



ASX Announcement:

9 March 2018

Pureprofile Response to OCP Requisition

Key points

- The requisition to call a general meeting of members has been made by a party currently in dispute with Pureprofile over the earn-out of the Cohort business.
- The motivations and timing of the requisition do not appear to be in the interests of all shareholders.
- The appointment of Mr Marcelo Ulvert as director is not supported by the existing board or senior management.

Shareholders will be aware of the request (**Requisition**) by OCP Shelf 2 Pty Ltd (**OCP**) to convene a shareholders meeting to remove Andrew Edwards as chairman of Pureprofile and to appoint Marcelo Ulvert (the former CEO of Cohort) as a director.

Pureprofile will respond formally to the Requisition in due course. In the meantime, in response to shareholder inquiries, the board of Pureprofile wishes to highlight the current performance of the Company and to respond in broad terms to the issues raised in the explanatory statement for the Requisition.

Turnaround is succeeding

Pureprofile's turnaround under the management team of Andrew Edwards and Nic Jones is progressing strongly. The Company is growing, and profitability is improving, with lucrative new business wins and a strong pipeline of large and more comprehensive opportunities. Revenues for the second half of FY2018 are forecast to grow (as stated in our half year results) and costs are forecast to fall. Management and the Board have a materially increased focus on financial discipline.

Cohort business

Based on feedback received from shareholders and investors, the board considers that the erosion of share value is predominantly a result of the market's dissatisfaction with the Cohort acquisition. Whilst the board and senior management accept responsibility for the acquisition itself, Pureprofile's rights against the vendors in relation to information they provided to Pureprofile to induce it to transact and their conduct while managing the Cohort business during the earn out period are strictly reserved.

It is important that shareholders are aware that OCP is currently in dispute with Pureprofile over the calculation and payment of the earn-out payment and in relation to claims that Pureprofile's lawyers have articulated against the Cohort vendors, alleging breach of warranties given in the Cohort sale agreement and for misleading conduct by the Cohort vendors during the sale process.

Pureprofile has withheld payment of \$1,363,274.15 to the Cohort vendors, including OCP and MDJU Number 1 Pty Ltd, which is an entity associated with Mr Marcelo Ulvert.

OCP's motivation for seeking to replace Andrew Edwards with Marcelo Ulvert, a founder of Cohort, should be carefully examined in that context.

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Management changes

Pureprofile has undergone significant management changes over the last 12 months, including the appointment of Nic Jones as CEO in December 2017 and a new CTO appointed in February 2018 and the appointment of a new Managing Director for the UK office. The board of Pureprofile, led by Andrew Edwards as Executive Chairman, has driven the transformation of the leadership team through what has been a difficult period.

Following these changes, the Company is now in the best position it has been in since its IPO. There is a clear roadmap to profitability with a new and reinvigorated senior management team, revenue momentum and a sustainable cost base. In particular, the Company has set the foundations for revenue growth in H2FY2018 to exceed H1FY2018 with an annualised run rate of over \$60 million and average margins of approximately 44%. Further cost savings are expected as disclosed in the Investor Presentation released to the market on 1 March 2018, with a target cost base of approximately \$20 million.

The Company's board and senior management do not support the appointment of Mr Marcelo Ulvert as a director. Shareholders will form their own view as to whether the replacement of Andrew Edwards with a Founder of Cohort is in the Company's best interests.

In the meantime, management will remain focused on the continuing turnaround of the business and of delivering increasing shareholder value for Pureprofile shareholders.

- ENDS -

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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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