



ASX Announcement
29 July 2016

JUNE 2016 QUARTERLY REPORT

Highlights

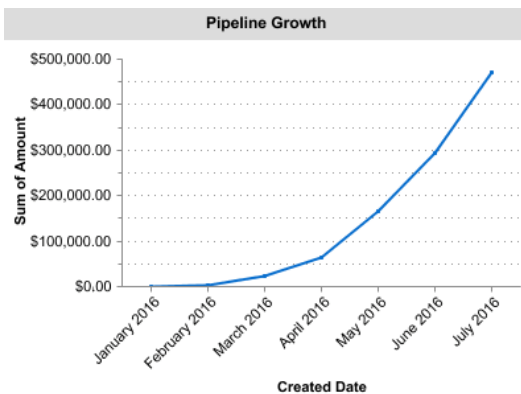
- Sales team delivering results ahead of schedule with strong growth in sales pipeline of qualified leads to over \$250,000 USD of annualised potential sales, representing a 12x increase from the preceding quarter
- Strong increase in SaaS booked revenue closed in Q2 contracts
- Premium Tier launched, offering a higher priced offering with additional functionality
- Launch of innovative Hootsuite App, enhancing user experience via providing management and scheduling functionality
- Commencement of International expansion with closing of Australian online betting agency Digital Fuel

Leading user-generated content (UGC) marketing platform company, ShareRoot Limited (ASX:SRO, "ShareRoot" or the "Company") is pleased to release its Appendix 4C Report for the three-month period to 30 June 2016 and provide a review of its progress for the quarter.

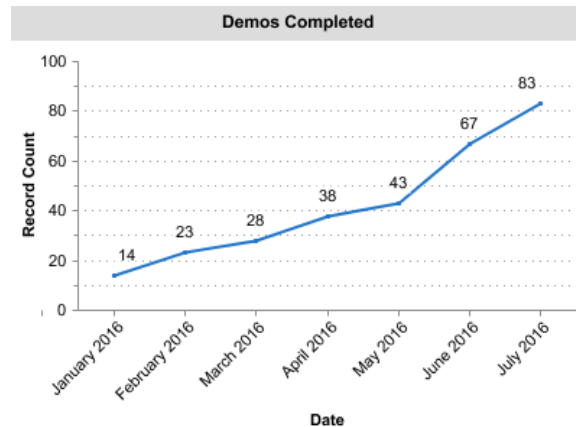
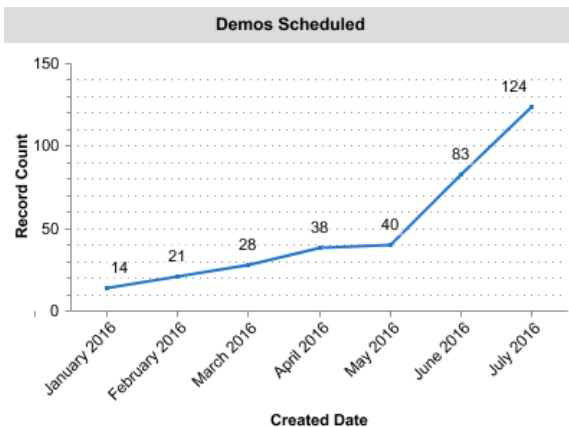
Operational Progress

Sales Team Ramping Faster than Expected

The Company's sales team has significantly grown its sales pipeline of qualified leads during the quarter. The pipeline comprises clients that have been issued contracts by ShareRoot's sales team and have a strong potential of signing on to the platform. The Company's sales pipeline grew by a factor of 12 to approximately \$250,000 USD of potential annualised sales, compared to CY2016 the previous quarter. This has been outlined in the chart below where you will see a growth from \$22,880 USD in March up to \$292,244.40 USD in June for a growth total of over \$250,000 USD. This growth has continued strongly into Q3 and the numbers reflect that accordingly in July.



The sales team, now numbering 15 includes 6 Sales Development team members. The Sales Development team is tasked with growing the company pipeline and allows for the Account Executives to focus on closing deals. The sales pipeline is expected to continue expanding, which will result in further revenue potential.



Selected new and renewed client contracts signed during the quarter, include:

- **Autotrader.com:** a leading US online marketplace for car shoppers, signed on for ShareRoot's newly launched Premium Tier.
- **Cheap Caribbean:** Well-known holiday planning website, upgraded from ShareRoot's standard package to Premium package, increasing its spend by 512%.
- **Proof Advertising:** One of Proof's well-known popcorn products signed to ShareRoot's Standard package offering.
- **Merchbar:** Sells merchandise from over 10,000 top entertainment artists, signed to ShareRoot's Standard package.

Increased Booked Revenue

Operating on a SaaS revenue model, when ShareRoot closes a sale it is booked over 12 months. The Company's booked revenue for CY2016 Q2 was \$67,000 AUD which is 3x the amount of booked revenue closed in CY2016 Q1. With an increased sales team, ShareRoot expects further sales growth momentum in the quarter ahead.

International Expansion – First Australian client

Subsequent to the end of the quarter, ShareRoot signed a new contract with Digital Fuel, an online digital agency for a range of well-known online betting and gaming companies and brands. Digital Fuel is piloting the ShareRoot platform with one of its key online betting company clients. This represents the Company's first Australian customer and signifies the commencement of ShareRoot's international expansion.

Launch of Premium Tier

ShareRoot's Premium Tier offering was launched during the quarter, undergoing beta testing from a number of clients, including new client Autotrader.com. The Premium Tier is a higher priced offering with additional functionality for customers. The new Tier unveiled "Shop-able" galleries, allowing users to purchase products directly that appear on an image within a gallery.

Launch of Hootsuite App Directory

During the quarter the Company successfully launched on the Hootsuite App Directory, substantially enhancing the ShareRoot platform and user experience by providing management and scheduling functionality. The integration extends the customer reach of the Company's offering and further positions ShareRoot as a leading user-friendly UGC platform for marketers across the globe.

Galleries featured in key marketing events

ShareRoot customer galleries were featured at three experiential sales and marketing events during the quarter: Social Media Summit, OpenTalk2016 and NVMCONNECT. At these events, ShareRoot received high visibility exposure to over 1,000 marketing professionals. Participation at the event resulted in lead generation and heightened interest from potential customers, providing further validation for ShareRoot's platform.

Financial Update

The Company is well funded to continue pursuing its growth strategy with cash at bank of \$2.299 AUD million as at 30 June 2016.

Outlook

ShareRoot has sustained strong operational and client growth momentum this quarter, with a number of new client wins. With ShareRoot's sales team building a strong potential customer pipeline, the Company expects further client wins and further sales pipeline growth in the short term.

With the Premium Tier now launched, ShareRoot expects a number of existing clients to sign to ShareRoot's higher priced Premium Tier offering.

ShareRoot expects further revenue uplift in the months ahead as more clients are signed on to ShareRoot's UGC platform.

The broader UGC space has been a high activity space recently, demonstrating that ShareRoot operates in a rapidly growing market. Recent developments include the acquisition of Olapic for \$130M USD; Sprinklr raising \$105M USD; Livefyre, purchased by Adobe; and, Engaged Sciences, purchased by Wayin.

Ends

For more information, please contact:

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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.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

SHAREROOT LTD

ABN

71 063 144 865

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

		Current quarter	Year to date (12 months)
		\$A '000	\$A '000
Cash flows related to operating activities			
1.1	Receipts from customers	43	67
1.2	Payments for (a) staff costs	(688)	(1,785)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(434)	(1,343)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	7
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – receipt for transaction exclusivity fees paid by Monto Minerals Limited to ShareRoot Inc prior to completion of the acquisition	-	300
	Other – non-recurring payments in relation to discontinuing operations of Monto Minerals Ltd	-	(368)
Net operating cash flows		(1,078)	(3,122)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter	Year to date (12 months)
	\$A '000	\$A '000
1.8 Net operating cash flows (carried forward)	(1,078)	(3,122)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	5,120
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(36)	(47)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(36)	5,073
1.14 Total operating and investing cash flows	(1,114)	1,951
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	699
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other – payment of share issue costs	-	(434)
Net financing cash flows	-	265
Net increase (decrease) in cash held	(1,114)	2,216
1.21 Cash at beginning of quarter/year to date	3,341	176
1.22 Exchange rate adjustments to item 1.20	72	(93)
1.23 Cash at end of quarter	2,299	2,299

Notes:

On 11 January 2016, ShareRoot Ltd (formerly Monto Minerals Ltd) acquired 100% of the ordinary share capital and voting rights of ShareRoot Inc. This is treated as a reverse acquisition under the guidelines and principles of AASB 3 Business Combinations whereby ShareRoot Inc. is treated as the acquirer and ShareRoot Ltd is the acquiree. As a result, the Statement of Cash Flows comprises the cash transactions for ShareRoot Inc. for the year to date period and the cash transactions of ShareRoot Limited (and its group entities) from the date of acquisition (11 January 2016) to the year-end date of 30 June 2016.

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	92
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Directors' remuneration and fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

The acquisition of ShareRoot Inc. by ShareRoot Limited is accounted for under AASB 2 Share Based Payments whereby the non-cash consideration in a reverse acquisition is deemed to be the fair value of the deemed issue of shares by the legal acquiree (ShareRoot Inc.), equivalent to the current shareholders interest in the legal acquirer (ShareRoot Limited) post the acquisition. The consideration net of cash acquired is reported in the Statement of Cash Flows as positive \$5,120,047 in item 1.9a, being the cash held by ShareRoot Limited as at the date of acquisition.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-
3.2	Credit standby arrangements	-

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	2,299	3,341
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		2,299	3,341

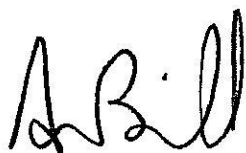
Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	N/A
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 29 July 2016

Print name: **Andrew Bursill**

Notes

+ See chapter 19 for defined terms.

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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