

1. Company details

Name of entity:	Pureprofile Ltd
ABN:	37 167 522 901
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	19.0% to	24,810,661
EBITDA (excluding significant items)	down	(12.9%) to	2,164,724
Loss from ordinary activities after tax attributable to the owners of Pureprofile Ltd	down	3.9% to	(502,949)
Loss for the half-year attributable to the owners of Pureprofile Ltd	down	3.9% to	(502,949)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the group after providing for income tax amounted to \$502,949 (31 December 2021: loss of \$523,181).

Earnings before interest, tax, depreciation, amortisation and significant items ('EBITDA excluding significant items') for the financial half-year amounted to a profit of \$2,164,724 (31 December 2021: profit of \$2,484,659).

EBITDA excluding significant items is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The directors consider EBITDA and operating profit before tax to be the two core earnings measures of the group.

The following table summarises key reconciling items between statutory loss after income tax and EBITDA excluding significant items:

	Consolidated 31 Dec 2022 \$	31 Dec 2021 \$
Loss after income tax	(502,949)	(523,181)
Add back:		
Finance cost	164,789	131,661
Income tax expense	38,227	30,478
Depreciation and amortisation expense	1,499,093	1,711,146
Interest expense (lease)	84,853	96,937
Restructuring, acquisition and capital raising costs	48,990	-
Share-based payment expense	775,732	1,037,618
Professional fees and payroll tax on share-based payments	55,989	-
EBITDA (excluding significant items)	<u>2,164,724</u>	<u>2,484,659</u>

Refer to the Directors' report for further commentary on the group's results for the reporting period.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.27)</u>	<u>(0.27)</u>

As at 31 December 2022, the net tangible assets per ordinary security presented above is exclusive of right-of-use assets and inclusive of lease liabilities.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

10. Attachments

Details of attachments (if any):

The Interim Report of Pureprofile Ltd for the half-year ended 31 December 2022 is attached.

11. Signed

As authorised by the Board of Directors

Signed

A handwritten signature in black ink, appearing to read 'A Edwards', written over a horizontal line.

Andrew Edwards
Non-Executive Chairman
Sydney

Date: 27 February 2023

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Pureprofile Ltd

ABN 37 167 522 901

Interim Report - 31 December 2022

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Pureprofile Ltd
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31 December 2022

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General information

The financial statements cover Pureprofile Ltd as a group consisting of Pureprofile Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Pureprofile Ltd's functional and presentation currency.

Pureprofile Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 5, 126 Phillip Street
Sydney
NSW 2000
Australia

Principal place of business

263 Riley Street
Surry Hills
NSW 2010
Australia

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2023.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Pureprofile Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were directors of Pureprofile Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Andrew Edwards - Non-Executive Chairman
Sue Klose - Non-Executive Director
Martin Filz - Chief Executive Officer and Managing Director
Albert Hitchcock - Non-Executive Director (appointed on 26 July 2022)
Tim Hannon - Non-Executive Director (resigned on 15 November 2022)

Principal activities

During the financial period the principal continuing activities of the group consisted of the provision of profile marketing and insights technology services.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the group after providing for income tax amounted to \$502,949 (31 December 2021: loss of \$523,181).

Earnings before interest, tax, depreciation, amortisation and significant items ('EBITDA excluding significant items') for the financial half-year amounted to a profit of \$2,164,724 (31 December 2021: profit of \$2,484,659).

EBITDA excluding significant items is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The directors consider EBITDA and operating profit before tax to be the two core earnings measures of the group.

The following table summarises key reconciling items between statutory loss after income tax and EBITDA excluding significant items:

	Consolidated 31 Dec 2022	31 Dec 2021
	\$	\$
Loss after income tax	(502,949)	(523,181)
Add back:		
Finance cost	164,789	131,661
Income tax expense	38,227	30,478
Depreciation and amortisation expense	1,499,093	1,711,146
Interest expense (lease)	84,853	96,937
Restructuring, acquisition and capital raising costs	48,990	-
Share-based payment expense	775,732	1,037,618
Professional fees and payroll tax on share-based payments	55,989	-
EBITDA (excluding significant items)	<u>2,164,724</u>	<u>2,484,659</u>

Revenue from ordinary activities of \$24,810,661 was up 19.0% on the prior comparable period ('pcp').

During the financial half-year ('H1 FY23'), the group continued to execute on stage 2 of its corporate strategy focused on investment in people, panels and technology as below:

- **Global business** - Focus on building a stronger global business, global panel and adding complementary data sources through strategic partnerships.
- **More data, more insights** - Leverage Pureprofile proprietary data via its Data & Insights and Pure.amplify divisions.
- **Technology** - Accelerate our technology solutions focusing on client facing solutions, internal efficiency and software-as-a-service ('SaaS') solutions including Audience Builder, Audience Intelligence and Insights Builder.

At the end of the first half of the financial year, the group delivered a number of initiatives consistent with its corporate strategy. Key highlights included:

- Record revenue for H1 FY23 with Pureprofile's core Data and Insights business continuing to grow strongly;
- Revenue up 23% in the APAC region, maintaining the recent trend;
- 45% revenue growth in UK/EU/US in AUD (local currency growth of 54%);
- SaaS platform revenue was \$2,179,743, up 11% on pcp driven by an increase in our audience builder solution;
- Revenue from regions outside of Australia for H1 FY23 was up 40% on pcp; and
- Revenue from our Pure.amplify business globally has declined by 25% on pcp impacted by the UK closure and the macro advertising conditions in Australia.

Pureprofile's focus on providing industry-leading research solutions and services continues to drive client loyalty and share of wallet, with revenue from repeat clients and annuity revenue continuing to grow quarter on quarter on a rolling 12 month basis.



The group made a number of commercial appointments with strong research industry experience during the prior 6 months which supported the strong global growth in the core Data & Insights operating segment (which includes SaaS platform) of 28% on pcp. The Data & Insights division (excluding the SaaS Platform division) delivered growth of 30% on pcp.

During the H1 FY23, Pureprofile made the decision to close its Pure.amplify Media business in the UK. This business unit was not considered core to the group and given the current macroeconomic conditions in the UK, was likely to be challenged during FY23. In FY22, this business unit contributed \$1,265,301 in revenue (\$143,653 for Q1 FY23), had 3 employees and generated a small loss.

EBITDA (excluding significant items) was \$2,164,724 which was down 13% on pcp. The EBITDA result year on year was impacted by the investment in commercial headcount, the loss of income from the UK premises sublease of \$244,622, occupancy costs related to new premises in India of \$56,361, foreign exchange loss of \$107,832 and bad debt provision of \$118,757 relating to a UK client.

Net cash from operating activities was \$367,568 which was down on pcp by \$1,516,612. Net cash from operating activities was impacted by the investment in commercial headcount in regions outside of Australia (signalled previously), the loss of rental income UK premises of \$244,622, the payment of rental deposits/bonds for new offices of \$158,254 (UK, India and Melbourne), the payment of a cash STI of \$458,632 (including on-costs) to the CEO, increased redemption payments to panellists of approximately \$500,000 (to partly reduce older account balances impacted by redemption limits), increased income tax and a slight slowing of cash receipts from clients in Q2 FY23.

There have been no significant changes in business risks from the 30 June 2022 annual report.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Likely developments and expected results of operations

In line with its stated corporate strategy, the group remains on track to expand the international business into the larger UK, European and US markets, whilst continuing to grow in Australia. The group will continue its disciplined investment approach into the second half of FY23, further developing sales and operational capability and continuing to maintain positive operating cashflow over remainder of the year.

The group will continue delivering best-in-class research, services and solutions via our three core divisions. The group's key initiatives for FY23 include:

Expansion of our global business

- Further global expansion into new markets across SE Asia and Europe
- Further expand our partnership program with new publishers, financial institutions and loyalty programs in multiple countries
- 50% of total revenue from markets outside of Australia

People

- Continue to recruit industry leaders across the globe
- Enhance our employee benefits and salary packages to remain an employer of choice
- Support employee growth and development through tailored online learning programs and by providing pathways for career progression

Investment in technology, solutions and platforms

- Develop industry leading technologies to make client goals easier to achieve
- Continue to look for opportunities to increase automation and improve processes in order to meet the evolving needs of our clients
- Improve our operational efficiency and increase project profitability

Clients

- Continue to work with industry leading brands
- Offer a consultative, solution-oriented client service
- Continue to deliver a client-first experience

Acquisitions

- Execute M&A strategy that can help accelerate growth and expand access to new panellists

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Edwards
Non-Executive Chairman

27 February 2023
Sydney

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230
T +61 2 8297 2400

Auditor's Independence Declaration

To the Directors of Pureprofile Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Pureprofile Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



A L Spowart
Partner – Audit & Assurance
Sydney, 27 February 2023

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Pureprofile Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Note	Consolidated 31 Dec 2022 \$	31 Dec 2021 \$
Revenue from continuing operations	3	24,667,008	20,047,698
Other income	4	35,496	24,725
Expenses			
Direct cost of sales		(12,000,203)	(9,476,858)
Panel expenses		(458,764)	(286,933)
Employee benefits expense		(8,082,238)	(6,685,852)
Foreign exchange loss		(105,428)	-
Depreciation and amortisation expense		(1,491,610)	(1,539,753)
Technology, engineering and licence fees		(735,324)	(636,173)
Share-based payment expense	16	(775,732)	(1,037,618)
Professional fees and payroll tax on share-based payments		(55,989)	-
Restructuring, acquisition and capital raising costs		(48,990)	-
Occupancy costs		(118,762)	(11,560)
Other expenses		(907,366)	(633,119)
Finance costs		(249,643)	(143,304)
Loss before income tax expense from continuing operations		(327,545)	(378,747)
Income tax expense		(38,227)	(30,478)
Loss after income tax expense from continuing operations		(365,772)	(409,225)
Loss after income tax expense from discontinued operations	5	(137,177)	(113,956)
Loss after income tax expense for the half-year attributable to the owners of Pureprofile Ltd		(502,949)	(523,181)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		61,417	3,554
Other comprehensive income for the half-year, net of tax		61,417	3,554
Total comprehensive income for the half-year attributable to the owners of Pureprofile Ltd		<u>(441,532)</u>	<u>(519,627)</u>
Total comprehensive income for the half-year is attributable to:			
Continuing operations		(304,355)	(405,671)
Discontinued operations		(137,177)	(113,956)
		<u>(441,532)</u>	<u>(519,627)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Pureprofile Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Pureprofile Ltd			
Basic earnings per share	15	(0.03)	(0.04)
Diluted earnings per share	15	(0.03)	(0.04)
Earnings per share for loss from discontinued operations attributable to the owners of Pureprofile Ltd			
Basic earnings per share	15	(0.01)	(0.01)
Diluted earnings per share	15	(0.01)	(0.01)
Earnings per share for loss attributable to the owners of Pureprofile Ltd			
Basic earnings per share	15	(0.05)	(0.05)
Diluted earnings per share	15	(0.05)	(0.05)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Pureprofile Ltd
Statement of financial position
As at 31 December 2022

		Consolidated	
	Note	31 Dec 2022	30 Jun 2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		4,098,130	5,298,389
Trade and other receivables		8,716,099	6,871,535
Contract assets		942,912	685,778
Financial assets		259,621	101,367
Prepayments		1,105,907	1,121,648
Total current assets		<u>15,122,669</u>	<u>14,078,717</u>
Non-current assets			
Property, plant and equipment		133,951	77,503
Right-of-use assets		2,078,580	1,107,139
Intangibles	6	5,699,970	5,766,959
Total non-current assets		<u>7,912,501</u>	<u>6,951,601</u>
Total assets		<u>23,035,170</u>	<u>21,030,318</u>
Liabilities			
Current liabilities			
Trade and other payables		8,800,730	8,869,380
Contract liabilities		1,408,983	954,838
Borrowings	7	3,000,000	-
Lease liabilities	8	297,365	150,079
Income tax		17,378	68,434
Provisions		2,786,121	2,488,205
Total current liabilities		<u>16,310,577</u>	<u>12,530,936</u>
Non-current liabilities			
Borrowings	7	-	3,000,000
Lease liabilities	8	1,772,618	990,006
Provisions		241,636	148,237
Total non-current liabilities		<u>2,014,254</u>	<u>4,138,243</u>
Total liabilities		<u>18,324,831</u>	<u>16,669,179</u>
Net assets		<u>4,710,339</u>	<u>4,361,139</u>
Equity			
Issued capital	9	60,441,781	60,426,781
Reserves	10	4,562,415	3,725,266
Accumulated losses		<u>(60,293,857)</u>	<u>(59,790,908)</u>
Total equity		<u>4,710,339</u>	<u>4,361,139</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Pureprofile Ltd
Statement of changes in equity
For the half-year ended 31 December 2022

Consolidated

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	59,892,781	1,482,306	(57,626,631)	3,748,456
Loss after income tax expense for the half-year	-	-	(523,181)	(523,181)
Other comprehensive income for the half-year, net of tax	-	3,554	-	3,554
Total comprehensive income for the half-year	-	3,554	(523,181)	(519,627)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	1,037,618	-	1,037,618
Consultancy fee paid as share rights	-	17,500	-	17,500
Share options and rights exercised	534,000	-	-	534,000
Balance at 31 December 2021	<u>60,426,781</u>	<u>2,540,978</u>	<u>(58,149,812)</u>	<u>4,817,947</u>

Consolidated

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	60,426,781	3,725,266	(59,790,908)	4,361,139
Loss after income tax expense for the half-year	-	-	(502,949)	(502,949)
Other comprehensive income for the half-year, net of tax	-	61,417	-	61,417
Total comprehensive income for the half-year	-	61,417	(502,949)	(441,532)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 10)	-	775,732	-	775,732
Share options and rights exercised (note 9, 16)	15,000	-	-	15,000
Balance at 31 December 2022	<u>60,441,781</u>	<u>4,562,415</u>	<u>(60,293,857)</u>	<u>4,710,339</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Pureprofile Ltd
Statement of cash flows
For the half-year ended 31 December 2022

	Note	Consolidated 31 Dec 2022 \$	31 Dec 2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		24,839,602	21,155,704
Payments to suppliers and employees (inclusive of GST)		<u>(24,246,008)</u>	<u>(19,098,436)</u>
		593,594	2,057,268
Interest, restructuring and other finance costs paid		(135,623)	(131,661)
Income taxes paid		<u>(90,403)</u>	<u>(41,427)</u>
Net cash from operating activities		<u>367,568</u>	<u>1,884,180</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(177,841)	(7,340)
Payments for intangibles	6	(1,173,245)	(1,076,518)
Proceeds from disposal of property, plant and equipment		1,691	2,300
Payment for expenses relating to acquisitions		<u>(48,990)</u>	<u>-</u>
Net cash used in investing activities		<u>(1,398,385)</u>	<u>(1,081,558)</u>
Cash flows from financing activities			
Proceeds from issue of shares		15,000	534,000
Repayment of lease liabilities		<u>(191,542)</u>	<u>(302,114)</u>
Net cash (used in)/from financing activities		<u>(176,542)</u>	<u>231,886</u>
Net (decrease)/increase in cash and cash equivalents		(1,207,359)	1,034,508
Cash and cash equivalents at the beginning of the financial half-year		5,298,389	3,621,675
Effects of exchange rate changes on cash and cash equivalents		<u>7,100</u>	<u>14,849</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>4,098,130</u></u>	<u><u>4,671,032</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Comparatives

Certain comparatives have been reclassified to conform with current year presentation. Other expenses have been restated from \$949,087 to \$633,119, panel expenses have been restated from \$nil to \$286,933, employee benefits expense have been restated from \$6,201,697 to \$6,685,852 and technology, engineering and license fees have been restated from \$1,422,941 to \$735,324. This has not had any impact on the financial results for the half-year ended 31 December 2021.

Going Concern

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of business.

The group incurred a loss after income tax of \$502,949 (31 December 2021: loss after income tax of \$523,181) and was in a net current liability position of \$1,187,908 (30 June 2022: net current asset position of \$1,547,781). The group generated positive cash flows from operations of \$367,568 (31 December 2021: \$1,884,180). The group was in a net asset position of \$4,710,339 (30 June 2022: net asset position of \$4,361,139).

The directors believe that there are reasonable grounds to conclude that the group will continue as a going concern, after consideration of the following factors:

- Management is forecasting positive net operating cash flows for at least 12 months from the date of these financial statements;
- The group is in a net current liability position due to the \$3m loan facility expiring on 29 December 2023; and
- The group is in discussions with its current lender Altor Capital Management Pty Ltd and other parties to refinance the loan. The directors believe this will be completed by 30 June 2023.

Accordingly, the directors believe the group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the consolidated financial report. Should the group be unable to continue as a going concern it may be required to release its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying value amounts of the amounts of liabilities that might result should the group be unable to continue as a going concern and meet its debts as and when they fall due.

Note 2. Operating segments

Identification of reportable operating segments

The Group is organised into three operating segments:

- Data & Insights;
- Pure.amplify Media AU (formerly Media); and
- Pure.amplify Media UK (formerly Performance) (discontinued in the period ending 31 December 2022 - refer to note 5 for further information)

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Other segments represent the corporate headquarters of the group.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Types of products and services

The principal products and services are as follows:

Data & Insights	Conducting market research and accessing insights and campaigns through our proprietary self-service platform
Pure.amplify Media AU	Buying and selling online advertising inventory on behalf of advertisers and publishers
Pure.amplify Media UK	Generates leads for clients through its consumer database and proprietary and partner digital assets

Operating segment information (continuing and discontinued operations)

	Data & Insights \$	Pure.amplify Media AU \$	Pure.amplify Media UK \$	Other segments \$	Total \$
Consolidated - 31 Dec 2022					
Revenue					
Sales to external customers	22,238,417	2,428,591	143,653	-	24,810,661
Interest	-	-	-	-	-
Total revenue	22,238,417	2,428,591	143,653	-	24,810,661
EBITDA (excluding significant items)					
Depreciation and amortisation	(1,240,234)	-	-	(258,859)	(1,499,093)
Share based payments	-	-	-	(775,732)	(775,732)
Professional fees and payroll tax on share-based payments	-	-	-	(55,989)	(55,989)
Restructuring, acquisition and capital raising costs	-	-	-	(48,990)	(48,990)
Interest expense on leases	-	-	-	(84,853)	(84,853)
Finance costs	-	-	-	(164,789)	(164,789)
(Loss)/profit before income tax expense	4,954,779	20,080	(80,667)	(5,358,914)	(464,722)
Income tax expense					(38,227)
Loss after income tax expense					(502,949)

Note 2. Operating segments (continued)

Consolidated - 31 Dec 2021	Data & Insights \$	Pure.amplify Media AU \$	Pure.amplify Media UK \$	Other segments \$	Total \$
Revenue					
Sales to external customers	17,398,533	2,649,165	797,248	-	20,844,946
Total revenue	<u>17,398,533</u>	<u>2,649,165</u>	<u>797,248</u>	<u>-</u>	<u>20,844,946</u>
EBITDA (excluding significant items)	5,389,899	440,034	(25,888)	(3,319,386)	2,484,659
Depreciation and amortisation	(1,377,403)	-	-	(333,743)	(1,711,146)
Share based payments	-	-	-	(1,037,618)	(1,037,618)
Interest expense on leases	-	-	-	(96,937)	(96,937)
Finance costs	-	-	-	(131,661)	(131,661)
(Loss)/profit before income tax expense	<u>4,012,496</u>	<u>440,034</u>	<u>(25,888)</u>	<u>(4,919,345)</u>	<u>(492,703)</u>
Income tax expense					(30,478)
Loss after income tax expense					<u>(523,181)</u>

All assets and liabilities, including taxes are not allocated to the operating segments as they are managed on an overall group basis.

Revenue by geographical area

The group has operations in 7 countries working with clients based in 3 (2021: 3) regions. The sales revenue based on each client region is as follows:

	Consolidated 31 Dec 2022 \$	31 Dec 2021 \$
Australasia	17,543,194	14,474,156
Europe	4,431,148	4,645,849
US	2,836,319	1,724,941
	<u>24,810,661</u>	<u>20,844,946</u>

Note 3. Revenue

	Consolidated 31 Dec 2022 \$	31 Dec 2021 \$
From continuing operations		
Data & Insights	20,058,674	15,428,224
Data & Insights - SaaS Platform	2,179,743	1,970,309
Pure.amplify Media AU	2,428,591	2,649,165
Revenue from continuing operations	<u>24,667,008</u>	<u>20,047,698</u>

Disaggregation of revenue

Refer to note 2 'Operating segments' for analysis of revenue by major product line and geographical region.

During the financial half-years ended 31 December 2022 and 31 December 2021, all revenue was recognised based on services transferred over time.

Note 4. Other income

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Net foreign exchange gain	-	5,298
Net gain on disposal of intangible assets, property, plant and equipment	1,691	2,300
Rental income	-	2,546
Miscellaneous	33,805	14,581
	<u>35,496</u>	<u>24,725</u>
Other income	<u>35,496</u>	<u>24,725</u>

Note 5. Discontinued operations

The discontinued operations represented Pureprofile Performance Ltd (UK) (Pure.amplify Media UK business) that ceased activity before 31 December 2022.

Financial performance information

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Revenue	143,653	797,248
Other income	13,367	242,076
Direct cost of sales	(50,608)	(519,093)
Employee benefits expense	(143,664)	(301,857)
Depreciation and amortisation expense	(7,483)	(171,393)
Technology, engineering and licence fees	(5,032)	(756)
Occupancy costs	(27,990)	(45,852)
Foreign exchange loss	(2,404)	-
Other expenses	(57,016)	(29,035)
Finance costs	-	(85,294)
Total expenses	<u>(294,197)</u>	<u>(1,153,280)</u>
Loss before income tax expense	(137,177)	(113,956)
Income tax expense	-	-
Loss after income tax expense from discontinued operations	<u>(137,177)</u>	<u>(113,956)</u>

Note 6. Intangibles

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Non-current assets</i>		
Goodwill - at cost	15,503,285	15,503,285
Less: Impairment	<u>(15,503,285)</u>	<u>(15,503,285)</u>
	-	-
Software - at cost	30,209,975	29,036,730
Less: Accumulated amortisation	(20,234,834)	(19,183,688)
Less: Impairment	<u>(4,598,724)</u>	<u>(4,598,724)</u>
	5,376,417	5,254,318
Customer contracts and partner network arrangement - at cost	3,622,000	3,622,000
Less: Accumulated amortisation	(1,168,990)	(1,168,990)
Less: Impairment	<u>(2,453,010)</u>	<u>(2,453,010)</u>
	-	-
Membership base - at cost	2,694,410	2,694,410
Less: Accumulated amortisation	<u>(2,370,857)</u>	<u>(2,181,769)</u>
	323,553	512,641
	<u>5,699,970</u>	<u>5,766,959</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Software \$	Membership base \$	Total \$
Balance at 1 July 2022	5,254,318	512,641	5,766,959
Additions	1,173,245	-	1,173,245
Amortisation expense	<u>(1,051,146)</u>	<u>(189,088)</u>	<u>(1,240,234)</u>
Balance at 31 December 2022	<u>5,376,417</u>	<u>323,553</u>	<u>5,699,970</u>

Note 7. Borrowings

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Current liabilities</i>		
Loans	<u>3,000,000</u>	<u>-</u>
<i>Non-current liabilities</i>		
Loans	<u>-</u>	<u>3,000,000</u>

The debt facility between the group and its existing lender, Lucerne, is \$3,000,000, which is effective from 29 December 2020. Interest is fixed and payable at 8.5% per annum and is payable quarterly on the last day of the quarter. The facility expires on 29 December 2023. It has therefore been reclassified to current liabilities in the current period. The facility does not contain business performance covenants. As at 31 December 2022, the facility has been fully drawn.

On 1 October 2021, the respective rights and obligations under each of the facility agreement and the general security deeds were novated to Altor Capital Management Pty Ltd.

Note 7. Borrowings (continued)

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
Loans	<u>3,000,000</u>	<u>3,000,000</u>

Assets pledged as security

The loans are secured by the assets of the group.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
Total facilities		
Loans	<u>3,000,000</u>	<u>3,000,000</u>
Used at the reporting date		
Loans	<u>3,000,000</u>	<u>3,000,000</u>
Unused at the reporting date		
Loans	<u>-</u>	<u>-</u>

Note 8. Lease liabilities

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>297,365</u>	<u>150,079</u>
<i>Non-current liabilities</i>		
Lease liability	<u>1,772,618</u>	<u>990,006</u>

Note 9. Issued capital

	Consolidated			
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,118,723,595</u>	<u>1,107,022,671</u>	<u>60,441,781</u>	<u>60,426,781</u>

Note 9. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	1,107,022,671		60,426,781
Shares issued on exercise of performance rights*	17 November 2022	2,816,667		-
Shares issued on exercise of share options	20 December 2022	500,000	\$0.030	15,000
Shares issued on exercise of share options*	23 December 2022	3,102,862		-
Shares issued on exercise of share options*	23 December 2022	3,894,973		-
Shares issued on exercise of share options*	23 December 2022	1,386,422		-
Balance	31 December 2022	<u>1,118,723,595</u>		<u>60,441,781</u>

* The exercise price is a notional amount that is not paid in cash.

Note 10. Reserves

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
Foreign currency reserve	(159,465)	(220,882)
Share-based payments reserve	4,721,880	3,946,148
	<u>4,562,415</u>	<u>3,725,266</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency \$	Share-based payments \$	Total \$
Balance at 1 July 2022	(220,882)	3,946,148	3,725,266
Foreign currency translation	61,417	-	61,417
Share-based payments	-	775,732	775,732
Balance at 31 December 2022	<u>(159,465)</u>	<u>4,721,880</u>	<u>4,562,415</u>

Note 11. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 12. Fair value measurement

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 13. Contingent liabilities

The group had no contingent liabilities as at 31 December 2022 (30 June 2022: none).

Note 14. Non-cash investing and financing activities

	Consolidated	Consolidated
	31 Dec 2022	31 Dec 2021
	\$	\$
Additions to the right-of-use assets	<u>1,114,466</u>	<u>136,347</u>

Note 15. Earnings per share

	Consolidated	Consolidated
	31 Dec 2022	31 Dec 2021
	\$	\$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Pureprofile Ltd	<u>(365,772)</u>	<u>(409,225)</u>

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,108,090,646</u>	<u>1,075,114,177</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,108,090,646</u>	<u>1,075,114,177</u>

	Cents	Cents
Basic earnings per share	(0.03)	(0.04)
Diluted earnings per share	(0.03)	(0.04)

	Consolidated	Consolidated
	31 Dec 2022	31 Dec 2021
	\$	\$
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax attributable to the owners of Pureprofile Ltd	<u>(137,177)</u>	<u>(113,956)</u>

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,108,090,646</u>	<u>1,075,114,177</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,108,090,646</u>	<u>1,075,114,177</u>

	Cents	Cents
Basic earnings per share	(0.01)	(0.01)
Diluted earnings per share	(0.01)	(0.01)

Note 15. Earnings per share (continued)

	Consolidated 31 Dec 2022 \$	31 Dec 2021 \$
<i>Earnings per share for loss</i>		
Loss after income tax attributable to the owners of Pureprofile Ltd	(502,949)	(523,181)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,108,090,646	1,075,114,177
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,108,090,646	1,075,114,177
	Consolidated 31 Dec 2021 Cents	31 Dec 2020 Cents
Basic earnings per share	(0.05)	(0.05)
Diluted earnings per share	(0.05)	(0.05)

Options and rights have been excluded from the calculation of diluted earnings per share as they were considered anti-dilutive.

Note 16. Share-based payments

Share-based payments expense for the financial half-year was \$775,732 (31 December 2021: \$1,037,618).

Share rights granted during the financial half-year ended 31 December 2022

On 7 December 2022, 459,459 share rights were granted to employees. The share rights are exercisable at nil value. The share rights will vest on 7 December 2023. The contractual life of each share right is five years.

Performance rights granted during the financial half-year ended 31 December 2022

Recipient	Number of rights granted	Grant date	Vesting and exercisable date	Expiry date	Fair value per right at grant date
M. Fliz	9,265,909 ¹⁾	13/12/2022	31/08/2023	13/12/2027	\$0.042
	3,088,636 ²⁾	13/12/2022	01/09/2023	13/12/2027	\$0.033
	3,088,636 ²⁾	13/12/2022	01/09/2024	13/12/2027	\$0.033
	3,088,637 ²⁾	13/12/2022	01/09/2025	13/12/2027	\$0.033
M. Sheppard	6,571,128 ¹⁾	13/12/2022	31/08/2023	13/08/2027	\$0.042
	1,095,188 ²⁾	13/12/2022	01/09/2023	13/12/2027	\$0.033
	1,095,188 ²⁾	13/12/2022	01/09/2024	13/12/2027	\$0.033
	1,095,188 ²⁾	13/12/2022	01/09/2025	13/12/2027	\$0.033
Other executive member	1,274,063 ¹⁾	13/12/2022	31/08/2023	13/12/2027	\$0.042
	424,688 ²⁾	13/12/2022	01/09/2023	13/12/2027	\$0.033
	424,688 ²⁾	13/12/2022	01/09/2024	13/12/2027	\$0.033
	424,687 ²⁾	13/12/2022	01/09/2025	13/12/2027	\$0.033
Other executive member	8,145,304 ¹⁾	20/12/2022	31/08/2023	20/12/2027	\$0.040
	2,715,101 ²⁾	20/12/2022	01/09/2023	20/12/2027	\$0.033
	2,715,101 ²⁾	20/12/2022	01/09/2024	20/12/2027	\$0.033
	2,715,202 ²⁾	20/12/2022	01/09/2025	20/12/2027	\$0.033

Note 16. Share-based payments (continued)

- 1) Short-term incentive ('STI') unlisted performance rights.
- 2) Long-term incentive ('LTI') unlisted performance rights.

The number of Short-term incentive ('STI') unlisted performance rights that will be eligible to vest is based on performance against set objectives in five strategic priorities: revenue growth, profitability, key clients and partnerships, growth initiatives, and technology and innovation. The performance will be measured during the period from 1 July 2022 to 30 June 2023 (STI performance period). Once the performance against these strategic priorities has been evaluated, the number of eligible awards will be determined, and the STI unlisted performance rights will vest following the release of the FY23 audited results.

The Long-term incentive ('LTI') unlisted performance rights will become eligible to vest (Eligible Awards) equally over three years following the release of the FY23, FY24 and FY25 audited results. The number of eligible LTI awards which vest will be determined by the company's total shareholder return ('TSR') in comparison to the ASX Small Ordinaries Index ('Index') at the end of the third year i.e. 30 June 2025.

Share options

Set out below are summaries of options granted by the company:

31 Dec 2022

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
19/10/2020	08/12/2022	\$0.030	1,200,000	-	(500,000)	(700,000)	-
29/01/2021	01/04/2026	\$0.020	4,930,156	-	-	-	4,930,156
29/01/2021	01/04/2026	\$0.020	2,000,000	-	-	-	2,000,000
29/01/2021	01/04/2026	\$0.020	21,911,805	-	-	-	21,911,805
01/04/2021	01/04/2026	\$0.020	8,417,813	-	(4,208,906)	-	4,208,907
01/04/2021	01/04/2026	\$0.020	22,501,869	-	(1,714,740)	-	20,787,129
16/09/2021	16/09/2026	\$0.027	23,922,481	-	(10,783,709)	-	13,138,772
17/09/2021	17/09/2026	\$0.027	37,476,924	-	(3,838,476)	(1,307,358)	32,331,090
			<u>122,361,048</u>	<u>-</u>	<u>(21,045,831)</u>	<u>(2,007,358)</u>	<u>99,307,859</u>

The weighted average remaining contractual life of share options outstanding at the end of the financial half-year was 3.46 years (2021: 4.46 years).

Share rights

Set out below are summaries of share rights granted by the company:

31 Dec 2022

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
29/01/2021	01/04/2026	\$0.000	14,000,000	-	-	-	14,000,000
29/01/2021	01/04/2026	\$0.000	1,750,000	-	-	-	1,750,000
03/02/2022	03/02/2027	\$0.000	15,653	-	-	-	15,653
09/02/2022	09/02/2027	\$0.000	15,653	-	-	-	15,653
07/12/2022	07/12/2027	\$0.000	-	459,459	-	-	459,459
			<u>15,781,306</u>	<u>459,459</u>	<u>-</u>	<u>-</u>	<u>16,240,765</u>

The weighted average remaining contractual life of share rights outstanding at the end of the financial half-year was 3.3 years (2021: 4.26 years).

Note 16. Share-based payments (continued)

Performance rights

Set out below are summaries of performance rights granted by the company:

31 Dec 2022

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
29/01/2021	01/04/2026	\$0.000	2,468,750	-	-	-	2,468,750
01/04/2021	01/04/2026	\$0.000	1,562,500	-	-	-	1,562,500
26/10/2021	26/10/2026	\$0.000	10,000,000	-	(2,816,667)	(1,550,000)	5,633,333
13/12/2022	13/12/2027	\$0.000	-	17,111,100	-	-	17,111,100
13/12/2022	13/12/2027	\$0.000	-	13,825,536	-	-	13,825,536
20/12/2022	20/12/2027	\$0.000	-	8,145,304	-	-	8,145,304
20/12/2022	20/12/2027	\$0.000	-	8,545,304	-	-	8,545,304
			14,031,250	47,627,244	(2,816,667)	(1,550,000)	57,291,827

The weighted average remaining contractual life of performance rights outstanding at the end of the financial half-year was 4.73 years (2021: 4.57).

For the share rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
07/12/2022	07/12/2027	\$0.037	\$0.000	-	-	-	\$0.037

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
13/12/2022	13/12/2027	\$0.042	\$0.000	-	-	-	\$0.042
13/12/2022	13/12/2027	\$0.042	\$0.000	-	-	-	\$0.033
20/12/2022	20/12/2027	\$0.040	\$0.000	-	-	-	\$0.040
20/12/2022	20/12/2027	\$0.040	\$0.000	-	-	-	\$0.033

Note 17. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Pureprofile Ltd
Directors' declaration
31 December 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Edwards
Non-Executive Chairman

27 February 2023
Sydney

Independent Auditor's Report

To the Members of Pureprofile Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Pureprofile Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Pureprofile Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



A L Spowart
Partner – Audit & Assurance

27 February 2023

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