

1. Company details

Name of entity:	Pureprofile Ltd.
ABN:	37 167 522 901
Reporting period:	For the half-year ended 31 December 2016
Previous period:	For the half-year ended 31 December 2015

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	58.3% to	21,840,899
Normalised Earnings Before Interest, Tax, Depreciation, and Amortisation (Normalised EBITDA)	up	17.9% to	594,532
Loss from ordinary activities after tax attributable to the owners of Pureprofile Ltd.	up	419.1% to	(2,288,156)
Loss for the half-year attributable to the owners of Pureprofile Ltd.	up	419.1% to	(2,288,156)

Dividends

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

Comments

Normalised EBITDA profit for the financial year amounted to \$594,532 (31 December 2015: \$504,071).

Normalised 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 loss after income tax and normalised EBITDA:

	Consolidated 6 months ended 31 Dec 2016 \$	Consolidated 6 months ended 31 Dec 2015 \$
Loss after income tax	(2,288,156)	(440,767)
Add: Depreciation and amortisation	1,186,823	591,487
Less: Interest income	(6,145)	(11,031)
Add: Finance costs	126,031	41,012
Add: Share-based payment expense	60,131	173,565
Add: Restructuring, acquisition and IPO costs	1,921,617	326,572
Income tax benefit	(405,769)	(176,767)
Normalised EBITDA	<u>594,532</u>	<u>504,071</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>(6.04)</u>	<u>3.53</u>

4. Control gained over entities

Name of entities (or group of entities)	Cohort Holdings Australia Pty Limited and it's controlled entities
Date control gained	8 November 2016
	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	529,522
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	-

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 2016 is attached.

11. Signed

Signed 

Andrew Edwards
Director
Sydney

Date: 24 February 2017

Pureprofile Ltd.

ABN 37 167 522 901

Interim Report - 31 December 2016

Pro forma adjustments to the statutory income statement

The table below sets out the adjustment to the Statutory Results for the period 1st July 2016 to 31st December 2016 to primarily reflect the acquisitions that Pureprofile Ltd. has made since 1 July 2016 as if they had occurred as at 1 July 2015 and the full year impact of the operating and capital structure that is in place following completion of the Acquisition of Sparc and Cohort as if it was in place as at 1 July 2015. In addition, certain other adjustments to eliminate non-recurring items have been made. These adjustments are summarised below:

	Pro forma Actual Consolidated 31 Dec 2016 \$m	Pro forma Actual Consolidated 31 Dec 2015 \$m	Change %
Statutory revenue	21.8	13.8	58%
Pro forma impact of acquisition ¹	10.4	13.4	(22%)
Pro forma impact of acquisition ²	-	1.1	(100%)
Pro forma revenue	32.3	28.3	14%
Normalised EBITDA (before non-recurring costs)	1.7	1.0	70%
Pro forma impact of acquisition ¹	1.8	1.8	-
Pro forma Operating EBITDA	3.5	2.8	24.8%
Statutory NPAT	(2.3)	(0.4)	(475%)
Pro forma impact of acquisition ¹	1.2	1.3	(8%)
Pro forma impact of acquisition ²	-	0.2	(100%)
Non-recurring and one-off items ³	1.1	0.3	267%
Non-recurring share-based payment expense	0.1	0.2	(70%)
Non-recurring IPO expenses ⁴	-	0.2	(100%)
Non-recurring M&A expenses ⁵	1.9	0.2	861%
Tax effect ⁶	(0.3)	(0.1)	226%
Total pro forma adjustments	3.9	2.3	70%
Pro forma NPAT	1.6	1.9	(12%)
Pro forma NPATA before non-recurring items	2.0	2.0	-

The pro forma adjustments made to statutory revenue and NPAT of Pureprofile reflects the following events and assumptions:

1. **Pro forma impact of acquisition** represents the full impact of Cohort*** revenue and NPAT as if Pureprofile controlled Cohort since 1 July 2015.
2. **Pro forma impact of acquisition** represents the full impact of Sparc** revenue and NPAT as if Pureprofile controlled Sparc since 1 July 2015.
3. **Non-recurring and one-off items** represents the pro forma adjustment for non-recurring 'one-off' business expenditure incurred by Pureprofile which are specific to circumstances at the time, and include such items as recruitment fees, consultant fees and salaries as a result of the transition of key management roles and integration of Sparc Media operations, investment of introducing new products and investment in future revenue streams in new markets in US, UK, Europe, Australia and NZ.
4. **Non-recurring IPO expenses** relates to 'one-off' legal, auditor, corporate advisor and accounting services expenditure incurred in relation to the IPO on the Australian Securities Exchange.
5. **Non-recurring M&A expenses** relate to 'one-off' legal, auditor and accounting services expenditure incurred in relation to the acquisition of Sparc and Cohort.
6. **Tax-effect of pro forma adjustments** relating to 1 to 7 above has been reflected in this adjustment as appropriate.

** Sparc Media Pty Limited, Adsparc Pty Limited, Future Students Pty Limited, Funbox India Private Limited (India) and Sparc Media sp. z o.o. (Poland) (collectively referred to as 'Sparc').

*** Cohort Holdings Australia Pty Limited, Cohort Australia Pty Limited, Cohort Global Limited, Cohort Global LLC, Cohort Developments Pty Ltd and Omnilead Pty Ltd (collectively referred to as 'Cohort').

Notes:

1. **Pro forma Operating EBITDA** represents EBITDA before the impact of non-recurring items associated with the costs of IPO, Sparc and Cohort acquisition, integration of the Sparc and Cohort operations, investment of introducing new products and future revenue streams in new markets in US, UK, Europe, Australia and NZ. This represents the key performance measure used by management and the directors in assessing the operational performance of the Group.
2. **NPAT before non-recurring items** represent net profit after tax before the impact of non-recurring items.
3. **NPATA before non-recurring items** is net profit after tax but prior to the amortisation of intangibles relating to acquisitions (net of tax effect), before the impact of non-recurring items including costs of IPO, Sparc and Cohort acquisition, integration of the Sparc and Cohort operations and investment in establishing new markets in US, UK, Europe, Australia and NZ net of tax effect.

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 2016.

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 - Executive Director
Paul Chan - Executive Director & Chief Executive Officer
Geoffrey Nesbitt - Executive Director & Chief Financial Officer
Clifford Rosenberg - Non-Executive Director
Matthew Berriman - Non-Executive Director (appointed on 8 November 2016)

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 statutory loss for the group after providing for income tax amounted to \$2,288,156 (31 December 2015: \$440,767).

Normalised EBITDA profit (including non-recurring and non-operational costs) for the financial half-year amounted to \$594,532 (31 December 2015: \$504,071).

Normalised 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 loss after income tax and normalised EBITDA (excludes non-recurring and non operational costs):

	Consolidated	
	6 months ended 31 Dec 2016	6 months ended 31 Dec 2015
	\$	\$
Loss after income tax	(2,288,156)	(440,767)
Add: Depreciation and amortisation	1,186,823	591,487
Less: Interest income	(6,145)	(11,031)
Add: Finance costs	126,031	41,012
Add: Share-based payment expense	60,131	173,565
Add: Restructuring, acquisition and IPO costs	1,921,617	326,572
Income tax benefit	(405,769)	(176,767)
Normalised EBITDA	<u>594,532</u>	<u>504,071</u>

Data and Insights

The Data and Insights business grew by 18.5% to \$6.4 million. The Pureprofile-branded business, connects market researchers and advertisers to consumers, who are predominantly registered as members to Pureprofile's proprietary database or 'panel' at www.pureprofile.com. Pureprofile's clients pay a fee to access the panel and deliver campaigns for individuals to complete.

The business in the ANZ market experienced strong growth in H1FY17, in both Australia and New Zealand. An ISO accreditation in relation to quality management of the business's online panel and a specialised product offering approach saw additional client-wins from research agencies.

Profitability also increased due to an increase in member activity and new clients from its proprietary panel and partner panel, including News Corp Australia, which reduced third party supplier costs for fulfilling client campaigns.

Programmatic Media

Overall the Programmatic Media business, offered through the Sparcmedia and AdSparc branding, has seen its revenue increase to \$11.5 million, which represents a 36.9% growth over the first half year of FY17.

Internationally, Programmatic has seen strong demand for ad inventory from ad networks and exchanges, driven partly by expansion into video inventory.

Lead Generation

The Lead Generation business unit, acquired in November 2016 as the Cohort Group, provides lead generation services to its clients by leveraging its database of 2.5 million consenting consumers with its proprietary and partner digital assets.

Cohort operates in ANZ, UK and US and saw growth for the half year across each of these markets.

During the half-year, Cohort made the strategic shift to drive lead generation efforts through its proprietary sites and via publisher partner networks and away from client-controlled sites. This, coupled with a focus on quality leads over quantity, has provided a greater level of certainty and predictability around performance of in ANZ. The success of the focus on quality is also evidenced by the growth in Cohort's Omnilead program, which provides premium leads that are verified via phone calls.

The UK has seen significant growth since Cohort launched in the market in April 2014 owing to key client wins and stabilisation of client spend. As a result, during the 6 months to December 2016, UK revenue grew significantly.

The US was launched in October 2015 and growth prospects are very strong with a solid pipeline of prospects.

Significant changes in the state of affairs

On 8 November 2016, the group acquired 100% of the share capital of Cohort Australia Holdings Pty Limited and its controlled entities (collectively referred to as 'Cohort') for total consideration of \$26,500,000. Cohort specialises in digital marketing and lead generation. It was acquired to accelerate Pureprofile's expansion into media sales and to access Cohort's highly skilled workforce and proprietary technology platforms.

During the financial half-year the group raised \$17,000,416 by way of 2 separate share placements. A total of 37,777,764 shares were issued at \$0.45 per share.

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 2016 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.

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
Director

24 February 2017
Sydney

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF PUREPROFILE LTD.
ABN 37 167 522 901**

In relation to the independent auditor's review for the half-year ended 31 December 2016, to the best of my knowledge and belief there have been:

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

This declaration is in respect of Pureprofile Ltd. and the entities it controlled during the period.



M A ALEXANDER
Partner

PITCHER PARTNERS
Sydney

24 February 2017

Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12
Directors' declaration	23
Independent auditor's review report to the members of Pureprofile Ltd.	24

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 is:

Level 1, 35 Reservoir 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 24 February 2017.

Pureprofile Ltd.
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2016



		Consolidated 6 months ended 31 Dec 2016 \$	6 months ended 31 Dec 2015 \$
Revenue	3	21,840,899	13,795,599
Other income	4	10,013	900
Expenses			
Survey fees and other direct costs		(11,084,997)	(6,493,380)
Employee benefits expense		(6,751,854)	(4,226,945)
Foreign exchange loss		(31,360)	(105,168)
Depreciation and amortisation expense	5	(1,186,823)	(591,487)
Technology, engineering and licence fees		(1,405,876)	(1,144,357)
Share-based payment expense		(60,131)	(173,565)
Restructuring, acquisition and capital raising costs		(1,921,617)	(326,572)
Occupancy costs		(446,040)	(305,049)
Other expenses		(1,530,108)	(1,006,498)
Finance costs	5	(126,031)	(41,012)
Loss before income tax benefit		(2,693,925)	(617,534)
Income tax benefit		405,769	176,767
Loss after income tax benefit for the half-year attributable to the owners of Pureprofile Ltd.		(2,288,156)	(440,767)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(5,286)	(24,719)
Other comprehensive income for the half-year, net of tax		(5,286)	(24,719)
Total comprehensive income for the half-year attributable to the owners of Pureprofile Ltd.		<u>(2,293,442)</u>	<u>(465,486)</u>
		Cents	Cents
Basic earnings per share	20	(2.82)	(0.78)
Diluted earnings per share	20	(2.82)	(0.78)

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

	Note	Consolidated 31 Dec 2016 \$	30 Jun 2016 \$
Assets			
Current assets			
Cash and cash equivalents	6	5,098,785	1,768,275
Trade and other receivables	7	11,700,224	5,765,614
Income tax receivable		10,361	522,124
Other		1,134,343	693,795
Total current assets		<u>17,943,713</u>	<u>8,749,808</u>
Non-current assets			
Property, plant and equipment	8	398,987	256,828
Intangibles	9	36,180,096	11,134,984
Deferred tax		4,877,241	3,141,910
Total non-current assets		<u>41,456,324</u>	<u>14,533,722</u>
Total assets		<u>59,400,037</u>	<u>23,283,530</u>
Liabilities			
Current liabilities			
Trade and other payables	10	18,842,710	8,094,951
Borrowings	11	1,890,822	270,647
Income tax		815,124	-
Provisions		2,069,137	2,001,778
Deferred revenue		190,863	17,852
Total current liabilities		<u>23,808,656</u>	<u>10,385,228</u>
Non-current liabilities			
Borrowings	12	3,625,000	-
Deferred tax		2,380,047	1,695,302
Provisions		122,586	85,625
Total non-current liabilities		<u>6,127,633</u>	<u>1,780,927</u>
Total liabilities		<u>29,936,289</u>	<u>12,166,155</u>
Net assets		<u>29,463,748</u>	<u>11,117,375</u>
Equity			
Issued capital	13	39,769,694	19,190,010
Reserves	14	152,295	97,450
Accumulated losses		<u>(10,458,241)</u>	<u>(8,170,085)</u>
Total equity		<u>29,463,748</u>	<u>11,117,375</u>

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

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2015	7,175,254	1,529	(6,024,118)	1,152,665
Loss after income tax benefit for the half-year	-	-	(440,767)	(440,767)
Other comprehensive income for the half-year, net of tax	-	(24,719)	-	(24,719)
Total comprehensive income for the half-year	-	(24,719)	(440,767)	(465,486)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	11,141,542	-	-	11,141,542
Share-based payments	-	173,565	-	173,565
Transfer from share-based payments reserve to issued capital	154,934	(154,934)	-	-
Balance at 31 December 2015	<u>18,471,730</u>	<u>(4,559)</u>	<u>(6,464,885)</u>	<u>12,002,286</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2016	19,190,010	97,450	(8,170,085)	11,117,375
Loss after income tax benefit for the half-year	-	-	(2,288,156)	(2,288,156)
Other comprehensive income for the half-year, net of tax	-	(5,286)	-	(5,286)
Total comprehensive income for the half-year	-	(5,286)	(2,288,156)	(2,293,442)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 13)	20,579,684	-	-	20,579,684
Share-based payments (note 14)	-	60,131	-	60,131
Balance at 31 December 2016	<u>39,769,694</u>	<u>152,295</u>	<u>(10,458,241)</u>	<u>29,463,748</u>

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

		Consolidated 6 months ended 31 Dec 2016 \$	6 months ended 31 Dec 2015 \$
Note			
Cash flows from operating activities			
	Receipts from customers (inclusive of GST)	20,887,560	10,299,039
	Payments to suppliers and employees (inclusive of GST)	<u>(21,169,061)</u>	<u>(12,306,871)</u>
		(281,501)	(2,007,832)
	Interest received	6,145	11,031
	Interest and other finance costs paid	(126,031)	-
	Income taxes refunded	<u>498,126</u>	<u>14,059</u>
	Net cash from/(used in) operating activities	<u>96,739</u>	<u>(1,982,742)</u>
Cash flows from investing activities			
	Payment for purchase of business, net of cash acquired	18 (13,637,782)	(2,515,893)
	Payment for expenses relating to acquisitions	(1,921,617)	(1,412,572)
	Payments for property, plant and equipment	8 (54,747)	(164,936)
	Payments for intangibles	9 (2,056,304)	(1,172,620)
	Proceeds from disposal of property, plant and equipment	<u>44,413</u>	<u>900</u>
	Net cash used in investing activities	<u>(17,626,037)</u>	<u>(5,265,121)</u>
Cash flows from financing activities			
	Proceeds from issue of shares	13 17,000,416	10,000,000
	Proceeds from borrowings	4,000,000	-
	Share issue transaction costs	(886,760)	(896,574)
	Repayment of borrowings	<u>(617,630)</u>	<u>(100,000)</u>
	Net cash from financing activities	<u>19,496,026</u>	<u>9,003,426</u>
	Net increase in cash and cash equivalents	1,966,728	1,755,563
	Cash and cash equivalents at the beginning of the financial half-year	1,622,628	531,162
	Effects of exchange rate changes on cash and cash equivalents	<u>(6,393)</u>	<u>(1,676)</u>
	Cash and cash equivalents at the end of the financial half-year	<u><u>6 3,582,963</u></u>	<u><u>2,285,049</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 2016 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 2016 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, revised or amending 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 during the financial half-year ended 31 December 2016 and are not expected to have any significant impact for the full financial year ending 30 June 2017.

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

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.

Comparatives

Comparatives in the statement of profit or loss and other comprehensive income have been reclassified, where necessary, to align with the current period presentation. There was no effect on profit or net assets.

Going Concern

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

The financial results for the half year ended 31 December 2016 were impacted by non-recurring items associated with the acquisition costs of Cohort and a capital raising. The Group incurred a loss after income tax of \$2,288,156 (31 December 2015: \$440,767), was in a net current liability position of \$5,864,943 (30 June 2016: net current liability position of \$1,635,420) and had net cash inflows from operating activities of \$96,739 (31 December 2015: net cash outflows from operating activities of \$1,982,742).

Included within current liabilities is deferred consideration of \$4,500,000 in relation to the Cohort acquisition. This amount is payable by the group in Pureprofile Ltd. shares. It is not a cash outflow. If this amount is deducted from the net current liability position at 31 December 2016 it reduces to \$1,364,943.

The directors believe the group is a going concern due to the expected future financial performance and cash flows of the group (now including Cohort) and the current banking facilities in place which will enable the group to pay 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; and
- Programmatic Media; and
- Lead Generation*

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.

*The Lead Generation operating segment is a new operating segment in the current financial half-year. The new operating segment was created following the acquisition of Cohort Australia Holdings Pty Limited on 8 November 2016.

Types of products and services

The principal products and services are as follows:

Data & Insights	Conducting market research and providing research technology platforms
Programmatic Media	Buying and selling online advertising inventory on behalf of advertisers and publishers
Lead Generation	Generates leads for clients through its consumer database and proprietary and partner digital assets

Refer to note 3 for details of revenue split by product and service line.

Major customers

No single customer contributed 10% or more to the Group's external revenue during the half years ended 31 December 2016 and 31 December 2015.

Revenue by geographical area

The group operates in 3 (31 December 2015: 3) regions. The sales revenue for each region is as follows:

	Consolidated 6 months ended 31 Dec 2016 \$	Consolidated 6 months ended 31 Dec 2015 \$
Australasia	11,659,148	6,689,398
Europe	5,512,371	2,432,424
US	4,663,235	4,662,746
	<u>21,834,754</u>	<u>13,784,568</u>

Note 3. Revenue

	Consolidated	
	6 months ended 31 Dec 2016 \$	6 months ended 31 Dec 2015 \$
<i>Sales revenue</i>		
Data & Insights	6,402,659	5,452,488
Programmatic Media	11,487,676	8,332,080
Lead generation	3,944,419	-
	<u>21,834,754</u>	<u>13,784,568</u>
<i>Other revenue</i>		
Interest	6,145	11,031
Revenue	<u>21,840,899</u>	<u>13,795,599</u>

Note 4. Other income

	Consolidated	
	6 months ended 31 Dec 2016 \$	6 months ended 31 Dec 2015 \$
Net gain on disposal of property, plant and equipment	<u>10,013</u>	<u>900</u>

Note 5. Expenses

	Consolidated 6 months ended 31 Dec 2016 \$	Consolidated 6 months ended 31 Dec 2015 \$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Office and computer equipment	91,300	55,586
<i>Amortisation</i>		
Software	996,125	527,401
Membership base	99,398	8,500
Total amortisation	1,095,523	535,901
Total depreciation and amortisation	1,186,823	591,487
<i>Finance costs</i>		
Interest and finance charges paid/payable	126,031	41,012
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	438,452	270,558
<i>Superannuation expense</i>		
Defined contribution superannuation expense	490,224	301,760
<i>Share-based payments expense</i>		
Share-based payments expense	60,131	173,565
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation	6,261,630	3,925,185

Note 6. Current assets - cash and cash equivalents

	Consolidated 31 Dec 2016 \$	Consolidated 30 Jun 2016 \$
Cash at bank	4,477,173	1,339,215
Cash on deposit*	621,612	429,060
	<u>5,098,785</u>	<u>1,768,275</u>

*Cash on deposit of \$621,612 (30 June 2016: \$429,060) is a restricted cash balance which is held and maintained as security over the group's bank overdraft facility, bank guarantees and leased properties.

Cash and cash equivalents at 31 December 2016 of \$3,582,963 as shown in the statement of cash flows comprises the cash and cash equivalents balances as shown above and the bank overdraft of \$1,515,822 as disclosed in note 11.

Note 7. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Trade receivables	11,676,934	5,413,617
Less: Provision for impairment of receivables	(186,886)	(109,276)
	<u>11,490,048</u>	<u>5,304,341</u>
Other receivables	210,176	461,273
	<u>11,700,224</u>	<u>5,765,614</u>

Note 8. Non-current assets - property, plant and equipment

	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Office and computer equipment - at cost	658,180	423,799
Less: Accumulated depreciation	(259,193)	(166,971)
	<u>398,987</u>	<u>256,828</u>

Reconciliations

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

Consolidated	Office and computer equipment	Total
	\$	\$
Balance at 1 July 2016	256,828	256,828
Additions	54,747	54,747
Additions through business combinations (note 18)	213,112	213,112
Disposals	(34,400)	(34,400)
Depreciation expense	(91,300)	(91,300)
	<u>398,987</u>	<u>398,987</u>
Balance at 31 December 2016	<u>398,987</u>	<u>398,987</u>

Note 9. Non-current assets - intangibles

	Consolidated 31 Dec 2016 \$	30 Jun 2016 \$
Goodwill - at cost	16,874,223	5,607,127
Software - at cost	17,887,534	8,146,995
Less: Accumulated amortisation	<u>(3,756,438)</u>	<u>(2,760,313)</u>
	14,131,096	5,386,682
Membership base - at cost	4,014,000	68,000
Less: Accumulated amortisation	<u>(120,223)</u>	<u>(20,825)</u>
	3,893,777	47,175
Brand names - at cost	1,281,000	94,000
	<u>36,180,096</u>	<u>11,134,984</u>

Reconciliations

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

	Goodwill \$	Software \$	Membership base \$	Brand names \$	Total \$
Consolidated					
Balance at 1 July 2016	5,607,127	5,386,682	47,175	94,000	11,134,984
Additions	-	2,056,304	-	-	2,056,304
Additions through business combinations (note 18)	11,267,096	7,684,235	3,946,000	1,187,000	24,084,331
Amortisation expense	<u>-</u>	<u>(996,125)</u>	<u>(99,398)</u>	<u>-</u>	<u>(1,095,523)</u>
Balance at 31 December 2016	<u>16,874,223</u>	<u>14,131,096</u>	<u>3,893,777</u>	<u>1,281,000</u>	<u>36,180,096</u>

Note 10. Current liabilities - trade and other payables

	Consolidated 31 Dec 2016 \$	30 Jun 2016 \$
Trade payables	5,556,808	3,085,931
Contingent consideration	8,500,000	1,500,000
Accrued expenses	2,791,164	2,176,509
Other payables	<u>1,994,738</u>	<u>1,332,511</u>
	<u>18,842,710</u>	<u>8,094,951</u>

As at 31 December 2016, contingent consideration of \$8,500,000 represented consideration for the acquisition of Cohort Australia Holdings Pty Limited and its controlled entities which at 31 December 2016 was payable subject to the achievement of certain performance criteria. Contingent consideration comprised \$4,000,000 of Pureprofile Ltd's shares to be issued and \$4,500,000 to be paid at the discretion of the vendor, in either cash or Pureprofile Ltd's shares.

As at 30 June 2016, contingent consideration of \$1,500,000 represented consideration for the acquisition of Sparc Media's business which at 30 June 2016 was payable subject to the achievement of certain performance criteria. Contingent consideration comprised \$300,000 payable in cash and \$1,200,000 of Pureprofile Ltd. shares to be issued. The contingent consideration, payable in cash, was held in escrow and included in other receivables at 30 June 2016. The contingent consideration was released to the vendor on 28 July 2016.

Note 11. Current liabilities - borrowings

	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Bank overdraft	1,515,822	145,647
Bank loans	375,000	125,000
	<u>1,890,822</u>	<u>270,647</u>

During the half-year ended 31 December 2016, the group obtained a \$3,000,000 bank overdraft facility. Interest is payable at 1.12% per annum plus the Corporate Overdraft Reference rate of 8.88% less 2%. Interest is payable quarterly in arrears. The facility expires on 7 November 2017. As at 31 December 2016, \$1,484,178 of the facility is unused and available to be withdrawn.

During the half-year ended 31 December 2016, the group secured a \$4,000,000 loan facility. The loan is repayable in quarterly installments and repayments commence from 31 December 2017 until 30 September 2019. Interest is payable at 3.25% per annum plus the BBSY. Interest is payable quarterly in arrears. The facility expires on 30 September 2019. As at 31 December 2016, the facility is fully used and there are no unused amounts.

The bank overdraft and bank loan are secured by the assets of the group.

Note 12. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Bank loans	<u>3,625,000</u>	<u>-</u>

Refer to note 11 for further information on bank loans.

Note 13. Equity - issued capital

	Consolidated			
	31 Dec 2016	30 Jun 2016	31 Dec 2016	30 Jun 2016
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>111,171,612</u>	<u>63,727,181</u>	<u>39,769,694</u>	<u>19,190,010</u>

Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2015	63,727,181	19,190,010
Shares issued on acquisition of Sparc Media	29 July 2016	3,000,000	\$0.40 1,200,000
Issue of shares	28 September 2016	8,660,448	\$0.45 3,897,202
Issue of shares	7 November 2016	28,450,649	\$0.45 12,803,214
Issue of shares	8 November 2016	666,667	\$0.45 300,000
Shares issued on acquisition of Cohort	8 November 2016	6,666,667	\$0.45 3,000,000
Less: share issue costs net of taxation		-	\$0.00 (620,732)
Balance	31 December 2016	<u>111,171,612</u>	<u>39,769,694</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.

Note 13. Equity - issued capital (continued)

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 14. Equity - reserves

	Consolidated 31 Dec 2016 \$	30 Jun 2016 \$
Foreign currency reserve	(136,054)	(130,768)
Share-based payments reserve	288,349	228,218
	<u>152,295</u>	<u>97,450</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 2016	(130,768)	228,218	97,450
Foreign currency translation	(5,286)	-	(5,286)
Share-based payments	-	60,131	60,131
Balance at 31 December 2016	<u>(136,054)</u>	<u>288,349</u>	<u>152,295</u>

Note 15. Equity - dividends

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

Note 16. Fair value measurement

Fair value hierarchy

The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Liabilities</i>				
Contingent consideration	-	-	8,500,000	8,500,000
Total liabilities	<u>-</u>	<u>-</u>	<u>8,500,000</u>	<u>8,500,000</u>

Note 16. Fair value measurement (continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 30 Jun 2016				
<i>Liabilities</i>				
Contingent consideration	-	-	1,500,000	1,500,000
Total liabilities	-	-	1,500,000	1,500,000

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of the above financial liability is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities. The fair value is classified as level 3 due to the significant unobservable inputs used in the valuation, including own credit risk.

Level 3 assets and liabilities

Movements in the level 3 contingent consideration liability during the current financial half-year are set out below:

	Contingent consideration \$	Total \$
Consolidated		
Balance at 1 July 2016	1,500,000	1,500,000
Additions	8,500,000	8,500,000
Amounts paid	(1,500,000)	(1,500,000)
Balance at 31 December 2016	<u>8,500,000</u>	<u>8,500,000</u>

Note 17. Contingent liabilities

The group has given a bank guarantee as at 31 December 2016 of \$411,397 (30 June 2016: \$229,060) to their landlord for leased property.

Note 18. Business combinations

Acquisition of Cohort Holdings Australia Pty Limited and its controlled entities

On 8 November 2016, the group acquired 100% of the share capital of Cohort Australia Holdings Pty Limited and its controlled entities (collectively referred to as 'Cohort') for total consideration of \$26,500,000. Cohort specialises in digital marketing and lead generation. It was acquired to accelerate Pureprofile's expansion into media sales and to access Cohort's highly skilled workforce and proprietary technology platforms. The goodwill of \$11,267,096 represents the strategic drivers of the business including enabling Pureprofile to strengthen its pipeline of campaign opportunities, publisher and agency relationships through leveraging off its database with its proprietary and partner digital assets. The acquired business contributed revenues of \$3,945,787 and profit after tax of \$404,882 to the consolidated entity for the period from 8 November 2016 to 31 December 2016. If the acquisition occurred on 1 July 2016, the half-year contributions would have been revenues of \$14,388,514 and profit after tax of \$1,497,522. The values identified in relation to the acquisition of Cohort are provisional as at 31 December 2016.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	1,362,218
Trade receivables	5,078,503
Prepayments	321,633
Other current assets	55,482
Plant and equipment	213,112
Software	7,684,235
Membership base	3,946,000
Brand names	1,187,000
Deferred tax asset	213,235
Trade payables	(3,994,446)
Provision for income tax	(663,207)
Employee benefits	(145,143)
Deferred revenue	(25,718)
	<hr/>
Net assets acquired	15,232,904
Goodwill	11,267,096
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>26,500,000</u>
Representing:	
Cash paid or payable to vendor	15,000,000
Pureprofile Ltd. shares issued/to be issued to vendor	3,000,000
Contingent consideration - payable to vendor	8,500,000
	<hr/>
	<u>26,500,000</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	26,500,000
Less: cash and cash equivalents	(1,362,218)
Less: contingent consideration	(8,500,000)
Less: shares issued by company as part of consideration	(3,000,000)
	<hr/>
Net cash used	<u>13,637,782</u>

Total acquisition costs in relation to the acquisition of Cohort of \$1,921,617 were expensed to the profit or loss during the half-year ended 31 December 2016.

Note 19. Events after the reporting period

No matter or circumstance has arisen since 31 December 2016 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.

Note 20. Earnings per share

	Consolidated 6 months ended 31 Dec 2016 \$	Consolidated 6 months ended 31 Dec 2015 \$
Loss after income tax attributable to the owners of Pureprofile Ltd.	<u>(2,288,156)</u>	<u>(440,767)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>81,140,680</u>	<u>56,775,683</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>81,140,680</u>	<u>56,775,683</u>
	Cents	Cents
Basic earnings per share	(2.82)	(0.78)
Diluted earnings per share	(2.82)	(0.78)

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

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 2016 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
Director

24 February 2017
Sydney

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF PUREPROFILE LTD.
ABN 37 167 522 901**

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Pureprofile Ltd. ("the company") and its Controlled Entities ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2016, 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 statement of significant accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising Pureprofile Ltd. and the entities it controlled at the half-year's end or from time to time during the half-year.

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 *Corporation Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 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*. As the auditor of Pureprofile Ltd. and the entities it controlled, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the 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.


Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.



M A ALEXANDER
Partner



PITCHER PARTNERS
Sydney

24 February 2017