Company Secretary to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.



12.

ADDITIONAL INFORMATION





12.1 Rights and liabilities attaching to Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The summary below is based on the Company's Constitution.

- (a) **(Ranking of Shares):** At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at Shareholder meetings:
 - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
 - (ii) has one vote on a show of hands; and
 - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.
- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a Shareholder meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or any other form approved by the Directors. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder.

The Board may refuse to register a transfer of Shares upon which the Company has a lien.

- (f) **(Shareholder Meetings):** Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at Shareholder meetings of the Company.

The Directors may convene a Shareholder meeting at their discretion. Shareholder meetings shall also be convened on requisition as provided for by the Corporations Act.
- (g) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit.

12.2 Terms of Options issued under the Vendor Option Offer

The Options to be issued under the Vendor Option Offer entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) **(Entitlement):** Each Option to be issued under the Vendor Option Offer (**Option**) gives the Optionholder the right to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price and Expiry Date):** Each Option has an exercise price of \$0.04 (**Exercise Price**) and will expire at 5.00pm (WST) on the date that is 3 years after their issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) **(Notice of Exercise):** An Optionholder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:
 - (i) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
 - (ii) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
 - (iii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and

crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

- (d) **(Timing of issue of Shares)**: Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (e) **(Shares issues on exercise)**: All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.
- (f) **(Quotation of Shares on exercise)**: The Company will apply for official quotation on ASX of all Shares issued upon exercise of Options within 10 Business Days after the date of issue of those Shares.
- (g) **(Quotation of Options)** The Options are unquoted. No application for quotation of the Options will be made by the Company.
- (h) **(Options transferrable)**: The Options will be transferable subject to compliance with the Corporations Act and Listing Rules.
- (i) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the holders of Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (j) **(Adjustment for bonus issues of Shares)**: If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (k) **(Adjustment for entitlement issue)**: If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{O - E [P - (S+D)]}{N+1}$$

- O = the old Exercise Price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.
- (l) **(Adjustments for reorganisation)**: If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

12.3 Terms of Options issued under the Facilitator Offer

The Options to be issued under the Facilitator Offer entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) **(Entitlement)**: Each Option to be issued under the Facilitator Offer (**Option**) gives the Optionholder the right to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price and Expiry Date)**: Each Option has an exercise price of \$0.02 (**Exercise Price**) and will expire at 5.00pm (WST) on the date that is 3 years after their issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) **(Notice of Exercise)**: An Optionholder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:
- (i) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
 - (ii) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and

- (iii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (d) **(Timing of issue of Shares):** Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (e) **(Shares issues on exercise):** All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.
- (f) **(Quotation of Shares on exercise):** The Company will apply for official quotation on ASX of all Shares issued upon exercise of Options within 10 Business Days after the date of issue of those Shares.
- (g) **(Quotation of Options)** The Options are unquoted. No application for quotation of the Options will be made by the Company.
- (h) **(Options transferrable):** The Options will be transferable subject to compliance with the Corporations Act and Listing Rules.
- (i) **(Participation in new issues)** There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the holders of Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (j) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (k) **(Adjustment for entitlement issue):** If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:
- $$\text{New exercise price} = \frac{O - E [P - (S+D)]}{N+1}$$
- O = the old Exercise Price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.
- (l) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

12.4 Terms of Options issued under the Adviser Offer

The Options to be issued under the Adviser Offer entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) **(Entitlement):** Each Option to be issued under the Adviser Offer (**Option**) gives the Optionholder the right to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price and Expiry Date):** Each Option has an exercise price of \$0.03 (**Exercise Price**) and will expire at 5.00pm (WST) on the date that is 3 years after their issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) **(Notice of Exercise):** An Optionholder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:
- (i) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;

- (ii) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
- (iii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (d) (**Timing of issue of Shares**): Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (e) (**Shares issues on exercise**): All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.
- (f) (**Quotation of Shares on exercise**): The Company will apply for official quotation on ASX of all Shares issued upon exercise of Options within 10 Business Days after the date of issue of those Shares.
- (g) (**Quotation of Options**): The Options are unquoted. No application for quotation of the Options will be made by the Company.
- (h) (**Options transferrable**): The Options will be transferable subject to compliance with the Corporations Act and Listing Rules.
- (i) (**Participation in new issues**): There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the holders of Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (j) (**Adjustment for bonus issues of Shares**): If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for

the bonus issue; and

- (ii) no change will be made to the Exercise Price.
- (k) (**Adjustment for entitlement issue**): If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{O - E [P - (S+D)]}{N+1}$$
 - O = the old Exercise Price of the Option.
 - E = the number of underlying Shares into which one Option is exercisable.
 - P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
 - S = the subscription price of a Share under the pro rata issue.
 - D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
 - N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.
- (l) (**Adjustments for reorganisation**): If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

12.5 Terms of Attaching Options

The Attaching Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) (**Entitlement**): Each Attaching Option (**Option**) gives the Optionholder the right to subscribe for one Share upon exercise of the Option.
- (b) (**Exercise Price and Expiry Date**): Each Option has an exercise price of \$0.02 (**Exercise Price**) and will expire at 5.00pm (WST) on the date that is 3 years after their issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) (**Notice of Exercise**): An Optionholder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:

- (i) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
 - (ii) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
 - (iii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (d) (**Timing of issue of Shares**): Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (e) (**Shares issues on exercise**): All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.
- (f) (**Quotation of Shares on exercise**): The Company will apply for official quotation on ASX of all Shares issued upon exercise of Options within 10 Business Days after the date of issue of those Shares.
- (g) (**Quotation of Options**): The Options are unquoted. No application for quotation of the Options will be made by the Company.
- (h) (**Options transferrable**): The Options will be transferable subject to compliance with the Corporations Act and Listing Rules.
- (i) (**Participation in new issues**): There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the holders of Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (j) (**Adjustment for bonus issues of Shares**): If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (k) (**Adjustment for entitlement issue**): If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:
- $$\text{New exercise price} = \frac{O - E [P - (S+D)]}{N+1}$$
- O = the old Exercise Price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.
- (l) (**Adjustments for reorganisation**): If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

12.6 Terms of Director Options

The Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) (**Entitlement**): Each Director Option (**Option**) gives the Option holder the right to subscribe for one Share upon exercise of the Option.
- (b) (**Exercise Price and Expiry Date**): The Exercise Price for each Option is as follows:
 - (i) for Tranche 1, an exercise price of \$0.03 each; and

- (ii) for Tranche 2, an exercise price of at \$0.04 each (and vesting only if the 10 day VWAP of the Company's shares is \$0.04 or more).

Each Option will expire at 5.00pm (WST) on the date that is 3 years after their issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

- (c) (**Notice of Exercise**): An Option holder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:
 - (i) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
 - (ii) a written notice of exercise of Options specifying the number of Options being exercised (Exercise Notice); and
 - (iii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (d) (**Timing of issue of Shares**): Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (e) (**Shares issued on exercise**): All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.
- (f) (**Quotation of Shares on exercise**): The Company will apply for official quotation on ASX of all Shares issued upon exercise of Options within 10 Business Days after the date of issue of those Shares.
- (g) (**Quotation of Options**): The Options are unquoted. No application for quotation of the Options will be made by the Company.
- (h) (**Options transferrable**): The Options will be transferable subject to compliance with the Corporations Act and Listing Rules.
- (i) (**Participation in new issues**): There are no participation rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the holders of

Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

- (j) (**Adjustment for bonus issues of Shares**): If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (k) (**Adjustment for entitlement issue**): If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{O - E [P - (S+D)]}{N+1}$$
 - O = the old Exercise Price of the Option.
 - E = the number of underlying Shares into which one Option is exercisable.
 - P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
 - S = the subscription price of a Share under the pro rata issue.
 - D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
 - N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.
- (l) (**Adjustments for reorganisation**): If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

12.7 Terms of Performance Shares

The following terms and conditions apply to the Performance Shares:

- (a) **(Definitions):** In these terms and conditions, unless the context otherwise requires:

Change in Control Event means:

- (i) the occurrence of:
 - (A) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (B) that takeover bid has become unconditional; or
- (ii) the announcement by the Company that:
 - (A) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (1) cancelled; or
 - (2) transferred to a third party; and
 - (iii) the Court, by order, approves the proposed scheme of arrangement.

Expiry Date means an expiry date as set out in paragraph 12.7(c).

Milestone means a milestone as set out in paragraph 12.7(c) and each of Series A Milestone, Series B Milestone or Series C Milestone have a corresponding meaning in relation to the relevant Milestone.

Milestone Date means a milestone date as set out in paragraph 12.7(c).

Performance Share means a Series A Performance Share, Series B Performance Share or Series C Performance Share, issued on the terms and conditions set out in this paragraph 12.7(c).

Performance Shareholder means the holder of a Performance Share.

Section 606(1) means section 606(1) of the Corporations Act.

- (b) **(Milestone Date and Extension):**

- (i) The Board of the Company shall have discretion to extend a Milestone Date where the Board considers that unforeseen circumstances or events have caused a delay in achieving the Series A Milestone, Series B Milestone and Series C Milestone by the relevant Milestone Date.
- (ii) The Board shall not be permitted to extend the relevant Milestone Date beyond the relevant Expiry Date.

(c) **(Conversion):**

- (i) **(Conversion):** Subject to paragraphs 12.7(c)(ii) and 12.7(c)(iii), each Performance Share will convert into one Share upon satisfaction of the relevant Milestone. The Milestones must be met on or before the relevant Expiry Date.

Performance Shares	Milestones	Milestone Date	Expiry Date
Series A Performance Shares	Schrole obtaining 215 schools with a subscription for the Schrole Connect product or 198 licences with a subscription for the Schrole Cover product prior to the Milestone Date (Series A Milestone).	The date that is within 18 months of Admission	The date that is 5 years from the date of issue of the Series A Performance Shares
Series B Performance Shares	Schrole achieving total annual sales revenue of \$7,000,000 over any twelve month period prior to the Milestone Date (Series B Milestone).	The date that is within 36 months of Admission	The date that is 5 years from the date of issue of the Series B Performance Shares
Series C Performance Shares	Schrole achieving an accumulated earnings before interest, taxes, depreciation and amortisation of \$3,000,000 over any 12 month period prior to the Milestone Date (Series C Milestone).	The date that is within 48 months of Admission	The date that is 5 years from the date of issue of the Series C Performance Shares

- (ii) **(Conversion after expiry):** If a Milestone is not met by the relevant Expiry Date, the relevant Performance Shares held by each Shareholder will automatically consolidate into one Performance Share and will then convert into one Share for each Shareholder.

being in contravention of Section 606(1) then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of Section 606(1).

- (iii) **(Conversion on Change in Control):** If prior to the earlier of the Milestone Date or the Expiry Date a Change in Control Event occurs, then each Performance Share will automatically and immediately convert into a Share. However, if the number of Shares to be issued as a result of the conversion of the Performance Shares is in excess of 10% of the total fully diluted share capital of the Company at the time of the conversion, then the number of Performance Shares to be converted will be reduced so that the aggregate number of Shares to be issued on conversion of the Performance Shares is equal to 10% of the entire fully diluted share capital of the Company.

The Performance Shareholders shall give notification to the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under paragraph 12.7(c) may result in the contravention of Section 606(1) failing which the Company shall assume that the conversion of Performance Shares (or part thereof) under paragraph 12.7(c) will not result in any person being in contravention of Section 606(1).

- (iv) **(Takeover Provisions):** If the conversion of Performance Shares (or part thereof) under paragraph 12.7(c) would result in any person

The Company (but is not obliged to) by written notice request the Performance Shareholders to give notification to the Company in writing within seven (7) days if they consider that the conversion of Performance Shares (or part thereof) under paragraph 12.7(c) may result in the contravention of Section 606(1). If the Performance Shareholders do not give

notification to the Company within seven (7) days that they consider the conversion of Performance Shares (or part thereof) under paragraph 12.7(c) may result in the contravention of Section 606(1) then the Company shall assume that the conversion of Performance Shares (or part thereof) under paragraph 12.7(c) will not result in any person being in contravention of Section 606(1).

- (v) **(After Conversion):** The Shares issued on conversion of any Performance Share will as and from 5.00pm (WST) on the date of allotment rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares upon the date of conversion. Shares issued on conversion of the Performance Share must be free from all encumbrances, securities and third party interests. The Company must ensure that Shares issued on conversion of the Performance Shares are freely tradeable, without being subject to on-sale restrictions under section 707 of the Corporations Act, on and from their date of issue.
- (d) **(Issue of Shares for No Consideration):** The Company will issue Shares immediately upon conversion of the Performance Shares for no consideration and will record the issue in the manner required by the Corporations Act.
- (e) **(Quotation):** The Performance Shares are unquoted. No application for quotation of the Performance Shares will be made by the Company.
- (f) **(Non-transferable):** The Performance Shares are not transferrable.
- (g) **(Copies of Notices and Reports):** The Performance Shareholders have the same right as Shareholders to receive notices, reports and audited accounts and to attend general meetings of the Company but are only entitled to vote in the circumstances referred to in paragraph 12.7(h).
- (h) **(Voting Rights):** The Performance Shareholders shall have no right to vote, subject to the Corporations Act.
- (i) **(Dividend):** Performance Shareholders are not entitled to a dividend.
- (j) **(Return of capital):** The Performance Shares do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (k) **(Winding Up):** If the Company is wound up prior to conversion of all of the Performance Shares into Shares then the Performance Shareholders will have:
- (i) no right to be paid cash for the Issue Price; and
 - (ii) (no right to participate in surplus assets or profits of the Company on winding up.
- (l) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Performance Shares and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Shares.
- (m) **(Reconstruction):** In the event of any reconstruction, consolidation or division into (respectively) a lesser or greater number of securities of the Shares and the Performance Shares shall be reconstructed, consolidated or divided in the same proportion as the Shares are reconstructed, consolidated or divided and, in any event, in a manner which will not result in any additional benefits being conferred on the Performance Shareholders which are not conferred on the Shareholders.

12.8 Summary of Company's Employee Incentive Scheme

The Schrole Group Ltd Employee Incentive Scheme (Scheme) is being considered for approval by Shareholders at the Meeting. The full terms of the Scheme may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Scheme is set out below:

- (a) **(Eligible Participant):** Eligible Participant means a person that:
- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (ii) has been determined by the Board to be eligible to participate in the Scheme from time to time.
- (b) **(Purpose):** The purpose of the Scheme is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company

and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

(c) **(Scheme administration)**: The Scheme will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Scheme rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

(d) **(Eligibility, invitation and application)**: The Board may from time to time determine that an Eligible Participant may participate in the Scheme and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(e) **(Grant of Securities)**: The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Scheme rules and any ancillary documentation required.

(f) **(Terms of Convertible Securities)**: Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Scheme.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

(g) **(Vesting of Convertible Securities)**: Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or

otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

(h) **(Exercise of Convertible Securities and cashless exercise)**: To exercise an Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Scheme rules, or such earlier date as set out in the Scheme rules.

(i) **(Delivery of Shares on exercise of Convertible Securities)**: As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Scheme rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

(j) **(Forfeiture of Convertible Securities)**: Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will

automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Scheme rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (k) **(Change of control)**: If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (l) **(Rights attaching to Scheme Shares)**: All Shares issued under the Scheme, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Scheme Shares) will rank *pari passu* in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Scheme Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Scheme Shares. A Participant may exercise any voting rights attaching to Scheme Shares.
- (m) **(Disposal restrictions on Scheme Shares)**: If the invitation provides that any Scheme Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
- For so long as a Scheme Share is subject to any disposal restrictions under the Scheme, the Participant will not:
- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Scheme Share; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) **(Adjustment of Convertible Securities)**: If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
- If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.
- Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
- (o) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (p) **(Amendment of Scheme)**: Subject to the following paragraph, the Board may at any time amend any provisions of the Scheme rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Scheme and determine that any amendments to the Scheme rules be given retrospective effect, immediate effect or future effect.
- No amendment to any provision of the Scheme rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

(q) **(Scheme duration):** The Scheme continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Scheme for a fixed period or indefinitely, and may end any suspension. If the Scheme is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

12.9 Effect of the Offers on control and substantial Shareholders

Those Shareholders (and their related entities) holding an interest in 5% or more of the Shares on issue on a pre-Consolidation basis as at the date of this Prospectus are as follows:

Shareholder	Number of Shares	% Shareholding
Tan Yang Po	7,032,449	5.72

Following completion of the Acquisition, the following Shareholders are expected to hold 5% or more of the total number of Shares on issue (assuming that no convertible Securities (Options or Performance Shares) are converted into Shares):

Shareholder	Minimum Subscription		Maximum Subscription	
	Number of Shares	% Shareholding	Number of Shares	% Shareholding
Investors who participate in the Public Offer	275,000,000	49.5	300,000,000	51.7
Enerly ¹	78,363,529	14.1	78,363,529	13.5
Joint Lead Managers ²	95,000,000	17.1	95,000,000	16.4

Notes:

1. Comprising 70,363,529 Shares to be issued under the Consideration Offer and 8,000,000 Shares to be issued under the Loan Offer.
2. Comprising 15,000,000 Shares to be issued to Alto Capital (or its nominees) under the Lead Manager Offer and 80,000,000 Shares to be issued to Xcel Capital (or its nominees) under the Facilitator Offer.

Following completion of the Acquisition, the following Shareholders are expected to hold 5% or more of the total number of Shares on issue (assuming all convertible Securities are converted):

Shareholder	Minimum Subscription		Maximum Subscription	
	Number of Shares	% Shareholding	Number of Shares	% Shareholding
Investors who participate in the Public Offer	275,000,000	26.0	300,000,000	27.8
Enerly ¹	361,338,841	34.2	361,338,841	33.4
Joint Lead Managers ²	170,000,000	16.1	170,000,000	15.7

Notes:

1. Comprising 70,363,529 Shares and 280,000,000 Performance Shares to be issued under the Consideration Offer, 8,000,000 Shares to be issued under the Loan Offer and 2,975,312 Options to be issued under the Vendor Option Offer, subject to Shareholder approval.
2. Comprising 15,000,000 Shares to be issued to Alto Capital under the Lead Manager Offer, 80,000,000 Shares and 25,000,000 Options to be issued to Xcel Capital under the Facilitator Offer and 50,000,000 Options to be issued to Xcel Capital (or its nominee) under the Adviser Offer, subject to Shareholder approval.

12.10 Interests of Promoters, Experts and Advisers

(a) No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or held at any time during the last 2 years, any interest in:

- (i) the formation or promotion of the Company;
 - (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
 - (iii) the Offers,
- and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offers.

(b) Share Registry

Link Market Services Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

(c) Legal Adviser

Bellanhouse Lawyers has acted as the solicitors to the Company in relation to the Offers and the Acquisition. The Company estimates it will pay Bellanhouse \$45,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. In addition, Bellanhouse has performed other legal work for the Company. Bellanhouse will receive \$50,000 in fees from the Company for legal services during the 24 months preceding lodgement of this Prospectus.

Prior to Bellanhouse Lawyers' engagement with the Company, Bellanhouse Lawyers acted as legal advisers to Schrole. During the 24 months preceding lodgement of this Prospectus, the total value of these services was \$150,000 (excluding GST).

(d) Lead Manager and Corporate Adviser

Alto Capital has acted as the Lead Manager and Corporate Adviser to the Company. Fees are paid or payable to the Lead Manager in accordance with the Joint Lead Manager Mandate summarised in Section 11.4. The Company estimates it has or will pay the Joint Lead Managers a total 6% on funds raised under the Public Offer.

Subject to Shareholder approval at the Meeting, the Lead Manager will also receive 15,000,000 Shares under the Lead Manager Offer (see Section 3.2(e) for further details) and will also be paid \$20,000 as a success fee.

During the 24 months preceding lodgement of this Prospectus with ASIC, the Lead Manager has not provided services to the Company.

(e) Co-Lead Manager and Adviser

Xcel Capital has acted as the Co-Lead Manager and Adviser to the Company. Fees are paid or payable to the Co-Lead Manager in accordance with the Xcel Capital Mandate and Lead Manager Mandate. The Company estimates it will pay the Co-Lead Manager a total of \$100,000 (excluding GST) as a success fee under the Public Offer. The Company estimates it will pay the Joint Lead Managers a total of 6% on funds raised under Public Offer. Subject to Shareholder approval at the Meeting, the Co-Lead Manager will also receive 80,000,000 Shares and 25,000,000 Options under the Facilitator Offer and 50,000,000 Options under the Adviser Offer (see Sections 3.2(d) and 3.2(e) for further details).

During the 24 months preceding lodgement of this Prospectus with ASIC, the Lead Manager has not provided services to the Company.

(f) Auditor

BDO Audit (WA) Pty Ltd has been appointed to act as auditor to the Company. The Company estimates it will pay BDO Audit (WA) Pty Ltd a total of \$4,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Audit (WA) Pty Ltd has provided services to the Company, the total value of these services was \$25,000 (excluding GST).

BDO Audit (WA) Pty Ltd has also been appointed to act as auditor to Schrole. During the 24 months preceding lodgement of this Prospectus with ASIC, the total value of these services was \$95,923 (excluding GST).

(g) Intellectual Property Expert

Williams & Hughes has acted as the Intellectual Property Expert for the Company and has prepared the Intellectual Property Report in Section 9. The Company estimates it will pay Williams & Hughes a total of \$1,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus, Williams & Hughes has not provided services to the Company.

During the 24 months preceding lodgement of this Prospectus with ASIC, Williams & Hughes has acted for Schrole and has invoiced fees in the amount of \$8,200 (excluding GST).

(h) Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 8 of this Prospectus. The Company estimates it will pay BDO a total of \$6,000 (excluding GST) for these services. During the 24 months preceding

lodgement of this Prospectus with ASIC, BDO has not provided services to the Company.

BDO Corporate Finance (WA) Pty Ltd has also acted as Investigating Accountant to Schrole. During the 24 months preceding lodgement of this Prospectus with ASIC, the total value of these services was \$12,500 (excluding GST).

(i) Independent Expert

BDO Corporate Finance (WA) Pty Ltd has acted as an independent expert to the Company in connection with the Company's notice for the Meeting. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO will receive fees of approximately \$19,000 to \$24,000 (excluding GST) for the provision of the Independent Expert's Report.

12.11 Consents**(a) General**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in this Prospectus with their consent having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading and deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, the other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to below:

- (i) does not make the Offers;
- (ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- (iii) only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

(b) Share Registry

Link Market Services Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

(c) Lead Manager and Corporate Adviser

Alto Capital has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as a joint lead manager and corporate adviser to the Company in the form and context in which it is named.

(d) Co-Lead Manager and Adviser

Xcel Capital has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Co-Lead Manager to the Company and advisor to the Company in the form and context in which it is named.

(e) Auditor

BDO Audit (WA) Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company in the form and context in which it is named.

(f) Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Investigating Accountant's Report in the form and context in which it is included.

(g) Intellectual Property Expert

Williams & Hughes has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Intellectual Property Expert to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Intellectual Property Report in the form and context in which it is included.

(h) Legal Advisors

Bellanhouse has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Legal Advisors to the Company in the form and context in which it is named.

(i) Independent Expert

BDO has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Independent Expert of the Company in the form and context in which it is named.

12.12 Expenses of the Offers

The expenses of the Offers (excluding GST) are estimated to be approximately \$610,000 based on the Maximum Subscription and are expected to be applied towards the items set out in the table below.

Items of expenditure	Amount	
	Minimum Subscription	Maximum Subscription
Capital raising fees	\$330,000	\$360,000
Legal fees	\$46,100	\$46,100
Accounting and Investigating Accountant's Report	\$6,000	\$6,000
Audit fees	\$4,500	\$4,500
ASIC fees	\$2,400	\$2,400
ASX fees	\$71,000	\$71,000
Advisor costs	\$120,000	\$120,000
Total estimated expenses	\$580,000	\$610,000

12.13 ASX waivers

The Company has received the following ASX waivers and approvals in relation to the Offers and the Acquisition:

- (a) a waiver from Listing Rule 2.1 Condition 2 to allow Shares under the Public Offer to have an issue price of less than \$0.20 each;
- (b) a waiver of Listing Rule 1.1 Condition 12 to allow Options to be issued with an exercise price of less than \$0.20 each;
- (c) approval for the issuance of the Performance Shares required under Listing Rule 6.1; and
- (d) a waiver from Listing Rule 9.1.3 to the extent necessary to apply the restrictions in paragraph 1, 2 and 10 of Appendix 9B (as applicable) to Shares to be issued to the Vendors as Consideration Shares.

12.14 Continuous Disclosure Obligations

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

12.15 Litigation

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

12.16 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus being lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application moneys received will be dealt with in accordance with section 722 of the Corporations Act.

12.17 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 12.11 of this Prospectus.

12.18 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 7, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

13.

DIRECTORS' AUTHORISATION

DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director and each proposed Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to read 'Kyla Garic', written in a cursive style.

Kyla Garic

Non-Executive Director and Company Secretary

Dated: 18 August 2017

14.

DEFINITIONS

DEFINITIONS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian Dollars.

Acquisition means the acquisition of 100% of the issued capital of Schrole in accordance with the Acquisition Agreement.

Acquisition Agreement means the agreement described in Section 11.3 dated on or around 12 June 2017 and amended on 9 August 2017.

Acquisition Resolution has the meaning given in Section 2.4.

Admission means admission of the Company to the Official List, following completion of the Offers.

Adviser Offer has the meaning given in Section 3.2(e).

Agency Agreement has the meaning given in Section 11.13.

Allotment Date means the date, as determined by the Directors, on which the Securities offered under this Prospectus are allotted, which is anticipated to be the date identified in the Indicative Timetable.

Alto Capital means ACNS Capital Markets Pty Ltd ATF the ACNS Unit Trust trading as Alto Capital.

Applicant means a person who submits an Application Form.

Application means a valid application for Securities pursuant to this Prospectus.

Application Form means the application form attached to this Prospectus.

Application Monies means application monies for Securities under the Offers received and banked by the Company.

Aquaint Property has the meaning given in Section 4.1.

Attaching Options has the meaning given in Section 2.4(l).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Rules means ASX Settlement Operating Rules of ASX Settlement.

BDO means BDO Corporate Finance (WA) Pty Ltd ACN 124 031 045.

Board means the board of Directors of the Company.

Business Day means a day that is not a Saturday, Sunday or public holiday in Western Australia.

Business Units has the meaning given in Section 4.3(a).

CHESS means the Clearing House Electronic Sub-Register System operated by ASX Settlement.

Closing Date means the date that the Public Offer closes which is 5.00pm (WST) on 15 September 2017 or such other time and date as the Board determines.

Co-Lead Manager means Xcel Capital.

Company means Aquaint Capital Holdings Limited (to be renamed "Schrole Group Ltd") ACN 164 440 859 (Subject to Deed of Company Arrangement).

Completion means completion of the Acquisition in accordance with the Acquisition Agreement.

Company Secretary means the secretary of the Company.

Consideration Offer has the meaning given in Section 3.2(a).

Consideration Securities has the meaning given in Section 11.3(a).

Consolidation means the proposed 60:1 consolidation of the Company's Securities, subject to Shareholder approval.

Constitution means the constitution of the Company.

Consultancy Agreement has the meaning given in Section 11.9.

Conversion Securities means the 25,000,000 Shares and 25,000,000 Attaching Options to be issued on conversion of the convertible notes in Schrole.

Convertible Note Deed has the meaning given in Section 11.11.

Convertible Notes has the meaning given in Section 11.11.

Conversion Offer has the meaning given in Section 3.2(g).

Corporations Act means the Corporations Act 2001 (Cth).

CPS Capital has the meaning given in Section 4.1.

Creditors' Report has the meaning given in Section 4.1.

Creditors' Trust Deed means the trust deed to be entered into by the Deed Administrators as Trustees, pursuant to the terms of the DOCA, for and on behalf of the Company's creditors.

Deed Administrators means Mr Samuel John Freeman and Mr Adam Paul Nikitins.

Director Options has the meaning given in Section 2.4(k).

Directors means the directors of the Company.

DOCA means the deed of company arrangement in respect of the Company that was executed on 9 September 2016.

DOCA Proposal is detailed in Section 11.2.

Electronic Prospectus means the electronic copy of this Prospectus located at the Company's website www.aquaint.com.au.

Enerly means Enerly Pty Ltd ACN 081 624 231 as trustee for Stronada Trust, a related party of proposed Director, Mr Robert Graham.

ETAS Group means ETAS (WA) Pty Ltd ACN 065 673 896, trading as ETAS Group.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Facilitator Offer has the meaning given in Section 3.2(d).

Graham Agreement has the meaning given in Section 11.6.

GST means Goods and Services Tax.

Independent Expert means BDO.

Independent Expert's Report means the Independent Expert's report annexed to the Company's notice of annual general meeting that was dispatched to Shareholders on 14 August 2017.

Indicative Timetable means the indicative timetable for the Offers on page viii of this Prospectus.

Intellectual Property Report means the report contained in Section 9.

Investigating Accountant means BDO.

Investigating Accountant's Report means the report contained in Section 8.

ISC means The International Schools Consultancy of Faringdon, Oxfordshire, SN7 7YR UK.

Joint Lead Manager Mandate has the meaning given in Section 11.4.

Joint Lead Managers means the Lead Manager and Co-Lead Manager.

Kirkwood Agreement has the meaning given in Section 11.8.

Lead Manager means Alto Capital.

Lead Manager Offer has the meaning given in Section 3.2(c).

Legal Advisors means Bellanhouse.

Listing Rules means the listing rules of ASX.

Loan Offer has the meaning given in Section 3.2(f).

Majority Vendors means Enerly, Morven Ann Smith as trustee for the Rossdhu Family Trust and Leonie Debnam.

Maximum Subscription means the raising of \$6,000,000 pursuant the Public Offer.

Meeting means the general meeting of Shareholders to be held on 13 September 2017.

Minimum Subscription means the raising of \$5,500,000 pursuant the Public Offer.

Offer Price means \$0.02 per Share under the Public Offer.

Offers means the Public Offer and Secondary Offers.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Opening Date means the date specified as the opening date of the Public Offer in the Indicative Timetable.

Option means an option to acquire a Share.

Performance Shares means the 290,000,000 performance shares to be issued to Majority Vendors under the Consideration Offer on the terms and conditions set out in Section 12.7.

Public Offer means the offer by the Company, pursuant to this Prospectus, of 300,000,000 Shares at an issue price of \$0.02 each to raise up to \$6,000,000 (before costs).

PRC means the People's Republic of China.

Prospectus means this prospectus dated 18 August 2017.

Related Body Corporate means, in relation to a body corporate, a body corporate related to it within the meaning of Section 50 of the Corporations Act.

RTO means Registered Training Organisation.

SaaS means software as a service.

Scheme has the meaning given in Section 12.8.

Schrole means Schrole Operations Ltd (formerly "Schrole Group Ltd") ACN 131 115 878.

DEFINITIONS

Schrole Connect is a Business Unit detailed in Section 4.3(c).

Schrole Cover is a Business Unit detailed in Section 4.3(d).

Schrole Develop is a Business Unit detailed in Section 4.3(e).

Schrole Noteholders has the meaning given in Section 11.11.

Secondary Offers means the Consideration Offer, Vendor Option Offer, Lead Manager Offer, Facilitator Offer, Adviser Offer, Loan Offer and Conversion Offer.

Section means a section of this Prospectus.

Secured Creditor means Kings Park Corporate Lawyers Pty Ltd ACN 153 331 867.

Securities means any securities, including Shares, Performance Shares and Options, issued or granted by the Company.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Link Market Services Limited ACN 083 214 537.

Shareholder means a holder of one or more Shares.

SPL means Schrole Pty Ltd ACN 164 785 488.

Trustees means Mr Samuel John Freeman and Mr Adam Paul Nikitins.

Turnbull has the meaning given in Section 11.13.

USD means United States dollar.

Vendor Option Offer has the meaning given in Section 3.2(b).

Vendors means all the shareholders and optionholders of Schrole.

VWAP means the volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

Xcel Capital means Xcel Capital Pty Ltd A CN 617 047 319.

Xcel Capital Mandate has the meaning given in Section 11.5.

Schrole™