

GRUDEN

29 July 2016

June Quarter Review

Highlights

- **Gruden debuting on the ASX under the ticker code “GGL” at the end of May 2016**
- **Strong financial performance, reporting over \$1 million in monthly revenue, and total revenue of approximately \$12 million for FY16, on a pre-acquisition basis**
- **Appointment of experienced global ad agency executive, Mr Tim Parker as CEO to lead the Company’s growth strategy**
- **Awarded Premier Google Partner status, recognising Gruden’s specialisation in Search Advertising**
- **Client growth across the Group, including Hannover Re, Frasers Property Australia and MyFiziq Ltd**

Market leading technology agency, The Gruden Group Limited (ASX:GGL) (Gruden or the Company) has today submitted its Appendix 4C and is pleased to provide a review of its operations for the period following Gruden’s relisting on the ASX on 26 May 2016 through to the end of the quarter, on 30 June 2016.

CORPORATE

Gruden debuted on the Australian Securities Exchange (ASX) under the code “GGL” on 26 May 2016 following the successful completion of its acquisition by Exoma Energy Limited.

Financial

Over the past quarter, The Gruden Group experienced strong revenue generation and is now delivering over \$1 million per month in monthly revenue. Total revenue for the quarter, on a pre-acquisition basis, was \$3.761m. Revenue for the period in the attached Appendix 4C reflects one month’s revenue from Gruden on a post-acquisition basis.

The Gruden Group

Level 10, 220 George St Sydney NSW 2000, Australia

P. +61 2 8256 5300 / E. info@thegrudengroup.com / W. www.thegrudengroup.com

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At the end of the quarter, the Company had a significant cash position of \$5.673m which will be utilised to pursue its growth objectives, including further platform developments and the international expansion of Gruden's mobile transactions platform, mobileDEN.

CEO Appointment

In June 2016, global ad agency executive Tim Parker was appointed as CEO of The Gruden Group. Mr Parker brings more than 30 years' executive leadership and industry experience with world leading agencies, including Clemenger Group, Publicis Worldwide Australia, Interpublic and Ogilvy & Mather.

Interim CEO Mr Warren Barry stepped down from the role of CEO and remains on the Board as an Executive Director, primarily charged with driving sales for Gruden.

OPERATIONS

Gruden partners with BPS Technology

Gruden partnered with leading financial technology payments platform provider BPS Technology Limited to create a powerful marketing, payments and loyalty platform solution. The agreement allows Gruden to incorporate BPS' payments and rewards platform along with its SME channel enablement platform into Gruden's digital marketing and transaction platform.

The partnership allows consumers to earn rewards by making transactions on the Gruden platform, which are redeemable with a large number of BPS's merchant clients.

Gruden and BPS will earn fees on transactions executed through the platform between merchants and customers via the payment and rewards platform established by the two companies.

Premier Google Partner Status

Gruden has achieved Premier Google Partner status, providing further strong validation of the Company's expertise as a leading technology agency. As part of the new status, Gruden has been awarded a new google partner badge reserved for Google's most valuable business partners that recognises Gruden's specialisation in Search Advertising.

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The new status and badge was awarded to Gruden's Performance Marketing business in recognition of its longstanding track record of excellence and exceeding investment and performance hurdles.

Strong client growth

Gruden has made strong client progress with a number of recent client wins, including:

- **Hannover Re of Australia Ltd:** 2-year contract for Gruden's Digital Services business to build a client facing digital engagement portal for Hannover Re of Australia.
- **Frasers Property Australia:** Gruden Digital Service division was appointed to work with Frasers Property to enhance their digital presence.
- **MyFiziq Ltd (ASX:MYQ):** MyFiziq is an ASX listed body contour and image tracking company and Gruden's Digital Services division has developed the public facing user experience interface of the MyFiziq app.

OUTLOOK

Gruden is well funded to pursue its strategic growth objectives which include international expansion of its mobileDEN platform and undertaking platform developments to enhance the user experience.

With strong revenue progression, the Company expects further revenue growth by converting its strong sales pipeline and successfully leveraging cross-sell opportunities between business divisions.

Gruden expects to report total revenue of approximately \$12 million for FY16, on a pre-acquisition basis.

ENDS

For further information, please contact:

Media

Andrew Ramadge
Account Director
Media and Capital Partners
+61 475 797 471
andrew.ramadge@mcpartners.com.au

Investors

Tim Parker
CEO The Gruden Group
+61 2 8256 5300
info@thegrudengroup.com

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About Gruden

The Gruden Group Ltd is a market leading technology provider offering fully integrated fintech platforms in the digital marketplace, with over 80 staff, across five office locations. The Company is made up of the award-winning Gruden Digital Services, Gruden Performance Marketing, award-winning Gruden mobileDEN and Gruden Government. Services offered across the group include digital marketing, web and mobile application development and mobile loyalty with point of sale integration.

For more information, visit www.thegrudengroup.com

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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

The Gruden Group Limited

ABN

56 125 943 240

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	1,345	1,345
1.2 Payments for		
(a) staff costs	(765)	(875)
(b) advertising and marketing	(56)	(56)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(1,090)	(1,852)
1.3 Dividends received	-	
1.4 Interest and other items of a similar nature received	16	157
1.5 Interest and other costs of finance paid	(6)	(6)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(556)	(1,287)

+ See chapter 19 for defined terms.

Appendix 4C
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admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(556)	(1,287)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(14)	(14)
(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	-	(350)
1.12 Loans repaid by other entities	-	-
1.13 Other (Net cash on acquisition of controlled entities)	352	352
Net investing cash flows	338	(12)
1.14 Total operating and investing cash flows	(218)	(1,299)
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	-	-
1.18 Repayment of borrowings	(150)	(150)
1.19 Dividends paid	-	-
1.20 Other	-	-
Net financing cash flows	(150)	(150)
Net increase (decrease) in cash held	(368)	(1,449)
1.21 Cash at beginning of quarter/year to date	6,041	7,122
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	5,673	5,673

+ 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	178
1.25	Aggregate amount of loans to the parties included in item 1.11	
1.26	Explanation necessary for an understanding of the transactions	

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

Nil

- 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

Nil

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	Nil	
3.2	Credit standby arrangements	Nil	

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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	1,659	974
4.2 Deposits at call	4,014	5,067
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	5,673	6,041

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	Gruden Pty Ltd Mobile Den Pty Ltd Blackglass Pty Ltd	
5.2 Place of incorporation or registration	Australia	
5.3 Consideration for acquisition or disposal	185m fully paid ordinary shares 90m Class A Performance Shares 90m Class B Performance Shares	
5.4 Total net assets	\$5.66m based on reviewed pro-forma balance sheet lodged with ASX on 23 May 2016. Final net assets subject to determination of fair value evaluation.	
5.5 Nature of business	Specialist technology and digital marketing companies providing an end-to-end offering for clients wanting to interact and engage with their customers via mobile, web and various digital channels.	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: N J Bassett
 (Company secretary)

Date: 29 July 2016

Print name: Neville Bassett

+ See chapter 19 for defined terms.

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 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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