

ASX Announcement:

28 February 2018

Pureprofile H1 FY18 Financial Results

Pureprofile Limited (**Pureprofile** or the **Company**) announces its financial results for the six months to December 31, 2017.

The first half of FY18 was a challenging and transformational period for Pureprofile. Since the acquisition of Cohort in November 2016, the management team has been working hard to integrate the business and realise the cross-selling opportunities and cost synergies that were core to Pureprofile's investment thesis. Clearly this has proved more challenging than anticipated with the Cohort business also not performing to expectations. As a result, structural and management changes were made throughout all of Pureprofile's business units during the half-year.

Pureprofile is now confident that the Cohort business has been stabilised and all business units are well positioned for a stronger second half (H2 FY18). In particular, management is pleased with the performance of the Data and Insights business, which grew revenue by 23% compared to the previous corresponding period (H1 FY17).

Key financial results for H1 FY18 include:

- Revenue of \$28.3M
- Gross Profit of \$12.5M (gross margin of 44%)
- Underlying* EBITDA of \$1.3M
- EBITDA of \$0.1M
- Net Profit (Loss) after tax of (\$8.8M)
- Net Cash from Operating Activities \$2.4M
- Cash balance at 31 December 2017 of \$5.0M

** Underlying figures exclude abnormal one-off expenses relating to restructuring and the impairment of intangible assets and disposal of brand names relating to Cohort.*

The H1 FY18 result was impacted by the impairment of intangible assets and disposal of brand names relating to the Cohort business of \$7M and some additional one-off restructuring costs.

Comparisons to the prior corresponding period to December 31, 2016 are impacted by the partial contribution of the Cohort business unit following its acquisition in November 2016.

CEO and Managing Director Nic Jones said: "Following a challenging first half, we stand at the beginning of a very exciting future at Pureprofile. As Content Creators' and Distributors' paths to monetisation become further challenged, as users demand real value for their data and Brands look for new ways to connect with customers, Pureprofile is ready to connect them together and increase value for all parties."

During the half, Pureprofile has:

- Put a new executive team in place and restructured its finance function.
- Stabilised revenues and margins, delivered key new business wins and strengthened its pipeline of opportunities.

- Focused technology development on optimising and unifying existing systems and improving integration with 3rd party systems.

Outlook:

- H2 FY2018 revenues are expected to be greater than H1 FY2018 revenues, with stable gross margin % and positive EBITDA contribution.
- Executing on a further \$5M of identified cost savings across the global cost base, reducing the annualised cost base to ~\$20M.
- Revenue growth and cash generation will be a key focus for the business.

Communication:

- Pureprofile is committed to providing shareholders and market with regular updates.

- ENDS -

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About Pureprofile

Pureprofile Limited (ASX: PPL) connects brands with empowered customers across the world by finding, understanding and engaging them through direct-to-consumer technology platforms. The Pureprofile group is a global leader in data and insights, programmatic media and performance media. Pureprofile delivers next-generation marketing solutions for more than 700 brands, publishers and research groups worldwide.