

ASX Announcement

19 October 2020

Pureprofile raises \$18.8m in recapitalisation plan to strengthen balance sheet

HIGHLIGHTS:

- Pureprofile has formalised a recapitalisation plan (the **Recapitalisation Plan**) to strengthen its balance sheet and reduce its existing debt burden.
- Under the Recapitalisation Plan, Pureprofile will undertake a fully underwritten 8 for 1 renounceable pro rata rights issue to existing shareholders to raise \$18.80m (the **Entitlement Offer**).
- Contemporaneous with the Entitlement Offer (and conditional on its completion), the remaining balance of the Lucerne debt will be forgiven and replaced by a new \$3m fully-drawn facility (**New Facility**).

Pureprofile Limited (ASX: **PPL**) or (the **Company**), a global leader in data acquisition, analysis and insights, is pleased to announce it has formalised a recapitalisation plan to strengthen the Company's balance sheet (the **Recapitalisation Plan**).

The Recapitalisation Plan sees the company significantly reduce its existing debt and boost available cash, which in turn reduces ongoing costs and positions Pureprofile for growth. The Recapitalisation Plan consists of two inter-related components – the **Entitlement Offer** and the **New Facility**.

Details of the Recapitalisation Plan are provided below.

The Entitlement Offer

Shareholders of Pureprofile will be invited to participate in a fully underwritten 8 for 1 renounceable pro rata rights issue to raise \$18.80m (the **Entitlement Offer**).

Eligible shareholders can request their personalised Entitlement Offer application form at - <https://pureprofile.investorportal.com.au/request-forms/>

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For every one share held, existing shareholders will be able to subscribe for eight additional shares (**New Shares**) at an issue price of \$0.02 per share (the **Issue Price**). The Issue Price represents an approximate discount of 17% to the closing price on the day of last trade of \$0.024.

Shortfall Shares

Any New Shares not applied for under the Entitlement Offer will form part of the shortfall from the Entitlement Offer (**Shortfall Shares**). The Shortfall Shares will be offered at the Issue Price to:

- shareholders who are not related parties of the Company (as defined under the Corporations Act 2001 (Cth)) and who wish to apply for Shortfall Shares in addition to the New Shares they would be entitled to under the Entitlement Offer; and
- other investors who are not shareholders of the Company.

Fully underwritten

The Entitlement Offer is fully underwritten by Lucerne Finance Pty Ltd (**Lucerne**) and Peloton Capital Pty Ltd (**Peloton**).

\$15.3m has been underwritten by the Company's existing lender, Lucerne, via a debt to equity conversion. The remaining balance of the Company's existing debt (approximately \$7.3m as at 30 September 2020) will be forgiven and a new debt facility put in place (for more information, refer to details below).

Use of funds

The Company intends to use the proceeds of the Entitlement Offer as follows:

- partially pay down the Company's existing debt;
- inject funds into the sales team and global panel partnership;
- continue to commercialise the Company's technology;
- provide working capital for the Company; and
- pay the costs of the Entitlement Offer.

The initial \$3.5m of funds raised (the **Initial Funds**) will be allocated to Pureprofile's working and growth capital. Additional funds received in excess of the Initial Funds will be applied towards the existing Lucerne debt to reduce Lucerne's post-rights issue shareholding.

Reach Markets are the advisers assisting with the Entitlement Offer and further information on the Entitlement Offer can be found at - <https://pureprofile.investorportal.com.au/rights-issue/>

Indicative Timetable to the Entitlement Offer

Event	Date
ASX Announcement	Monday, 19 October 2020
Lodgement of Prospectus with ASIC	Monday, 19 October 2020
Lodgement of Prospectus and Appendix 3B with ASX	Monday, 19 October 2020
"Ex" Date for Entitlement Offer Entitlement trading commences on a deferred settlement basis	Wednesday, 21 October 2020
Record Date for determining Entitlements	7.00pm (AEDT) on Thursday, 22 October 2020
Prospectus and Entitlement and Acceptance Form despatched to Shareholders Entitlement Offer opens	Tuesday, 27 October 2020
Entitlement trading ends	Tuesday, 10 November 2020
Shares quoted on a deferred settlement basis	Wednesday, 11 November 2020
Last day to extend Closing Date	Thursday, 12 November 2020
Entitlement Offer Closing Date	5.00 p.m. (AEDT) on Tuesday, 17 November 2020
Announcement of results of Entitlement Offer and under-subscriptions	Friday, 20 November 2020
Issue of Offer Shares under the Entitlement Offer	Tuesday, 24 November 2020
Commencement of trading of Offer Shares	Wednesday, 25 November 2020

Information for shareholders

Full details of the Entitlement Offer, including the potential control implications, a summary of the underwriting agreements and fees payable to the underwriters, as well as a summary of key risks

associated with an investment in the Company, are contained in the Prospectus, lodged with the ASX as at the date of this announcement.

Shareholders with any questions regarding the Entitlement Offer may contact Reach Markets on 03 8080 5795 or email advisers@reachmarkets.com.au.

Eligible shareholders can request their personalised Entitlement Offer application form at - <https://pureprofile.investorportal.com.au/request-forms/>

The New Facility

Pureprofile and its existing lender, Lucerne, have entered into a new agreement in respect of its debt facility (the **New Facility**), which is conditional on the completion of the Entitlement Offer outlined above.

Key terms of the agreement:

- **Debt forgiveness** - following completion of the Entitlement Offer and allocation of funds under that offer against the existing debt, the remaining balance of the facilities (~ \$7.3m of debt as at 30 September 2020) will be forgiven;
- **New \$3m facility** - replacing the previous facilities will be a new, fully-drawn \$3m loan facility;
- **Interest on New Facility** - interest rate of 8.5% per annum (payable quarterly);
- **Maturity of New Facility** - 3 years from the date of completion of the Entitlement Offer and payable in advance at the Company's discretion;
- **No performance covenants** - the New Facility does not contain business performance covenants; and
- **Performance rights cancelled** - the performance rights that were previously issued to Lucerne have been cancelled.

The New Facility is subject to warranties, indemnities, fees and default fees and terms, which the Company considers usual for a transaction of this size and scope.

Material terms of the facility were disclosed to the ASX on 2 November 2017, 28 February 2019, 25 June 2019, 28 August 2019, and 27 September 2019.

Pro forma capital structure

The following table represents the pro forma capital structure of the Company (as at 30 June 2020) on completion of the Recapitalisation Plan:

\$ million	Full subscription
Existing shares on issue	117.5
New shares offered under the Entitlement Offer	940.2
Amount raised under the Entitlement Offer (before costs)	\$18.8
Market capitalisation (at last sale price of \$0.024)	\$25.4
Cash	\$5.3
Debt	\$3.0
Enterprise value	\$23.1

CEO Commentary

Martin Filz, Pureprofile CEO, said: "The recapitalisation of Pureprofile is the final step in a turnaround strategy that leaves the company substantially unencumbered by debt, with cash in the bank and positioned for growth.

"Operationally, Pureprofile has already been performing strongly the past year. With EBITDA growing to \$1.6 million in FY20, the business is now able to significantly leverage its unique data acquisition platform and insights capabilities to unlock shareholder value.

"Having joined Pureprofile as CEO in August this year, I'm tremendously excited to be leading a talented and refreshed executive team that will drive Pureprofile forward as a leader in the fast-growing digital economy."

This announcement has been authorised by the Board of Directors of Pureprofile Ltd.

- ENDS -

— • **For investor enquiries, please contact:**

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About Pureprofile

Pureprofile Limited (ASX: PPL) connects brands with empowered customers across the world by finding, understanding and engaging them through direct-to-consumer technology platforms. The Pureprofile group is a global leader in data and insights, programmatic media and performance media. Pureprofile delivers next-generation marketing solutions for more than 700 brands, publishers and research groups worldwide.

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