



ASX Announcement

24 October 2018

ShareRoot Group September 2018 Quarterly Report

Highlights:

- Revenue up 58% to \$298,000 from the previous quarter - continuing Quarter over Quarter growth across the company
- Operating loss down 21% compared to the previous quarter
- Company remains well funded with ~\$1.4M cash at bank
- UGC user base continues to grow - now above 710,000 users
- Advisory Board Review and Facebook Integration completed
- Antanas Guoga 'Tony G' invests in ShareRoot and joins advisory board
- Successful Beta launch of brand focused MediaConsent with two strategic partners with reach to multiple brands

Post Period Highlights:

- ShareRoot enters collaboration with St. Vincent's Hospital to enhance clinical research
- MediaConsent's Pilot program launched alongside agency partner Social Media Energy for five clients
- Mozilla Chief Marketing Officer Jascha Kaykas Wolff joins MediaConsent advisory board to add value in partnership generation and platform marketing

ShareRoot Group Limited (ASX:SRO) ("ShareRoot" or "The Group") is pleased to provide an update to shareholders on the Group's performance for the quarter ended 30 September, 2018.

Operational Overview:

ShareRoot achieved record high quarterly revenue of \$298,000 and finished the quarter with \$1.4m in cash. The operating costs for the quarter remained stable with the overall loss for the period down 21%.

During the quarter, ShareRoot successfully completed the Beta launch of its MediaConsent platform through its industry focused advisory board and the launch of its brand-facing Beta program alongside partners Ludomade and Zig Marketing.

The Beta launch illustrates the potential for the MediaConsent platform adding to revenues and providing an additional revenue stream for ShareRoot. The Group anticipates increased engagement for its MediaConsent platform over the next year.

Overall expenditure across the Group continued to decline, significantly reducing cash losses. ShareRoot raised additional capital from strategic tech entrepreneur and now MediaConsent Advisory Board member Antanas Guoga (“Tony G”).

ShareRoot anticipates that as the Group grows it will continue to increase its revenue and decrease its overall quarterly loss as it continues to integrate revenue streams like The Social Science and optimise overall company functionality. Revenue growth will also be supported by the continued launch and rollout of MediaConsent and growth across the TSS and UGC revenue streams.

MediaConsent is an early-mover in a rapidly growing industry that has emerged due to the growing need for compliant marketing practices and the protection of consumer data and privacy. ShareRoot has now initiated the launch of MediaConsent’s Beta program to its international advisors’ board, which is made up of experts with considerable international privacy and marketing experience.

The initial Beta launch to global advisors tested the features and functionality of the platform and provided feedback and recommendations to our development and marketing teams ahead of further releases. MediaConsent is positioned to address the needs and functions of multinational businesses as they strive to comply with new global data privacy and identity management regulations and puts the consumer back in control with respect to their online privacy and the products and services they to which they are exposed.

Antanas Guoga ‘Tony G’ invests in ShareRoot and joins advisory board:

During the quarter, the Group appointed Mr Antanas ‘Tony’ Guoga, better known as Tony G, to its advisory board as part of the roll out of its MediaConsent platform. Mr Guoga and sophisticated and professional investors in his network have also made a strategic investment of \$0.52m into the company and will become a Top 20 shareholder.

Mr Guoga is an internet entrepreneur having founded numerous technology and crypto businesses across Europe in online gaming, entertainment, sports as well as being a successful investor in emerging companies, particularly in the technology sectors. His broad understanding of the technology sectors from investor to founder and manager brings unique skills to ShareRoot and will benefit the Group as it launches its MediaConsent platform.

Mr Guoga has also worked considerably across the European political environment including being a member of several European industry and advisory committees such as the Euronest Parliamentary Assembly. Tony has been actively involved in the General Data Protection Regulation (GDPR) as it came into effect in May this year, giving ShareRoot intimate insight into the legislation and its implications for companies and individuals.

Advisory Board Review and Facebook Integration Completed:

On August 20, ShareRoot announced the successful completion of its MediaConsent beta release program and that MediaConsent has been granted Facebook integration approval. New Features of MediaConsent's minimum viable product (MVP) have been developed following advisor feedback.

ShareRoot also reported that Facebook granted MediaConsent API access and integration. This will enable MediaConsent users to utilise their Facebook login to create their profiles within MediaConsent and begin interacting with companies and brands. The access granted by Facebook to MediaConsent is a testament to ShareRoot's focus on protecting consumer data and privacy.

With the Group's strategic advisor beta review program completed alongside the granting of Facebook access, ShareRoot will release MediaConsent to beta customers. Advisors have also identified further growth opportunities for MediaConsent to specialise in individual industries and to plug into existing work flows of prospective clients, enabling the platform to be a specialised first mover in consent management and data privacy in a variety of specific industries.

ShareRoot partners with Zig Marketing and Ludomade to launch Beta of MediaConsent reaching multiple brands and customers:

On September 27, ShareRoot launched the company/client-facing MediaConsent Beta program with two initial Beta agencies, Zig Marketing and Ludomade.

The Group chose to launch the company facing Beta program with an award-winning national agency specialising in interactive content and influencer marketing (Zig Marketing), and a prominent game/app development agency (Ludomade), both of which work with industry leading brands as clients.

The advice and suggestions from the ShareRoot Group's Advisory Board during that phase of MediaConsent's Beta program enabled significant applicability expansions of the MediaConsent

platform. Under the guidance of the Advisory Board, MediaConsent features are being “widgetized” which allows lightweight features of MediaConsent to be applied to different marketing arenas and niches.

The expanded brand/client reach of both Ludomade and Zig are accessible to MediaConsent due to this advisory advice as MediaConsent will plug into their existing client workflows.

Zig Marketing is an award-winning national agency with expertise in Interactive Content Marketing, Influencer Marketing, and KPI Driven Digital Media. Zig's participation in the Beta program of MediaConsent will help drive value for The Group in further refinement of the MediaConsent platform from the perspective of Influencer Marketing and campaign effectiveness.

Ludomade is a leading boutique game and app development firm (<http://www.ludomade.com/>) based out of Los Angeles that has clients including major Hollywood studios and television networks. Through partnership discussions between Ludomade and the ShareRoot Group it quickly became apparent that there is a large opportunity in the +US\$100 billion international mobile gaming and app development market to be the first GDPR and international legislation compliant offering. Additionally, the Group will be able to attain consistent feedback for the MediaConsent platform from a host of the leading entertainment brands simultaneously through Ludomade's participation in the Beta program.

For more information, please contact:

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For investor and media inquiries contact: Ben Jarvis, Six Degrees Investor Relations: +61 (0) 413 150 448

About ShareRoot

The ShareRoot Group is becoming a major presence in the marketing data and privacy protection ecosystem. The expanding global awareness around consumer data and privacy issues makes ShareRoot's platforms essential in this \$14Bn market. ShareRoot has three platforms: ShareRoot's Legal Rights Management UGC platform protecting against unauthorised use of people's social and digital content, with clients including Johnson & Johnson, Singapore Tourism Board, and Costco; the profitable social media marketing agency 'The Social Science' that provides client services and account management layer behind the Group's technology properties; thirdly, ShareRoot is

launching the new MediaConsent platform which is the first platform to give consumers/citizens control of their data and privacy through a preference and consent management dashboard. ShareRoot's global business is ideally positioned at the right time to solve the issues faced by consumers and companies in data and privacy in digital marketing. For more information about ShareRoot please visit www.shareroot.co

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")

30 SEPTEMBER 2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		298	298
1.2 Payments for			
(a) research and development		(37)	(37)
(b) product manufacturing and operating costs			
(c) advertising and marketing		(24)	(24)
(d) leased assets			
(e) staff costs		(428)	(428)
(f) administration and corporate costs		(457)	(457)
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		(648)	(648)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment			
(b) businesses (see item 10), net cash acquired from subsidiary			
(c) investments			

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property		
	(e) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(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.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	500	500
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		
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	500	500

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	1,546	1,546
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(648)	(648)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	500	500

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	7	7
4.6	Cash and cash equivalents at end of quarter	1,405	1,405

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	1,405	1,546
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)	1,405	1,546

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

183

-

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

-

-

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.		

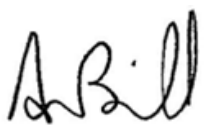
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	97
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	21
9.4 Leased assets	-
9.5 Staff costs	216
9.6 Administration and corporate costs	181
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	515

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:24 October 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.