

1. Company details

Name of entity:	Pureprofile Ltd
ABN:	37 167 522 901
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	9.7% to	14,441,341
Earnings Before Interest, Tax, Depreciation, and Amortisation ('EBITDA')	up	147.1% to	1,619,273
Profit from ordinary activities after tax attributable to the owners of Pureprofile Ltd	up	189.9% to	4,823,941
Profit for the half-year attributable to the owners of Pureprofile Ltd	up	189.9% to	4,823,941

Dividends

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

Comments

The profit for the group after providing for income tax amounted to \$4,823,941 including a gain on loan forgiveness of \$8,416,780 (31 December 2019: loss of \$5,368,529).

EBITDA for the financial half-year amounted to a profit of \$1,619,273 (31 December 2019: profit of \$655,341).

EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents earnings before interest, tax, depreciation and amortisation, adjusted for non-specific non-cash and significant items.

Revenue from ordinary activities of \$14,441,341 was up 9.7% on prior comparable period ('pcp'). Half-year ended 31 December 2020 ('H1 FY21') was a record half, attributable to strong growth in the Data & Insights business unit which includes the Platform SaaS business.

The group experienced strong global growth in the core Data & Insights business of 20% on pcp. The Platform SaaS business unit grew 100% on pcp leveraging the momentum built in the prior half.

EBITDA was \$1,619,273 which was 147% up on pcp due to the strong revenue growth during the half-year.

The growth in revenue and EBITDA in H1 FY2021 was driven by a number of successful initiatives:

- Appointment of the new CEO Martin Filz and the group's improved balance sheet which assisted in the ability to attract new revenue accretive talent and win customers.
- The group maintained headcount during the initial period of COVID-19, and so as markets continue to recover, the group was well positioned to take advantage of the surge in demand for consumer insights.
- Implementation of a clear strategy for the group:
 1. Increase data
 2. Increase SaaS client base
 3. Grow Data and Insights and Media Business
- Continued investment in client facing and revenue generating capability with new salespeople in Singapore, UK, Australia, India and the USA.
- Increase in Pureprofile client spend on market research as companies sought to understand the array of altered consumer preferences post COVID-19.
- Increase of panel sizes in Australia, NZ, UK and US giving ability to generate more client insights.
- Software enhancements giving richer client functionality.

The following table summarises key reconciling items between statutory profit/(loss) after income tax and EBITDA from continuing and discontinued operations:

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Profit/(loss) after income tax	4,823,941	(5,368,529)
Add: Depreciation and amortisation	1,941,093	2,216,369
Add: Impairment of assets	-	2,107,127
Add: Restructuring, acquisition and capital raising costs	794,142	-
Less: Gain on loan forgiveness	(8,416,780)	-
Less: Interest income	(727)	(33)
Add: Finance costs	2,466,915	1,682,334
Add/less: Income tax expenses	10,689	18,073
EBITDA	<u>1,619,273</u>	<u>655,341</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>(0.39)</u>	<u>(21.52)</u>

As at 31 December 2020, 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 2020 is attached.

11. Signed

Signed  _____

Date: 26 February 2021

Andrew Edwards
Non-Executive Chairman
Sydney

For personal

Pureprofile Ltd

ABN 37 167 522 901

Interim Report - 31 December 2020

For personal use only

Pureprofile Ltd
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31 December 2020

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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 26 February 2021.

Pureprofile Ltd
Directors' report
31 December 2020

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 2020.

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 (appointed Chief Executive Officer on 3 August 2020 and appointed Managing Director on 2 September 2020)
- Aaryn Nania - Non-Executive Director (appointed on 28 August 2019 and resigned on 2 September 2020)

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 profit for the group after providing for income tax amounted to \$4,823,941 including a gain on loan forgiveness of \$8,416,780 (31 December 2019: loss of \$5,368,529).

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for the financial half-year amounted to a profit of \$1,619,273 (31 December 2019: profit of \$655,341).

EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents earnings before interest, tax, depreciation and amortisation, adjusted for non-specific non-cash and significant items.

The following table summarises key reconciling items between statutory profit/(loss) after income tax and EBITDA from continuing and discontinued operations:

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Profit/(loss) after income tax	4,823,941	(5,368,529)
Add: Depreciation and amortisation	1,941,093	2,216,369
Add: Impairment of assets	-	2,107,127
Add: Restructuring, acquisition and capital raising costs	794,142	-
Less: Gain on loan forgiveness	(8,416,780)	-
Less: Interest income	(727)	(33)
Add: Finance costs	2,466,915	1,682,334
Add/less: Income tax expenses	10,689	18,073
EBITDA	<u>1,619,273</u>	<u>655,341</u>

The group generated revenues of \$14,441,341 for the half-year ended 31 December 2020 which represented a 9.7% increase on pcp (H1 FY2020: \$13,162,342).

The core Data & Insights business unit grew 20% on pcp (H1 FY2021: \$12,079,542 vs H1 FY2020: \$10,048,283). The growth in the Data and Insights business unit was attributed to the success of the corporate growth strategy. The corporate growth strategy is to continue to build on the group's core data and analytics assets, while leveraging them through commercial applications. The Platform SaaS business unit grew 100% on pcp leveraging the momentum built in the prior half.

During H1 FY2021 the group continued its investment in sales roles globally and panel growth in the Australian and United Kingdom markets. The group opened a Singapore office and expanded the United Kingdom and Australian offices. The group also expanded its Australian data partnerships during H1 FY2021 and built new products to further capitalise on the Saas momentum and the market expansion.

EBITDA was \$1,619,273 which was 147% up on pcp (H1 FY2020: \$655,341) due to the strong revenue growth during the half-year.

Profit after income tax was \$4,823,941 (including the \$8,416,780 gain on loan forgiveness) which was 189.9% up on the pcp (H1 FY2020: loss of \$5,368,529). The group's recapitalisation plan was successfully completed in Q2, which raised \$3.5m in new cash (net cash post transaction cost of \$2.5m) and reduced the debt facility from \$25m to \$3m. The new debt facility has an annual interest rate of 8.5%, no covenants and no early repayment penalties. \$8,416,780 of borrowings under the previous debt facility were forgiven as part of the recapitalisation plan. The group had a net asset position of \$4,646,219 as at 31 December 2020 compared to a net asset deficiency of \$18,738,626 at 30 June 2020.

The group generated positive cashflows from operating activities for H1 FY2021 of \$286,420 (H1 FY2020 was an outflow of \$842,131). The group's cash balance as at 31st December 2020 was \$3,116,469 (H1 FY2020: \$640,985).

The group has continued to hire new world-class talent to strengthen its people offering. This includes the expansion into Mainland Europe and investment into Product and Innovation capability in Q3 FY2021. The investment in sales roles globally will continue into FY22.

The group announced a number of new products to its existing suite of products including: the Engage Survey Builder, Insights Builder, Virtual Shelf & Eye-tracking solution and Transactional Data Dashboards. The group will focus on the launch of Data Dashboards in the UK whilst expanding this offering in Australia.

The group will also focus on continued panel growth for new and existing countries to maintain and build on the revenue momentum from H1 FY2020 across the business.

Looking forward the group 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.

Significant changes in the state of affairs

The following significant changes in the state of affairs occurred during the half year:

- **Board members:** Mr Martin Filz was appointed as Chief Executive Officer and Executive board member, Mr Aaryn Nania resigned as non-executive board member, effective on 2 September 2020.
- **Capital raising and Restructure of Debt facility:** During Q2, the group successfully raised \$18.80 million (before expenses and subject to rounding) (the **Entitlement Offer**). The proceeds of the Entitlement Offer have been used as follows:
 - (i) significantly restructured the balance sheet by converting a large proportion of the group's debt to equity;
 - (ii) partially pay down the group's existing debt to \$3m;
 - (iii) inject further funds into the sales team and global panel partnership;
 - (iv) commercialisation of the group's technology;
 - (v) provide working capital for the group; and
 - (vi) pay the costs of the Entitlement offer.

Following the completion of the Entitlement Offer and allocation of funds under that offer against the existing debt, the remaining balance of the facilities (\$8,416,780) has been forgiven. The **New Facility** terms are as follows:

- **New \$3m facility** - replacing the previous facilities is a new, fully-drawn \$3m loan facility, effective on 29 December 2020;
- **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 group'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 group considers usual for a transaction of this size and scope.

There were no other 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 2020 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

The group will continue to build on its core Data & Analytics assets while leveraging them through commercial applications such as its self-service platform. The group's corporate strategy is three-fold:

- (1) Focus on building a stronger and more diverse global panel and add complementary data sources through acquisition and partnerships.
- (2) Begin distribution of our Saas self-service insights platform.
- (3) Leverage Pureprofile's proprietary data.

Although the economic outlook for the year ahead is uncertain, we will focus on the execution of our corporate strategy and investment to drive earnings growth and positive cash flows from operating activities.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

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

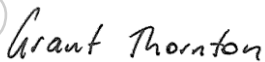
26 February 2021
Sydney

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 2020, 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



S M Coulton
Partner – Audit & Assurance

Sydney, 26 February 2021

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Pureprofile Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	Consolidated 31 Dec 2020 \$	31 Dec 2019 \$
Revenue	3	14,440,614	13,162,309
Other income	4	9,024,876	264,428
Interest revenue calculated using the effective interest method		727	33
Expenses			
Direct cost of sales		(6,698,911)	(5,695,899)
Employee benefits expense		(4,803,329)	(4,855,275)
Foreign exchange loss		(81,195)	(33,694)
Depreciation and amortisation expense		(1,941,093)	(2,216,369)
Impairment of assets		-	(2,107,127)
Technology, engineering and licence fees		(1,078,775)	(1,003,359)
Restructuring, acquisition and capital raising costs		(794,142)	-
Occupancy costs		(17,885)	(192,297)
Other expenses		(749,342)	(990,872)
Finance costs		(2,466,915)	(1,682,334)
Profit/(loss) before income tax expense		4,834,630	(5,350,456)
Income tax expense		(10,689)	(18,073)
Profit/(loss) after income tax expense for the half-year attributable to the owners of Pureprofile Ltd		4,823,941	(5,368,529)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		43,344	3,280
Other comprehensive income for the half-year, net of tax		43,344	3,280
Total comprehensive income for the half-year attributable to the owners of Pureprofile Ltd		4,867,285	(5,365,249)
		Cents	Cents
Basic earnings per share	15	1.80	(4.57)
Diluted earnings per share	15	1.80	(4.57)

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 2020

	Note	Consolidated 31 Dec 2020 \$	30 Jun 2020 \$
Assets			
Current assets			
Cash and cash equivalents		3,116,469	1,768,401
Trade and other receivables		6,010,621	3,717,695
Contract assets		466,800	402,593
Prepayments		768,235	797,253
Total current assets		<u>10,362,125</u>	<u>6,685,942</u>
Non-current assets			
Property, plant and equipment		164,592	187,540
Right-of-use assets		1,957,242	2,374,240
Intangibles	5	6,839,739	7,434,547
Total non-current assets		<u>8,961,573</u>	<u>9,996,327</u>
Total assets		<u>19,323,698</u>	<u>16,682,269</u>
Liabilities			
Current liabilities			
Trade and other payables		6,195,439	5,956,450
Contract liabilities		625,107	377,687
Borrowings	6	-	24,392,384
Lease liabilities	7	293,819	489,534
Income tax		50,961	40,275
Provisions		2,597,942	2,015,580
Total current liabilities		<u>9,763,268</u>	<u>33,271,910</u>
Non-current liabilities			
Borrowings	8	3,000,000	-
Lease liabilities	9	1,822,803	2,024,027
Provisions		91,408	124,958
Total non-current liabilities		<u>4,914,211</u>	<u>2,148,985</u>
Total liabilities		<u>14,677,479</u>	<u>35,420,895</u>
Net assets/(liabilities)		<u>4,646,219</u>	<u>(18,738,626)</u>
Equity			
Issued capital	10	59,917,815	41,461,502
Reserves	11	342,250	237,659
Accumulated losses		(55,613,846)	(60,437,787)
Total equity/(deficiency)		<u>4,646,219</u>	<u>(18,738,626)</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 2020

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2019	41,461,502	270,559	(50,608,306)	(8,876,245)
Loss after income tax expense for the half-year	-	-	(5,368,529)	(5,368,529)
Other comprehensive income for the half-year, net of tax	-	3,280	-	3,280
Total comprehensive income for the half-year	-	3,280	(5,368,529)	(5,365,249)
Balance at 31 December 2019	<u>41,461,502</u>	<u>273,839</u>	<u>(55,976,835)</u>	<u>(14,241,494)</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	41,461,502	237,659	(60,437,787)	(18,738,626)
Profit after income tax expense for the half-year	-	-	4,823,941	4,823,941
Other comprehensive income for the half-year, net of tax	-	43,344	-	43,344
Total comprehensive income for the half-year	-	43,344	4,823,941	4,867,285
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 10)	18,456,313	-	-	18,456,313
Share-based payments	-	61,247	-	61,247
Balance at 31 December 2020	<u>59,917,815</u>	<u>342,250</u>	<u>(55,613,846)</u>	<u>4,646,219</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 2020

	Note	Consolidated 31 Dec 2020 \$	31 Dec 2019 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		13,364,129	15,005,904
Payments to suppliers and employees (inclusive of GST)		<u>(13,522,707)</u>	<u>(15,631,233)</u>
		(158,578)	(625,329)
Receipts from Government grant		478,500	-
Interest received		727	33
Interest, restructuring and other finance costs paid		(34,220)	(180,705)
Income taxes paid		<u>(9)</u>	<u>(36,130)</u>
Net cash from/(used in) operating activities		<u>286,420</u>	<u>(842,131)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(20,627)	(11,841)
Payments for intangibles	5	(907,823)	(1,259,634)
Proceeds from disposal of property, plant and equipment		<u>7,201</u>	<u>581</u>
Net cash used in investing activities		<u>(921,249)</u>	<u>(1,270,894)</u>
Cash flows from financing activities			
Proceeds from issue of shares		13,396,878	-
Proceeds from borrowings		-	5,050,000
Share issue transaction costs		(1,080,749)	-
Repayment of borrowings		(9,896,878)	(2,069,339)
Repayment of lease liabilities		<u>(501,069)</u>	<u>(757,702)</u>
Net cash from financing activities		<u>1,918,182</u>	<u>2,222,959</u>
Net increase in cash and cash equivalents		1,283,353	109,934
Cash and cash equivalents at the beginning of the financial half-year		1,768,401	524,322
Effects of exchange rate changes on cash and cash equivalents		<u>64,715</u>	<u>6,729</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>3,116,469</u></u>	<u><u>640,985</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 2020 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 2020 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.

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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 generated a profit after income tax of \$4,823,941 for the half-year ended 31 December 2020, including a gain on loan forgiveness of \$8,416,780 (31 December 2019: loss after income tax of \$5,368,529) and was in a net current assets position of \$598,857 (30 June 2020: net current liability position of \$26,585,968), which included cash of \$3,116,469. The group generated positive cash flows from operations of \$286,420 (31 December 2019: negative cash flows from operations of \$842,131).

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:

- The group completed a fully underwritten renounceable pro rata entitlement offer during the period ended 31 December 2020, which raised \$18.8 million (before expenses). The proceeds of the Entitlement Offer have been used as follows:
 - (i) significantly restructured the balance sheet by converting a large proportion of the group's debt to equity;
 - (ii) partially pay down the group's existing debt to \$3m;
 - (iii) inject further funds into the sales team and global panel partnership;
 - (iv) commercialisation of the group's technology;
 - (v) provide working capital for the group; and
 - (vi) pay the costs of the Entitlement offer.
- The group's lender forgave borrowings amounting to \$8.4m;
- Under the new CEO Martin Filz and the restructured management team, the group has successfully implemented a new corporate growth strategy which is delivering strong revenue and EBITDA growth across all regions; and
- Management is forecasting positive net cash flows for at least 12 months from the date of these financial statements.

Note 1. Significant accounting policies (continued)

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;
- Media; and
- Performance

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 consolidated entity.

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 providing research technology platforms
Media	Buying and selling online advertising inventory on behalf of advertisers and publishers
Performance	Generates leads for clients through its consumer database and proprietary and partner digital assets

Major customers

No single customer contributed 10% or more to the group's external revenue during the half-years ended 31 December 2020 and 31 December 2019.

Note 2. Operating segments (continued)

Operating segment information

	Data & Insights \$	Media \$	Performance \$	Other segments \$	Total \$
Consolidated - 31 Dec 2020					
Revenue					
Sales to external customers	12,079,542	1,644,994	716,078	-	14,440,614
Interest	-	-	-	727	727
Total revenue	12,079,542	1,644,994	716,078	727	14,441,341
Profit/(loss) before significant items, net finance costs, tax, depreciation and amortisation					
	4,144,470	174,833	(3,474)	(2,696,556)	1,619,273
Depreciation and amortisation	(1,487,957)	-	-	(453,136)	(1,941,093)
Gain on loan forgiveness	-	-	-	8,416,780	8,416,780
Restructuring, acquisition and capital raising costs	-	-	-	(794,142)	(794,142)
Interest	-	-	-	727	727
Interest expense on leases	-	-	-	(104,130)	(104,130)
Finance costs	-	-	-	(2,362,785)	(2,362,785)
Profit/(loss) before income tax expense	2,656,513	174,833	(3,474)	2,006,758	4,834,630
Income tax expense					(10,689)
Profit after income tax expense					4,823,941
Consolidated - 31 Dec 2019					
Revenue					
Sales to external customers	10,048,283	2,185,819	928,207	-	13,162,309
Interest	-	-	-	33	33
Total revenue	10,048,283	2,185,819	928,207	33	13,162,342
Profit/(loss) before significant items, net finance costs, tax, depreciation and amortisation					
	3,307,018	433,755	135,502	(3,220,934)	655,341
Depreciation and amortisation	(1,547,992)	(79,788)	-	(588,589)	(2,216,369)
Impairment of assets	-	(2,107,127)	-	-	(2,107,127)
Interest	-	-	-	33	33
Interest expense on leases	-	-	-	(136,516)	(136,516)
Finance costs	-	-	-	(1,545,818)	(1,545,818)
Profit/(loss) before income tax expense	1,759,026	(1,753,160)	135,502	(5,491,824)	(5,350,456)
Income tax expense					(18,073)
Loss after income tax expense					(5,368,529)

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

Note 2. Operating segments (continued)

Revenue by geographical area

The group operates in three regions (31 December 2019: 3 regions). The sales revenue for each region is as follows:

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Australasia	10,318,944	9,310,271
Europe	4,037,761	3,415,889
US	83,909	436,149
	<u>14,440,614</u>	<u>13,162,309</u>

Note 3. Revenue

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Data & Insights	12,079,542	10,048,283
Media	1,644,994	2,185,819
Performance	716,078	928,207
Revenue	<u>14,440,614</u>	<u>13,162,309</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 2020 and 31 December 2019, all revenue was recognised based on services transferred over time.

Note 4. Other income

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Net gain on disposal of intangible assets, property, plant and equipment	7,201	581
Gain on loan forgiveness	8,416,780	-
Government grants (COVID-19)	364,500	-
Rental income	236,395	263,847
Other income	<u>9,024,876</u>	<u>264,428</u>

Government grants (COVID-19) represents grants received from the Government comprising of JobKeeper support payments. During the Coronavirus (COVID-19) pandemic, the group has received JobKeeper support payments from the Australian Government which are passed on to eligible employees. These have been recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense. The group is eligible for JobKeeper support from the government on the condition that employee benefits continue to be paid.

Note 5. Non-current assets - intangibles

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Goodwill - at cost	15,503,285	15,503,285
Less: Impairment	(15,503,285)	(15,503,285)
	<u>-</u>	<u>-</u>
Software - at cost	25,879,876	24,972,053
Less: Accumulated amortisation	(15,615,318)	(14,301,775)
Less: Impairment	(4,598,724)	(4,598,724)
	<u>5,665,834</u>	<u>6,071,554</u>
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	(2,453,010)	(2,453,010)
	<u>-</u>	<u>-</u>
Membership base - at cost	2,694,410	2,694,410
Less: Accumulated amortisation	(1,614,505)	(1,425,417)
	<u>1,079,905</u>	<u>1,268,993</u>
Brand names - at cost	94,000	94,000
	<u>94,000</u>	<u>94,000</u>
	<u><u>6,839,739</u></u>	<u><u>7,434,547</u></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 \$	Brand names \$	Total \$
Balance at 1 July 2020	6,071,554	1,268,993	94,000	7,434,547
Additions	907,823	-	-	907,823
Amortisation expense	(1,313,543)	(189,088)	-	(1,502,631)
Balance at 31 December 2020	<u>5,665,834</u>	<u>1,079,905</u>	<u>94,000</u>	<u>6,839,739</u>

Note 6. Current liabilities - borrowings

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Loans	-	20,000,000
Interest accrued on loans	-	4,392,384
	<u>-</u>	<u>24,392,384</u>

Refer to note 8 for further information.

Note 7. Current liabilities - lease liabilities

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Lease liability	293,819	489,534

Refer to note 9 for further information.

Note 8. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Loans	3,000,000	-

On 19 October 2020, the group and its existing lender, Lucerne, entered into a new agreement in respect of its debt facility ('new facility'). Under the terms of the new facility, \$7,300,000 of borrowings (balance as at 30 September 2020) under the previous facility were to be forgiven on the basis that funds from the group's capital raise were used to repay the remaining debt under the previous facility. Following completion of the capital raise, the group repaid \$9,896,878 of the loan and in accordance with the terms of the new facility and the underwriting letter agreement, a shortfall amount of \$5,407,292 has been converted into shares, the remaining balance of \$8,416,780, which included accrued interest, was forgiven. The performance rights that were previously issued to Lucerne under the previous facility have been cancelled.

The new facility 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. The new facility does not contain business performance covenants. The loan is secured over the assets of the group. As at 31 December 2020, the new facility has been fully drawn.

Financing arrangements

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

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Total facilities		
Loans	3,000,000	20,000,000
Used at the reporting date		
Loans	3,000,000	20,000,000
Unused at the reporting date		
Loans	-	-

Note 9. Non-current liabilities - lease liabilities

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Lease liability	1,822,803	2,024,027

During the period, the group entered into a new lease for its Sydney office with the date of lease commencement date of 4 January 2021. The lease is for 18 months at \$160,000 per annum and 3% increase annually. The group has also been given rent free for the first month and \$15,000 credit as a lease incentive.

Note 10. Equity - issued capital

	Consolidated			
	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	1,057,734,591	117,526,063	59,917,815	41,461,502

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	117,526,063		41,461,502
issue of shares	24 November 2020	353,600,944	\$0.02	7,072,019
Issue of shares	1 December 2020	186,500,000	\$0.02	3,730,000
Issue of shares	8 December 2020	400,107,584	\$0.02	8,002,152
Less: share issue costs net of taxation		-	\$0.00	(347,858)
Balance	31 December 2020	<u>1,057,734,591</u>		<u>59,917,815</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 11. Equity - reserves

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Foreign currency reserve	(168,238)	(211,582)
Share-based payments reserve	510,488	449,241
	<u>342,250</u>	<u>237,659</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.

Note 11. Equity - reserves (continued)

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 2020	(211,582)	449,241	237,659
Foreign currency translation	43,344	-	43,344
Share-based payments	-	61,247	61,247
Balance at 31 December 2020	<u>(168,238)</u>	<u>510,488</u>	<u>342,250</u>

Note 12. Equity - dividends

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

Note 13. 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 14. Non-cash investing and financing activities

	Consolidated 31 Dec 2020 \$	31 Dec 2019 \$
Shares issued on conversion of loan	<u>5,407,292</u>	<u>-</u>

Note 15. Earnings per share

	Consolidated 31 Dec 2020 \$	31 Dec 2019 \$
Profit/(loss) after income tax attributable to the owners of Pureprofile Ltd	<u>4,823,941</u>	<u>(5,368,529)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>267,597,324</u>	<u>117,526,063</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>267,597,324</u>	<u>117,526,063</u>
	Cents	Cents
Basic earnings per share	1.80	(4.57)
Diluted earnings per share	1.80	(4.57)

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

Note 16. Share-based payments

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Share-based payments expense	61,247	-

On 8 December 2020, 15,000,000 unlisted options were granted to Peloton Capital Pty Ltd as consideration for underwriting services provided to the Company. The options vested on the date they were granted. Each option has an exercise price of \$0.03 and a contractual life of two years.

Note 17. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 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.

For personal use only

Pureprofile Ltd
Directors' declaration
31 December 2020

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 2020 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

26 February 2021
Sydney

Independent Auditor's Review Report

To the Members of Pureprofile Limited

Report on the review of 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 2020, 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 2020 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.

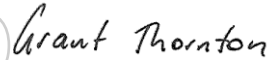
Directors' responsibility for the half year financial report

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 2020 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



S M Coulton
Partner – Audit & Assurance

Sydney, 26 February 2021