



ASX Announcement

27 April 2018

ShareRoot Group March 2018 Quarterly Report

Highlights:

- **Began shifting resources and focus to the broader data and privacy space with a specific focus on the preparation of MediaConsent**
- **Quarterly revenue from clients increases - cash receipts up by over 200% from the previous quarter to \$164,000.**
- **Completed oversubscribed capital raising of \$2.8m AUD raised through Rights Issue and Shortfall and Additional Placement.**
- **Appointment of DigitalX (ASX:DCC) as blockchain advisor**
- **User base continues to experience rapid growth reaching 585,000 users (up more than 148,000 from the previous quarter)**

Post Period Highlights:

- **Completed the Acquisition of The Social Science (TSS) - increasing internal capabilities and revenue starting in the current quarter**
- **Appointed global data and privacy experts Paul-Olivier Dehaye and Jerome Groetenbriel to guide ShareRoot in solving the massive data and privacy issues for companies and consumers with MediaConsent**
- **UGC platform moving towards profitable business unit - development now completed and therefore significant reduction of R&D costs in the coming quarter**

Share Root Group Limited (ASX: SRO) ('Share Root' or 'the Group) is pleased to provide this update to shareholders on the Company's performance during the quarter ended 31 March, 2018.

Operational Overview

During the quarter, the Group completed an oversubscribed capital raising of \$2.8m AUD while driving up revenue and bookings in comparison to both the previous quarter and the same quarter from the previous year.

Simultaneously ShareRoot's Legal Rights Management UGC platform continued to drive significant user growth above 585,000 users (up more than 148,000 users from the previous quarter).

Now that the Company has completed the development of its planned features for its UGC Platform, ShareRoot is expecting a significant cost reduction in R&D in the coming quarter and has shifted focus towards launching the beta of MediaConsent and solving the larger imminent issues of data and privacy infringements.

The multi-billion dollar emerging market around protecting consumers identities and personal data is being ushered in by a wave of legislation on behalf of the EU, Chinese, Australian and US governments that mandate a complete overhaul to the way in which companies and brands interact with consumers online.

ShareRoot's leadership has been aware of these impending laws which is why the ideation and creation of the MediaConsent platform has been in the works for 6+ months alongside Jason Weaver (previous Founder and CEO of highly successful US social media company Shoutlet).

As the company enters into the last quarter of the financial year, management is focused on the massive market opportunity of solving data and privacy issues. This involves building up an advisory board made up of global thought leaders (starting with Paul-Olivier Dehaye and Jerome Groetenbriel), rolling out the beta version of MediaConsent, integrating The Social Science team and their compliant social media marketing capabilities and working with DCC to integrate blockchain technology into ShareRoot's platforms and services.

In line with the Company's focus on MediaConsent heading into the new financial year, ShareRoot's co-founder Marc Angelone has stepped down from the board. He has moved to a consultant role to reduce expenses and to focus on working with Jason Weaver and the teams' newly appointed advisors on these strategic initiatives.

MediaConsent Platform

MediaConsent is ShareRoot's entrance into the multi-billion dollar Customer Identity Management (CIM) market. Customer Identity Management is a top concern for companies and brands as they prepare for the legal and legislative changes being imposed on them.

MediaConsent is unique in comparison to the other CIM platforms because it puts the control over data and privacy into the hands of consumers, which is not only preferred by consumers, but also mandated by the new laws. Rolling out MediaConsent's Beta in the coming quarter is a near term priority for the leadership team. For companies, MediaConsent enables them to operate without concerns of litigation across all digital marketing channels.

Appointment of DCC as blockchain advisors

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

The Company has engaged DigitalX with the aim of introducing a suitable, high quality Blockchain solution that can be incorporated into ShareRoot's platforms and services. This includes the potential of incorporating blockchain data storage technology into MediaConsent, the User Generated Content platform as well as future partnerships and collaborations. The introduction of Blockchain technology has the potential to add an additional layer of legal protection to any and all of the companies platforms and services.

Post-period highlights and outlook

Post-quarter end, the Company is focused on shifting its UGC platform into a profitable business unit and preparing its Beta release of MediaConsent to tackle the global data and privacy issues in marketing for companies and consumers alike.

The Company expects further revenue growth in the coming quarter through its platforms and the integration of The Social Science - which is focused on legally compliant social and digital marketing services.

Completed the Acquisition of The Social Science

ShareRoot announced it has completed the acquisition of The Social Science (TSS), adding significant capabilities to ShareRoot. TSS' capabilities include: providing compliant social media management services, content creation, thought leadership, advisory services on compliant data, social engagement and privacy practices within the STEM and Health Sciences space.

With the addition of TSS, ShareRoot is able to offer a full service client offering to produce, promote and protect content on social media.

The integration of TSS will have an immediate positive impact on the revenue for ShareRoot as well as adding additional income streams to the Company and expand the offerings to customers globally.

Following the completion of the acquisition, TSS has embarked upon a two part integration program, aligning operational systems with ShareRoot to improve efficiencies and ensure new reporting and collaboration structures are in place.

TSS is entering a typically high business development period with many clients and prospects seeking to commit budget for the new financial year.

TSS has also recently been named as a finalist in the Australian Small Business Champion Awards and Michelle Gallaher named as a finalist in the Australian Small Business Entrepreneur Award and inducted into the Victorian Honour Roll for Women for her service to the Victorian economy and community.

Appointment of data and privacy experts to Advisory board

Along with the upcoming rollout of MediaConsent, ShareRoot appointed Dr Paul-Olivier Dehaye and Mr Jerome Groetenbriel as advisors to the Company. Both are co-founders of PersonalData.IO and early thought leaders and experts in personal and customer data collection, mining and protection. Dr Dehaye and Mr Groetenbriel have been analysts, observers and commentators on data protection and social media for many years, including most recently as major contributors in uncovering the Cambridge Analytica data mining scandal.

Dr Paul-Olivier Dehaye has a considerable profile in the area of privacy and personal information mining and protection across social media, recently testifying on the Cambridge Analytica/Facebook data mining situation, alongside whistleblower Chris Wylie, to the UK parliament on the case (<https://parliamentlive.tv/Event/Index/28e9cccd-face-47c4-92b3-7f2626cd818e>).

Dr Dehaye has become one of the leading experts in the world on social media personal data and its use and abuse, referenced by industries and company worldwide, including newspapers like the Guardian and the New York Times.

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About ShareRoot

Based in Silicon Valley, ShareRoot is positioned to become a major player in the marketing data and privacy protection ecosystem. The expanding global awareness around consumer data and privacy issues makes ShareRoot's efforts and platforms more timely than ever. ShareRoot's Legal Rights Management UGC platform was the first product the company created, with clients including Johnson&Johnson, McDonald's, and Costco. The company is currently in the process of launching their new MediaConsent platform which is the first platform to give consumers/citizens control of their data and privacy through a preference dashboard. The company also plans to integrate blockchain technology in order to further secure and guarantee the protection of data on its platforms and privacy of the consumers interacting with those platforms. For more information about ShareRoot please visit www.shareroot.co

About TSS

The Social Science is a unique social and digital media strategic marketing communications and content creation consultancy. The company specializes predominantly in content and engagement strategies for clients in innovation technology industries such as life sciences, engineering and healthcare or who operate in highly regulated sectors. The company was founded in 2014.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

SHAREROOT LIMITED

ABN

71 063 144 865

Quarter ended ("current quarter")

31 MARCH 2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		164	266
1.2 Payments for			
(a) research and development		(309)	(654)
(b) product manufacturing and operating costs			
(c) advertising and marketing		(62)	(331)
(d) leased assets			
(e) staff costs		(159)	(433)
(f) administration and corporate costs		(242)	(905)
1.3 Dividends received (see note 3)			
1.4 Interest received			
1.5 Interest and other costs of finance paid			
1.6 Income taxes paid			
1.7 Government grants and tax incentives			
1.8 Other (provide details if material)			
1.9 Net cash from / (used in) operating activities		(608)	(2,057)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property		
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		3
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	3

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,819	4,197
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(169)	(260)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	2,650	3,937

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	343	494
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(608)	(2,057)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	3
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,650	3,937

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	3	11
4.6	Cash and cash equivalents at end of quarter	2,388	2,388

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,388	343
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,388	343

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

136

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Remuneration and fees paid to Directors and their associates.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

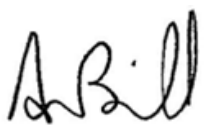
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	143
9.2 Product manufacturing and operating costs	15
9.3 Advertising and marketing	29
9.4 Leased assets	-
9.5 Staff costs	308
9.6 Administration and corporate costs	218
9.7 Other (provide details if material)	
- Payment to acquire TSS (net cash estimate)	200
9.8 Total estimated cash outflows	913

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date:27 April 2018

Company Secretary

Print name: Andrew Bursill

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.