

GRP Corporation Limited

(to be renamed “Spring Networks Limited”)

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ASX / MEDIA RELEASE
22 October 2014

BROKER PRESENTATION

GRP Corporation Limited (ASX: **GRP**) ('GRP Corporation' or 'the Company') is pleased to provide a copy of the presentation to be delivered to a number of stock broking firms, institutional and sophisticated investors over the next week.

The presentation will also be made available on the Company's website: www.grpcorporation.com.au

END

FURTHER INFORMATION

Shareholders / Investors

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Non-Executive Chairman
GRP Corporation Limited

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Spring Networks

Making friends

GRP Corporation Limited
(to be renamed Spring Networks Limited)



Joint lead managers:



IMPORTANT NOTICES

Presentation

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Risks

Any investment in the Company carries a high degree of risk due to the nature and stage of the business. The Company is not a suitable investment for persons unable to sustain a loss of all or part of the sum invested. Key risks include but are not limited to:

- The Company does not achieve a critical mass of regular traffic to monetize its business profitably and sustainably, and if this is not forthcoming and timely, this may result in a significant decrease in the value of the Company;
- The Company may achieve significant growth, but may still may require additional capital to become a global leader in social media and if this capital is not forthcoming and timely, this may result in a significant decrease in the value of the Company;
- The Company is dependent on its key executives and offshore team to run the business. If the key executives and offshore team cannot be retained the business may fail to achieve its goals and this may result in a significant decrease in the value of the Company;
- The Company is dependent on software infrastructures and data platforms both owned and managed internally as well as via third parties like internet service providers, email service providers and hosting services like Amazon Web services. Significant outages or breaches of any of these services could result in a loss of consumer confidence and result in a significant decrease in the value of the Company; and
- The Company depends on traffic providers such as Google, Facebook, Twitter, VK, and thousands of other websites. Significant changes to their rules or content optimisation strategies could result in a loss of traffic to company websites and result in a significant decrease in the value of the Company.

Outlined above are some of the key risks. For more information and prior to considering an investment in the company please read the Company’s prospectus which includes a section on risks and more information about the business.

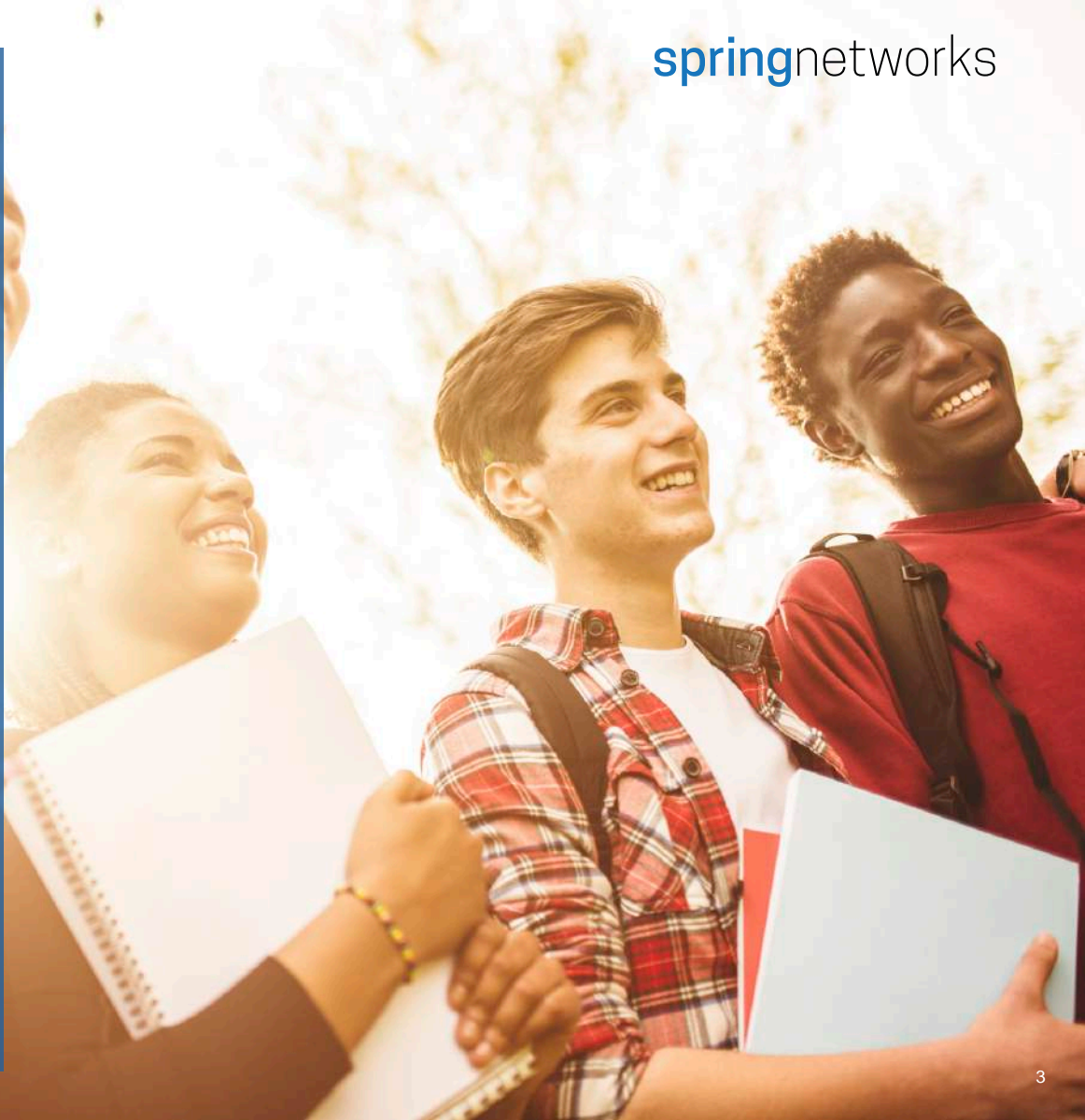
Vision

To build the world's leading social media network of websites and apps centered around making friends

Our target is to reach 100 million regular members who are monetized through internet advertising and paid services

July 2013:
Spring.me launched (beta)

Sep 2014:
5+ million visitors and growing!



Investment Proposition

Led by a team of
Australia's leading
internet founders

Positioned in the
high growth social
media industry

Positioned to
become a leading
social media player

Team

Spring Networks is led by a team of Australia's leading internet founders



Colin Fabig, Executive Chairman

Colin Fabig has been involved in technology related start-ups since 1993. He started and successfully exited two start-ups in South Africa before moving to Australia in 1999. Based in Sydney, Colin founded an e-card website in 1999, that at its peak was the 51st most trafficked website in the USA in December 2000 according to US rankings site comScore. Out of this business, Colin along with Ari Klinger founded iMega in 2003, an online media network which achieved more than 30 million visitors a month and successfully exited the company to a listed marketing services company in 2006. In 2010, he was the founder and executive chairman of a web start-up called Jump On It, later known as Living Social Australia. Within the first 24 months, this business grew to a staff of 250, a consumer base of 2 million Australian email subscribers and achieved a run rate of ~\$100 million in annual billings.



Ari Klinger, Managing Director

Ari Klinger has extensive experience in starting, building and selling internet-related businesses having been the CEO and co-founder of iMega, an online media network which achieved over 30 million visitors a month. iMega was sold to a listed marketing services group in 2006. In 2008, Ari co-founded, and was CEO of Online Marketing Group, which quickly grew to become Australia's largest network of websites and owner of premium domain names. Online Marketing Group was acquired by Fairfax Media in 2010. Ari is also a co-founder of investment firm Right Click Capital, which has a portfolio of technology based businesses and a co-founder of the Sydney Seed Fund an early stage technology investment fund. Ari is involved in a range of other activities supporting the technology and start-up community including co-founding Internet DealBook (a publication tracking internet company M&A deals around the world) and mentoring at the Founder Institute.



Andrew Bursill, CFO & Company Secretary

Andrew is a Chartered Accountant with over 15 years experience as a director and company secretary of numerous publicly listed entities. He has been CFO, Company Secretary and/or Director for numerous listed and unlisted companies in a range of industries. He is currently a director and company secretary of Argonaut Resources Limited and previously the company secretary of Agnia Resources Limited, Austral Gold Limited, MOKO Social Media Limited, Eagle Nickel Limited, Elk Petroleum Limited and several other unlisted public and private companies.



Roger Harley, Non-Executive Director

Roger is a founder of corporate advisory firm, Fawcner Capital that specialises in emerging high growth companies. He previously worked for 11 years at Deutsche Bank located in New York, Sydney and Melbourne, as Director of Corporate Finance and Director of Equity Capital Markets. His current roles also include Director of ASX listed Clean TeQ Holdings Limited, People and Parks Foundation and Trustee of the Alfred Deakin Lecture Trust. Roger has had various appointments by the Commonwealth Government that related to innovation, venture and industry development programs and policies. These included membership of the Pooled Development Funds Registration Board, the Industry Research and Development Board and Innovation Australia. His previous Board positions include Director of Medibank Private Limited, Australia's largest private health insurance fund and National Financial Solutions Pty Limited, a provider of on-line life insurance.

Opportunity Overview

Building a valuable social media business involves maximizing:

1. Total number of users and
2. Value per user

Spring Networks has demonstrated impressive user growth

Spring Networks has a competitive plan for maximizing value per user



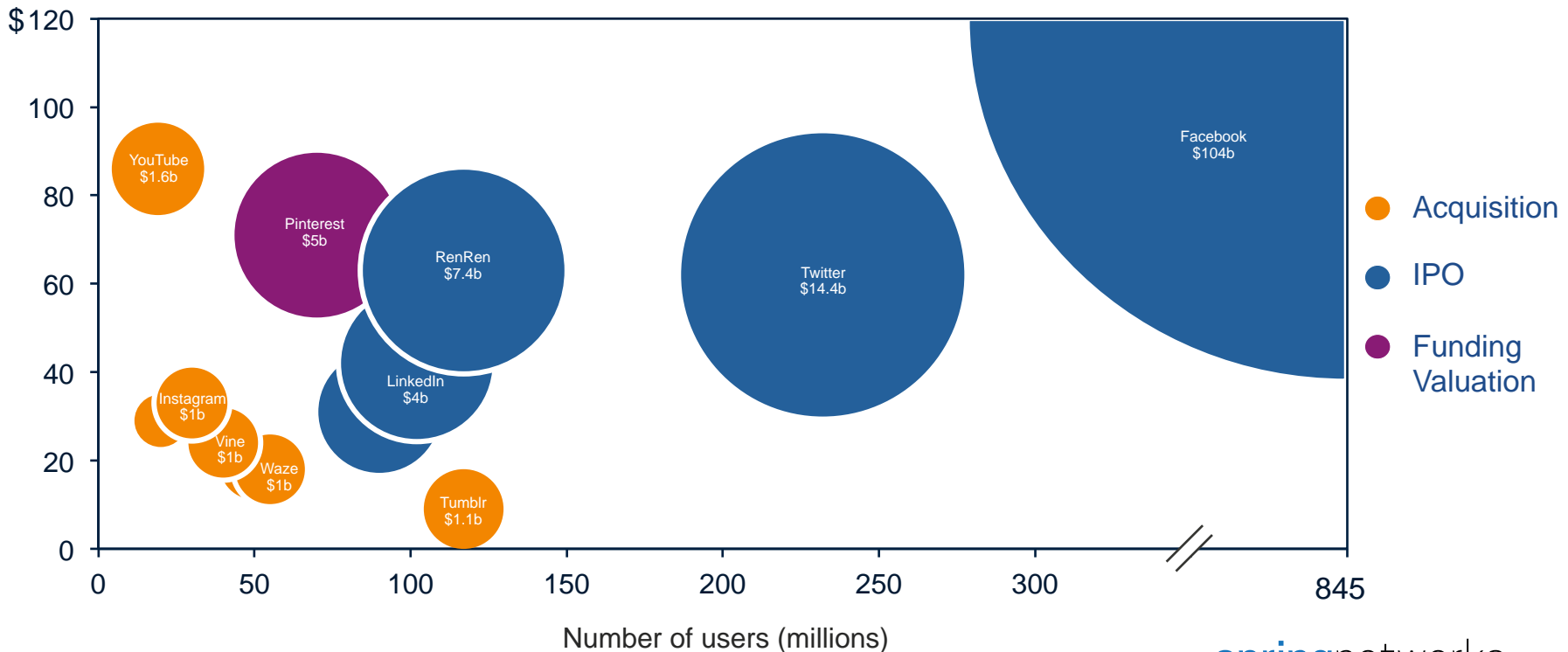
Investment Thesis

Building a valuable social media business involves maximizing (1) total number of users and (2) value per user

Social media networks are generally valued on a per user basis. For example, Instagram had ~30 million users which Facebook valued at \$33 each when it was acquired for \$1 billion. Success requires maximizing both these dimensions.

Value per user (\$)

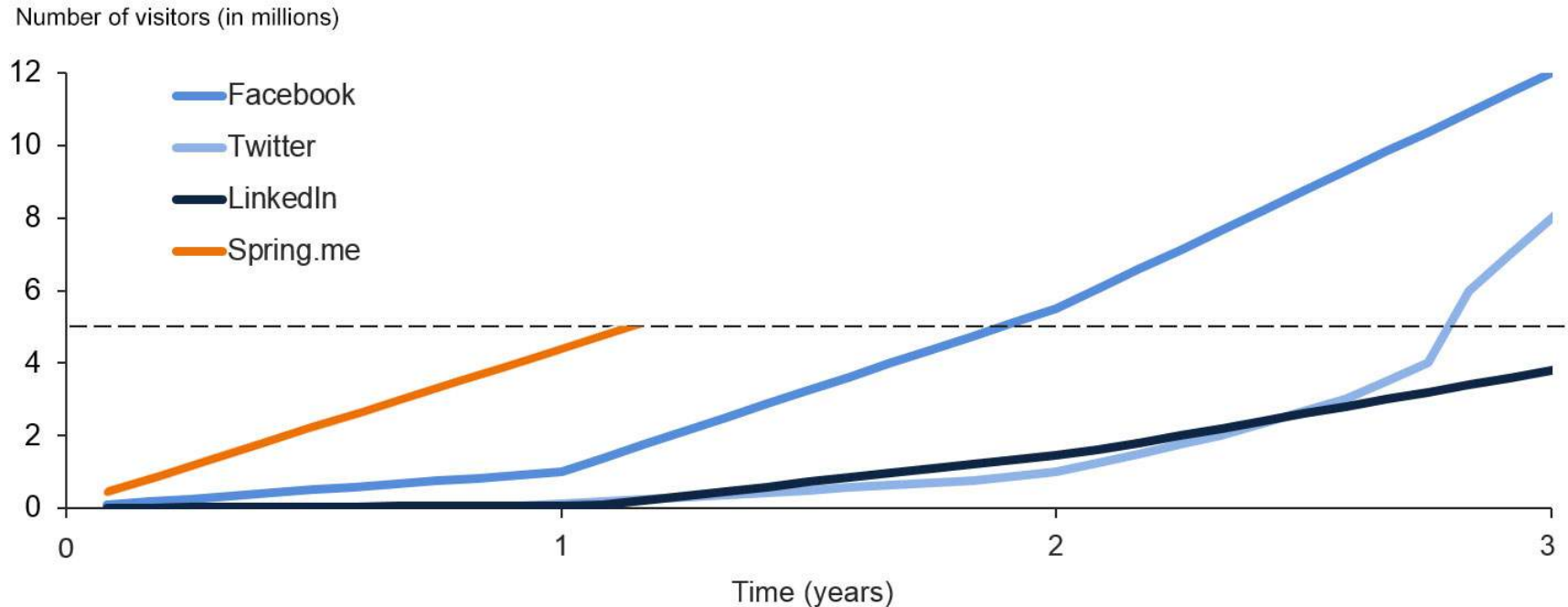
Social media company 'exit' valuations



Growth

Spring Networks has demonstrated impressive growth

Our flagship website Spring.me launched in July 2013 and has grown rapidly. Facebook took 2 years to reach 5.5 million visitors, and it took almost three years for Twitter and LinkedIn.



Source: media releases compiled to create curve, data for missing months estimated by linear interpolation.
Spring Networks internal analytics.

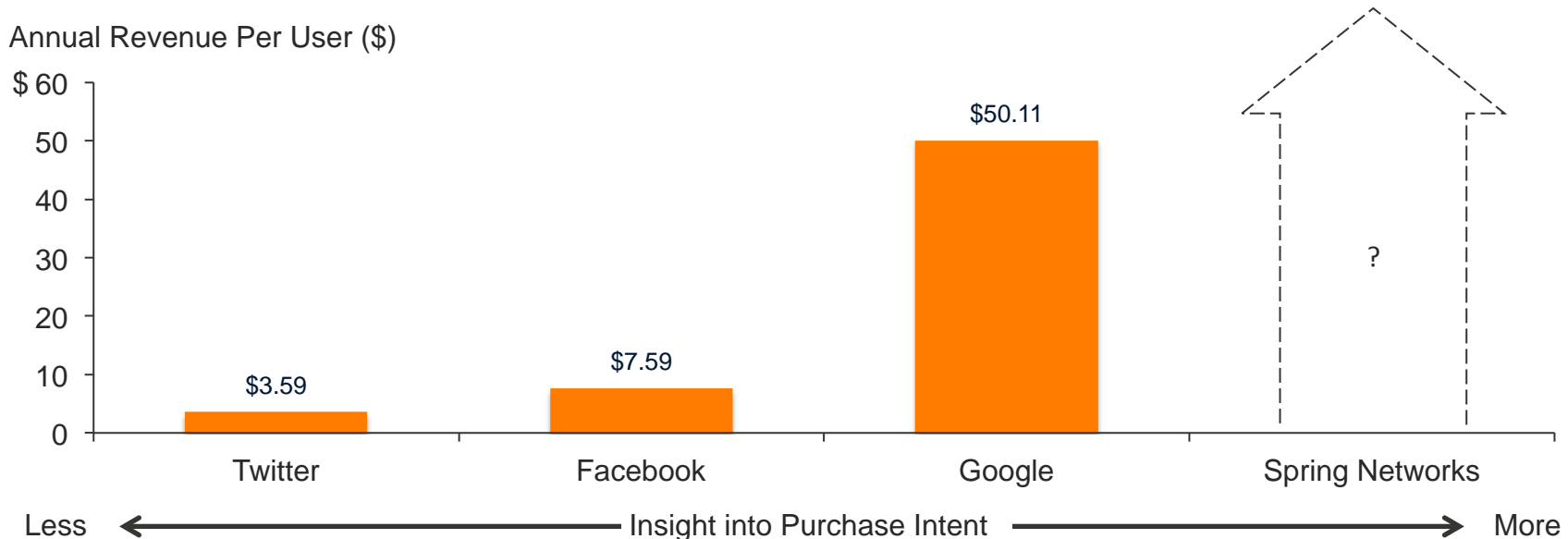
Value Per User

Spring Networks has a competitive plan for maximizing value per user

Harnessing purchase intent is the holy grail of advertising. If a media company can work out what their users want to purchase before they do, marketers will pay a premium to advertise there.

By matching advertising to keywords consumers' search for (like "car insurance") Google provides the closest thing to purchase intent currently available and they generate roughly 12x Twitter's annual revenue per user.

By designing a social platform with question and answers at its heart, Spring.me has an ideal ability to ask members what they want to purchase and only show them advertising that helps them buy those items.

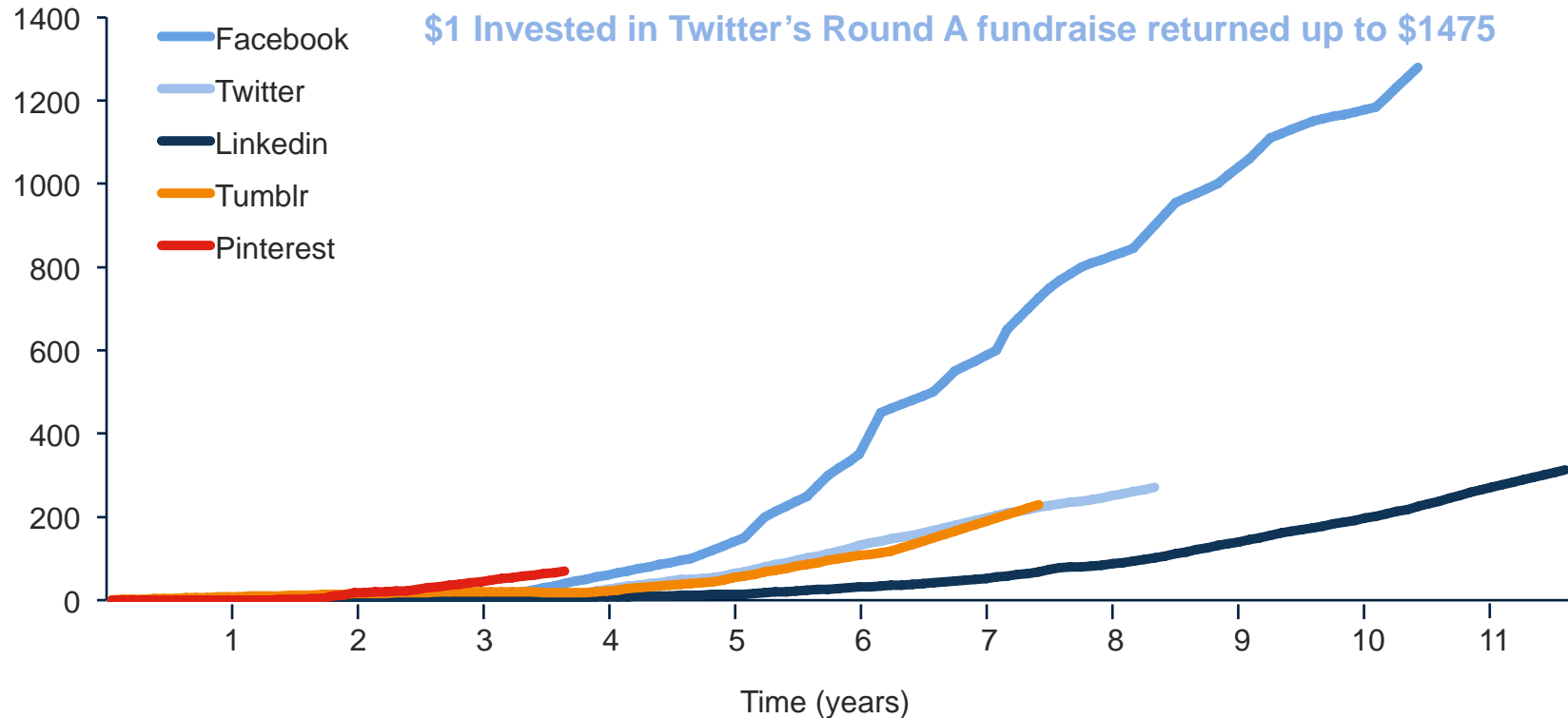


Early Investor Success

The market has rewarded early investors in social networks that have achieved critical mass

Successful social media networks generally take 3 - 5 years to gain traction.

Users (millions)



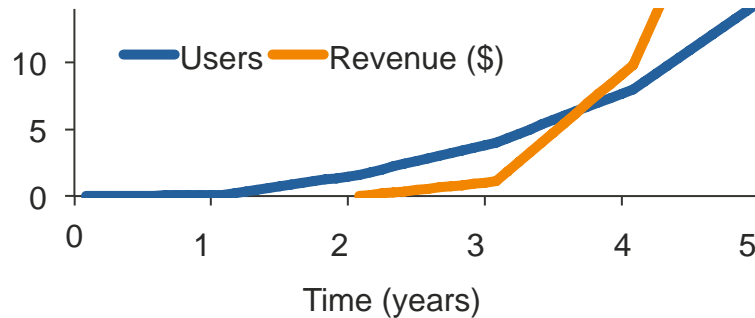
Source: media releases compiled to create curve, data for missing months estimated by linear interpolation

Social Media – Historical Path to Revenue

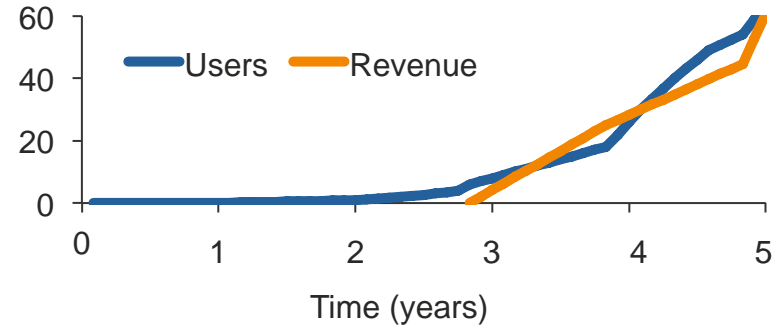
Social media investments take time to monetize

Social media businesses typically take 3 - 5 years to produce meaningful revenues.

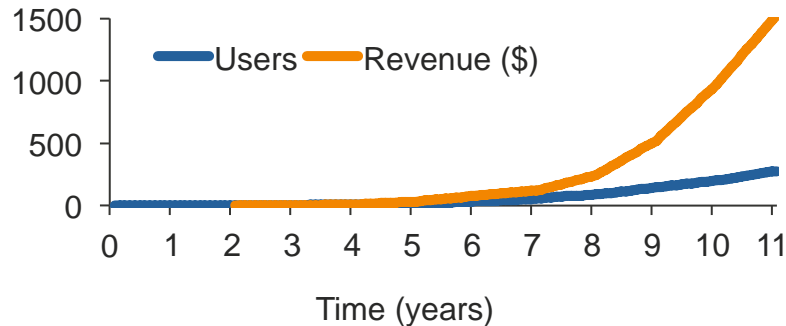
LinkedIn Users / Revenue (millions)



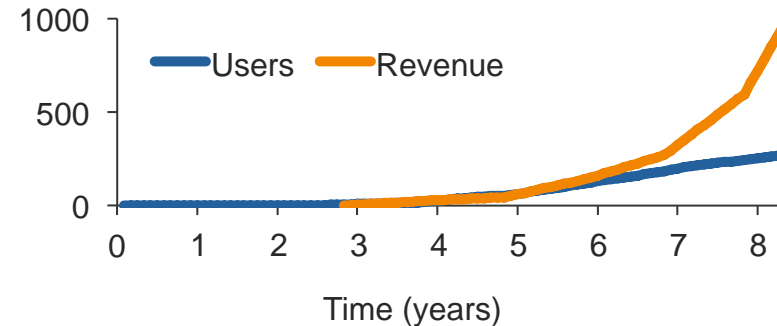
Twitter Users / Revenue (millions)



LinkedIn Users / Revenue (millions)



Twitter Users / Revenue (millions)



Source: media releases and Privco reports compiled to create curve, data for missing months estimated by linear interpolation

Industry Overview

Future of media:

Digital media and social networks are overtaking old media

Audience:

Social media is the most popular online activity

Revenue:

Digital ad spend forecast to double from 2012 to 2018 to \$214 billion

Business model:

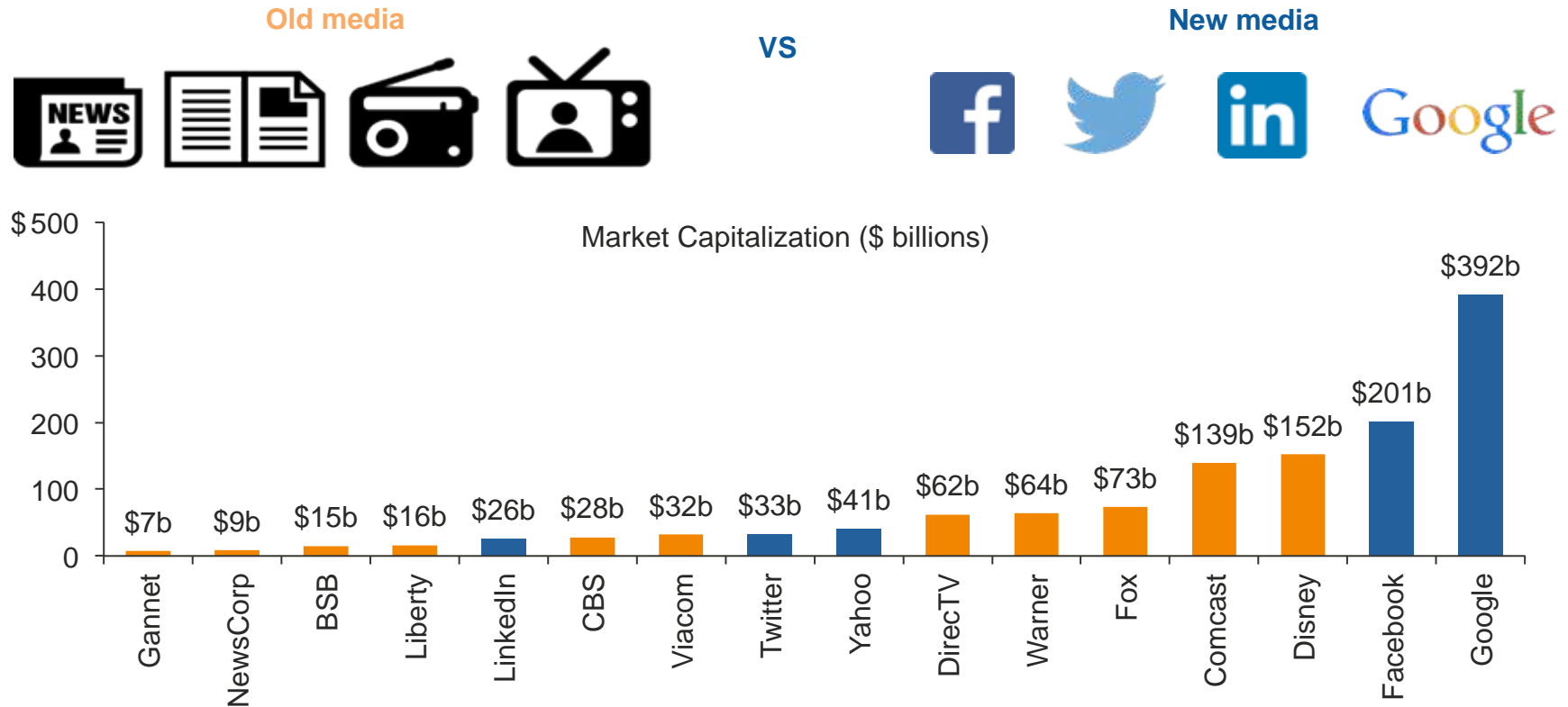
Social media is now a proven business model and generates more than \$14 billion in revenue per annum



Future of Media

Social networks are the future of media

Leading social networks have achieved impressive valuations compared to traditional media companies



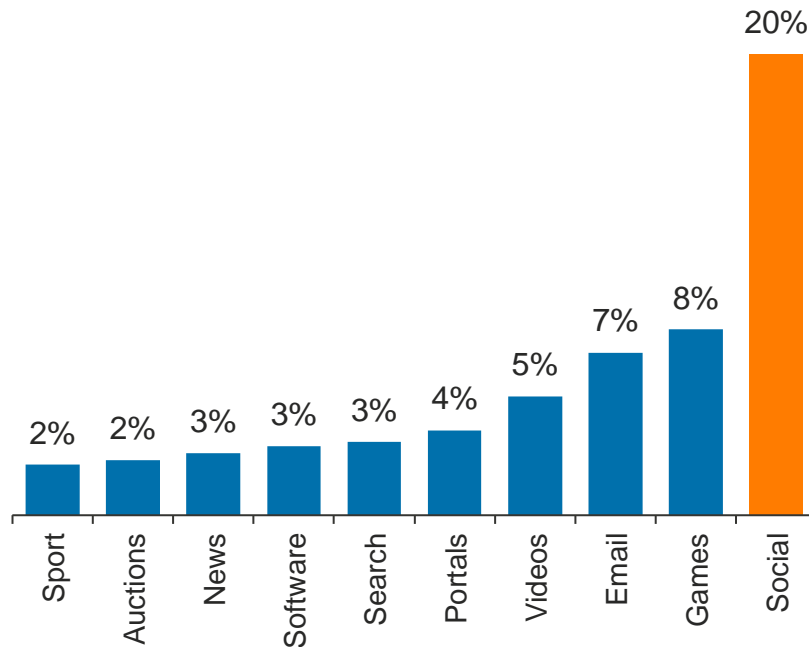
Audience

Social media networks are gaining traction around the world

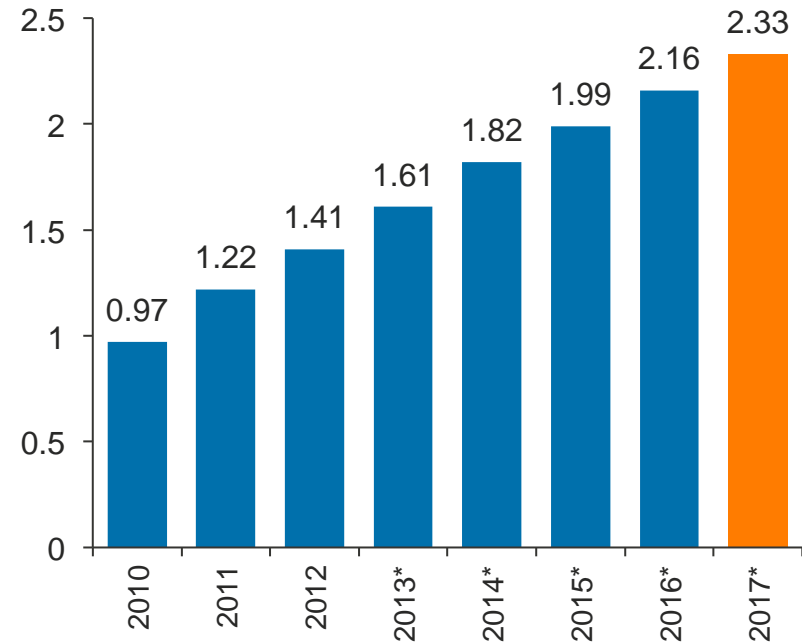
Social media is the most popular online activity.

Social media is continuing to grow, with a forecast of 2.3 billion users globally by 2017.

Share of time spent online (%)



Social network users worldwide (billions)

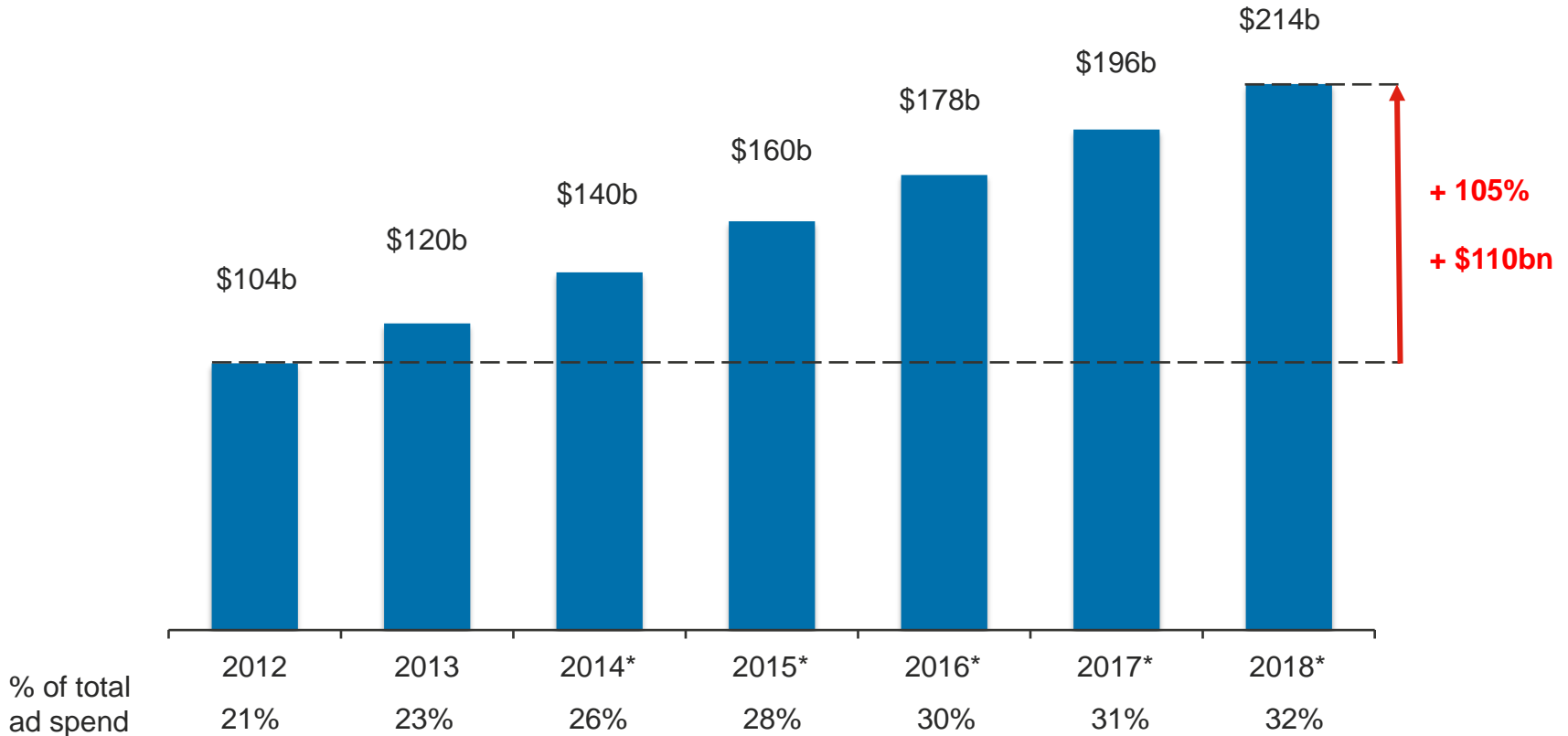


Source: Neilson 2012, eMarketer 2013 (* estimates)

Digital Advertising Spend

Advertising spend on digital media is expanding rapidly

Global Digital Advertising Spend (\$ billions)



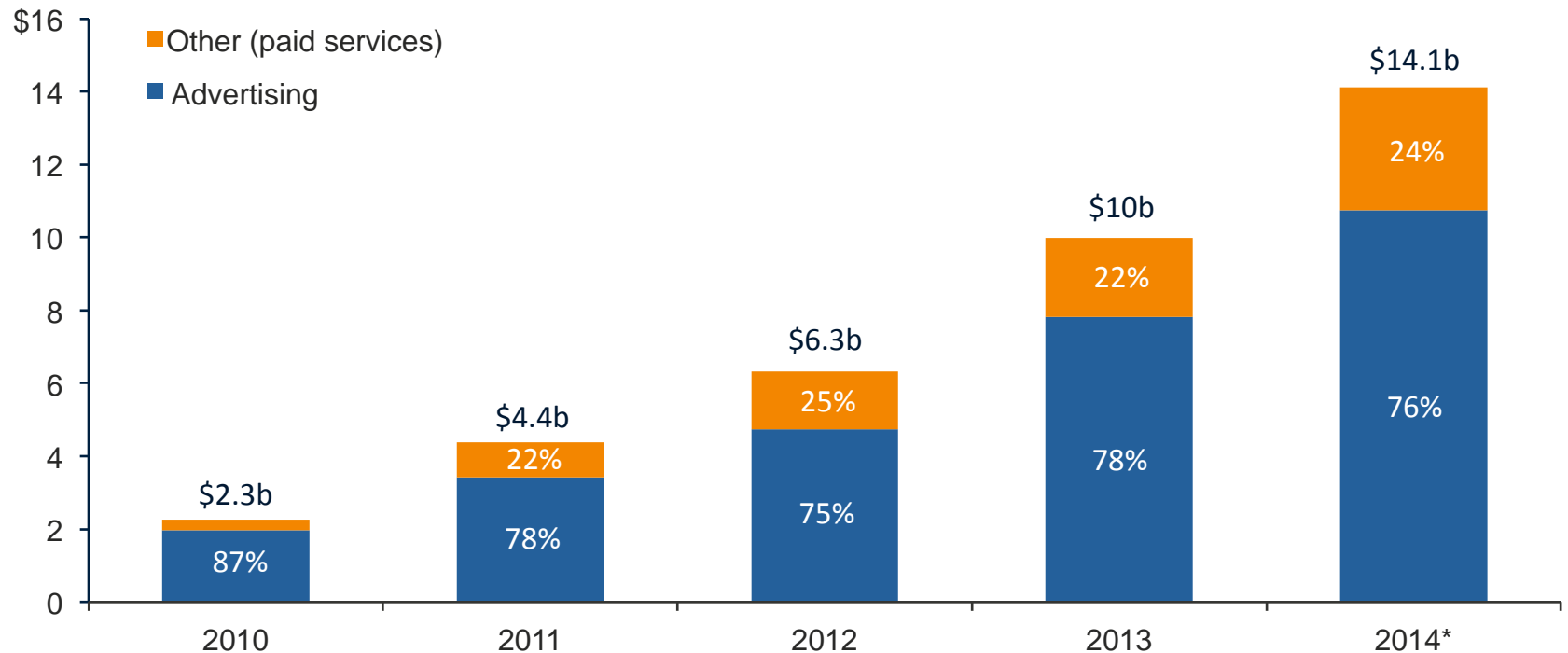
Source: eMarketer 2014 (* estimates)

Proven Business Model

Social media has a proven business model

The top three social media players have an expected combined annual revenue of over \$14 billion. The two key sources of revenue are (1) advertising and (2) paid services.

Combined annual revenue of Facebook, Twitter and LinkedIn (\$ billions)



Source: Statista 2014. * 2014 estimates.

Business Overview

Background:

5m+ visitors a month and growing!

Value proposition:

A new way to make friends

Demographics:

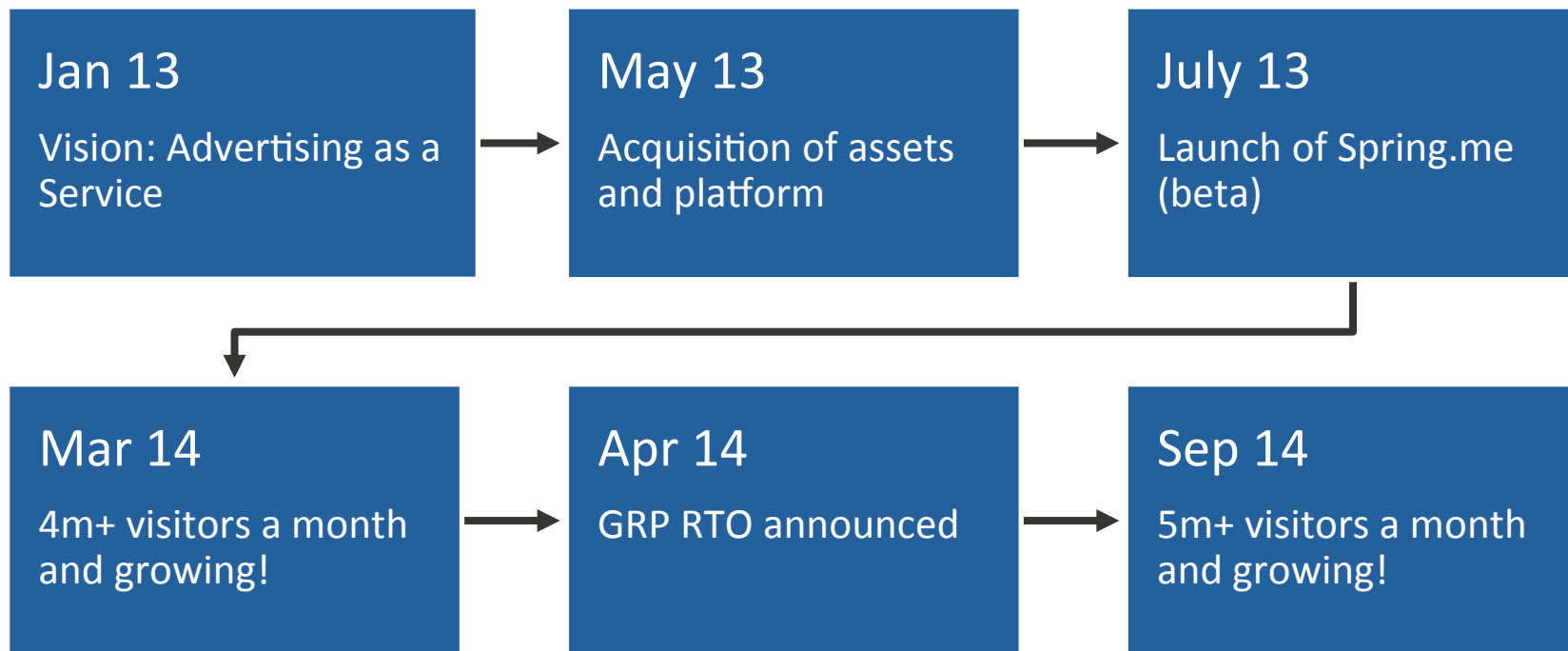
Young and seeking more out of life

Future:

Significant but realistic targets,
solid growth strategy

History

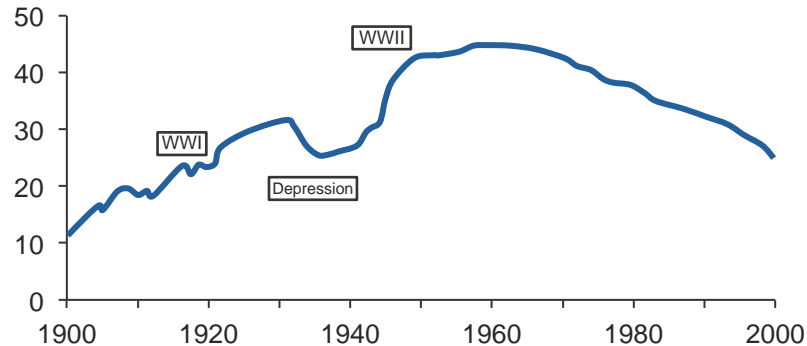
In its first year of operations Spring Networks has celebrated a number of achievements



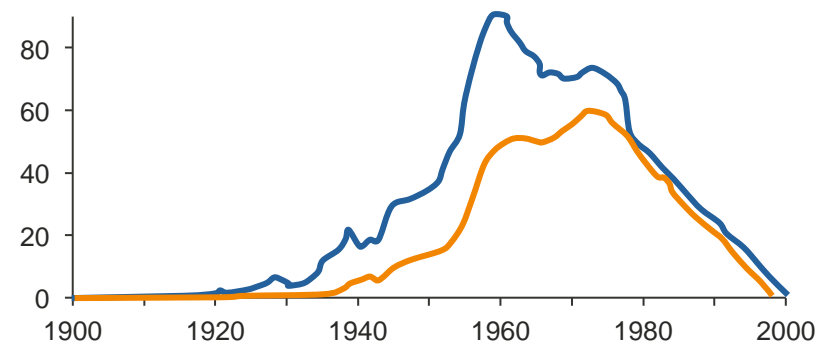
Value Proposition

The old arenas for meeting new people and making friends are in decline

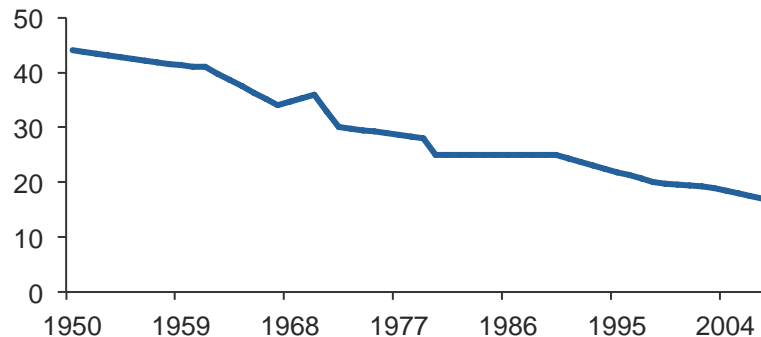
Clubs: % population members of 32 chapter based associations



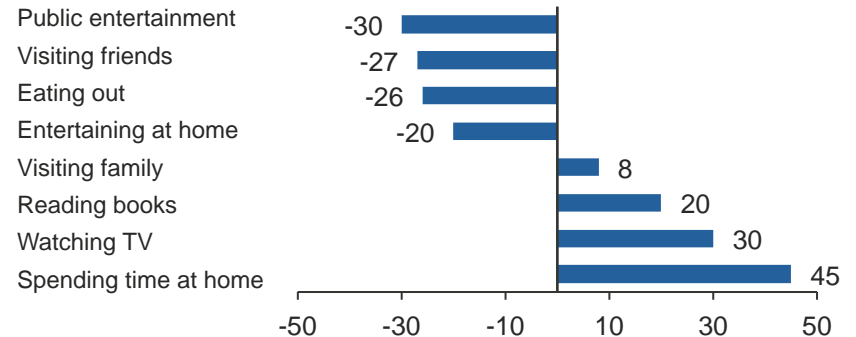
Team Sport: Membership of bowling clubs (per 1000 of population)



Church: % population attending Sunday services



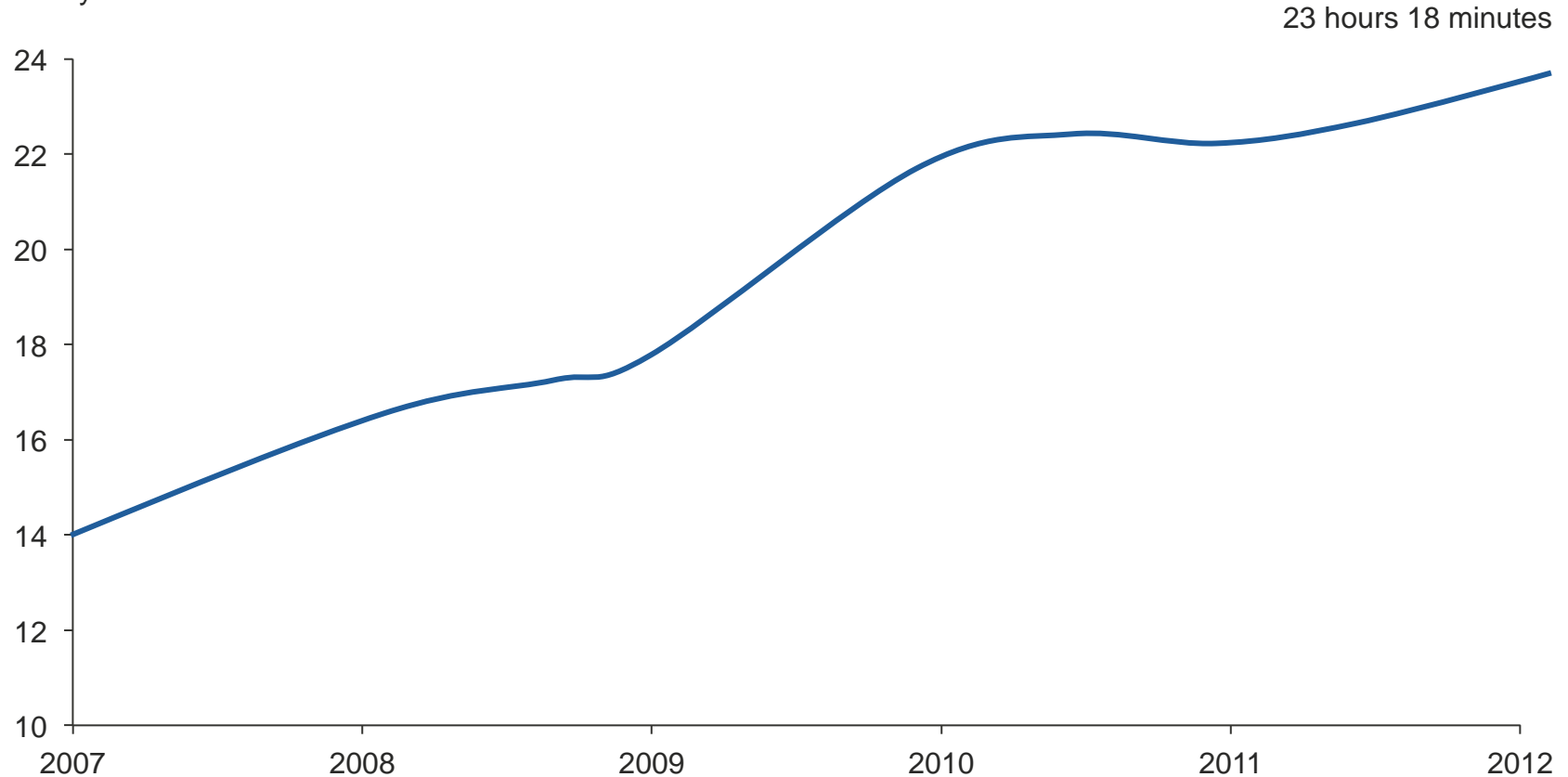
Informal Social Events: % population doing activity compared to 1970



Value Proposition

However, Generations X and Y are spending more and more time online

Weekly time online



Source: Neilson 2013

Value Proposition

Spring Networks believes there is a significant opportunity to help people make new friends using technology

Spring Networks is helping to re-imagine 'making new friends' (in a mobile and digital world)

	Before	Now
Travel	Travel agents	Travel sites
Dating	Movies, clubs, pubs	Dating sites
Jobs	Classifieds	Classified sites
Family Photos	Prints, albums	Facebook
Knowledge	Library, encyclopaedia	Google, Wikipedia
Making friends	Sports, social clubs, churches...	Spring.me, interest-based chat, casual games

Spring Networks aims to be the leader in making friends

Social Media is fragmenting into global niche use cases like TV, Magazines and newspapers did before

There are social media sites and apps specifically for photos (Instagram), videos (YouTube) or blogging (Tumblr).
Spring Networks believes there is an opportunity for a multi-feed offering that provides numerous conversation starters.



	me	Facebook	Twitter	Google+	Tumblr	Quora	Person	POF	ask	Pinterest	LinkedIn	Instagram
Multi-Feed	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Q&A Feed	✓	✗	✗	✗	✓	✓	✗	✗	✓	✗	✓	✗
Polls Feed	✓	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Photo Feed	✓	✗	✗	✓	✓	✗	✓	✓	✗	✓	✗	✓
“Live” Feed	✓	✓	✓	✓	✗	✗	✗	✗	✓	✗	✓	✗
Anonymity	✓	✗	✓	✗	✓	✓	✗	✗	✓	✗	✗	✓

Single login across all websites, applications and devices

Spring Networks' offerings are available across mobile, tablet and desktop. See appendix for more details

Start a conversation with a stranger, make friends for life

Be anonymous, be yourself or reveal more – your choice

A safer community to make friends, community content moderation

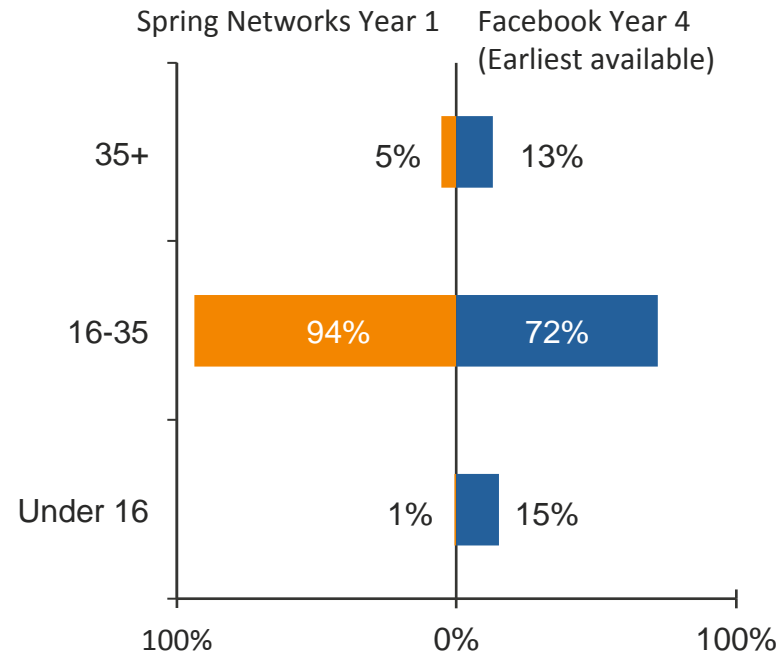


Member Demographics

Spring Networks' members are the perfect age and geographic profile for making friends

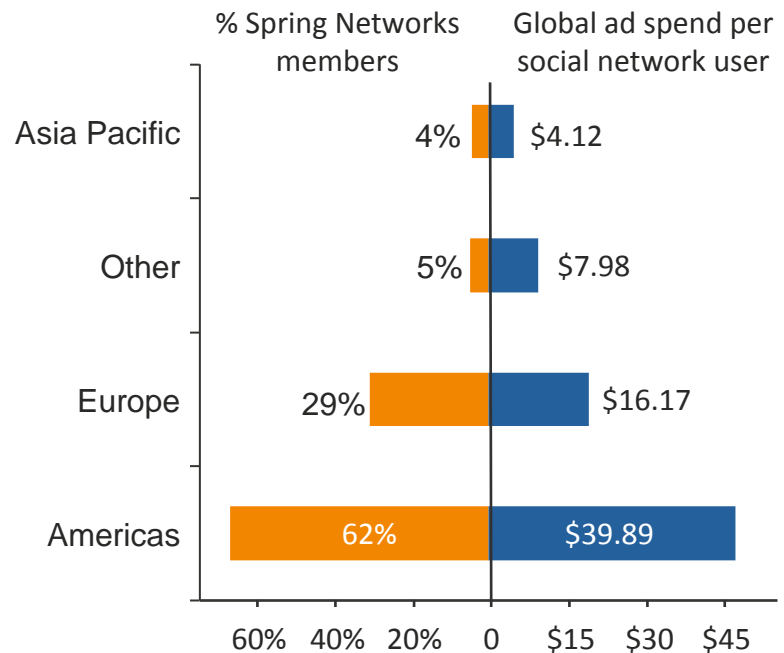
Age

~94% of members are aged 16 - 35. This is the generation of online influencers who made Facebook. Like other social networks, this profile will likely broaden over time.



Geography

~80% of members live in profitable, affluent markets.



Investment Overview

Spring Networks is extremely capital efficient in acquiring visitors

Spring Networks is raising a minimum of \$3 million to fund operations and growth

Now is an exciting time to be part of the social media industry and to join Spring Networks



Strategy

Spring Networks has developed an exciting growth strategy to achieve the Company's targets

1 Build the best social media network for making friends:

- Friendships = Number of similar (interests + values + traits) x number of conversations x intensity of conversation
- Members will be matched by interest and values, and ongoing conversations will be suggested with icebreaking questions, emojis and games

2 Building additional features and conversation starters to increase engagement:

- Personality, interest and conversation matching
- Simple multiplayer games
- Private chat, private group chat and paid services

3 Organic Growth:

- Provide members a single login across our network
- Promote content, features and members across the network
- Member volunteer program
- Launch new native mobile iOS and Android applications to our database

4 Network accelerators:

- Strategic acquisitions – acquire databases, traffic, technology, talent and / or sales businesses to vertically integrate
- PR & strategic partnerships with industry players
- Monetise with targeted advertising and paid services
- Build long term value with 'Advertising as a Service'

Pro Forma Capital Structure

Spring Networks Limited (ASX:SNS)

Pro – Forma Capital Structure	Minimum Subscription (\$3 million)	Full Subscription (\$5 million)	Over Subscription (\$6 million)
Shares on issue (pre- consolidation)	18,761,095	18,761,095	18,761,095
Shares on issue (post-consolidation) ¹	3,752,219	3,752,219	3,752,219
Shares issued from convertible note ²	11,183,750	11,183,750	11,183,750
Shares issued to directors & creditors ³	3,972,781	3,972,781	3,972,781
Shares issued to facilitators of Spring.me transaction	4,825,400	6,000,000	6,000,000
Shares issued to Helpa shareholders ^{5,6}	60,000,000	60,000,000	60,000,000
Shares issued under the Employee Incentive Scheme ⁷	12,863,542	12,863,542	12,863,542
Shares issued under this offer	15,000,000	25,000,000	30,000,000
Total Shares on issue at Listing⁸	111,597,692	122,772,292	127,772,292

Notes:

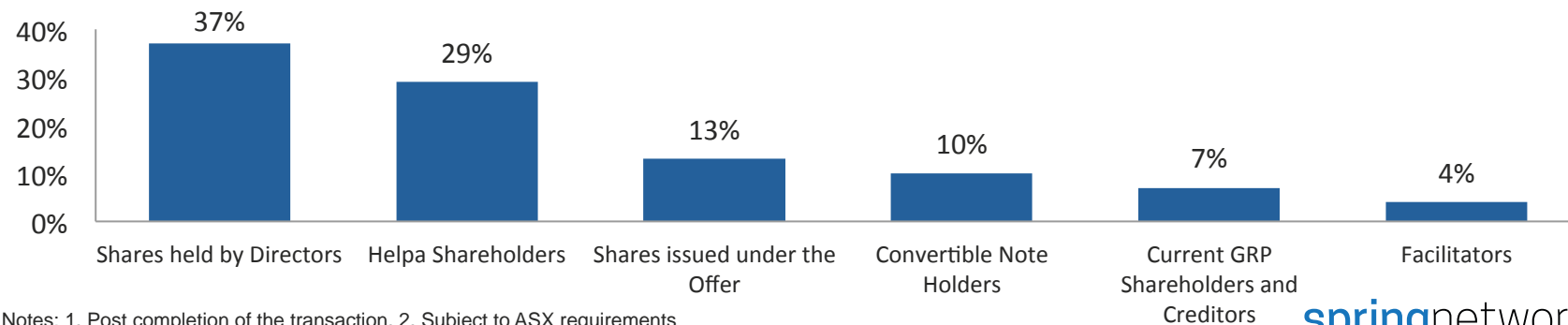
1. Post consolidated purchase price ranges from \$0.25 - \$0.60
2. \$1,789,400 raised at \$0.16 via a convertible note
3. Conversion of directors fees, loans and creditors at \$0.16.
4. Shares to be issued to facilitators of the Spring.me transaction
5. Consideration shares to be issued to Helpa Inc shareholders in consideration for their Helpa Inc shares
6. A further 40,000,000 performance stock rights (convertible into shares) will be issued to Helpa shareholders subject to achievement of performance milestones
7. Pursuant to the 2014 Notice of AGM. There will also be 1,595,443 unlisted options on issue to Non-Executive Director Roger Harley at an exercise price of \$0.30.

Corporate Snapshot Post Quotation

Spring Networks Limited (ASX:SNS)

Pro-Forma Capital Structure	Minimum Subscription	Full Subscription	Over Subscription
Shares on issue post re-quotation	111,597,692 (100%)	122,772,292 (100%)	127,772,292 (100%)
Shares likely to be restricted ¹	64,825,400 (58%)	66,000,000 (53%)	66,000,000 (51%)
Shares held by directors ²	40,874,609 (37%)	40,874,609 (33%)	40,874,609 (32%)
Market Cap at Issue Price	\$22,319,538	\$24,554,458	\$25,554,458
Cash on Hand	\$4,085,550	\$6,085,550	\$7,085,550
Enterprise Value	\$18,233,988	\$18,468,908	\$18,468,908

Ownership (minimum subscription, post-quotation)



Notes: 1. Post completion of the transaction. 2. Subject to ASX requirements

Use of Funds

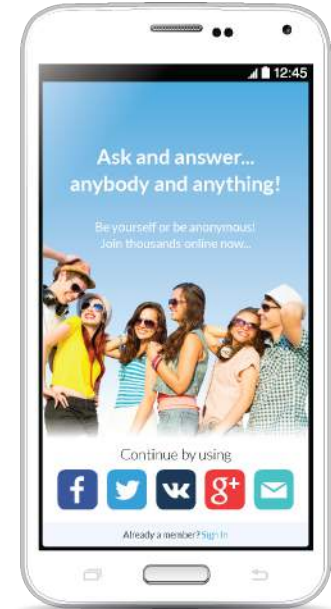
Spring Networks Limited (ASX:SNS)

Use of Funds	Minimum Subscription (\$3 million)	Full Subscription (\$5 million)	Over Subscription (\$6 million)
Pre – offer cash and receivables	1,085,550	1,085,550	1,085,550
Funds raised from the Offer	3,000,000	5,000,000	6,000,000
Total Funds Available	4,085,550	6,085,550	7,085,550
Expenses of the Offer	478,356	600,481	661,397
Technology and development	1,452,227	1,891,417	2,208,717
Marketing activities	475,026	1,666,361	2,207,421
Operating expenses	1,425,350	1,334,292	1,285,606
Unallocated working capital	254,591	592,999	722,409
Total	4,085,550	6,085,550	7,085,550

Catalysts for Growth

Near term catalysts to create value

1. Q4, 2014:
Launch of native mobile apps for iOS & Android
2. Q1, 2015:
Targeting 6 million visitors per month
3. Q1 2015:
New product feature: “Interest Profiling”
4. Q2 2015:
Exploring strategic and acquisition partnerships
for talent, technology and distribution



Summary

Led by a team of Australia's leading internet founders

Positioned in the high growth social media industry

Positioned to become a leading social media business

Ari Klinger and Colin Fabig have:

- founded and exited 5 internet companies (with \$100+ million aggregate revenue)
- employed ~500 staff
- Created over \$350 million in exit value

Proven monetisation models at scale:

- Online Advertising
- Paid services

Digital advertising expected to double from:

- 2012 - \$104 billion p/a
- 2018 - \$214 billion p/a

Social media is fragmenting by use case

No other players really focused on “making friends” global niche

Spring.me already has 5 million visitors per month and growing!

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(to be renamed Spring Networks Limited)

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