

ASX Announcement

22 January 2021

Q2 FY21 Activity Report and Appendix 4C

By each Key Performance Indicator, Pureprofile's performance exceeded expectations

Pureprofile Limited (ASX: **PPL** or the **Company**) is pleased to present the following activity report and attached Appendix 4C for the quarter ended 31 December 2020. Pureprofile's performance was well ahead of expectations for the quarter, leaving the Company well placed for the remainder of the 2021 fiscal year and beyond.

Highlights:

- Q2 was a record quarter with revenue at **\$8.2m**, driven by strong performance in all business units. Total revenue was **26%** up on Q2 FY20.
- EBITDA (unaudited) was **866%** up on Q2 FY20 at **\$742k** due to strong revenue growth in the quarter.
- Data & Insights revenue was **\$1.2m** or **23%** up on Q2 FY20 driven by growth in all regions. Notably the APAC region experienced **30%** revenue growth on Q2 FY20.
- Platform (SaaS) and Media business units grew **90%** and **46%** respectively during Q2 leveraging the momentum built in the prior quarter.
- Successful completion of recapitalisation plan during the quarter led by Conrad Capital Group which raised net cash of \$2.4m.
- Debt facility reduced from **\$25m** to **\$3m** during the quarter, further strengthening the balance sheet of the Company.

The growth in revenue and EBITDA in Q2 was driven by a number of successful initiatives:

- Appointment of the new CEO Martin Filz and the Company's improved balance sheet has assisted in the ability to attract new revenue accretive talent and win customers.
- Company maintained headcount on a reduced cost base during the initial period of COVID, and so as markets continue to recover, the Company is well positioned to take advantage of the uptick in demand for consumer insights.
- Continued investment in client facing and revenue generating capability with new salespeople in Singapore, UK, Australia and the USA.
- Increase in Pureprofile client spend on market research as companies sought to understand the array of altered consumer preferences post Covid.
- Increase of panel sizes in Australia, NZ, UK and US giving ability to generate more client

insights

- Software enhancements giving richer client functionality

Net cash from operating activities for Q2 FY21 was an outflow of **(\$301k)**, an improvement of **\$179k** on Q2 FY20. Operating cash flow was impacted by the timing difference of payments made to the ATO of \$355k (Payments for administration and corporate costs). Payments made to related parties for Q2 FY21 were \$133k. The related party payments were Directors fees paid during the quarter. The Company's closing cash balance at the end of the quarter was **\$3.1m**. This was up on Q4 FY20 by \$1.7m or 116%.

Looking forward the company is well positioned to take advantage of the impact privacy legislation is having on the ability for companies to generate their own insights and intelligence around theirs and competitor consumers. This is resulting in new and exciting data partnership discussions within existing and new markets resulting in a very healthy pipeline.

This announcement has been authorised for release to the ASX by the Board of Directors.

- ENDS -

For further information, please contact:

Warrick Lace

Reach Markets

warrick.lace@reachmarkets.com.au

+61 (0) 404 656 408

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 500 brands, publishers and research groups worldwide.



Pureprofile Limited
ABN 37 167 522 901

www.pureprofile.com
investor@pureprofile.com

[Sydney](#)

[Melbourne](#)

[London](#)

[New York](#)

[Thessaloniki](#)

[Mumbai](#)

For personal use only

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Pureprofile Ltd

ABN

37 167 522 901

Quarter ended ("current quarter")

31st December 2020

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 7,282 | 13,443 |
| 1.2 Payments for | | |
| (a) research and development | (298) | (574) |
| (b) product manufacturing and operating costs | (2,756) | (5,677) |
| (c) advertising and marketing | (229) | (312) |
| (d) leased assets | (303) | (535) |
| (e) staff costs | (2,917) | (5,180) |
| (f) administration and corporate costs | (1,168) | (1,826) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | 1 | 1 |
| 1.5 Interest and other costs of finance paid | (15) | (34) |
| 1.6 Income taxes paid | | |
| 1.7 Government grants and tax incentives | 102 | 479 |
| 1.8 Other (provide details if material) | | |
| 1.9 Net cash from / (used in) operating activities | (301) | (215) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | | |
| (b) businesses | | |
| (c) property, plant and equipment | | |
| (d) investments | | |
| (e) intellectual property | (491) | (908) |
| (f) other non-current assets | (5) | (9) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | | |
| | (b) businesses | | |
| | (c) property, plant and equipment | | |
| | (d) investments | | |
| | (e) intellectual property | | |
| | (f) other non-current assets | | |
| 2.3 | Cash flows from loans to other entities | | |
| 2.4 | Dividends received (see note 3) | | |
| 2.5 | Other (provide details if material) | | |
| 2.6 | Net cash from / (used in) investing activities | (496) | (917) |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 13,397 | 13,397 |
| 3.2 | Proceeds from issue of convertible debt securities | | |
| 3.3 | Proceeds from exercise of options | | |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (1,081) | (1,081) |
| 3.5 | Proceeds from borrowings | 0 | 0 |
| 3.6 | Repayment of borrowings | (9,897) | (9,897) |
| 3.7 | Transaction costs related to loans and borrowings | | |
| 3.8 | Dividends paid | | |
| 3.9 | Other (provide details if material) | | |
| 3.10 | Net cash from / (used in) financing activities | 2,419 | 2,419 |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,443 | 1,768 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (301) | (215) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (496) | (917) |

Quarterly cash flow report for entities subject to Listing Rule 4.7B

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 2,419 | 2,419 |
| 4.5 | Effect of movement in exchange rates on cash held | 51 | 61 |
| 4.6 | Cash and cash equivalents at end of period | 3,116 | 3,116 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|---|----------------------------|-----------------------------|
| 5.1 | Bank balances | 3,116 | 1,443 |
| 5.2 | Call deposits | | |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (provide details) | | |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 3,116 | 1,443 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|--|----------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 133 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | 3,000 | 3,000 |
| 7.2 Credit standby arrangements | | |
| 7.3 Other (please specify) | | |
| 7.4 Total financing facilities | 3,000 | 3,000 |
| 7.5 Unused financing facilities available at quarter end | | 0 |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| Lender – Lucerne Finance Pty Ltd, Interest rate 8.5% p.a. Secured loan | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (301) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 3,116 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | 0 |
| 8.4 Total available funding (item 8.2 + item 8.3) | 3,116 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | 10 |
| <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> | |
| 8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions: | |
| 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: | |
| 8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: | |
| 8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| Answer: | |
| <i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i> | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 22 January 2021
.....

Authorised by: Board of Directors
.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.