

ShareRoot

ASX Announcement

5 July 2017

ShareRoot successfully raises \$1.06m to accelerate growth

Highlights

- **177,666,667 ordinary shares to be issued to new and existing investors at AUD\$0.006 each following a successful oversubscribed placement round**
- **Funds to be used to progress existing and new UGC platform features and increase client penetration and user numbers**
- **Placement strengthens ShareRoot's financial position heading into new financial year**
- **Investment highlights growing interest from new and existing investors. Directors also participated in this placement.**

ShareRoot Limited (ASX: SRO) (ShareRoot or the Company) is pleased to announce it has successfully completed an oversubscribed placement to professional and sophisticated investors to raise \$1 million (after costs) through the issue of 177,666,667 ordinary shares at a price of AUD\$0.006 each. 116,666,667 ordinary shares will be issued pursuant to shareholder approval at the Company's EGM on 22 June 2017 with the remainder of 61,000,000 ordinary shares being issued under the company's existing LR7.1 (5,090,791 ordinary shares) and LR7.1A capacity (55,909,209 ordinary shares).

The placement was strongly oversubscribed and the Board elected to take some additional capital above the \$700k it was seeking to raise, but did not take all of the significant demand received. Sanlam Private Wealth Pty Ltd acted as the lead manager on the placement.

The placement significantly strengthens ShareRoot's financial position heading into the new financial year, with funds to be used to fund the Company's global growth strategy and ongoing operations.

A key focus area will be development of new protectable features for ShareRoot's legally-secure software-as-a-service (SaaS) user-generated content (UGC) marketing platform, to be rolled out progressively through 2017, which will contribute to sales and revenue growth by providing customers with significant additional value and functionality.

ShareRoot's Chief Executive Officer Noah Abelson said: "We want to thank our new and existing investors for their strong confidence in our global growth strategy, which is backed by our unique ability to protect brands, agencies, and publishers alike in their marketing efforts. The fact that this round was oversubscribed highlights and validates the strength of the market sentiment".

The successful completion of the funding round illustrates the strong confidence among new and existing investors in ShareRoot's leadership team, revenue growth prospects and the strong market potential in its innovative industry-leading UGC technology.

The successful placement comes off the back of ShareRoot's growing momentum in the marketplace over recent quarters. This has included the user base for the Company's UGC platform doubling quarter-on-quarter to

180,000 users, the appointment of UGC industry sales leader Scott Sorochak as Chief Revenue Officer, and the signing of high-profile customers such as Johnson & Johnson, Costco, Hollywood Hotels, and Sun Stream.

ShareRoot's cloud-based UGC solution allows clients to easily search for relevant user-generated content across a range of social media services, request and obtain legal permission for the full legal rights to use this content, then helps them to effectively utilise these materials as part of their marketing campaigns.

The strong legal protections built into ShareRoot's UGC platform allows clients to avoid the legal disputes and intellectual property issues that companies can encounter when sharing user-generated content as part of their marketing efforts, while also supporting the efforts of artists and original content creators.

"By successfully completing this placement, ShareRoot will be in a very strong financial position heading into the new financial year, and we are excited about the new features that we will add to our legally secure UGC platform, which we believe will be the catalyst for substantially strengthening our sales pipeline." said Mr Abelson.

Progress on new campaigns, partnerships and other corporate initiatives will be reported progressively.

For more information, please contact:

Noah Abelson
Co-Founder and CEO
P: + 61 2 9299 9690
E: noah.abelson@shareroot.co

For investor and media inquiries contact:

Ben Jarvis, Six Degrees Investor Relations: +61 (0) 413 150 448

About ShareRoot

Based in Silicon Valley, ShareRoot is positioned to become a major player within the marketing ecosystem that is growing at record pace, with a market size above \$600 billion. Currently, ShareRoot offers a Software as a Service (SaaS) platform that works with brands and digital agencies to easily find and legally source user generated content (UGC). ShareRoot's proprietary, legally secure process is the first of its kind, but this platform is just the beginning for ShareRoot, as it rapidly progresses towards revolutionising the way that brands relate to and connect with the consumers they sell to. For more information about ShareRoot's award winning platform and why it can truly help "*Harness the Visual Power of Your Consumers*" please visit www.shareroot.co

About User-Generated Content (UGC)

User-generated content (UGC) has emerged as a 'must have' marketing strategy for companies and brands. Industry data shows that visitors spend 90% more time on websites that include UGC galleries. Additionally, social campaigns that incorporate UGC see a 50% lift in engagement, ads with UGC content generate 5-times greater click-through rates, UGC drives a 73% increase in email click-through rates, and increases conversions by 10% when included in the online purchase path.