

Offer Information Statement

GENERAL OFFER



SolarShare
CANBERRA



SOLARSHARE COMMUNITY ENERGY LTD

ACN 600 571 220

This offer is dated: **Thursday 13th December 2018**

Offer Information Statement for the offer of up to 284,800 Securities at an issue price of \$10.00 per Security to raise up to \$2,848,000 in total.

It is proposed that the last date for applications and application monies to be received is 5:00pm (Australian Eastern Standard Time) on Tuesday 26th of February 2019. SolarShare's Board of Directors reserves the right to close the offer earlier or extend this date without notice.

Potential investors in SolarShare should read this Offer Information Statement in its entirety and seek professional investment advice before making any decision to invest in Securities offered under this document.

IMPORTANT INFORMATION & KEY DATES

This Offer Information Statement is dated Thursday 13th December 2018 and was lodged with the Australian Securities and Investments Commission (ASIC) on that date. The fact that ASIC has not objected to the issue of this Offer Information Statement is not to be taken as an endorsement by ASIC and ASIC takes no responsibility for the content of this Offer Information Statement.

This Offer Information Statement is issued pursuant to section 709(4) of the Corporations Act 2001 (Cth) (Corporations Act).

Please note that this document is not a prospectus for the purposes of the Corporations Act. The level of disclosure required in this Offer Information Statement is specified in section 715 of the Corporations Act and is lower than the level of disclosure required for a prospectus.

Potential investors in SolarShare should read this Offer Information Statement in its entirety and seek professional investment advice before making any decision to invest in securities offered under this document.

This Offer Information Statement is subject to an Exposure Period. The Exposure Period is a 7 day period (excluding public holidays) beginning the day after this Offer Information Statement, was lodged, commencing on Friday 14th December 2018. ASIC may extend the Exposure Period by a further 7 days. No applications for Securities will be accepted until the Exposure Period has expired and no preference will be given to Applicants who lodge their Application Forms during the Exposure Period. The Company will make this Offer Information Statement generally available to the public during the Exposure Period by placing a copy on SolarShare's website.

The following are key dates relating to the Offer that you need to be aware of:

- a) Offer Information Statement and Application Form made available to Applicants on Friday 14th December 2018
- b) Closing Date for Receipt of Application Form 5:00pm AEDT on Tuesday 26th of February 2019

These dates are indicative only and are subject to change. SolarShare reserves the right to amend this indicative timetable at any time and in particular, subject to the Corporations Act 2001 (Cth) (Corporations Act), to extend the latest date for receipt of Application Forms, to accept late Application Forms either generally or in particular cases, or to cancel the Offer without prior notice.

The sunset expiry date of this Offer Information Statement is 12th January 2020 (the Expiry Date), which is 13 months after the date of this document.

No Securities will be issued on the basis of this Offer Information Statement after the Expiry Date.

Capitalised terms have defined meanings, which are described in the Glossary, section 11 of this document.

Money as expressed in this Offer Information Statement is in Australian dollars unless otherwise indicated. Any discrepancies between totals in tables and sums of components in tables in this Offer Information Statement and between those figures and figures referred to in other parts of this document are due to rounding.

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KEY INFORMATION

Offer Price per stabled security	\$10.00
Maximum number of Securities to be issued	284,800
Gross proceeds of Offer (if fully subscribed)	\$2,848,000
Applicants wishing to receive priority share allotments based on their original registration on SolarShare's website must be received by: (see page 12, 'Allotment of shares' for further details)	5:00PM Australian Eastern Daylight Time Tuesday 12th of February 2019
Proposed closing date of Offer	5:00PM Australian Eastern Daylight Time Tuesday 26th of February 2019

There are no advisor fees, commissions or other charges payable by an applicant in applying for this Offer other than the Offer Price for the Securities. Advisory fees, charges and commissions and other costs incurred by SolarShare in preparing for and conducting this Offer are presented in section 3.

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1. MESSAGE FROM SOLARSHARE'S BOARD OF DIRECTORS

Dear Canberra community member

On behalf of the Board I am pleased to offer you an opportunity to become a Security holder, or increase your Security holding in SolarShare Community Energy Ltd (SolarShare or the Company), which will enable SolarShare to build and commence operation of our flagship project, the Majura Community Solar Farm.

This Offer is in response to the successful completion of a Deed of Entitlement with the ACT Government under the Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011, which will secure fixed pricing for the electricity generated by the Majura Community Solar Farm.

The Project comprises the construction and commencement of operations of a ground mounted solar farm in Majura. This 1 MW solar farm, comprising approximately 5000 photovoltaic (PV) modules, will generate electricity equivalent to the electricity consumption of approximately 260 households.

This project has been the singular priority of the company for the last four years, and the culmination of efforts from our Board, Principal Executive Officer and volunteers.





2. IMPORTANT INFORMATION FOR ALL INVESTORS

By investing in SolarShare the Members delegate decision-making power for the activities of the company to the Board of Directors. From time to time, circumstances may arise that are not contemplated by this Offer Information Statement and in such circumstances, SolarShare's Board of Directors are responsible for making decisions on how to conduct the business of the company in the manner which they deem to be best for all members in accordance with the objectives of the Constitution.

SolarShare has not, during the 12 months preceding this Offer Information Statement, nor in any other period, engaged in any legal proceedings which would be likely to have a material adverse effect upon its business, financial condition or the results of its operations.

SolarShare is not insolvent and does not expect to become insolvent based on its current financial position and future projections outlined in this Offer Information Statement but noting the risks also set out herein. See sections 6 and 12 for further financial information and section 7 for details of investment risks.

3. ABOUT SOLARSHARE

SolarShare's mission is to foster a connection between community members and the way our energy is generated, and to involve everyone in the transition to a more sustainable future.

Until now, people who rent, move frequently, or just do not have a roof that is compatible with solar power have largely been excluded from generating renewable energy. If you do not have a house or property to put solar on, then there are very few ways you can be involved in generating renewable energy. SolarShare provides investors with a new opportunity to be involved in and benefit from generating local renewable energy. Investment in SolarShare through a Security purchase associated with this Offer is open to everybody resident in the Australian Capital Territory.

The SolarShare philosophy is to be part of the shift in our society to an economy where communities have an important part to play in our energy choices. Investing in SolarShare allows participants to see what their money has built and gain a real connection to local energy supply while having the confidence that it is the right choice for their families, the environment and for the community.

Our core business involves developing community-owned solar power plants and selling the electricity generated from those plants. Due to the way the energy market operates, SolarShare cannot currently supply energy directly to members' homes. The electricity generated from the solar plants will be sold under long-term contracts to an energy customer and/or the wholesale electricity market. Returns from this sale are then reimbursed to community members who own Shares in the Company.

SolarShare is a Canberra-based, unlisted public company that is limited by Shares. It is also an independent incorporated legal entity. SolarShare has a single, wholly owned, subsidiary company named Majura Community Energy Project Pty Ltd which holds all the relevant development assets for the Majura community solar farm. An investor participating in this Offer will be purchasing stapled Securities, each of which comprise of an ordinary Share and a Flagship Project Asset Specific Share associated with the solar farm asset.

The use of stapled Securities has been adopted so as to allow SolarShare to restrict this Offer to ACT residents, which is a condition of the ACT Government in granting a Feed-in-Tariff. The stapled Securities structure will enable SolarShare to segregate investors from different jurisdictions in offerings for future projects.

SolarShare has been collecting expressions of interest for investment in community solar projects since mid-2013 and currently has over \$3.6m pledged, which is more than sufficient to cover the \$2,848,000 required for the proposed community energy investment.

This Offer Information Statement describes an opportunity to invest in SolarShare, enabling the company to develop, construct and operate SolarShare's flagship project as well as lay the foundation for additional smaller projects.

Please see Section 5 for more detail on the company's flagship project: the Majura Community Solar farm.

GOVERNANCE

SolarShare started from local sustainability organisation SEE-Change and the governance and team structure was formalised in the latter half of 2012. SolarShare was incorporated in 2014. SolarShare has excellent in-house skills and an engaged external professional team actively working to deliver a community owned solar investment.

SolarShare is governed by a Board of Directors. All Board Directorships are voluntary positions and the Directors are not remunerated for their work.

The Board of Directors supports SolarShare's team of volunteers. The Directors have diverse professional skill sets and expertise in areas of governance, finance, project delivery, community, solar energy and photovoltaics, electricity markets, electrical engineering, energy generation, through-service-life asset management, marketing, risk, executive management and compliance (for more details about Directors on the Board, see section 10).

In addition to the Board, currently there is a Principal Executive Officer (PEO), Project manager and an active volunteer team at SolarShare which has been working on different facets of the project since 2011.

OPERATIONS

The main activities involved in the ongoing operation of the solar farm will be:

(A) Monitoring and maintenance of the solar installation

Technical management and maintenance of the farm will be contracted to a third-party monitoring and maintenance provider.

(B) Community Engagement

Community engagement activities, carried out by both a paid Partnership Manager and SolarShare community volunteers will be targeted to foster a closer connection between SolarShare's community investors, their energy supply and others in their local community.

(C) Finance and Administration

Finance and Administration includes the functions of reconciling wholesale market revenue and contract-for-difference payments (associated with the Feed-in Tariff), accounting, registration and sale of Large Generation Certificates on an annual basis, general administration including ongoing website operation and compiling the annual report

(D) Ongoing stewardship

Once the flagship project is constructed the activities associated with it transition to roles around the long-term operation of the facility. These activities include obligations regarding regulatory compliance, plant maintenance, insurance, risk management and reporting.

(E) Share registry management

Management of the share register will be outsourced to Registry Direct, a professional registry services provider. The registry management will include keeping required records on Security purchases, sales, trades, dividend distribution and shareholder notifications.

(F) Development of further community solar projects

The Company intends to continue to develop additional community solar project opportunities for our member-investors. SolarShare will issue an updated Offer Information Statement when further projects become available for investment. Further projects must meet any criteria the Board deems necessary for determining the project's suitability as an investment.

4. SHARE PURCHASE INFORMATION

SOLARSHARE'S CAPITAL STRUCTURE

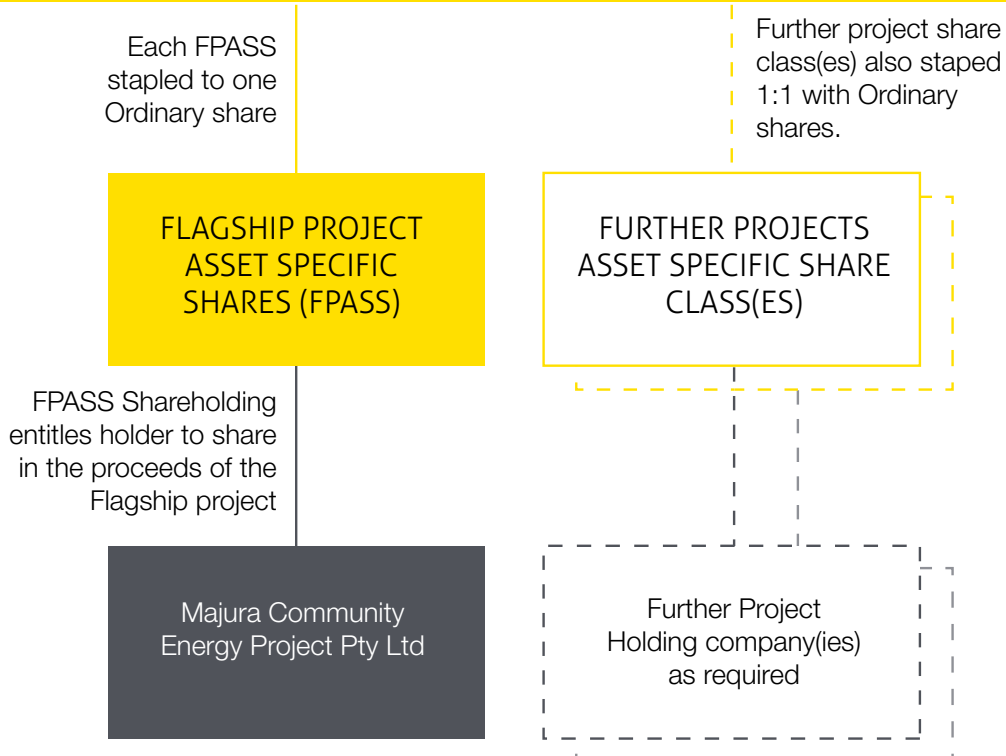
The table below contains the details of SolarShare's Capital Structure

	Existing structure (pre-raise)		T2 Share issue (This Offer)		Issue under remuneration contract*		Resulting capital structure	
	Number of shares	Capital Value (\$)	Number of shares	Capital Value (\$)	Number of shares	Capital Value (\$)	Number of shares	Capital Value (\$)
Ordinary Shares (ORD)	13,757	nil	284,800	nil	3,000	nil	301,557	nil
Flagship Project Asset Specific Shares (FPASS)	13,757	\$125,070	284,800	\$2,848,000	3,000	\$30,000	301,557	\$3,003,070

*Note: A further issue of up to 3,000 Securities will be made under a remuneration contract with the Principal Executive Officer – see page 50.

Each FPASS is 'stapled' to an Ordinary Share. A shareholder seeking to acquire or dispose of a FPASS share must acquire or dispose of the Ordinary share stapled to it at the same time, and vice versa. The FPAS Share class is a Share class of SolarShare Community Energy Ltd.

SOLARSHARE MEMBER INVESTORS SOLARSHARE COMMUNITY ENERGY LTD (Ordinary Share Holders)



Majura Community Energy Project Pty Ltd is a subsidiary company of SolarShare Community Energy Ltd. SolarShare Community Energy Ltd currently holds all the shares of this subsidiary company.

It is the Board's intent that future projects would be offered by means of a similar stapled Security, bearing rights to the proceeds of a particular project or group of future projects.

Security holders	Capital Value (\$)	Percentage Holding After Issue
Existing Security holders	\$125,070	4.2%
New Securities T2 (This Offer)	\$2,848,000	94.8%
New Security holders (remuneration contract)*	\$30,000	1.0%
Total (after T2)	\$3,003,070	100.00%

*Note: A further issue of up to 3,000 Securities will be made under a remuneration contract with the Principal Executive Officer – see page 50.

DETAILS OF THE OFFER

This offer is for a stapled security of Flagship Project Asset Specific Shares (FPASS) with Ordinary Shares. The stapled security offer price is \$10.00, representing:

- one FPAS Share with a capital value of \$10 and
- one Ordinary Share with a nil capital value.

Both types of Share in the stapled Security will be issued on a fully-paid basis.

Stapled Securities will be offered in lots of fifty (50), representing a \$500 investment. The minimum that can be purchased is fifty (50) and the maximum is ten thousand (10,000). The Board may in special circumstances waive these limitations for particular applicants.

Applicants for this Offer must meet the eligibility criteria for membership of the company, and Flagship Project Asset Specific Share class rules. The eligibility criteria can be found on page 14.

Your purchase of Securities is a capital investment and is not classified as a tax-deductible expense.



ALLOTMENT OF SECURITIES

Securities under the Offer are expected to be allotted by Tuesday 5th of March 2019 (subject to variation at the discretion of the Company).

The Directors will determine the recipients of the issued Securities at their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Securities than the number for which they have applied. Where the number of Securities issued is less than the number for which an application was made, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

The Board intends to allocate Securities by the following method, however reserves the right to exercise discretion with respect to its application, at all times aiming for a fair and transparent outcome.

If the offer results in an oversubscription, the Company will use reasonable endeavours to allot Securities in the following order:

- a) Allocate Securities in date order based on the date the investor originally registered their investment interest on SolarShare's website up to the lesser of 10,000 shares and the number of Securities stated in that original registration. This priority of order, based on original registration date, will be lost if the application is received after Tuesday 12th February 2019;
- b) Allocate any remaining Securities to those investors who:
 - a. have applied for more Securities than they originally registered for (the portion additional to their registration),
 - b. applications with no prior registration
 - c. applications received after Tuesday 12th February 2019on a pro rata basis, up to a maximum of the amount applied for, rounding to the nearest convenient parcel of Securities.
- c) If this still results in oversubscription, reduce the additional Securities allocated by capping the additional Securities offered at maximum number per investor.
- d) If the offer is still oversubscribed, the Board will determine the methodology of allocation of additional shares on a basis the Board deems reasonable with consideration given to the objectives of the company.

APPLICATION MONIES

Until Shares are issued, the Application Monies will be held in a designated bank account in Australia.

If the Offer is cancelled or withdrawn application monies will be refunded to the relevant Applicants. Any interest accrued on Application Monies will not be refunded.

APPLICANTS OUTSIDE OF AUSTRALIAN CAPITAL TERRITORY

The Securities being offered under this Offer Information Statement are being offered solely to applicants with a registered address in the Australian Capital Territory.

TAXATION IMPLICATIONS

Applicants should be aware that there may be taxation implications of participating in the Offer and subscribing for Securities. The taxation consequences of participating in the Offer and/or acquiring Securities may vary depending on the individual circumstances of each Applicant. Applicants should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

APPLICANTS & POTENTIAL INVESTORS – ELIGIBILITY TO PURCHASE SECURITIES

Eligibility for membership of SolarShare Community Energy Ltd

The constitution requires that a prospective Member must:

- a. agree to receive evidence of security holding in electronic form;
- b. agree to receive all notices from the Company to your registered electronic address [email]
- c. agree to communicate with the Company via e-mail as far as possible, including but not limited to, submitting any notice or instrument of proxy to the Company's designated electronic address;
- d. agree to accept any distribution via electronic funds transfer to his or her Australian beneficiary bank account, details of which must be provided to the Company;
- e. disclose an interest the Member has, controlling or otherwise, in any entity which is also a Member of the Company; and
- f. Meet any additional criteria established for membership in the company as may be resolved by the Board from time to time; and
- g. Not hold more than 19% of the share capital of the company
 - i. Directly; or
 - ii. Indirectly due to the aggregation of any interests you have controlling or otherwise, in any entity which is also a member of the company

except where that Member's shareholding is held in the capacity of being an underwriter to the company.

Additional conditions applying to FPASS share applicants and shareholders

To comply with the ACT Government's Community Solar Scheme requirements to ensure proceeds of the Community solar project are to the benefit of ACT residents:

1. Only persons who are residents of the Australian Capital Territory, or entities who have their registered office in the Australian Capital Territory at the time of converting any Shares they hold into FPASS, or at the time of subscribing for such FPASS, are entitled to convert their Shares to, or be issued with, FPASS
2. During the period commencing from when an FPASS is issued (i.e. when they have other Shares converted to FPASS, or when they are issued with FPASS), and ending three (3) calendar years later, such person or entity may only transfer or dispose of any FPASS to or in favour of a person or entity who would satisfy the condition at paragraph [1] above at the time of the transfer or disposal.
3. Each FPASS is issued as stapled to an Ordinary Share and such person or entity holding FPASS must also transfer or dispose of that stapled Ordinary Share in the same manner at the time of transferring or disposing of FPASS and vice versa.

HOW TO APPLY

The following steps identify how interested parties can apply to become SolarShare Members through investing in a community owned solar project.

Step 1 Registration:

We invite community investors to indicate their interest in investing on SolarShare's website. After receiving registrations and reaching a suitable state of project development, we then publish an Offer Information Statement, such as this one, for interested community investors.

Step 2 Investment:

SolarShare invites people who have registered on SolarShare's website to invest in a specific solar project. When you accept the Offer and become a SolarShare Member you will need to pay the money for the Securities you want to buy. SolarShare will use the funds raised to engage the chosen contractors and developers to develop and construct the project.

Step 3 Ownership:

The solar farm generates electricity over its lifetime. SolarShare will pay dividends from the profits earned from electricity generation to the holders of the Securities issued under this Offer.

SUBSCRIBING FOR SHARES

Applications for Securities under the Offer must be made using the Electronic Application Form.

Payment for the Securities must be made in full at the issue price of \$10.00 per stapled Security, multiplied by the number of stapled Securities you wish to purchase.

Applications for Securities must be for a minimum of fifty [50] Securities and thereafter in multiples of 50 Securities. Completed Application Forms must be Submitted via the online application portal.

Completed Application must be received by no later than the Closing Date. The Company reserves the right to close the Offer early.

Payment for the Shares must be paid by BPay (Electronic Funds Transfer). When you complete your online application form you will be issued with the BPay Biller code and customer reference number details to complete your purchase of Securities.

RIGHTS ATTACHING TO SHARES

Through ownership of Ordinary shares as part of the stapled Security, Security holders will have one vote each under a 'one-member, one-vote, rule' set out in the SolarShare's Constitution. Voting rights are not proportional to the quantity of Shares held.

There are no preference classes of Shares intended to be issued in the Company.

Investors will be able to sell their Securities (subject to the restrictions associated with ACT residents mentioned earlier), but Securities will not be listed on any stock exchange, so no ready public market will exist for their sale. In the future and subject to legal clarification on what is permitted, SolarShare will consider mechanisms for facilitating trading of securities amongst members.

The rights that will attach to Shares are set out in SolarShare's Constitution, namely:

- a) The right to receive notice of, attend and vote at all general meetings of the Company;
- b) The right to receive dividends and capital returns when they are declared by the Company;
- c) In the event of a winding up, the right to participate equally in the distribution of assets of the Company; and
- d) In the event of a reduction of capital, the right to participate equally in the distribution of assets of the Company, subject to the terms of the reduction.

The Constitution may only be amended by a special resolution passed by at least 75 per cent of Shareholders present (and entitled to vote) at a general meeting.

The Offer made by SolarShare in this Offer Information Statement is for a stapled Security of one fully paid Ordinary Share with one fully paid Flagship Project Asset Specific Share in SolarShare Community Energy Ltd ACN 600 571 220. There is no recognised market for the Securities as SolarShare is an unlisted public company and the Securities are not currently – and are not intended to be – quoted on any stock exchange. The lack of a recognised market for the Securities may affect their liquidity and the price that might be obtained upon selling the Securities. If the Securities did become freely tradeable on a recognised market, there is a risk that the price will rise or fall in accordance with market forces and other factors outside the control of the SolarShare Board.

EFFECT OF THE OFFER ON CONTROL OF THE COMPANY

Once the funding is complete, all investors will contribute to control of the Company via rights to participate in major company decisions at general meetings. This amounts to a change in control of the Company from the existing Security holders to the broader base of new and existing Security holders. SolarShare has received registrations of investment interest ranging from hundreds of dollars to hundreds of thousands, and expects there will be investment amounts right across this spectrum. SolarShare is pleased that this will result in the company being controlled by a broad cross-section of the community. It is important to note, however, that these registrations of interest are non-binding and actual investors and amounts invested may change.



5. SOLAR PROJECTS

SolarShare is set up to operate multiple solar generation assets on both greenfield and non-residential rooftop sites. SolarShare's first solar project, the flagship project, will have a secured, fixed price for electricity generated, as provided by the ACT Government's Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011. This will provide a template for future developments whereby projects will sell electricity under power purchase agreements directly to energy users or energy retailers. In developing further sites and projects SolarShare is committed to considering the following criteria:

- Is the host site able to provide a location likely to be supported by the local community?
- Will the project contribute to carbon emissions abatement?
- Are the values of the project partners aligned with the values of the SolarShare community?
- Is the deal transparent and understandable for investors?
- Is the project subject to any risks associated with debt or gearing?
- Does the project have a suitable financial return for the investment risk taken?
- Does the project expose SolarShare and SolarShare's investors to an unsuitable level of risk?

Diversification is a key objective of SolarShare's investment model; as the establishment of multiple projects enables multiple sources of income to investors. SolarShare projects may also enable the local investors to feel a greater sense of community involvement.

SOLARSHARE'S FLAGSHIP PROJECT- 1 MW MAJURA COMMUNITY SOLAR FARM

The flagship project is a greenfield solar farm on Block 707 Rural District of Majura, on the outskirts of Canberra in the ACT. The land for the project is held by the Mount Majura Vineyard (under a lease from the ACT Government), and is located between the Majura Parkway and Majura Road, and to the North of Lime Kiln Road.

SolarShare's development partner for this site, Solar Fields Pty Ltd, is a private solar development company that has been engaged in securing the various approvals required for a solar farm development on the property since 2011. Solar Fields was also the developer of the now constructed and operating 2.3MW project on the neighbouring parcel of land to the South of Lime Kiln Road.

Solar Fields has secured an option to lease with the Mount Majura Vineyard, providing the option to have Solar Fields (or its nominee) granted a Sublease of the land for the solar project. SolarShare has signed a development agreement with Solar Fields for the lease and other development rights to be transferred to SolarShare as final approvals and permits are received.

1.1.1 State of Development

The project has already achieved the following development milestones

- National Capital Authority Works Conditional Approval:
- The letter of approval from the NCA is available at SolarShare's website
- ActewAGL Network technical study and connection proposal
- ACT Government Feed in Tariff Deed of Entitlement

No funds raised by this Offer will be applied to the project until sufficient investment is raised to secure the full capital expenditure requirements of the project (following the release of this Offer Information Statement).

The key statistics of the farm are presented below

Key Statistics	
Solar panels	~5,000 solar PV modules
Area	~2.5 hectares
Year one energy generation	>1.8 GWh
Equivalent number of households powered	260 households
Capital Cost, including development and community investment vehicle establishment	\$2.75 million
Modelled annual revenue – first year of operations	\$403,217

1.1.2 Details about SolarShare's construction partner for Majura

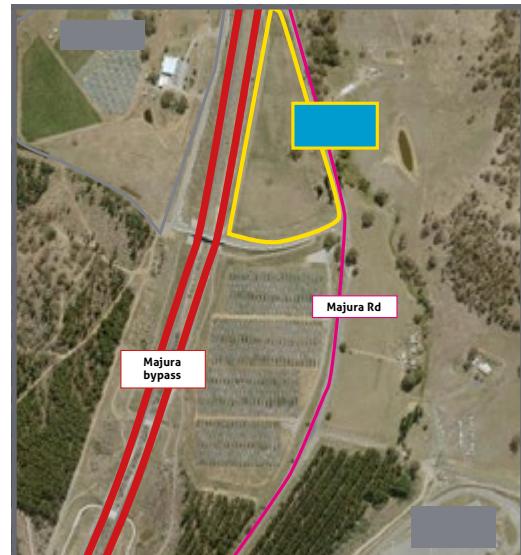
Epho will be engaged as the Engineering, Procurement, and Construction (EPC) contractor for the Majura project. They will be responsible for design, project management, civil works, installation works, electrical works, ActewAGL coordination (after execution of the grid connection agreement) and ongoing operations and maintenance.

General Capabilities:

Epho is a company that specialises in the development of large commercial roof-top and ground mount solar systems. The Epho team has delivered tens of megawatts of large-scale and commercial solar projects and has designed hundreds of projects in Australia, Europe, and South Korea. Epho's clients include a wide range of large corporations, such as CBA, ALDI Stores Australia and DB Schenker. Epho's culture and business processes have developed from the EPC business of utility-scale solar power plants and the solar module manufacturing sector.

Epho is backed by two of the most successful utility-scale solar companies in the world, ibvogt and Saferay. The two companies have installed a combined volume of 1,200 MW of solar power plants in Europe, North America, Chile, Philippines and Japan, ibvogt has recently completed a 10 MW solar farm in the ACT.

Epho has installers and designers who are accredited by the Clean Energy Council, as well as qualified Electrical Engineers. Epho's business processes are certified according to International Standards Organisation (ISO) 9001 for quality, ISO 14001:2004 for environment, and Australian Standard (AS) 4801:2001 for work, health and safety. In addition, Epho has been successfully audited for the even more stringent OH&S standard, the NSW Government Work Health and Safety Management Systems & Audit Guidelines 5th edition.



1.1.3 Solar farm construction

Building the solar farm will involve the installation of a number of arrays of photovoltaic (PV) solar panels. The panels will be arranged in rows on large mounting frames to form a power block. The solar system's design will allow for it to be built on uneven terrain, and thus ground levelling will not be required.

The solar farm will take approximately three months to construct following the receipt of relevant planning approvals.

1.1.4 Grid connection

SolarShare's Engineering Procurement and Construction contractor will oversee the solar farm's connection to the electricity grid i.e. the Evo Energy Network. A full network technical study for the site has already been conducted by Evo Energy (formerly known as ActewAGL Distribution) and SolarShare has received a preliminary offer to connect to the grid which includes costings.

1.1.5 Market Participation

The electricity generated from the site will be sold into the National Electricity Market (NEM) at the market price. Under a contractual arrangement, Enova Community Energy Ltd will act as a market participant on SolarShare's behalf.

1.1.6 ACT Community Feed-in Tariff Scheme

SolarShare has been awarded a Feed in Tariff (FIT) entitlement under an ACT government scheme for a 'Contract for Difference' (CFD) that will ensure that SolarShare will receive a total income of 19.56c/kWh for electricity sold from the plant up to a capacity of 1MWac. To achieve this, the plant will sell its electricity to the electricity market at the wholesale market price. Any difference between market price and the 19.56c Feed in Tariff (FIT) price will be reconciled between SolarShare and the electricity distributor, Evo Energy, under the terms of the CFD.

The Community Solar FIT is a capacity release under the Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011.

1.1.7 Renewable Energy Certificates

SolarShare will retain the benefit of the renewable energy certificates (Large Generation Certificates or LGCs). These LGCs will be sold separately and form part of the project's modelled revenue stream, their modelled value has been discounted due to price uncertainty.

1.1.8 Site information

a. Environmental impact of the Majura Development

Environmental studies have been undertaken of the Majura site i.e. in conjunction with the adjacent 2.3MW solar farm development. This environmental assessment focussed on whether listed threatened species and ecological communities had the potential to inhabit the site. These studies determined that the proposed Majura site did not provide suitable habitat for listed threatened flora species. Furthermore, the site was found to be located within cleared land classified as 'exotic pasture' which is not considered to contain threatened ecological communities.

b. Heritage impact of the Majura Development

Initial cultural heritage studies have been undertaken to consider whether any potential cultural heritage sites may exist on the site. This assessment found that the local area contains 'low' to 'medium' areas of cultural heritage significance. The project plan includes timeframes allowing for any potential artefacts to be handled with care and returned to country.

1.1.9 Community Engagement for the site

SolarShare has developed and commenced a community engagement plan to ensure community members with an interest in the site (for example through ownership of adjacent properties) are properly engaged and consulted during the pre-construction phase.

The goal of SolarShare's community engagement plan is to facilitate meaningful and results-based engagement between SolarShare Community Solar Farm and the Canberra community. The community includes community councils, community groups, traditional owners, project neighbours and other stakeholder groups. Engagement will occur throughout the life of the project with an aim to ensure relationships are based on mutual trust and respect.

SolarShare has identified the following stakeholders for the site:

1. Local residents and neighbouring owners
 - a. Majura residents' group
2. Landowner
 - a. Private landowner (winery) with 99-year lease on land
 - b. Traditional owners
 - i. Buru Ngunnawal people
 - ii. Weewira, Ngamrbi Little Gudgenby River Tribal Council
 - iii. Ngarigu Currawong Clan
 - iv. King Brown Tribal Group
3. Local institutions
 - a. Australian Federal Police (AFP)
 - b. Department of Defence
 - c. AFP driver skills training
 - d. Community groups with an interest in the Majura Valley
 - e. North Canberra Community Council
 - f. Friends of Mt Majura
 - g. SEE-Change
 - h. Molonglo Catchment group
 - i. Friends of Grasslands (FOG)
 - j. Canberra Ornithologists Group (COG)
 - k. Conservation Council
 - l. Greening Australia

FURTHER PROJECTS

In addition to SolarShare's existing projects, SolarShare is actively developing further projects in the ACT on rooftop and greenfield sites.

It is anticipated that further projects will be financed through further capital raisings or, if SolarShare's members desire, through reinvestment of income from SolarShare's initial projects.

Further projects may be held directly by SolarShare, or alternately, SolarShare may hold further projects in a subsidiary entity, this would allow particular projects to be held jointly between SolarShare and a developer for example.

COMMUNITY ELECTRICITY PRODUCT

SolarShare is working with Enova, a community owned energy retailer to develop an energy product offering to provide NSW residents an opportunity to purchase energy from a community owned energy retailer and support SolarShare projects.

This collaboration aims to increase the opportunities for connection with SolarShare's plant and to further strengthen SolarShare's financial returns. It is currently intended that Enova will contribute 3c to SolarShare for each kWh of consumption by customers subscribing to Enova's SolarShare partner product. SolarShare's financial modelling has not included the revenue from this product in the base-case of modelling.

See www.enovaenergy.com.au/about/ for more information on Enova.

WHOLESALE MARKET INTERMEDIARY

SolarShare intends to contract with Enova to act as the intermediary service provider for the spot market revenue from the Majura project. Enova will be financially responsible for Majura's meter, that is, it will receive revenue for Majura solar farm's generation and pass it through to SolarShare. This spot market revenue will then be adjusted by the Feed in Tariff Contract For Difference (FIT CFD) (See page 19).

This arrangement utilises Enova's energy market regulatory and licensing approvals, eliminating the need for SolarShare to acquire and maintain them. As an intermediary, Enova will accept revenue weekly and pass it to SolarShare subject to terms to be developed in an agreement between the two companies. A key aspect of any agreement will be managing the credit risk associated with Enova holding SolarShare's funds from the Majura project's generation.



6. FINANCIAL MODELLING

SolarShare has conducted financial modelling of the project. SolarShare believes the inputs used are reasonable based on the information available at the time of this publication.

SolarShare's base-case is presented in the following sections. The 'base-case' means the SolarShare financial model's default case. This 'base-case' is used as a comparison to assess the impact of various other possible scenarios. The returns you may receive as an investor may be higher or lower than the base-case in the event of a scenario that affects the input assumptions used in the base-case. SolarShare has modelled how potential changes in the base-case assumptions may impact expectations of financial performance. The final section on sensitivities is provided as a guide to the expected impact of various positive or negative events.

SolarShare have the option to use debt to complete the financing of the project if this Offer is not fully subscribed. It is SolarShare's Board's intention to use community equity where available, in preference to use of debt financing.

Amounts presented are exclusive of GST (where relevant).

DISTRIBUTIONS

SolarShare investors will receive dividends from the profits generated by the solar farm. During the life of a SolarShare project, SolarShare will distribute back to its members some of the invested capital as well as the dividend for that period.

SolarShare's modelling base-case estimates a return to SolarShare investors in the range of 5% percent (internal rate of return), but this could be affected by unanticipated costs, or by other factors beyond SolarShare's control. See page 29 for information on the assumptions that these estimates are based on. **Investors should not rely on this estimate and should seek their own financial advice before investing.**

SolarShare expects all dividends other than the first to be fully franked. SolarShare's first dividend may be partially franked due to carry forward losses thereby reducing SolarShare's tax liability, and consequently, SolarShare's stock of franking credits.

SolarShare does not expect to pay a distribution in the first full financial year of operation. Beyond this, SolarShare intends to pay distributions annually. Distributions will vary from year to year based on weather and generation patterns for that year. Additionally, SolarShare expects annual generation to decrease slightly each year due to equipment degradation.

Distributions will also be affected by any equipment replacements required by the farm. SolarShare's model includes accruing sufficient funds to replace the inverters should they fail after their warranty period has expired. Equipment replacements will affect the distributions paid.

If SolarShare uses debt to finance the project, distributions will also change as its debt is paid off. SolarShare anticipates that distributions in the period where debt is being paid off will be primarily returns of capital. Following the repayment of debt, distributions are anticipated to include a franked dividend as well as a return of capital.

The Board's policy is to pay a distribution when it has sufficient funds available in excess of all the following allowances:

- operating and overhead expenditure budget
- safe carry over level
- service of any debt
- anticipated upcoming capital expenditure
- funds applied to furthering the objectives of the company and/or to the benefit of the SolarShare community.

To the extent permitted by the Australian Taxation Office, SolarShare intends to pay a capital return to the extent capital is not required for replacement of equipment, other costs, reserves or investment in further projects.

Modelled annual returns for twenty-year life of the project are below.

It is important to note that unlike other investments such as a bank deposit or purchase of shares or equities on the stock market, the FPAS Shares are expected to have zero value at the end of the project life. Subject to a Special Resolution of Security holders at the end of the project life, the Shares may be cancelled at this time, representing the end of your financial investment with SolarShare.

The following returns stream represents the modelled base-case combination of the returns (profits comprised of dividends and franking credits) on your investment as well as repayment of your original investment (capital return).

The returns presented below are for each Security, with an Offer Price of \$10.

Returns (\$/Security)	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY* 29/30
Capital return	1.16	0.48	0.46	0.46	0.46	0.46	0.46	0.46	0.46	-
Dividend	-	0.34	0.33	0.35	0.35	0.33	0.31	0.30	0.29	0.20
Franking credit	-	0.13	0.14	0.15	0.15	0.14	0.13	0.13	0.13	0.08
Total return	1.16	0.95	0.92	0.96	0.95	0.92	0.90	0.89	0.87	0.28

Returns (\$/Security)	FY 30/31	FY 31/32	FY 32/33	FY 33/34	FY 34/35	FY 35/36	FY 36/37	FY 37/38	FY 38/39	FY* 39/40
Capital return	0.43	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.40
Dividend	0.31	0.21	0.20	0.18	0.17	0.16	0.15	0.13	0.12	0.18
Franking credit	0.13	0.09	0.09	0.08	0.07	0.07	0.06	0.06	0.05	0.08
Total return	0.87	0.81	0.79	0.77	0.75	0.73	0.72	0.69	0.67	0.66

*in preparation for an inverter replacement, returns are diverted in FY29/30 towards establishing a sinking fund regarding the replacement of inverters as the inverter warranty is set to expire at this time

Financial estimates are based on SolarShare financial model version 1.97

MODELLING ASSUMPTIONS

SolarShare has conducted extensive financial modelling which has been verified by P² Advisory. As with any financial model, it is important to understand the assumptions and inputs upon which the model is based. The table below summarises the key modelling inputs.

Input	Value
Financial inputs	
Feed in tariff price (\$/kWh)	\$0.1956
Annual Inflation	Uniform 3%
Annual bank interest rate (deposits)	2%
Capital Costs	
Project capital cost (including contingency budget)	\$2,748,000
Working capital	\$100,000
Total capital raising	\$2,848,000
\$2,848,000	
Lifecycle Costs	
Cost of replacing inverters 1	\$162,000
Decommissioning costs	\$20,000
Technical inputs	
kWh generated per kW(peak) installed DC capacity (year 1) ²	1,468 kWh / year or an average of 4.02 kWh /day
Annual solar panel capacity degradation	0.70%
Member information	
Number of members if fully subscribed, based on average investment size registered	480
Notes	
¹ The company has modelled that the inverters will require replacement after 10 years of operation	
² Generation values determined through PV Syst and cross checked from generation data of three pre-existing solar power systems in the ACT, corrected for differences in age and orientation.	

USE OF FUNDS AND CAPITAL INVESTMENT

The combined total to be raised from the sale of Shares under this Offer will be \$2,848,000 if fully subscribed (before costs).

If the offer is undersubscribed, SolarShare will make arrangements for a bank debt facility for the balance of capital required to build the flagship project.

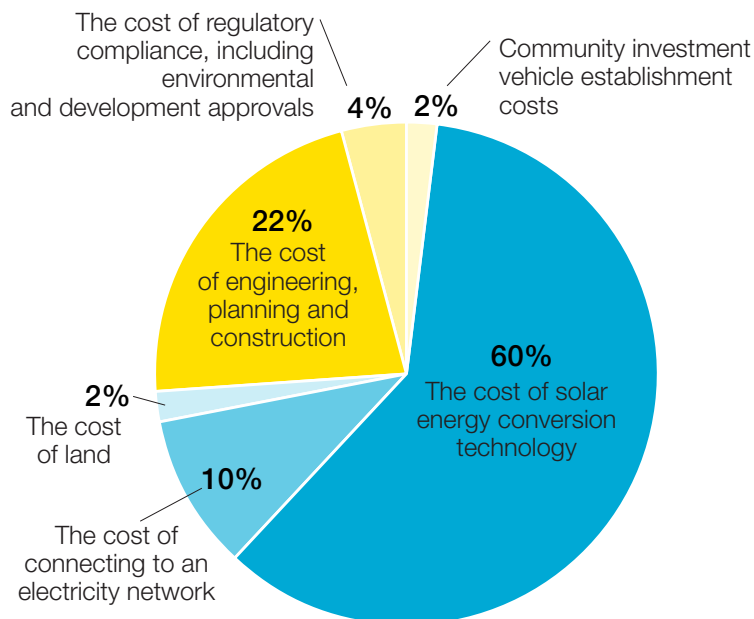
Funds raised from the Securities purchased under this Offer will be applied towards financing the purchase, development, constructions, operations, and related operation and community activities of the flagship solar farm project at Majura Valley, and if deemed appropriate by the Board, towards the development of additional SolarShare projects.

The capital raised under the Offer will allow SolarShare to:

- a) Provide the additional funding required to progress development and commercialisation of the SolarShare Majura Valley project; and,
- b) Increase the Company's working capital to support ongoing activities.

The major portion of the funds raised will go towards building the Majura Valley solar farm such as:

- Civil work;
- Development expenses. Including securing the site, NCA approval processes heritage & environmental studies;
- Solar power plant hardware such as panels, inverters, and balance of system;
- Electrical and mechanical labour;
- Engineering and project management, including logistics;
- Grid connection; and,
- Other project costs such as site surveys, landscaping and quality inspections.

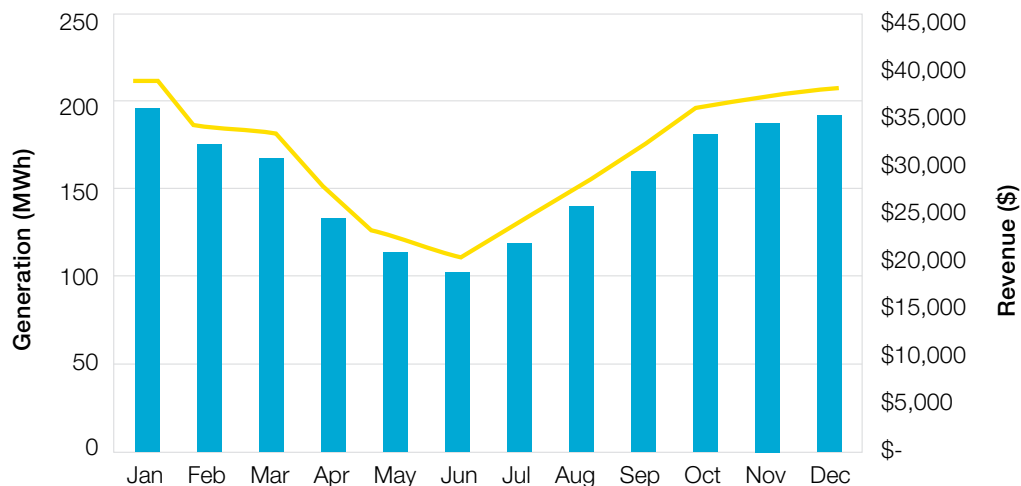


COSTS ASSOCIATED WITH THIS FUNDRAISING

A small portion of the funds raised will be used to pay for the setup and establishment costs of the this Offer such as legal fees, financial advice, lodgements and registrations. The breakdown of these costs is estimated below

Cost category	Amount
Legal fees	9,000
Financial Advisory fees	13,400
Lodgements and registrations	2,350
Total	\$ 24,750.00

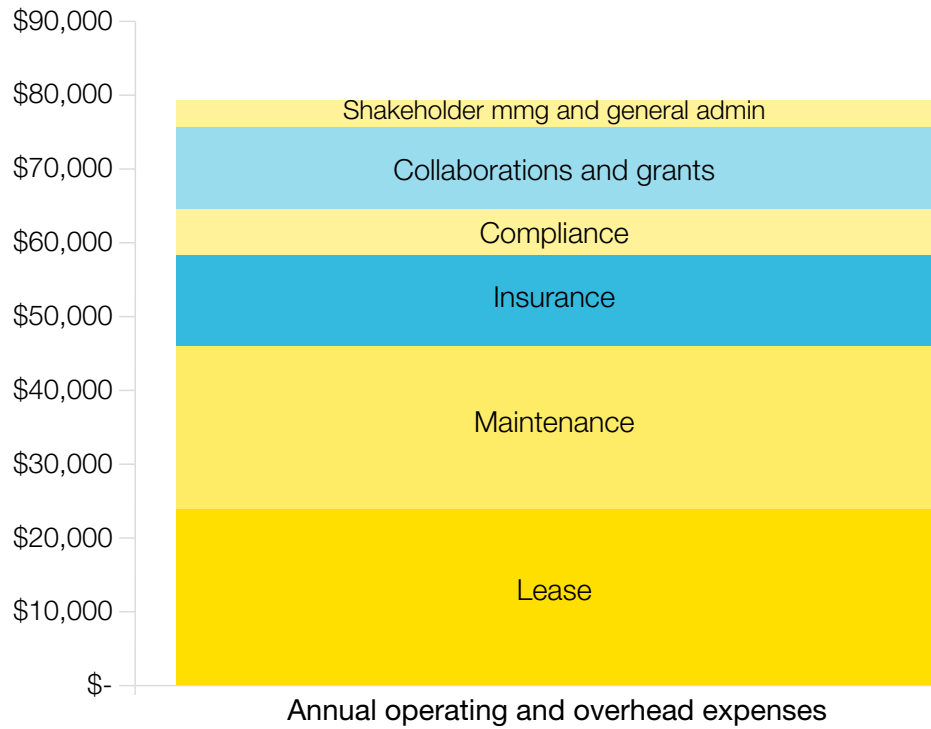
INCOMES & EXPENDITURES



SolarShare will earn income from the sale of electricity and from the sale of LGCs. SolarShare's modelled (projected) electricity generation and resulting income for the first 12 months of full operation is shown below.

Note that a number of factors outside of SolarShare's control could affect the above figures. See the following analysis on sensitivities and also Section 7 on Investment Risks for examples of those external factors.

An overview of SolarShare's budgeted expenses in the first year of operation can be seen below. SolarShare's largest annual expenses are solar farm maintenance and site leasing costs. Beyond these operational costs, the costs involved in running a community investment organisation are the primary setup and construction expenses. SolarShare has also budgeted for some small collaborations and grants as part of its commitment to the ACT Government in community engagement and economic development.



Additional to the above expenses there are cash outgoings related to tax and financing such as tax expenses and cash flows for distribution payments to members, and, should it be necessary, interest on bank debt and repayments of principal. These amounts will vary depending on the amount of investment raised under this offer and consequently how much of the debt facility is required. One-off staffing costs for the Principal Executive Officer, a part time project manager and a partnerships manager are also included in modelling.



SENSITIVITIES

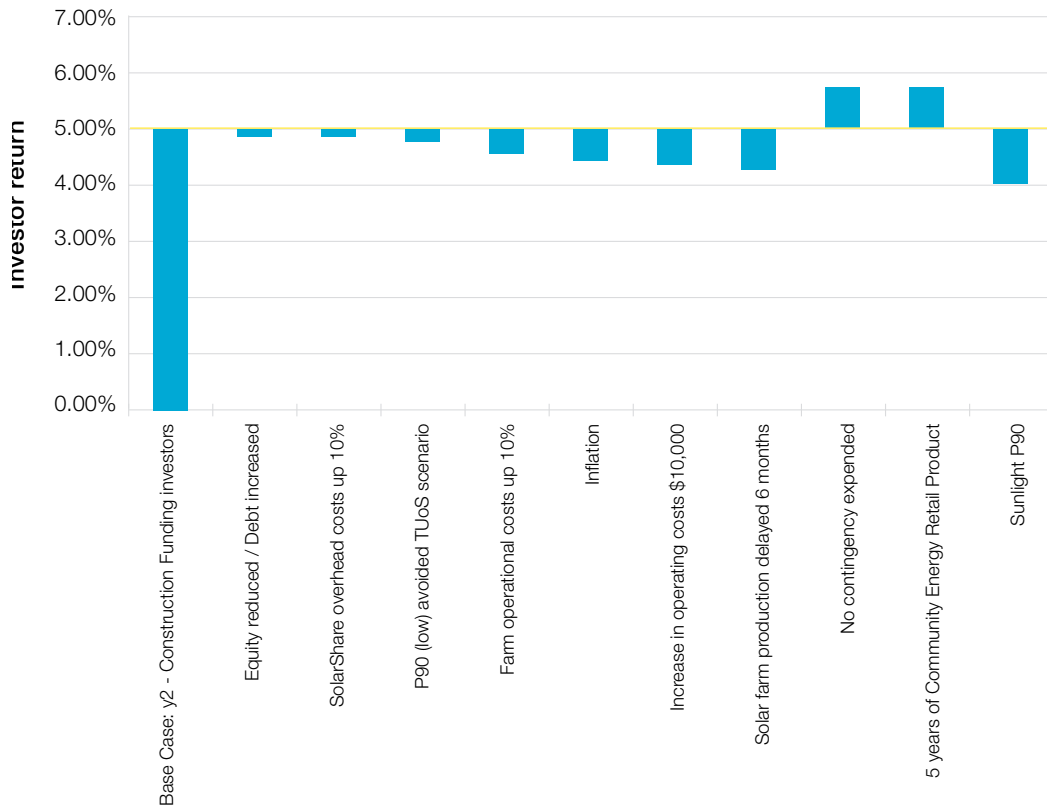
SolarShare has modelled the way expected returns change as the modelling assumptions change. These scenarios are presented below. Should more than one of the listed sensitivities occur, the associated changes in projected return would be aggregated.

Sensitivities	Projected Annual return	Notes
Base-Case: T2 – Construction Funding investors	5.03%	Projected Investor Internal Rate of Return (IRR) for tranche two investors (this Offer)
Sensitivities T2 – Construction Funding	Change in projected return (Absolute)	Notes
Farm operational costs up 10%	-0.48%	The costs of operating and maintaining the farm are increased by 10% from an average annual value of \$20,300
SolarShare overhead costs up 10%	-0.14%	SolarShare's organisational overhead is increased by 10% from an average annual value of \$77,200
Solar farm production delayed 6 months	-0.73%	Delays in construction mean generation is delayed by 6 months
Inflation	-0.55%	Inflation is higher than the assumed value of 3% by an additional 1%
P90 (low) avoided TUoS scenario ^{^*}	-0.25%	SolarShare's generation coincides less with peak times than normal and earns less 'avoided TUoS' revenue
Increase in operating costs \$10,000	-0.68%	SolarShare's annual expenditure on overhead or farm operations is increased by \$10,000
Equity reduced / Debt increased	-0.01%	SolarShare funds the flagship project with \$250,000 less equity and consequently \$250,000 more debt
5 years of Community Energy Retail Product	0.75%	SolarShare establishes a community energy partnership for 5 years
No Contingency expended	0.72%	None of the contingency budget of \$199,109 is required in construction
Sunlight P90*	-1.05%	Sunlight inputs are reduced to the 'P90' level.

*Each year has a 90% chance of an amount of sunlight higher than the P90 level

[^] TUoS stands for 'Transmission Use of System'. By generating electricity locally within the Evo Energy Network, Evo energy does not need to source the same amount of power from the Transmission network which delivers power to the ACT. Evo energy is charged for its peak usage of the Transmission network and local ACT generation reduces these charges. An avoided TUoS mechanism passes through these savings to the generator(s) which assisted in lowering Evo Energy's peak usage charges.

SENSITIVITIES CHART



Note that aggregated effects of various scenarios occurring concurrently have not been presented, however could be expected to have a cumulative impact on investor returns should more than one of the tested changes be realised in a given scenario.

7. INVESTMENT RISKS

The SolarShare Majura project is a community solar farm project planned in the Australian Capital Territory. There are a number of factors that affect the risks detailed herein. These include the technological, climatic, global economic, Australian economic, social, regulatory and political conditions.

There are a number of SolarShare's activities that may be affected including but not limited to equipment supply, labour and contractor supply, electricity generation, income from sale of electricity, technical requirements for solar power plants, programs such as the renewable energy target and programs such as the ACT Government Community Solar Scheme.

The stakeholders in this context are many and varied; a non-exhaustive list includes the Australian Securities and Investment Commission (ASIC), the ACT Environment and Sustainable Development Directorate (ESDD), Evo Energy, Enova Energy, the ACT Government, the Federal Government, the Australian Energy Market Operator (AEMO), the Australian Energy Market Commission (AEMC), electricity retailers and generators and the ACT community.

Certain projects in which SolarShare is involved may require SolarShare to hire staff and consultants with specialised expertise, and require significant expenditure and financing, for successful completion.

Accordingly, an investment in SolarShare should be considered speculative due to the risks inherent in the solar farm business.

The impact of these risks relates to the financial performance, financial position, cash flows, distributions, growth prospects, share value of the Company and ability of the company to achieve its broader social and environmental objectives. These, and other risks, are discussed further below.

SPECIFIC RISKS AND MITIGATION STRATEGIES

The Risk What Can Happen?	Mitigation Strategies	Residual Likelihood	Residual Consequence	Residual Risk Level
Financial risks				
Financial systems Failure of/inadequate general systems and processes, including internal review, to ensure accuracy of financial statements and/or all financial reporting or internal fraud is committed	<ol style="list-style-type: none"> External accountants are engaged to review financials in offer document Principal Executive Officer reviews accounts monthly Financial statements considered by Board at each Board meeting Annual external audit 	Unlikely	Major	High
Provider contractual failure or default A contractor or provider to SolarShare may become insolvent, or default on its contractual obligations.	<ol style="list-style-type: none"> SolarShare to have financial disclosure from providers Ensure that adverse trends are aired and addressed PEO, through Chair, to report any adverse matters to the Chairman as they become evident All Board members and members of SolarShare to report adverse actions and comments to PEO for assessment and attention Conflict of interest managed appropriately Establish appropriate legal and financial covenants with providers and suppliers including through payment on achievement of milestones to minimise risk of financial loss to SolarShare. 	Unlikely	Major	High

The Risk What Can Happen?	Mitigation Strategies	Residual Likelihood	Residual Consequence	Residual Risk Level
<p>Under-subscription</p> <p>As a result of insufficient investment, SolarShare may not be able to raise the required capital to implement and complete its business plan under this Offer Information Statement</p>	<p>If SolarShare is unable to attract sufficient investment to finance its project/s and cover costs, SolarShare's Board will keep Members informed and will decide whether to proceed with the project/s.</p> <p>Based on the extent of investment, the Board may decide:</p> <ol style="list-style-type: none"> 1. To engage with a project underwriter to meet the shortfall 2. To seek out other community investors to cover the shortfall 3. To use debt finance for the remainder of the project/s not covered by investment funds 4. Not to proceed with the SolarShare project/s and to return the capital <p>SolarShare will ensure that all capital raised will be held until all the project investment triggers are met, including a trigger requiring sufficient finance to proceed.</p> <p>Investors who have committed funds to invest in SolarShare will be informed if SolarShare attracts insufficient investment.</p>	Possible	Major	High
<p>Debt</p> <p>Debt facility from current preferred debt provider is not offered to SolarShare. Whilst SolarShare is working with a bank, no binding terms of offer of debt have been received. Current conditions for provision of debt (comprising plant returns, security offered to the bank, surety of revenue and debt guarantee) have not been scrutinised yet by the bank's credit risk functions. Future conditions (changes in economic outlooks, liquidity in the marketplace) are unknown and may impact any offers of debt prior to financial close.</p> <p>Interest rates rise or plant operation could drop leaving debt costs unmanageable.</p>	<p>If SolarShare is unable to attract sufficient debt from the current preferred provider to finance its project/s and cover costs, SolarShare Board will keep members informed and will decide whether to proceed with the project/s. Based on the extent of investment, the Board may decide:</p> <ol style="list-style-type: none"> 5. To seek out other providers of debt 6. To engage with the project underwriter to meet the shortfall 7. To seek out other community investors to cover the shortfall 8. Not to proceed with the SolarShare project/s and to return the capital 	Possible	Major	High
<p>Shareholder demand for secondary trading mechanism</p> <p>There is no recognised market for the Shares as SolarShare is an unlisted public company and the Shares are not currently, and are not intended to be, quoted on any stock exchange. The lack of a recognised market for the Shares may affect their liquidity and the price that might be obtained upon selling the Shares.</p>	<p>In the future and subject to legal advice, SolarShare will consider mechanisms for facilitating trading of Securities amongst members.</p>	Likely	Moderate	High

The Risk What Can Happen?	Mitigation Strategies	Residual Likelihood	Residual Consequence	Residual Risk Level
<p>SolarShare's proposed mechanism of capital returns have not been formally accepted by ATO</p> <p>Whilst verbal advice by the ATO has been received by SolarShare that capital returns are possible and acceptable in our case, no formal binding advice has been received by SolarShare. Should the ATO deem it not acceptable to distribute capital back to shareholders, our dividend policy would need to change</p>	<ol style="list-style-type: none"> 1. Changing from capital returns to a combination of franked and unfranked dividends increases the dividend return for investors, however individual circumstances would come into play as to whether the net result per investor is positive or negative. 2. A private and/or class ruling from the ATO will be pursued by SolarShare 	Possible	Minor	Medium
Operational risks				
<p>Plant operation risk</p> <p>Delays in the installing or commissioning of equipment needed to operate the plant (such as solar panels or inverters) may arise. Problems may also arise as a result of the failure of equipment or interruptions to services or technical support needed to operate the plant, which result in failure to achieve expected energy generation and consequent loss of revenue, or result in the need for further expenditure.</p> <p>There is a risk that through vandalism, a fire, or other Act of God that SolarShare's property could be damaged or destroyed.</p>	<p>In relation to the Greenfield site, SolarShare's Engineering, Procurement, Construction and Maintenance (EPC&M) partner has committed to a 98% availability guarantee for the plant, with service levels as per a monitoring and maintenance proposal, including maintaining an adequate inventory of spares to meet the availability guarantee.</p> <p>SolarShare has budgeted for and will take out an insurance policy for the Greenfield project site that will cover material damage and consequential loss of profits.</p> <p>At the Greenfield project site, a security fence will be installed around the installation to prevent damage to the panels.</p>	Unlikely	Major	High
<p>Key person risks</p> <p>The responsibility of overseeing the day-to-day operations and the strategic management of SolarShare depends substantially on its senior management and its key personnel. There will be a detrimental impact on SolarShare if one or more of these personnel are unable to fulfil their duties.</p>	<p>SolarShare is actively diversifying responsibility for key operational activities to ensure that organisational continuity is maintained in the event a key person is unable to fulfil their duties or leaves SolarShare. In addition to the Principal Executive Officer (PEO), a Project Manager (PM) role has been defined and filled. This both mitigates key person risk and increases resourcing. Budget for paid personnel for key activities has been allowed for to create a contractual economic incentive. Both PEO and PM roles will be remunerated with contracts with economic incentives applied.</p>	Possible	Moderate	Medium
<p>New venture risk</p> <p>SolarShare's ability to achieve its objectives depends on the ability of its Directors and management team to implement SolarShare projects and to respond in a timely and appropriate manner to any unforeseen circumstances that could require changes to those projects. As SolarShare is a new company it has no proven track record in this type of venture.</p>	<p>Each of SolarShare's Directors and Management team has significant experience in business, management or the solar energy industry. To further mitigate risks SolarShare undertakes:</p> <ol style="list-style-type: none"> 1. Board profiling to secure relevant expertise and experience 2. Management and volunteer recruitment to secure relevant expertise and experience 3. Recruitment of external professional service providers (legal, financial, audit etc.) to provide assurance to management and Board. For example, Chamberlains Law Firm, P² Advisory and Meah&Co 	Possible	Moderate	Medium

The Risk What Can Happen?	Mitigation Strategies	Residual Likelihood	Residual Consequence	Residual Risk Level
Technological advancement Technology changes render plant obsolete. Spares become difficult to source. Other, more cost effective, generating plant dominates the electricity industry.	SolarShare will maintain an Operation and Maintenance (O&M) contract, including continuity planning. If technological change leads to abundant electricity supply and spot market price collapse the ACT Government Contract For Difference (CFD) will cancel out decreased spot market prices.	Likely	Insignificant	Medium
Climate and weather risks Plant output depends on available energy from the sun which is affected by weather patterns and climatic changes. Decreases in plant output due to weather and climate changes will adversely affect investment performance.	Localised weather impacts can be mitigated through expanding SolarShare's project portfolio beyond the flagship project and thereby diversifying the source of revenue supporting operations. The risks of broad climatic changes affecting the greater geographic region cannot be mitigated by diversifying SolarShare's project portfolio as all future projects are likely to be located in that region.	Unlikely	Moderate	Medium
Construction risks				
Completion risk 1. The contractor may fail to perform the construction contract and fail to reach project completion 2. The project may suffer a cost blow out beyond the financial capacity of the secured finance. 3. Finance negotiated through debt facilities or underwriting agreements may not be forthcoming.	1. A guarantee from the EPC's parent company will be used to ensure the contract is performed. 2. A fixed price EPC contract will be used to limit the sources of risk that would result in a cost increase to the project owner. 3. Redundant financing options, for example the underwriter relationship, have been negotiated to secure more financing than is required to build the project.	Unlikely	Major	High
Grid connection risk There may be a delay in execution, or cost increase, in the grid connection arrangement with Evo Energy.	SolarShare has ongoing and consistent engagement with Evo Energy personnel to continue stepping through the grid connection process. Evo Energy have provided written confirmation of project connection costs signed-off by senior management.	Possible	Major	High
Development risks (T2 - Construction Funding investors) The Company may fail to achieve a construction-ready project and financial close due to: 1. Failure of project to secure final permitting, 2. Breakdown in contracting negotiations, 3. Insufficient financing to complete development work	T2 - Construction Funding fundraising to be held in separate account until pre-determined development milestones are completed. If development not achieved then capital to be returned to T2 - Construction Funding community investors.	Possible	Major	High

The Risk What Can Happen?	Mitigation Strategies	Residual Likelihood	Residual Consequence	Residual Risk Level
Partnership risks				
<p>Counterparty</p> <p>Constructing and maintaining a solar farm involves certain operational risks, and may be delayed or adversely affected by factors outside SolarShare's control. SolarShare will operate through a series of contractual relationships with landowners, site developers, energy purchasers, financial backers, insurers and contractors generally.</p> <p>All contracts carry risks associated with the performance by the parties of their obligations as to time and quality of work performed. Risks may eventuate through counterparties not adhering to the terms of the contract or due to the cessation of business operations.</p>	<ol style="list-style-type: none"> 1. Dispute resolution provisions in the contract, and by SolarShare's Principal Executive Officer reporting any adverse matters to the Chair as they become evident, and ensuring that all Board members and members of SolarShare report adverse actions and comments to the Principal Executive Officer for assessment and attention. 2. SolarShare will take into consideration when selecting counterparties, the likelihood that any adverse matters can be worked through in a fair dispute resolution process with suitable outcomes. 3. Significant contracts shall have payments based on completed progress and/or milestones. 	Possible	Major	High
Political/reputation risks				
<p>Community opposition risk</p> <p>It is possible that local residents will not be supportive of SolarShare projects due to their possible proximity to residential areas or for other reasons. This opposition has the potential to impede SolarShare's operations, for example through community-led demonstrations or through negative submissions in relation to any development applications put forward by SolarShare.</p>	<p>SolarShare has engaged with local stakeholders and will continue to engage with the local community including through the Community Engagement Plan and the ACT Investment Plan as outlined in the Deed of Entitlement. SolarShare's flagship project has already received letters of support from various local organisations with an interest in the land and local developments.</p>	Unlikely	Moderate	Medium
<p>Privacy risk</p> <p>An internet security breach may lead to investors' personal details being obtained by third parties.</p>	<p>SolarShare's registry provider, Registry Direct, will store the most sensitive aspects of investors' information.</p> <p>SolarShare's own website employs standard internet security measures such as https.</p>	Possible	Moderate	Medium
<p>Sovereign risk</p> <p>There is a risk that the Australian Capital Territory land on which SolarShare intends to operate its flagship project is reclaimed under a Crown Lease. The land is subject to a withdrawal clause for one possible alignment of a future Very Fast Train (VFT) route.</p> <p>The Federal Tax regime could change in future and have a material impact on the revenue of SolarShare or the viability of its operations.</p> <p>Changes to other federal laws such as changes to the Renewable Energy Target, or state laws such as repeal of the Australian Capital Territory's Community Feed-in-Tariff scheme would also have a material impact on the company.</p>	<p>Through involving a large number of community members in the Majura project we raise the political risk for future sovereign participants that may seek to alter the project's operating environment in a manner that would negatively impact our community investors.</p> <p>If the withdrawal clause is exercised the crown lease and the proposed lease between SolarShare and the landowner contain provisions for SolarShare to receive reasonable compensation.</p>	Unlikely	Moderate	Medium

The Risk What Can Happen?	Mitigation Strategies	Residual Likelihood	Residual Consequence	Residual Risk Level
Offtake agreement risks				
Feed-in Tariff Feed-in tariff FIT repealed or materially and adversely modified	The Deed of Entitlement with the ACT Government provides for some financial compensation should the FIT entitlement be revoked	Rare	Catastrophic	High
Revenue Management Agreements Revenue received from the flagship project for electricity produced involves a government instrument and two contracts. The ACT Government Scheme involves a Deed of Entitlement and a Contract For Differences (CFD) to deliver a fixed Feed-in Tariff (FIT). Further, SolarShare needs to obtain a spot market pass-through contract to receive spot market revenue to combine with the CFD revenue so as to create a hedged revenue stream. If this spot market pass-through contract is not obtained or its terms and conditions do not suitably match the ACT Government Scheme CFD, SolarShare may be subject to an adverse (lower or volatile) market cash flow.	A contractual agreement for a spot market pass-through will need to be negotiated with terms which match the CFD (and Deed of Entitlement) to ensure an appropriately hedged cash flow occurs.	Possible	Major	High
Counterparty credit worthiness risk				
Evo Energy credit worthiness risk The counterparty to the ACT Government Contract For Difference (CFD) is Evo Energy (formerly ACTEWAGL Distribution). Evo Energy is a large, regulated monopoly joint venture between AGL and the ACT Government, and creditworthiness is considered to be very high i.e. low risk. Should Evo Energy default on its CFD agreement with SolarShare as a result of insolvency or bankruptcy, SolarShare's revenue would be disrupted. The revenue stream SolarShare receives would be unhedged i.e. not fixed by the FIT.	Assess and monitor creditworthiness of Evo Energy. SolarShare would work with the ACT Government to replace the CFD arrangement with Evo Energy's successor or some other counterparty. SolarShare may consider entering into a CFD with another party to hedge cashflow as a short to medium term measure if the FIT is unavailable from the CFD for a period of time, should Evo Energy default.	Rare	Major	Medium

The Risk What Can Happen?	Mitigation Strategies	Residual Likelihood	Residual Consequence	Residual Risk Level
<p>Enova Energy credit worthiness risk</p> <p>SolarShare's intended counterparty for the spot market pass-through contract is Enova Energy, a community owned energy retailer. As a small, start-up retailer, credit worthiness is a material risk to be managed. Spot market settlements occur weekly and as such, inherent credit exposure periods are low. The greatest risk is high spot prices, which may result in a requirement for cashflow from SolarShare to Evo Energy under the CFD contract. In the absence of spot market cash flow, this may cause SolarShare not to have sufficient funds to meet its obligations.</p>	<p>Assess and monitor creditworthiness of Enova Energy. If Enova Energy defaults on spot market pass-through contract, we would need to identify another wholesale market participant to receive SolarShare's generation revenue and inform AEMO. This process would need to be done quickly to minimise disruption of cashflow. SolarShare's credit exposure would be any cash received by Enova Energy and not passed through to SolarShare. Properly managed this would be minimised, and less than one week's spot market revenue.</p> <p>In the longer term, SolarShare may consider registering directly as a market participant and mitigate the need to contract for spot market pass-through services.</p>	Possible	Major	High
<p>Retail product risk</p> <p>SolarShare retail product offered through Enova:</p> <ul style="list-style-type: none"> • May not attract sufficient customers; • Customer service from Enova to SolarShare customers may be poor; and • Enova may default and not pass through funds to SolarShare. 	<p>SolarShare will sign customers up to the retail product prior to commencing construction.</p> <p>The base-case of the financial model has not included the retail product partnership, so any margin from retail products is considered "upside".</p> <p>SolarShare will monitor its partnership arrangement with Enova and manage branding and potential for reputational damage.</p>	Possible	Moderate	Medium
Legal risks				
<p>A party may litigate against SolarShare</p> <p>SolarShare's Board is not aware of any basis on which litigation against SolarShare would arise. There is, however, always a risk that litigation may occur as a result of differing interpretations of contractual obligations.</p>	<ol style="list-style-type: none"> 1. SolarShare has built relationships with suppliers and providers based both on thorough documentation and trust. 2. When selecting counter parties SolarShare aims to maximise the likelihood that any adverse matters can be worked through in a fair dispute resolution process with suitable outcomes. 3. SolarShare recognises the need for legal expertise at the Board level and has recruited an experienced lawyer for the Board. SolarShare has also engaged a local legal firm who are familiar with our business and capable of providing advice in the event of litigation arising. 4. SolarShare will maintain appropriate insurance policies. 	Unlikely	Moderate	Medium
<p>SolarShare may not meet performance requirements under its Deed of Entitlement with the ACT Government.</p>	<p>SolarShare will monitor and report regularly on its performance against Deed of Entitlement requirements.</p>	Unlikely	Moderate	Medium

The Risk What Can Happen?	Mitigation Strategies	Residual Likelihood	Residual Consequence	Residual Risk Level
Safety risks				
<p>Safety incident during construction or operation</p> <p>Electrical, construction or other hazard leads to workplace accident and/or injury</p>	<p>During construction:</p> <ol style="list-style-type: none"> 1. EPC to prepare a Safety Health and Environment Plan to be reviewed and approved by SolarShare before construction begins 2. All construction personnel to hold ACT white card 3. All site visitors to be inducted into EPC's site safety system 4. Engineering hierarchy of controls <p>During operations:</p> <ol style="list-style-type: none"> 1. SolarShare site induction and hierarchy of controls systems in place for risk assessments and risk management of site visits 2. SolarShare insurance policy 	Unlikely	Major	High
Environmental and Heritage risks				
<p>Incident or damage from spills or leaks of contaminants, latent conditions or heritage breach</p>	<p>Environmental, heritage and biodiversity studies and investigations conducted by professional consultants and any requirements included in contract with EPC for both construction and operation and maintenance phases</p>			

8. ADDITIONAL INFORMATION

MATERIAL CONTRACTS SUMMARY

- a) Site Development Agreement with Solar Fields and resulting option to the Lease Agreement with Mount Majura Vineyard.
- b) Deed of FiT Entitlement Agreement under the Electricity Feed-in (large-scale Renewable energy generation) Act 2011

COMMUNITY ENERGY NETWORKS

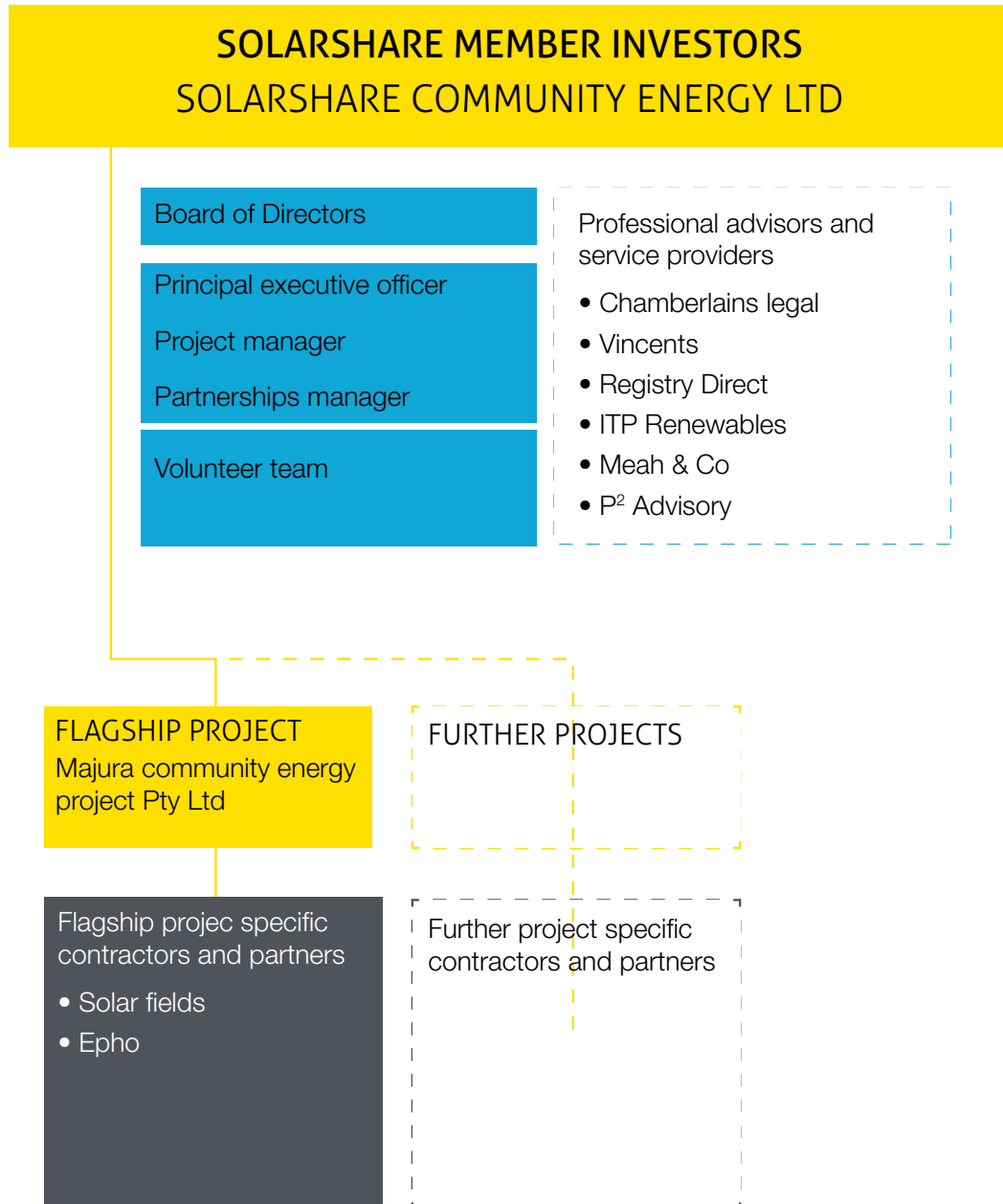
SolarShare maintains strong ties with the community power agency, Embark, and other community renewable projects across Australia. These networks enable sharing of ideas and experience and thereby strengthen our knowledge base. Through these networks, our experience in Canberra will be of benefit to other community energy projects around Australia.

FLAGSHIP PROJECT DECOMMISSIONING

As the equipment at each solar farm reaches the end of its life, the SolarShare Board will consult with members (shareholders), the host site, and other stakeholders to decide on the best course of action. One of two general paths may be taken:

- a) Members will have the opportunity to re-invest funds enabling SolarShare to purchase new equipment to continue operation of the solar farm[s]. This is known as 're-commissioning'
- b) The project will be wound up and any remaining capital will be returned to members and the project will be decommissioned. Subject to a Special Resolution of Security holders at the end of the project life, the Securities may be cancelled at this time, representing the end of your financial investment with SolarShare

9. ORGANISATIONAL CHART



10. DIRECTORS AND MANAGEMENT PROFILES

BOARD OF DIRECTORS

NICK FEJER, Chair

Nick brings a complementary set of skills to SolarShare. His knowledge of renewables and the energy segment arose from being a member of the founding group of Spark Solar, a company which operated in solar R&D, manufacturing and projects for photovoltaics in Australia.

He also brings experience in program delivery, introducing new projects and products to the market, process re-engineering and change management. He has a particular focus on technical and business development with previous positions such as Manager of Project Management and Business Development at Siemens VDO Australia and Project Manager at Robert Bosch.

His history in delivery of tight timeline projects and large business acquisitions as well as financial experience bring significant technical rigour to the SolarShare governance group.

Nick lives with his young family in Canberra and currently works for the Federal Government.

DR MICHELLE MCCANN

Michelle has worked in solar energy since 1996. She is currently a consultant to the PV industry and CEO and Director of PV Lab Australia, a specialised test laboratory with a focus on quality assurance and risk evaluation for PV modules and components. Michelle has also been the CEO and one of the founders of Spark Solar Australia, an Australian company seed-funded by a group of German experts in the photovoltaic field with the mission of raising funds to establish a PV manufacturing company in Australia. Prior to this, she worked in the photovoltaic group at the University of Konstanz in Germany, where she was group leader of the novel devices group. She has a PhD from the photovoltaic group at the Australian National University. Michelle has twice held a world record for high efficiency solar cells.

MAREA FATSEAS

Marea Fatseas is owner-director of consultancy company Ideas Connect. She has over 30 years of public and private sector experience in Australia and internationally. She brings to SolarShare extensive strategy development, program management and evaluation, and community engagement and advocacy experience. Her public sector experience included managing the Cooperative Research Centres (CRCs) Program in the former Education, Science and Training portfolio, including leading a team managing contracts with about 70 CRCs within an annual budget of about \$200 million. Her consultancy work with Ideas Connect involved working with diverse clients including state, territory and federal governments, universities, research organisations, and international organisations. Marea is also a co-founder and director of not-for-profit company climateXchange. She is very active in community engagement and in advocating to government on behalf of residents' groups, especially on planning and development issues, including as current Chair of the Inner South Canberra Community Council.

CARLO BOTTO

Carlo Botto has extensive energy industry experience, having worked in various roles in the energy supply industry in Australia and North America over almost 35 years. These roles have included senior executive positions responsible for wholesale trading, retail marketing, corporate strategy, risk management and regulatory/corporate affairs.

Carlo is a member of the ACT Government's Business Advisory Board for its Renewable Energy Infrastructure Fund and is a Non-Executive Director of Hydro Tasmania. Carlo was previously a non-executive director of BlueNRGY, and a senior executive in TRUenergy (now Energy Australia). These roles covered functional areas responsible for Strategy, Risk Management, Wholesale/Trading, Retail and Government & Regulatory Affairs.

(Carlo Botto - continued from previous)

Prior to this, senior executive roles included Head of Risk Management & Trading at InterGen, Director of Asset Trading & Operations for PG&E's National Energy Group based in Bethesda, Maryland USA and as General Manager, Trading & Pricing for Ergon Energy, a Queensland based electricity retailer. Originally from an electrical engineering background, Carlo gained significant operational experience while working at Snowy Hydro in various technical, production and commercial roles.

DAN CARTON

Dan has extensive experience in investment management, utilities, residential property and funds management. He currently works at a Commonwealth government agency in a senior management role responsible for portfolio management, investment sales, and investor relations. Dan also holds the role of Chief Economist. With tertiary qualifications in commerce and economics, Dan's governance experience includes not-for-profit boards in the sport and arts sectors, an advisory role in funds management education, and as a Responsible Manager on multiple Australian Financial Services Licences.

MANAGEMENT

LAWRENCE MCINTOSH

Principal Executive Officer

Lawrence McIntosh is responsible for Project Leadership and Business Planning. Lawrence is a founding member of the ACT's first formal jointly owned solar farm (located in Kambah). He has previously worked for ActewAGL Distribution, Armada Solar and Canadian Solar. During his time at Armada Solar he project managed several solar installations that were, at the time, the largest in the ACT. He is one of the Partners at PV Lab Australia, a specialised test laboratory with a focus on quality assurance and risk evaluation for PV modules and components.

WENDY MEREDITH

Wendy is a commercial and corporate lawyer with over 25 years of experience. She has acted for a wide range of companies including several start-up entities. Her focus is primarily on negotiating and drafting commercial arrangements, advising on business structuring, corporate governance and on the commercialisation of intellectual property.

Wendy's depth of legal knowledge and practical approach to finding solutions has developed a loyal client base across a wide range of industries including logistics, information technology, education, government and engineering.

JULIE CHATER

Company Secretary

Julie has 20 years experience in international negotiations, foreign and trade policy development, and financial and strategic management in the Department of Foreign Affairs and Trade. Prior to this she had 12 years corporate management experience in a large public corporation.

Since retirement she has devoted her energy to public education on issues relating to climate change policy and renewable energy, mainly through the University of the Third Age in Canberra

She holds a B Comm (Economics) from UNSW, a BA (Hons) from La Trobe University and a Master of Environment Law, from the Australian National University.

CONSENTS AND DISCLAIMERS OF RESPONSIBILITY

Each of the parties referred to in this Section:

- a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Offer Information Statement with the ASIC;
- b) does not make, or purport to make, any statement in this Offer Information Statement nor is any statement in this Offer Information Statement based on any of those parties other than those referred to in this Section; and
- c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Offer Information Statement other than a reference to its name and a statement included in this Offer Information Statement with the consent of that party as specified in this Section.

Solar Fields has given and, as at the date hereof, has not withdrawn its written consent to being named in this Offer Information Statement in the role of site procurement and contract developer.

Chamberlains has given and, as at the date hereof, has not withdrawn its written consent to being named in this Offer Information Statement as legal advisers to SolarShare.

Chamberlains is a commercial law firm that provides complete end-to-end legal services for business and is one of the leading law firms in Canberra. Chamberlains supports the local ScreenACT Screen Industry Group through the Canberra Business Council and provides a free "Legal Cafe" to its members regarding their legal and intellectual property issues.

Vincents has given and, as at the date hereof, has not withdrawn its written consent to being named in this Offer Information Statement as auditor of SolarShare.

P² Advisory has given and, as at the date hereof, has not withdrawn its written consent to being named in this Offer Information Statement as financial advisers to SolarShare in preparation of this Offer.

Epho has given and, as at the date hereof, has not withdrawn its written consent to be named in this Offer Information Statement as the Head EPC and development partner.

ITP Renewables has given and, as at the date hereof, has not withdrawn its written consent to be named in this Offer Information Statement as the Owner's Engineer.

Enova Energy has given and, as at the date hereof, has not withdrawn its written consent to be named in this Offer Information Statement as the retail partner and market participant.

Registry Direct has given and, as at the date hereof, has not withdrawn its written consent to be named in this Offer Information Statement as the Company's Share Registry.

Mount Majura Vineyard has given and, as at the date hereof, has not withdrawn its written consent to be named in this Offer Information Statement in the capacity of host site.

Meah&Co has given and, as at the date hereof, has not withdrawn its written consent to be named in this Offer Information Statement as EPC Lawyer.

INTERESTS OF DIRECTORS

Other than as set out in this Offer Information Statement:

- (a) no Director or other person envisaged in section 711(4) of the Corporations Act has, or has had in the 2 years before the date of this Offer Information Statement, any interest in the Offer, in the formation or promotion of the Company or in any property of or proposed to be acquired by the Company in connection with the formation or promotion of the Company or the Offer;

- (b) no amount, whether in cash or Shares or otherwise, has been paid or agreed to be paid, or any benefit given or agreed to be given, to any Director to induce him or her to become, or to qualify him or her as a Director; and
- (c) no amount, whether in cash or Shares or otherwise, has been paid or agreed to be paid, or any benefit given or agreed to be given, for services provided by a Director or other person envisaged in section 711(4) of the Corporations Act in connection with the formation or promotion of the Company or the Offer.

a Director Security holdings

Directors are not required under SolarShare's Constitution to hold any Shares in the Company. Directors may apply for Securities under this Offer Information Statement.

Number of Securities Directors and Officers intend to purchase under this Offer:

Nicolas Fejer* - 499
 Michelle McCann* - 399
 Marea Fatseas* - 399
 Lawrence McIntosh* - 499
 Julie Chater - 400
 Dan Carton - 500
 Carlo Botto** - 0

* These parties already hold a single Security from the establishment of the Company, purchase of an odd number of Securities through this Offer enables these Security holdings to result in round numbers of 50 Securities being on issue.

** Mr Botto is not eligible to participate in this Offer as he is a non-resident of the ACT. As a condition of granting a Feed-in Tariff, the ACT Government has restricted the Offer to residents of the ACT.

REMUNERATION

SolarShare's Directors are not remunerated for their work on the SolarShare Board. Board Directorships are voluntary positions.

SolarShare's Principal Executive Officer Lawrence McIntosh under a contract in relation to his engagement with SolarShare [which is currently being negotiated], or his nominated entity, is to be remunerated with 1000 ordinary and FPASS shares (i.e. 1000 of each class of shares as a stapled Security) upon completion of a successful T2 capital raising (this Offer) and up to a further 2000 Ordinary and FPAS Shares (i.e. 2000 of each class of shares as a stapled Security) as a performance-based incentive following plant commissioning.

RELATED PARTY TRANSACTIONS

While there are no transactions to be noted with related parties, the Company notes that:

- Director Dr Michelle McCann and Principal Executive Officer Lawrence McIntosh, are also Directors of PV Lab Australia Pty Ltd. PV Lab operates a quality assurance laboratory that may be used by SolarShare in confirming supplied modules are to an acceptable standard. Dr McCann and Mr McIntosh have, and will continue to, abstain from taking part in any SolarShare discussions or decisions pertaining to any possible engagement with PV Lab Australia.

DISCLAIMER

No person is authorised to give any information or make any representation in connection with the Offer or Offer described in this Offer Information Statement, which is not contained in this Offer Information Statement. Any information or representation not contained in this Offer Information Statement may not be relied on as having been authorised by the Company in connection with the Offer.

FEES AND COMMISSIONS

Apart from fees paid and to be paid to third parties for professional advice in relation to the Offer and the preparation of the Offer Information Statement, there are no fees or commissions payable to any third parties in relation to capital raised under the Offer.

DIRECTORS' SIGNOFF

The Directors confirm that:

- a) except as disclosed in this Offer Information Statement, they are not aware of any circumstances that have materially affected or will materially affect the assets and liabilities, the financial position, the profits and losses, or prospects of the Company on completion of the Offer; and
- b) they have reasonable grounds to do and believe that this Offer Information Statement contains no statements that are false or misleading and that there are no material omissions from the Offer Information Statement.

A handwritten signature in black ink, appearing to read "Michelle McCann", followed by a stylized flourish.

Michelle McCann, Acting Chair
December 13, 2018



11. GLOSSARY/DEFINITIONS

Company or **SolarShare** means SolarShare Community Energy Limited (ACN 600 571 220).

Corporations Act means the Corporations Act 2001 (Cth).

Deed of Entitlement means the deed which entitles the Majura Community Energy Project to a legislated Feed-in Tariff under the Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011. See section 1.1.6 for further information for further information.

Director means a director of the Company.

Enova Energy means Enova Community Energy Ltd CAN 606 006 731.

Epho means a group of companies held by Epho holding Pty Limited ACN 603 077 416 as parent holding company. The group of companies, acting together, construct and maintain solar projects. The relevant subsidiary companies are Epho Pty Limited ACN 166 733 017, Epho Services Pty Limited ACN 168 630 402 and Epho Asset Management Pty Limited ACN 168 630 546

FIT or Feed-in Tariff means a financial instrument with a fixed term to achieve a fixed price, for electricity supplied or 'fed' into the electricity grid. The particulars of the FIT are defined and legislated in the ACT under the Electricity Feed-in (Large-scale Renewable Energy Generation) Act 2011. See section 1.1.6 for further information.

FPAS Share has the same meaning as is set out in the Flagship Project Asset Specific Share Class Rules. A copy of these can be obtained at <https://solarshare.com.au/about/governance/>

LGC means Large Generation Certificate. An LGC represents one Megawatt-hour of renewable energy generation. Sometimes also known as Renewable Energy Certificates (RECs), LGCs are a federal mechanism established under the Large-scale renewable energy target.

Majura Community Energy Project Pty Ltd: ACN 626 632 657. A subsidiary company, wholly owned by SolarShare, established for the purpose of building owning and operating the Majura Community Solar project, SolarShare's flagship project.

Members means financial members of SolarShare Community Energy Ltd, this includes people who become Security holders through this Offer.

Mount Majura Vineyard: This is a business name of Mount Majura Wines (ACT) Pty Ltd ACN 084 171 139

Offer means the offer of Shares under this Offer Information Statement.

Offer Information Statement means this Offer Information Statement (this document).

Offer Period means Thursday 13th December to Tuesday 26th February 2019, or any other date as may be determined by the Company.

Offer Price means the price payable for one stapled Security, comprised of one Ordinary Share and one FPAS Share, under this Offer Information Statement. The Offer Price is \$10.00.

Ordinary Share has the same meaning as set out in SolarShare's Constitution. A copy of the Constitution can be obtained at <https://solarshare.com.au/about/governance/>

Principal Executive Officer means the Company Officer appointed by the Board under section 34 of the Company Constitution, responsible and accountable to the Board for the day-to-day management of the Company.

Solar Fields means Solar Fields Pty Ltd ABN 36 152 049 066 and its related entity, Mount Majura Solar Land Holdings Pty Ltd ACN 602 268 466

SolarShare means SolarShare Community Energy Limited. ACN 660 571 220

Security means one stapled Security, comprised of one Ordinary Share (ORD) and one Flagship Project Asset Specific Share (FPASS),

Share means a fully paid share in the capital of the Company.

Share Certificate means a share certificate with respect to Shares recorded on the Company's Share register maintained by the share registry.

Share Registry means Registry Direct Limited

Share holder or Security holder means a holder of a Share or Security as recorded on the share register for the Company maintained by the Share Registry.

12. APPENDIX A: SOLARSHARE AUDITED FINANCIAL REPORT

This report covers a 12-month period from 1 July 2017 to 30 June 2018.

This report was prepared in accordance with the Accounting Standards set by the Australian Accounting Standards Board that apply to this reporting period.

This report was audited by MCS Audit Pty Ltd, a division of Vincents Chartered Accountants, on 27th September 2018.

DIRECTORS DECLARATION

The directors of the company declare that:

1. The financial statements and notes, being the balance sheet, statement of comprehensive income, statement of cash flows, statement of changes in equity and notes to the financial statements are in accordance with the Corporations Act 2001:
 - a) Comply with Accounting Standards; and
 - b) Give a true and fair view of the financial position as at 30th June 2018 and the performance for the year ended on that date of the company;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Nicolas Fejer

Dated: 26 September 2018

AUDITOR'S INDEPENDENCE DECLARATION

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF SolarShare Community Energy Ltd
ACN: 600 571 220

I declare that, to the best of my knowledge and belief, during the period ended 30th June
2018 there has been:

no contraventions of the auditor independence requirements as set out in the Corporations
Act 2001 in relation to the audit; and

no contraventions of any applicable code of professional conduct in relation to the audit.



Name of Firm
Name of Partner

MCS Audit Pty Ltd
Phillip William Miller CA

Date
Address

27 19 12018
Canberra

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

Profit and Loss

SolarShare Community Energy Ltd

For the year ended 30 June 2018

Account	Note	2018	2017
Trading Income			
Interest Income		1,474.26	1,361.80
Total Trading Income	2	1,474.26	1,361.80
Gross Profit		1,474.26	1,361.80
Operating Expenses			
Compliance and reporting		5,114.00	3,801.00
Consulting & Accounting		250.00	559.37
Event expenses		265.45	342.47
Income Tax Expense			549.50
Insurance		6,775.43	4,273.76
Legal expenses		4,115.63	4,700.00
Office Expenses		63.64	86.45
Website expenses		36.00	45.94
Total Operating Expenses		16,620.15	14,358.49
Net Profit	3	15,145.89)	12,996.69)
Earnings per share \$ per share)			
From continued operations		(\$1.10)	(\$0.94)
Basic earnings per share	9	(\$1.10)	(\$0.94)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Balance Sheet
SolarShare Community Energy Ltd
As at 30 June 2018

		30 Jun 2018	30 Jun 2017
Assets	Note		
Bank			
Accrual account	10	\$83,929.57	\$103,255.85
Bank Australia transaction A/C	10	\$897.63	\$117.47
Total Bank		\$84,827.20	\$103,373.32
Current Assets			
PAYG Prepayments		\$135.00	\$0.00
Prepayments		\$2,077.89	\$2,016.24
Total Current Assets		\$2,212.89	\$2,016.24
Non-current Assets			
Majura Capital - Site Development	19	\$10,000.00	\$10,000.00
Total Non-current Assets		\$10,000.00	\$10,000.00
Total Assets		\$97,040.09	\$115,389.56
Liabilities			
Current Liabilities			
Accounts Payable		\$0.00	\$3,850.00
GST	1(x), 23	-\$1,815.40	-\$2,461.82
Income Tax Payable		\$0.02	\$0.02
Total Current Liabilities		-\$1,815.38	\$1,388.20
Total Liabilities		-\$1,815.38	\$1,388.20
Net Assets		\$98,855.47	\$114,001.36
Equity			
Current Year Earnings		-\$15,145.89	-\$12,447.19
Retained Earnings		-\$11,068.64	\$1,378.55
Share Capital	30	\$125,070.00	\$125,070.00
Total Equity		\$98,855.47	\$114,001.36

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

SolarShare Community Energy Ltd For the period 1 July 2017 to 30 June 2018

Account	Note	1 July 2017 to 30 Jun 2018	1 July 2016 to 30 Jun 2017
Equity			
Opening Balance		114,001.36	1,998.05
Current Year Earnings		(15,145.89)	(12,996.69)
Share Capital Issued			125,000.00
Total Equity		98,855.47	114,001.36

STATEMENT OF CASH FLOWS

Statement of Cash Flows

SolarShare Community Energy Ltd

For the year ended 30 June 2018

Account	Note	2018	2017
Operating Activities			
Receipts from customers		1,474.26	1,361.80
Payments to suppliers and employees		21,934.73)	11,501.94
Cash receipts from other operating activities		2,111.00	(1,088.00)
Cash payments from other operating activities	4	196.65)	2,565.72
Net Cash Flows from Operating Activities	34 A	18,546.12	(13,793.86)
Investing Activities			
Other cash items from investing activities		0.00	(10,000.00)
Net Cash Flows from Investing Activities		0.00	(10,000.00)
Financing Activities			
Other cash items from financing activities	34 B	0.00	125,000.00
Net Cash Flows from Financing Activities		0.00	125,000.00
Net Cash Flows		18,546.12)	101,206.14
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period		103,373.32	2,167.18
Cash and cash equivalents at end of period	10	84,827.20	103,373.32
Net change in cash for period		18,546.12)	101,206.14

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

This financial report includes the financial statements and notes of SolarShare Community Energy Ltd. These notes are applicable for the year ending 30 June 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(A) BUSINESS COMBINATIONS

Business combinations occur where an acquirer obtains control over one or more businesses.

The company made no acquisitions during the period and as a result has not needed to account for any business combinations.

(B) INCOME TAX

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

(C) INVENTORIES

The company held no inventory for the period.

(D) LAND HELD FOR SALE

The company held no land for sale during the period.

(E) CONSTRUCTION CONTRACTS AND WORK IN PROGRESS

The company had no construction works or contracts during the period.

(F) PROPERTY, PLANT AND EQUIPMENT

The company had no property, plant or equipment during the period.

(G) EXPLORATION AND DEVELOPMENT EXPENDITURE

The company had development expenditure during the period for the first instalment for the lease option for the Majura project

Exploration, evaluation and development expenditure incurred is capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of a project or projects in the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of a viable project(s).

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When generation commences, the accumulated costs for the relevant area of interest are amortised over the life of the project(s) in the area.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided for over the life of the project from when construction commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of solar generation plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(H) INVESTMENT PROPERTY

The company had no investment property during the period.

(I) LEASES

The company had no leases during the period.

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

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum

lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

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

(J) FINANCIAL INSTRUMENTS

The company held no financial instruments during the period.

(K) IMPAIRMENT OF ASSETS

The company has no impaired assets.

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard e.g. in accordance with the revaluation model in AASB 116 . Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(L) INVESTMENTS IN ASSOCIATES

The company has no investments in associates

(M) INTERESTS IN JOINT VENTURES

The company has no interests in joint ventures.

(N) INTANGIBLES OTHER THAN GOODWILL

The company has no intangibles.

(O) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

The company has no foreign currency.

(P) EMPLOYEE BENEFITS

The company has no employees, and as a result has no employee benefits to account for.

(Q) PROVISIONS

The company has no obligations requiring provisions to be made.

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(R) PROVISION FOR WARRANTIES

The company has no warranty obligations and has not set aside any warranty provisions.

s Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(T) REVENUE AND OTHER INCOME

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue relating to construction activities is detailed at Note 1(e).

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period where 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.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

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

(T) TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(j) for further discussion on the determination of impairment losses.

(U) TRADE AND OTHER PAYABLES

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(W) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(X) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(Y) GOVERNMENT GRANTS

The Company had no government grants during the reporting period.

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(Z) COMPARATIVE FIGURES

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. Where the Company has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(AA) ROUNDING OF AMOUNTS

The company does not qualify for the relief available to it under ASIC Class Order 98/100. Accordingly, there are places in the financial statements and directors' report where amounts have been rounded off to the nearest \$1.

(AB) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates

(I) IMPAIRMENT - GENERAL

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations that incorporate various key assumptions.

(AC) CHANGE IN ACCOUNTING POLICY

The Company made no changes to its accounting policy.

NOTE 2 REVENUE AND OTHER INCOME

	Note	2018 \$
A REVENUE FROM CONTINUING OPERATIONS		
Sales revenue		
— sale of goods		
— provision of services		
Total sales revenue		-
Other revenue		
— dividends received		-
— interest received		1,474.26
— government subsidies received		-
— other revenue		-
— construction revenue		-
— rental revenue		-
— royalties		-
Total other revenue		1,474.26
Total sales revenue and other revenue		1,474.26
Other income		
— net gains on financial assets at fair value through profit or loss		

— held for trading	-
— gain on remeasurement of equity investment due to business combination	-
— gain on disposal of property, plant and equipment	-
— gain on disposal of non-current assets	-
— gain on debt defeasance	-
— gains on disposal of non-current assets	-
— gains on investments and derivatives	-
— gain on revaluation of investment in associate	-
— gain on revaluation of investment property	-
— other income	-
Total other income	-
Dividend revenue from:	
— associated companies	-
— joint venture entities	-
— other related corporations	-
— other related parties	-
— other corporations	-
Total dividend revenue	-
Interest revenue from:	
— ultimate parent entity	-
— subsidiaries of ultimate parent entity	-
— other related parties	-
— directors	-
— associated companies	-
— other corporations	-
— other persons	-
Total interest revenue on financial assets not at fair value through profit or loss	-
B TOTAL REVENUE AND OTHER INCOME FROM CONTINUING OPERATIONS	1,474.26
C REVENUE AND OTHER INCOME FROM DISCONTINUED OPERATIONS	-
D) INCOME FROM CONTINUING OPERATIONS AND DISCONTINUED OPERATIONS	1,474.26

NOTE 3 PROFIT FOR THE FINANCIAL PERIOD

	Note	2018
a) Expenses		\$
Cost of sales		16,620.15)
Interest expense on financial liabilities not at fair value through profit or loss:		
— Director related entities		-
— Ultimate parent entity		-
— Associated companies		-
— Subsidiaries of ultimate parent entity		-
— Related parties		-
— Other persons		-
Fair value gains on interest rate swaps designated as cash flow hedges transferred from equity		-
Fair value gains on foreign exchange contracts designated as cash flow hedges transferred from equity		-
Total interest expense		-
Cash flow hedge ineffectiveness		-
Impairment of non-current investments		-
Foreign currency translation losses		-
Foreign currency translation loss from speculative dealings		-
Employee benefits expense		
— defined contribution superannuation expense		-
Bad and doubtful debts:		
— trade receivables		-
— term receivables		-
— directors		-
— other related parties		-
Total bad and doubtful debts		-
Employee benefits expense:		
— contributions to defined contribution superannuation funds		-
Rental expense on operating leases		
— minimum lease payments		-
— contingent rentals		-
— rental expense for sublease		-
Loss on disposal of property, plant and equipment		-
Loss on remeasurement of equity investment due to business combination		-

Loss on debt defeasance	-
Loss on disposal of non-current investments	-
Loss on investments and derivatives	-
Loss on revaluation of investment in associate	-
Loss on revaluation of investment property	-
Contingent rentals on finance leases	-
Exploration expenditure	-
Write-off of capitalised exploration expenditure	-
Research and development costs	-
Early termination of foreign currency hedge	-
Write-down of inventories to net realisable value	-
Write-off of assets destroyed during flood	-
Write-off of obsolete stock	-
Direct property expenditure from Investment property generating rental income	-

b) Significant Revenue and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance:

Consideration on discontinuation	-
Carrying amount of net assets sold	-
Net gain on the discontinuation	-

NOTE 4 OTHER OPERATING ACTIVITIES

The Company prepaid \$2077.89 for insurance covering a portion of the 18/19 financial year to come, this is recorded as a prepayment. The company did not incur an income tax expense during the reporting period, as there was no tax liability incurred for the 2016/2017 financial year.

NOTE 5 DISCONTINUED OPERATIONS

The Company did not have any discontinued operations during the reporting period.

NOTE 6 KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel (KMP) are employed on a voluntary basis and were not paid compensation during the reporting period.

KMP SHAREHOLDINGS

The number of ordinary shares in SolarShare Community Energy Ltd held during the financial period by each KMP of the entity is as follows:

	Balance at beginning of year 1 July 2017	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year 30 June 2018
Bonbel Pty Ltd as Trustee (Brian Acworth)	1	0	0	0	1
Robert James Clark	1	0	0	0	1
Stripey Otter Pty Ltd as Trustee (Michelle McCann)	1	0	0	0	1
Nicolas Fejer	1	0	0	0	1
TJ Solen Pty Ltd as Trustee (Lawrence McIntosh)	1	0	0	-550	1
Robert Henman	0	0	0	1	1
Marea Fatseas	1	0	0	0	1

OTHER KMP TRANSACTIONS

There have been no other transactions involving equity instruments other than those described in the tables above.

For details of other transactions with KMP, refer to NOTE 37 RELATED PARTY TRANSACTIONS for details of loans to KMP, refer to NOTE 11 TRADE AND OTHER RECEIVABLES.

NOTE 7 AUDITORS' REMUNERATION

	2018 \$
Remuneration of the auditor for:	
— auditing or reviewing the financial report	3,125)
— taxation services	-
— due diligence services	-
— taxation services provided by related practice of auditor	-
	<u>3,125)</u>

NOTE 8 DIVIDENDS

The company did not pay any dividends during the reporting period.

NOTE 9 EARNINGS PER SHARE

	2018 \$
a) Reconciliation of earnings to profit or loss	
Profit	15,145.89)
Profit attributable to non-controlling equity interest	-

	Redeemable and converting preference share dividends	-
	Earnings used to calculate basic EPS	15,145.89)
	Dividends on converting preference shares	-
	Earnings used in the calculation of dilutive EPS	15,145.89)
b)	Reconciliation of earnings to profit or loss from continuing operations	
	Profit from continuing operations	15,145.89)
	Profit attributable to non-controlling equity interest in respect of continuing operations	-
	Redeemable and converting preference share dividends	-
	Earnings used to calculate basic EPS from continuing operations	15,145.89)
	Dividends on converting preference shares	-
	Earnings used in the calculation of dilutive EPS from continuing operations	15,145.89)
(c)	Reconciliation of earnings to profit or loss from discontinued operations	
	Profit from discontinued operations	-
	Profit attributable to non-controlling equity interest	-
	Earnings used to calculate basic EPS from discontinued operations	-
d)	number of ordinary shares outstanding during the year used in calculating basic EPS	13,757

NOTE 10 CASH AND CASH EQUIVALENTS

	Note	2018 \$
Cash at bank and on hand		84,827.20
Short-term bank deposits		-
	38	84,827.20

NOTE 11 TRADE AND OTHER RECEIVABLES

	Note	2018 \$
CURRENT		
Trade receivables		-
Provision for impairment		-
Term receivables		-

Provision for impairment	-
	-
Amounts due from customers for construction contracts	-
Other receivables	-
Government subsidies receivable	-
Amounts receivable from related parties	
— associated companies	-
— provision for impairment of receivables - associated companies	-
— other related parties	-
— provision for impairment of receivables - other related parties	-
— subsidiaries of ultimate parent entity	-
— other key management personnel	-
Total current trade and other receivables	-
NON-CURRENT	
Trade receivables	-
Provision for impairment	-
	-
Term receivables	-
Provision for impairment of receivables	-
	-
Total non-current trade and other receivables	-

The Company has no trade or other receivables exposed to credit risk.
The Company holds no collateral as security over trade and other receivables.
The Company has no financial assets classified as Loans and Receivables.
The Company has no receivables pledged as collateral over any debt.

NOTE 12 INVENTORIES

The company did not hold any inventory during the period

NOTE 13 LAND HELD FOR SALE

The company did not hold any land for sale during the reporting period.

NOTE 14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The company did not account for any investments using the equity method during the reporting period.

NOTE 15 ASSOCIATED COMPANIES

On the 6th of June, the Company incorporated a full owned subsidiary company “Majura Community Energy Project Pty Ltd” to be the future holding company of the Majura community solar farm. This company is commonly referred to as the Special Purpose Vehicle (SPV). The SPV had no transactions in the financial year.

NOTE 16 JOINT VENTURES

The Company holds no interests in joint ventures

NOTE 17 DERIVATIVES

The Company holds no derivatives

NOTE 18 OTHER FINANCIAL ASSETS

The Company has no interest in other financial assets

NOTE 19 PROPERTY, PLANT AND EQUIPMENT

The Company did not have any plant or equipment during the reporting period. The company holds a lease option with Solar Fields for block 707 Majura, the site of the Majura Solar Farm.

NOTE 20 INVESTMENT PROPERTY

The Company did not hold any investment property during the period

NOTE 21 INTANGIBLE ASSETS

The Company did not have any intangible assets in the reporting period.

NOTE 22 OTHER ASSETS

The company has no other assets.

NOTE 23 TRADE AND OTHER PAYABLES

The Company had a GST liability of \$1,815.38) and an income tax liability of \$0.02 as at 30 June 2018.

	Note	2018 \$	2017 \$
Trade liability		0	90.00
GST liability		\$1,815.38)	79.13
Income tax liability		0.02	-
Total liabilities		\$1,815.36)	169.13

NOTE 24 OTHER CURRENT LIABILITIES

The Company has no other current liabilities.

NOTE 25 BORROWINGS

The Company had no borrowings during the reporting period.

NOTE 26 OTHER FINANCIAL LIABILITIES

The company has no other financial liabilities.

NOTE 27 TAX

Income Tax: The Company paid \$135 as a PAYG instalment for in income tax for the 17/18 financial year. The Company will lodge a tax return for the financial period 1/7/17 to 30/6/18

GST: The Company has a GST liability of \$1,815.38) at the end of the financial year.

NOTE 28 PROVISIONS

The Company did not deem it necessary to hold any provisions as there are no employees, warranties, nor any other interests or arrangements during the reporting period with the possibility of necessitating a provision.

NOTE 29 RETIREMENT BENEFIT OBLIGATIONS

As the Company has no employees, there are no employee benefit plans in place and no benefit obligations

NOTE 30 ISSUED CAPITAL

	2018 \$
Share capital on issue as at 30 June 2017	125,070
2018 fully paid ordinary shares issued	0
Total share capital issued at 30 June 2018	<u>125,070</u>

The company has authorised share capital amounting to 13757 ordinary shares.

A) ORDINARY SHARES

	2018 No.
At the beginning of reporting period	13,757
Shares issued during year	0
Shares bought back during year	-
At the end of the reporting period	<u>13,757</u>

Ordinary shares participate in dividends and the proceeds on winding up of the entity in proportion to the number of shares held.

At the shareholders meetings each member is entitled to one vote when a poll is called.

The Company has no other share class than ordinary shares.

The Company has not issued any share options.

(E) CAPITAL MANAGEMENT

Management controls the capital of the company in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital only.

Management effectively manage the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

The Company's capital management strategy is to seek community investment capital through a capital raise of approximately \$2.1m after lodging an Offer Information Statement with ASIC. The Company's strategy is to maintain a gearing ratio below 50%.

The Company did not carry any debt during the reporting period.

NOTE 31 CAPITAL AND LEASING COMMITMENTS

The company has made the first instalment payment for the lease option for the flagship project

The Company has no other, and is not a party to any other capital or leasing commitments.

NOTE 32 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Estimates of the potential financial effect of contingent liabilities that may become payable:

	2018
Contingent Liabilities	\$
Legal Fees contingent upon successful community capital raise	
The Company has success-based payments with two legal advisory firms. The success criterion is a community capital raise securing at least \$750,000.	\$35,048
The Company has a success-based payment with the Majura Site developer Solar Fields Pty Ltd based on a successful resolution to the ACT Government's Community Solar Scheme for the Majura flagship project.	\$35,000

NOTE 33 OPERATING SEGMENTS

The Company operates as a single segment and is not split into separate operational segments.

NOTE 34 CASH FLOW INFORMATION

	2018
	\$
A) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX	
Profit after income tax	12,996.69)
Cash flows excluded from profit attributable to operating activities	
Finance costs on debentures	
Non-cash flows in profit	
Amortisation	
Depreciation	
Write-off of capitalised expenditure	
Write-off of obsolete stock	
Write-down of inventory to fair value	
Net gain /loss on remeasurement of equity investment due to business combination	-

Net gain /loss on disposal of property, plant and equipment	-
Gain /loss on debt defeasance	-
Net gain /loss on revaluation of investment property	-
Net gain /loss on revaluation of investment in associate	-
Net gain /loss on disposal of investments	-
Unrealised gain)/loss on investments and derivatives	-
Write-downs to recoverable amount	
Share options expensed	
Impairment loss	
Flood losses — plant and inventories	
Share of associated companies net profit after income tax and dividends	
Share of joint venture entity net profit after income tax and dividends	
Changes in assets and liabilities	
Increase /decrease in trade and term receivables	
Increase /decrease in prepayments	-61.65
Increase /decrease in inventories	
Increase/ decrease) in trade payables and accruals	-3850
Increase/ decrease) in income taxes payable	-135
Increase/ decrease) in gst paid	646.42
Cash flow from operations	<u><u>-18,546.12</u></u>

(B) NON-CASH FINANCING AND INVESTING ACTIVITIES

(i) Share issue

No shares were issued during the period

NOTE 35 SHARE BASED PAYMENTS

The Company made no share based payments during the reporting period.

NOTE 36 EVENTS AFTER THE REPORTING PERIOD

The Company does not have any events to report after the reporting period

NOTE 37 RELATED PARTY TRANSACTIONS

The Company does not have any related parties.

NOTE 38 FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist entirely of deposits with banks.

	Note	2018 \$
Financial Assets		
Cash and cash equivalents	10	84,827.20
Financial assets at fair value through profit or loss		
— derivative instruments	17	-
— held for trading		-
Held-to-maturity investments		-
Loans and receivables		-
Available-for-sale financial assets		
— at fair value		
— listed investments		-
— unlisted investments		-
— at recoverable amount		
— unlisted investments		-
— at cost		
— unlisted investments		-
Total available-for-sale financial assets		-
Total Financial Assets		84,827.20
Financial Liabilities		
Financial liabilities at amortised cost		
— Trade and other payables	23	1,815.36
— Borrowings	25	-
Total Financial Liabilities		1,815.36

FINANCIAL RISK MANAGEMENT POLICIES

The Finance, Audit and Risk Committee have been delegated responsibility by the Board of Directors for, among other issues, managing financial risk exposures of the Company. The committee monitors the Company's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to transaction risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk.

The company's overall risk management strategy seeks to assist the company in meeting its financial targets, while minimising potential adverse effects on financial performance.

SPECIFIC FINANCIAL RISK EXPOSURES AND MANAGEMENT

The main risk the entity is exposed to is credit risk.

CREDIT RISK

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the entity.

Credit risk is managed through regular monitoring of exposures to significant customers and contractual counterparties

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 11.

Credit risk related to balances with banks and other financial institutions is managed by the Finance, Audit and Risk Committee in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least BBB+ long-term and A-2 short-term. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2018 \$
Cash and cash equivalents		
- A Rated		
- A-2 Rated		84,827.20
	10	84,827.20
Held-to-maturity securities		
- AAA Rated	18	Nil

LIQUIDITY RISK

The company has no debts or obligations related to financial liabilities

MARKET RISKS

INTEREST RATE RISK

The company has no financial assets or liabilities with exposure to interest rate risk.

FOREIGN EXCHANGE RISK

The company has no exposure to financial instruments, contracts or other arrangements subject to foreign exchange risk.

OTHER PRICE RISK

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or currency risk) for commodities.

The company is not a party to any financial instruments, contracts or other arrangements that may expose the company to other price risk.

SENSITIVITY ANALYSIS

The company has no substantial exposure to changes in interest rates, exchange rates, commodity prices or equity prices, other than interest received on bank balances. Due to the low value of the bank balances, a sensitivity analysis has not been performed for the year ending 30th June.

FAIR VALUES

FAIR VALUE ESTIMATION

The company does not hold any financial assets other than cash; as a result of this a fair value estimation is not required.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The company has no financial instruments (other than cash) that it measures and reports on at fair value.

NOTE 39 RESERVES

The Company holds no reserves.

NOTE 40 ECONOMIC DEPENDENCY

The Company does not have any economic dependency on patents or other protected IP.

NOTE 44 COMPANY DETAILS

The registered office of the company is:

SolarShare Community Energy Ltd

Suite 1, (SEE-Change Office Downer Community Centre

1 Frencham Pl,

DOWNER

Australian Capital Territory, 2602

The principal place of business is:

SolarShare Community Energy Ltd

Suite 1, SEE-Change Office Downer Community Centre

1 Frencham Pl,

DOWNER

Australian Capital Territory, 2602



Principal Phillip W Miller CA
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Web www.vincents.com.au
ASIC Authorised Audit Company No. 408893

Independent Audit Report to the members of

SolarShare Community Energy Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SolarShare Community Energy Ltd the Company, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- i Giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- ii Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Responsibilities of Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



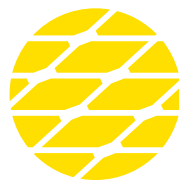
MCS Audit Pty Ltd
Phillip Miller
Director

Canberra, 27 September 2018

PHILLIP MILLER

14. APPLICATION FORM – SHARE PURCHASE

Visit solarshare.com.au/apply



SolarShare
CANBERRA

