

ASX Announcement:

30 November 2017

Pureprofile Annual General Meeting 2017

Chairman's Address

Welcome I can confirm that we have a quorum and therefore I will call this meeting open.

I am Andrew Edwards, Executive Chairman, and with me today is Paul Chan, Founder and CEO, and Nicola Betteridge, Company Secretary. Cliff Rosenberg, NED, sends his apologies and is unable to attend for personal reasons.

Representatives of the company's current auditor, Pitcher Partners, are also present.

I have been Executive Chairman since November last year, working closely with Paul. It has been the Board's and Executive Team's goal to continue our focus on growth but more recently reshape the company for better financial performance, shareholder returns and better cash conversion. To deliver this we have focused on two major things: People and Product.

We have been actively making changes, which we consider as up-grades for the long-term betterment of the Group and to maximise our product offering in market. More on this later.

Firstly, I must say, this last 12 months have cemented to me the significant potential of the Pureprofile offering in the marketplace. Pureprofile's data is directly sourced from consumers, meaning it is more valuable and accurate, and is able to deliver real results for business. We create profiles from this data and with the strategic acquisitions complete we are now in a position to monetise these profiles across the entire media value chain.

The need for major multinational companies to embrace our offering is becoming obvious and clear to **them**. I have been in market talking to advertising agencies, media companies and heads of some of the largest multinational companies worldwide, and without exception, the validation and the importance of our offering was understood and opportunities are now being explored.

Having said that FY17 had its challenges with:

- the implementation of the Cohort acquisition, including the restructuring and integration into the Pureprofile Group;
- exiting and upgrading of Senior management within all the Pureprofile Companies; and
- the requirement to secure funding to complete the Cohort acquisition earn out.

These challenges weighed heavily on the Pureprofile Share Price and continue to do so. I would like to thank you, our shareholders, for your continued patience and support. It's fair to say that FY17's financial performance was OK but that's not good enough. Our Board is consistent with shareholders in aspiring for better, and desiring to see this reflected in shareholder returns.

Despite these challenges in FY17, Pureprofile:

- continued its revenue growth with Statutory revenue of \$52.9M and Pro-forma revenue growth of 15%;
- US and UK revenues continued to grow with 41% yoy growth and total international revenues of \$22.4m;
- completed the Cohort Group acquisition;
- extended the News Corp alliance and broadened its scope (more on this from Paul later);
- launched enterprise self-service applications with Unilever and News Corp;
- relocated executives to US and UK to maintain international growth momentum; and
- at the same time identified ongoing annualised cost savings of over \$2 million, which has largely now been implemented and is discussed later in the update.

Funding Secured

Further to the ASX announcement on 2 November 2017, PPL are pleased to report funding has been secured and the draw down of the \$10m Loan facility has commenced with proceeds in the bank. The facility is a mix of a principal draw down facility of \$10m and a debtor finance facility. These facilities will enable PPL to meet its immediate liabilities to include the Cohort earn out and continue to deliver on its product investment, bolster our working capital and enable further efficiencies to be actioned for improved longer term performance.

Cohort Acquisition

The Cohort acquisition is now complete. The final payout to the Cohort Vendors, which was actioned today was at the low end of earn out expectations and a reflection of the slowdown in their performance. Towards the end of the year Cohort endured a perfect storm of events. Clients were lost for reasons that were unrelated to the performance of Cohort/Pureprofile. This, coupled with a lack of data sources for the generating of leads, had an immediate and detrimental effect on revenues. Notwithstanding this dip in operating performance, the original strategic rationale for this acquisition is now more relevant and important than ever.

Cohort is a natural extension and accelerator of Pureprofile's core business. We are:

- enhancing the service offered by overlaying Pureprofile's data and insights and programmatic capabilities to produce a greater quantity and more valuable leads;
- generating more traffic, data and therefore increased leads through Sparcmedia;
- enhancing the Cohort tech platform by the adoption of our current tech offering;
- identifying and converting cross-sell and up-sell opportunities; and
- leveraging the Cohort offering to enable PPL to springboard its offering in the UK.

The integration of the businesses provides a stronger competitive position for both Cohort and Pureprofile.

Whilst short term operating performance has been below expectations, the changes we have made and the processes we are starting to implement are for the long-term opportunity.

We retain our conviction that the Cohort acquisition will generate value for shareholders over time and consistent with the rationale for the acquisition.



Personnel Changes

Further to previous ASX disclosures including the most recent dated 29 November 2017, the Board decided that given the size of the organisation and the importance of Product Development, Paul Chan would move across to become Chief Innovation Officer and a new CEO would be found to replace Paul in his current role.

The brief we set was for a CEO who would be focused on revenue generation and communications to the key stakeholders. In addition, all the other responsibilities that befit a CEO would obviously be required. However primary focus was on revenue and key stakeholder relationships.

Having conducted a thorough search and having all candidates engage with no drop outs the choice available was magnificent and I can honestly say we got the person we wanted.

Someone who has a perfect mix of experiences and has a broad global and local network. Someone who is experienced, motivated and a good bloke.

I'd like to introduce you to Nic Jones, Pureprofile's new CEO.

Nic holds a bachelor's degree in Social Psychology and Sociology and brings a wide and deep range of experience in online and digital media. His career spans over 30 years, including:

- CEO of Yahoo Australia and New Zealand;
- Managing Director News Interactive at News Corp;
- Managing Director Digital and Chief Digital Officer EMEA at Starcom MediVest; and most recently,
- Chief Revenue Officer of music video publisher, Vevo.

Nic recently moved back to Australia and is currently Chairman of Advertising Weeks advisory council. Nic's first day in the office will be 4 December 2017.

Welcome Nic it's great to have you on board.

This means that Paul's focus will now be on our continued Innovation and Product Development, and management and delivery of these innovations on budget and on time.

With Paul focussing on innovation and Nic focussing on the company's revenue growth, relationship management and operational excellence we have an amazing and a very talented and experienced team.


Other key hires were put on hold until the CEO was in place. With Nic now here, we will focus on actioning these hires, specifically, the CFO and NED's for the board.

Whilst we have been reticent to make decisions without the input of the CEO we have already actioned the search and are well placed to make decisions in the shorter term.

Outlook

The first five months of this financial year have been challenging and this has been impacted by a number of factors including both operational and integration related factors.

In particular and further to my earlier comments, Cohort has seen softness in their revenues and operational challenges as we integrate the business into the broader Pureprofile group. However, we continue with the full integration of Cohort and the current pipeline remains very strong. We have made some tough decisions which I have no doubt will set the company up for a strong second half FY18 and beyond.



Considering these factors, we expect the First half FY2018 pro forma revenue and EBITDA to be slightly lower than that of the comparable FY2017 pro forma result. However, with the continued focus on growth and cash conversion we expect a second half FY2018 result to be greater than that of the comparable FY2017 period with an exit run rate and cash conversion materially higher.

On an annualised basis, with the effects on our continued integration, restructure and focus on cash conversion, we expect to see annualised cost savings in excess of \$4m.

And growth. The Group has won significant new business including Coca-Cola, KPMG, Spotify, VMWare, Caltex and BT.

Pureprofile is entering an exciting growth phase with an unprecedented pipeline of opportunities and strategic relationships. Some of which will be announced very shortly.

I am confident that the necessary changes that have been implemented, including the key operational and management changes coupled with the strongest and largest pipeline I have seen, set Pureprofile on the right path and that the company is structured for growth and positive cash flows.

Finally, I would like to reiterate our 4 pillars:

1. Growth – maintain International growth and focus on larger global contracts;
2. Product – generate revenue driven by new products and their efficiencies ;
3. Operations – integrate, challenge, cross sell, upsell, communicate;
4. Cash – continue the streamlining of costs across the group, and increase the penetration of self serve.

We remain focussed on these things and I am committed to provide regular updates as things develop.

I would like to hand over to Paul Chan, our Founder and new CIO, Paul Chan.

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