

# GRP Corporation Limited

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ASX / MEDIA RELEASE

ASX: GRP

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## GRP CORPORATION TO ACQUIRE E-COLLATE CROSS PLATFORM COMPLIANCE AND DECISION SUPPORT TECHNOLOGY

The Board of GRP Corporation Limited ('GRP' or 'the Company') is pleased to announce that it has entered into a binding heads of agreement (**Agreement**) to conditionally acquire 100% of the issued capital of E-Collate Pty Ltd (**E-Collate**). E-Collate is developing a cloud-connected modern information system in a single app linking multi-source data to provide meaningful information for efficient compliance management and decision making support (**Acquisition**).

The Acquisition is a strategic move to provide shareholders with an opportunity to participate in an exciting technology company with a product that has applications across multiple sectors including:

- Finance Compliance and Reporting;
- Online Security;
- Project Management;
- Self Managed Superannuation Funds

### About E-Collate

E-Collate is a Melbourne-based technology company whose principles have extensive experience in the automation and software development sectors.

The company is currently developing the E-Collate App. E-Collate is a finance and productivity business software system specialising in enablement of collation of multi-platform data for the purpose of simplifying the retrieval of communications and information associated with any selected projects or topics.

The system includes an app intended as cloud-connected and integrates with other software platforms such as email, SMS and instant messaging. It revolves around a user-friendly interface to tag and group all business information which is searchable and browsed from a single app, providing full global control.

The app is for professionals facing regulatory compliance and modern information requirements in their normal day-to-day business activities.

Implementation of the Acquisition will, among other things, be subject to completing due diligence, shareholder and regulatory approvals and completion of a minimum capital raising of \$3.3 million. The parties are now working with their respective advisors to complete due diligence as well as the documentation required to convene a shareholders meeting to seek approval for the Acquisition.

### **Re-compliance**

As the Acquisition will result in a significant change to the nature and scale of GRP's activities it will require GRP to seek shareholder approval under 11.1.2 and will also require GRP to re-comply with chapters 1 & 2 of the ASX listing rules. The likely effect on the Company and the established timetable to complete this proposed Acquisition is set out later in this announcement.

### **Terms of the Agreement**

The key terms of the Agreement are summarised below:

### **Conditions**

The following conditions to completion of the acquisition are to be completed within 3 months following the execution of the Agreement (or such other date as agreed between the parties), and the failure to achieve or waive these by that time will terminate the Agreement and release the parties from their obligations:

- Conversion of GRP convertible notes into ordinary shares;
- GRP and E-Collate to complete bilateral due diligence to their absolute satisfaction;
- GRP obtaining all necessary shareholder and regulatory approvals required for the Acquisition, including ASX approval for the readmission of GRP to the official list of ASX in connection with its proposed change in the nature and scale of its activities;
- GRP obtaining shareholder approval for the establishment of a performance rights scheme on terms acceptable to E-Collate and GRP;
- GRP preparing and lodging a full form prospectus with ASIC (**Prospectus**) and completing a capital raising of no less than \$3.3 million (or such other amount to satisfy ASX re-listing requirements) via the issue of shares at no less than 2 cents each on a post-Consolidation basis (**Capital Raising**);
- E-Collate minority shareholders agreeing to sell all the E-Collate shares they hold to GRP and E-Collate obtaining any shareholder consents and approvals that are required in order to complete the Acquisition; and

- GRP Creditors agreeing to the conversion of liabilities of \$375,000 into equity at an issue price of \$0.03.

### **Consideration**

The total consideration payable by GRP to be allocated to the E-Collate shareholders for the Acquisition at settlement (**Settlement**) will be 10,000,000 fully paid ordinary shares (**Shares**) and 10,000,000 options to acquire shares in GRP (**GRP Options**) at an exercise price of \$0.05 and an expiry date three (3) years from date of GRP's Shares being reinstated to ASX (together, the **Consideration Securities**).

### **Board of the Company Following Settlement**

Following Settlement, the board of directors shall comprise up to four persons, being up to one nominee of E-Collate and three nominees of GRP.

### **Notice of Meeting**

GRP shall as soon as reasonably practical, issue a notice of general meeting convening a meeting of its shareholders to seek approval for:

- Conversion of GRP convertible notes into ordinary shares with an attaching option;
- A change in the nature and scale of its activities and related matters;
- Issue of Consideration Securities;
- Issue of the shares in connection with the Capital Raising under the Prospectus;
- The appointment of up to one E-Collate nominees to the board of directors; and
- Any other resolutions required to achieve completion of the Acquisition.

### **Prospectus**

In a timely fashion, GRP shall issue the Prospectus to raise at least \$3.3 million in connection with its readmission (the intention being to raise such amount as may be required to ensure compliance with the satisfaction of the relevant ASX readmission requirements and to provide working capital required by E-Collate).

### **Proposed Capital Structure**

The capital structure of the Company on completion of the Acquisition and the Capital Raising will be:

| GRP Securities                                      | Shares             | Options           |
|---|--------------------|-------------------|
| GRP Shares on Execution Date                        | 15,160,957         |                   |
| Initial Capital Raising                             | 15,790,239         | 15,790,239        |
| Consideration Shares @ \$0.03                       | 10,000,000         | 10,000,000        |
| Conversion of Liabilities to Equity @ \$0.03        | 12,500,000         |                   |
| Re-quotations capital raising @ \$0.03 <sup>1</sup> | 110,000,000        |                   |
| <b>Re-quotations Capital Structure<sup>2</sup></b>  | <b>163,451,196</b> | <b>25,790,239</b> |

**Note:**

1. This assumes that GRP will raise \$3,300,000 at an issue price of \$0.03.
2. This assumes that no options in GRP are exercised.

**Indicative Timetable**

| Description   | Estimated Date   |
|---|------------------|
| Heads of Agreement Execution Date   | 20 October 2015  |
| Completion of Due Diligence   | 30 October 2015  |
| Despatch of notice of meeting to approve, amongst other things, the Acquisition | 30 October 2015  |
| Shareholder Meeting to Approve Acquisition                                      | 27 November 2015 |
| Issue Prospectus to raise \$3 million   | 27 November 2015 |
| Close Prospectus  | 11 December 2015 |
| Apply for re-admission to ASX   | 18 December 2015 |
| Settlement of Acquisition   | 18 December 2015 |
| Anticipated date of reinstatement to ASX  | 22 December 2015 |

The above timetable is indicative only and may be varied. Shareholders should also note that GRP's securities will remain suspended from trading until such time as GRP has satisfied Chapters 1 and 2 of the ASX Listing Rules.

**FURTHER INFORMATION**

**Mark Rowbottam**

Non-Executive Chairman

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