

1. Company details

Name of entity:	Pureprofile Ltd
ABN:	37 167 522 901
Reporting period:	For the year ended 30 June 2018
Previous period:	For the year ended 30 June 2017

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	1.8% to	51,989,693
Normalised Earnings Before Interest, Tax, Depreciation and Amortisation ('Normalised EBITDA')	down	72.3% to	902,215
Loss from ordinary activities after tax attributable to the owners of Pureprofile Ltd	up	507.0% to	(12,130,332)
Loss for the year attributable to the owners of Pureprofile Ltd	up	507.0% to	(12,130,332)

Dividends

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

Comments

The loss for the group after providing for income tax amounted to \$12,130,332 (30 June 2017: \$1,998,302).

Normalised EBITDA for the financial year amounted to a profit of \$902,215 (30 June 2017: profit of \$3,257,917).

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 2018 Unaudited \$	2017 \$
Loss after income tax	(12,130,332)	(1,998,302)
Add: Depreciation and amortisation	5,251,229	3,491,458
Add: Impairment of assets	5,989,381	-
Add: Loss on disposal of intangible assets	1,058,000	-
Less: Interest income	(5,584)	(13,343)
Add: Finance costs	1,574,900	209,272
Add: Share-based payment expense	90,612	130,411
Add: Restructuring, acquisition and IPO costs	1,745,869	2,418,747
Less: Revaluation of earn-out liability	(1,356,699)	(977,778)
Less: Income tax benefit	(1,315,161)	(2,548)
Normalised EBITDA	<u>902,215</u>	<u>3,257,917</u>

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(9.21)</u>	<u>(8.41)</u>

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 are in the process of being audited.

10. Attachments

Details of attachments (if any):

The Preliminary Financial Report of Pureprofile Ltd for the year ended 30 June 2018 is attached.

11. Signed

Signed 

Date: 31 August 2018

Andrew Edwards
Non-Executive Chairman
Sydney

Pureprofile Ltd

ABN 37 167 522 901

Preliminary Financial Report - 30 June 2018

Pureprofile Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

		Consolidated	
		2018	
	Note	Unaudited	2017
		\$	\$
Revenue	3	51,989,693	52,937,637
Other income	4	1,427,802	977,778
Expenses			
Direct costs of revenue		(27,787,670)	(27,021,542)
Employee benefits expense		(15,992,215)	(14,993,576)
Foreign exchange loss		(469,152)	(319,932)
Depreciation and amortisation expense	5	(5,251,229)	(3,491,458)
Impairment of assets		(5,989,381)	-
Loss on disposal of intangible assets		(1,058,000)	-
Technology, engineering and licence fees		(3,556,234)	(3,273,108)
Share-based payment expense		(90,612)	(130,411)
Restructuring, acquisition and IPO costs		(24,666)	(2,418,747)
Occupancy costs		(1,655,542)	(1,112,155)
Other expenses		(3,413,387)	(2,946,064)
Finance costs	5	(1,574,900)	(209,272)
Loss before income tax benefit		(13,445,493)	(2,000,850)
Income tax benefit	6	1,315,161	2,548
Loss after income tax benefit for the year attributable to the owners of Pureprofile Ltd		(12,130,332)	(1,998,302)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		336,061	(101,851)
Other comprehensive income for the year, net of tax		336,061	(101,851)
Total comprehensive loss for the year attributable to the owners of Pureprofile Ltd		<u>(11,794,271)</u>	<u>(2,100,153)</u>
		Cents	Cents
Basic earnings per share	23	(10.37)	(2.08)
Diluted earnings per share	23	(10.37)	(2.08)

Refer to note 1 for detailed information on Restatement of comparatives.

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 30 June 2018

		Consolidated	
		2018	
	Note	Unaudited	2017
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	7	2,481,770	4,047,928
Trade and other receivables	8	6,802,663	12,081,363
Other	9	785,419	877,304
Total current assets		<u>10,069,852</u>	<u>17,006,595</u>
Non-current assets			
Property, plant and equipment	10	377,982	356,863
Intangibles	11	31,149,688	39,248,521
Deferred tax	12	5,223,379	3,951,547
Total non-current assets		<u>36,751,049</u>	<u>43,556,931</u>
Total assets		<u>46,820,901</u>	<u>60,563,526</u>
Liabilities			
Current liabilities			
Trade and other payables	13	11,497,850	18,339,640
Borrowings	14	-	3,496,426
Income tax		303,676	714,536
Provisions	15	1,806,635	2,067,296
Deferred revenue		385,556	297,039
Total current liabilities		<u>13,993,717</u>	<u>24,914,937</u>
Non-current liabilities			
Borrowings	16	10,000,000	2,875,000
Deferred tax	17	2,637,984	2,723,126
Provisions	18	132,085	155,546
Total non-current liabilities		<u>12,770,069</u>	<u>5,753,672</u>
Total liabilities		<u>26,763,786</u>	<u>30,668,609</u>
Net assets		<u>20,057,115</u>	<u>29,894,917</u>
Equity			
Issued capital	19	41,803,151	39,937,294
Reserves	20	552,683	126,010
Accumulated losses		<u>(22,298,719)</u>	<u>(10,168,387)</u>
Total equity		<u>20,057,115</u>	<u>29,894,917</u>

Refer to note 1 for detailed information on Restatement of comparatives.

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

Pureprofile Ltd
Statement of changes in equity
For the year ended 30 June 2018

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 year	-	-	(1,998,302)	(1,998,302)
Other comprehensive loss for the year, net of tax	-	(101,851)	-	(101,851)
Total comprehensive loss for the year	-	(101,851)	(1,998,302)	(2,100,153)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 19)	20,747,284	-	-	20,747,284
Share-based payments	-	130,411	-	130,411
Balance at 30 June 2017	<u>39,937,294</u>	<u>126,010</u>	<u>(10,168,387)</u>	<u>29,894,917</u>

Refer to note 1 for detailed information on Restatement of comparatives.

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2017	39,937,294	126,010	(10,168,387)	29,894,917
Loss after income tax benefit for the year	-	-	(12,130,332)	(12,130,332)
Other comprehensive income for the year, net of tax	-	336,061	-	336,061
Total comprehensive income for the year	-	336,061	(12,130,332)	(11,794,271)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 19)	1,865,857	-	-	1,865,857
Share-based payments	-	90,612	-	90,612
Balance at 30 June 2018	<u>41,803,151</u>	<u>552,683</u>	<u>(22,298,719)</u>	<u>20,057,115</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 year ended 30 June 2018

		Consolidated	
		2018	
	Note	Unaudited	2017
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		57,236,139	52,176,548
Payments to suppliers and employees (inclusive of GST)		<u>(50,142,451)</u>	<u>(49,589,590)</u>
		7,093,688	2,586,958
Interest received		5,584	13,343
Interest and other finance costs paid		(1,574,900)	(209,272)
Income taxes (paid)/refunded		<u>(452,673)</u>	<u>(15,499)</u>
Net cash from operating activities	22	<u>5,071,699</u>	<u>2,375,530</u>
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(300,000)
Payment for purchase of subsidiary, net of cash acquired		-	(14,680,244)
Final payments for prior period's purchase of business		(4,298,856)	-
Payment for expenses relating to acquisitions		(1,745,869)	(2,238,747)
Payments for property, plant and equipment	10	(172,726)	(133,540)
Payments for intangibles	11	(4,048,170)	(5,194,100)
Proceeds from disposal of property, plant and equipment		<u>-</u>	<u>42,697</u>
Net cash used in investing activities		<u>(10,265,621)</u>	<u>(22,503,934)</u>
Cash flows from financing activities			
Proceeds from issue of shares	19	-	17,000,416
Share issue transaction costs		(810)	-
Proceeds from borrowings		10,000,000	4,000,000
Share issue transaction costs		-	(620,732)
Repayment of borrowings		<u>(4,000,000)</u>	<u>(125,000)</u>
Net cash from financing activities		<u>5,999,190</u>	<u>20,254,684</u>
Net increase in cash and cash equivalents		805,268	126,280
Cash and cash equivalents at the beginning of the financial year		1,676,502	1,622,628
Effects of exchange rate changes on cash and cash equivalents		<u>-</u>	<u>(72,406)</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>2,481,770</u></u>	<u><u>1,676,502</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Restatement of comparatives

Correction of error

The contingent consideration for the acquisition of Cohort Australia Holdings Pty Limited and its controlled entities was not revalued as at 30 June 2017, resulting in an adjustment to other income and trade and other payables of \$977,778 for the year ended 30 June 2017.

Statement of profit or loss and other comprehensive income

	2017 \$ Reported	Consolidated \$ Adjustment	2017 \$ Restated
Revenue	52,937,637	-	52,937,637
Other income	-	977,778	977,778
Expenses			
Direct costs of revenue	(27,021,542)	-	(27,021,542)
Employee benefits expense	(14,993,576)	-	(14,993,576)
Foreign exchange loss	(319,932)	-	(319,932)
Depreciation and amortisation expense	(3,491,458)	-	(3,491,458)
Technology, engineering and licence fees	(3,273,108)	-	(3,273,108)
Share-based payment expense	(130,411)	-	(130,411)
Restructuring, acquisition and IPO costs	(2,418,747)	-	(2,418,747)
Occupancy costs	(1,112,155)	-	(1,112,155)
Other expenses	(2,946,064)	-	(2,946,064)
Finance costs	(209,272)	-	(209,272)
Loss before income tax benefit	(2,978,628)	977,778	(2,000,850)
Income tax benefit	2,548	-	2,548
Loss after income tax benefit for the year attributable to the owners of Pureprofile Ltd	(2,976,080)	977,778	(1,998,302)
Other comprehensive loss			
Foreign currency translation	(101,851)	-	(101,851)
Other comprehensive loss for the year, net of tax	(101,851)	-	(101,851)
Total comprehensive loss for the year attributable to the owners of Pureprofile Ltd	<u>(3,077,931)</u>	<u>977,778</u>	<u>(2,100,153)</u>
	Cents Reported	Cents Adjustment	Cents Restated
Basic earnings per share	(3.10)	1.02	(2.08)
Diluted earnings per share	(3.10)	1.02	(2.08)

Statement of financial position at the beginning of the earliest comparative period

When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 1 July 2016. However, as there were no adjustments made as at 1 July 2016, the group has elected not to show the 1 July 2016 statement of financial position.

Note 1. Restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

	2017 \$ Reported	Consolidated \$ Adjustment	2017 \$ Restated
Assets			
Current assets			
Cash and cash equivalents	4,047,928	-	4,047,928
Trade and other receivables	12,081,363	-	12,081,363
Other	877,304	-	877,304
Total current assets	17,006,595	-	17,006,595
Non-current assets			
Property, plant and equipment	356,863	-	356,863
Intangibles	39,248,521	-	39,248,521
Deferred tax	3,951,547	-	3,951,547
Total non-current assets	43,556,931	-	43,556,931
Total assets	60,563,526	-	60,563,526
Liabilities			
Current liabilities			
Trade and other payables	19,317,418	(977,778)	18,339,640
Borrowings	3,496,426	-	3,496,426
Income tax	714,536	-	714,536
Provisions	2,067,296	-	2,067,296
Deferred revenue	297,039	-	297,039
Total current liabilities	25,892,715	(977,778)	24,914,937
Non-current liabilities			
Borrowings	2,875,000	-	2,875,000
Deferred tax	2,723,126	-	2,723,126
Provisions	155,546	-	155,546
Total non-current liabilities	5,753,672	-	5,753,672
Total liabilities	31,646,387	(977,778)	30,668,609
Net assets	28,917,139	977,778	29,894,917
Equity			
Issued capital	39,937,294	-	39,937,294
Reserves	126,010	-	126,010
Accumulated losses	(11,146,165)	977,778	(10,168,387)
Total equity	28,917,139	977,778	29,894,917

Note 2. Operating segments

Identification of reportable operating segments

The Group is organised into three operating segments:

- Data & Insights;
- Media; and
- Performance

Note 2. Operating segments (continued)

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.

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

During the years ended 30 June 2018 and 30 June 2017 no customer contributed more than 10% to the Group's external revenue.

Operating segment information

	Data & Insights \$	Media \$	Performance \$	Corporate \$	Total \$
Consolidated - 2018 Unaudited					
Revenue					
Sales revenue from continuing operations	16,058,862	16,359,632	19,565,615	-	51,984,109
Interest	-	-	-	5,584	5,584
Total revenue	16,058,862	16,359,632	19,565,615	5,584	51,989,693
Profit/(loss) before significant items, net finance costs, tax, depreciation and amortisation	646,863	215,219	(439,649)	-	422,433
Depreciation and amortisation	(1,535,246)	(1,228,676)	(2,487,307)	-	(5,251,229)
Loss on disposal of intangible assets	-	-	(1,058,000)	-	(1,058,000)
Impairment of assets	-	-	(5,989,381)	-	(5,989,381)
Interest revenue	-	-	-	5,584	5,584
Finance costs	-	-	-	(1,574,900)	(1,574,900)
Loss before income tax benefit	(888,383)	(1,013,457)	(9,974,337)	(1,569,316)	(13,445,493)
Income tax benefit					1,315,161
Loss after income tax benefit					(12,130,332)
Consolidated - 2017					
Revenue					
Sales revenue from continuing operations	13,278,947	22,289,882	17,355,465	-	52,924,294
Interest	-	-	-	13,343	13,343
Total revenue	13,278,947	22,289,882	17,355,465	13,343	52,937,637
Profit/(loss) before significant items, net finance costs, tax, depreciation and amortisation	1,535,285	4,632,505	2,841,148	(7,322,401)	1,686,537
Depreciation and amortisation	(1,566,601)	(449,283)	(1,436,539)	(39,035)	(3,491,458)
Interest revenue	-	-	-	13,343	13,343
Finance costs	-	-	-	(209,272)	(209,272)
Profit/(loss) before income tax benefit	(31,316)	4,183,222	1,404,609	(7,557,365)	(2,000,850)
Income tax benefit					2,548
Loss after income tax benefit					(1,998,302)

Note 2. Operating segments (continued)

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

Revenue by geographical area

The group operates in 3 (2017: 3) regions. The sales revenue for each region is as follows:

	Consolidated 2018 Unaudited \$	2017 \$
Sales to external customers		
Australasia	35,434,931	31,084,737
Europe	9,467,086	11,268,833
United States	7,082,092	10,570,724
	<u>51,984,109</u>	<u>52,924,294</u>

Note 3. Revenue

	Consolidated 2018 Unaudited \$	2017 \$
<i>Sales revenue</i>		
Data & Insights	16,058,862	13,278,947
Media	16,359,632	22,289,882
Performance	19,565,615	17,355,465
	<u>51,984,109</u>	<u>52,924,294</u>
<i>Other revenue</i>		
Interest	<u>5,584</u>	<u>13,343</u>
Revenue	<u>51,989,693</u>	<u>52,937,637</u>

Note 4. Other income

	Consolidated 2018 Unaudited \$	2017 \$
Revaluation of earn-out liability	1,356,699	977,778
Rental income	71,103	-
Other income	<u>1,427,802</u>	<u>977,778</u>

Note 5. Expenses

	Consolidated 2018 Unaudited \$	2017 \$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Office and computer equipment	151,607	197,502
<i>Amortisation</i>		
Software	4,537,497	2,840,438
Membership base	562,125	453,518
Total amortisation	5,099,622	3,293,956
Total depreciation and amortisation	5,251,229	3,491,458
<i>Impairment</i>		
Goodwill	5,989,381	-
<i>Finance costs</i>		
Interest and finance charges paid/payable	1,501,900	209,272
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	1,616,732	1,012,511
<i>Superannuation expense</i>		
Defined contribution superannuation expense	996,683	1,118,872
<i>Share-based payments expense</i>		
Share-based payments expense	90,612	130,411
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation	14,995,532	13,874,704

Note 6. Income tax benefit

	Consolidated 2018 Unaudited \$	2017 \$
<i>Income tax benefit</i>		
Current tax	116,814	131,625
Deferred tax - origination and reversal of temporary differences	(1,356,974)	(591,500)
Adjustment recognised for prior periods	(75,001)	457,327
	<u>(1,315,161)</u>	<u>(2,548)</u>
Aggregate income tax benefit		
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets (note 12)	(1,271,832)	(532,724)
Decrease in deferred tax liabilities (note 17)	(85,142)	(58,776)
	<u>(1,356,974)</u>	<u>(591,500)</u>
Deferred tax - origination and reversal of temporary differences		
	<u>(1,356,974)</u>	<u>(591,500)</u>
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	(13,445,493)	(2,000,850)
Tax at the statutory tax rate of 30%	(4,033,648)	(600,255)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	20,157	29,288
Share-based payments	20,610	42,504
Eligible research and development expenditure	146,795	194,775
Impairment/Revaluation on Cohort earn-out payment	1,389,805	-
Merger and acquisition expenditure	7,064	312,997
Disposal of intangible assets	317,400	-
Sundry items	(15,509)	(149,934)
	<u>(2,147,326)</u>	<u>(170,625)</u>
Adjustment recognised for prior periods	(75,001)	457,327
Current year tax losses not recognised	102,551	-
Prior year temporary differences not recognised now recognised	820,307	-
Prior year temporary differences recognised now not recognised	141,976	-
Difference in overseas tax rates	33,202	(37,761)
Research and development tax concession	(176,773)	(251,489)
Tax refund previously not provided for	(14,097)	-
	<u>(1,315,161)</u>	<u>(2,548)</u>
Income tax benefit		

	Consolidated 2018 Unaudited \$	2017 \$
<i>Amounts credited directly to equity</i>		
Deferred tax assets (note 12)	-	(167,600)
<i>Tax losses not recognised</i>		
Potential unused tax benefit for which no deferred tax asset has been recognised	357,024	294,847

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 7. Current assets - cash and cash equivalents

	Consolidated 2018 Unaudited \$	2017 \$
Cash at bank	2,289,560	3,855,542
Cash on deposit*	192,210	192,386
	<u>2,481,770</u>	<u>4,047,928</u>

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	2,481,770	4,047,928
Bank overdraft (note 14)	-	(2,371,426)
	<u>2,481,770</u>	<u>1,676,502</u>

* Cash on deposit of \$192,210 (2017: \$192,386) is a restricted cash balance which is held and maintained as security over the group's bank overdraft facility, bank guarantees and leased properties.

Note 8. Current assets - trade and other receivables

	Consolidated 2018 Unaudited \$	2017 \$
Trade receivables	7,266,126	12,063,992
Less: Provision for impairment of receivables	(615,897)	(199,302)
	<u>6,650,229</u>	<u>11,864,690</u>
Other receivables	152,434	216,673
	<u>6,802,663</u>	<u>12,081,363</u>

Note 9. Current assets - other

	Consolidated 2018 Unaudited \$	2017 \$
Other current assets	268,481	82,191
Prepayments	516,938	795,113
	<u>785,419</u>	<u>877,304</u>

Note 10. Non-current assets - property, plant and equipment

	Consolidated 2018 Unaudited \$	2017 \$
Office and computer equipment - at cost	1,235,488	704,352
Less: Accumulated depreciation	<u>(857,506)</u>	<u>(347,489)</u>
	<u><u>377,982</u></u>	<u><u>356,863</u></u>

Reconciliations

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

Consolidated	Office and computer equipment \$	Total \$
Balance at 1 July 2016	256,828	256,828
Additions	133,540	133,540
Additions through business combinations	213,112	213,112
Disposals	(49,115)	(49,115)
Depreciation expense	<u>(197,502)</u>	<u>(197,502)</u>
Balance at 30 June 2017	356,863	356,863
Additions	172,726	172,726
Depreciation expense	<u>(151,607)</u>	<u>(151,607)</u>
Balance at 30 June 2018	<u><u>377,982</u></u>	<u><u>377,982</u></u>

Note 11. Non-current assets - intangibles

	Consolidated 2018 Unaudited \$	2017 \$
Goodwill - at cost	19,003,285	19,003,285
Less: Impairment	<u>(5,989,381)</u>	<u>-</u>
	<u>13,013,904</u>	<u>19,003,285</u>
Software - at cost	25,526,500	21,478,330
Less: Accumulated amortisation	<u>(10,138,248)</u>	<u>(5,600,751)</u>
	<u>15,388,252</u>	<u>15,877,579</u>
Membership base - at cost	3,690,000	3,690,000
Less: Accumulated amortisation	<u>(1,036,468)</u>	<u>(474,343)</u>
	<u>2,653,532</u>	<u>3,215,657</u>
Brand names - at cost	94,000	1,152,000
	<u><u>31,149,688</u></u>	<u><u>39,248,521</u></u>

Note 11. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial 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	-	5,194,100	-	-	5,194,100
Additions through business combinations	13,396,158	8,137,235	3,622,000	1,058,000	26,213,393
Amortisation expense	-	(2,840,438)	(453,518)	-	(3,293,956)
Balance at 30 June 2017	19,003,285	15,877,579	3,215,657	1,152,000	39,248,521
Additions	-	4,048,170	-	-	4,048,170
Disposals	-	-	-	(1,058,000)	(1,058,000)
Impairment of assets	(5,989,381)	-	-	-	(5,989,381)
Amortisation expense	-	(4,537,497)	(562,125)	-	(5,099,622)
Balance at 30 June 2018	<u>13,013,904</u>	<u>15,388,252</u>	<u>2,653,532</u>	<u>94,000</u>	<u>31,149,688</u>

Note 12. Non-current assets - deferred tax

Consolidated
2018
Unaudited
\$

2017
\$

Deferred tax asset comprises temporary differences attributable to:

Amounts recognised in profit or loss:

Tax losses	1,628,948	342,553
Impairment of receivables	137,315	50,152
Employee benefits	216,943	293,619
Accrued expenses and other payables	146,353	173,211
Provision for reward redemptions	349,105	454,254
Other assets	5,507	-
Unrealised foreign exchange loss	94,737	-
Business related capital expenditure	535,218	748,429
Research and development expenditure	2,066,102	1,889,329
Borrowing costs	43,151	-
Deferred tax asset	<u>5,223,379</u>	<u>3,951,547</u>
<i>Movements:</i>		
Opening balance	3,951,547	3,141,910
Credited to profit or loss (note 6)	1,271,832	532,724
Credited to equity (note 6)	-	167,600
Additions through business combinations	-	109,313
Closing balance	<u>5,223,379</u>	<u>3,951,547</u>

Note 13. Current liabilities - trade and other payables

	Consolidated	
	2018	2017
	Unaudited	
	\$	\$
Trade payables	5,276,716	5,300,111
Contingent consideration	-	7,522,222
Accrued expenses	4,663,773	3,346,962
Other payables	1,557,361	2,170,345
	<u>11,497,850</u>	<u>18,339,640</u>

As at 30 June 2017, contingent consideration of \$7,522,222 represented consideration for the acquisition of Cohort Australia Holdings Pty Limited and its controlled entities which at 30 June 2017 was payable subject to the achievement of certain performance criteria. Contingent consideration comprised 8,888,889 of Pureprofile Ltd's shares at \$0.34 per share to be issued and \$4,500,000, in either cash or Pureprofile Ltd's shares at the discretion of the vendor. During the year ended 30 June 2018, contingent consideration of \$4,298,856 was paid to the vendor of Cohort in cash, \$1,866,667 of Pureprofile Ltd's shares were issued (8,888,889 shares at \$0.21 per share) in lieu of cash and \$1,356,699 (2017: \$977,778) was written back to the profit or loss due to a change in share price impacting the valuation and an adjustment related to the final tranche of the earn-out consideration.

Note 14. Current liabilities - borrowings

	Consolidated	
	2018	2017
	Unaudited	
	\$	\$
Bank overdraft	-	2,371,426
Bank loans	-	1,125,000
	<u>-</u>	<u>3,496,426</u>

Note 15. Current liabilities - provisions

	Consolidated	
	2018	2017
	Unaudited	
	\$	\$
Employee benefits	529,616	538,542
Lease make good	-	16,327
Reward redemption	1,277,019	1,512,427
	<u>1,806,635</u>	<u>2,067,296</u>

Note 16. Non-current liabilities - borrowings

	Consolidated 2018 Unaudited \$	2017 \$
Bank loans	<u>10,000,000</u>	<u>2,875,000</u>

\$10,000,000 bank loan facility

The loan is repayable on 2 November 2019 with interest only payments to be made monthly in arrears. Interest is fixed and payable at 9.5% per annum. The facility expires on 2 November 2019. As at 30 June 2018, the facility is fully used and there are no unused amounts. The loan is secured over all the assets to the group.

As part consideration for the financing facility the group also issued the following performance rights to the lender:

- 950,000 performance rights, which will convert to fully paid-up ordinary shares upon the 60-day volume weighted average price ('VWAP') of Pureprofile shares reaching \$0.40 per share; and
- 1,150,000 performance rights, which will convert to fully paid-up ordinary shares upon the 60-day VWAP of Pureprofile shares reaching \$0.60 per share.

Note 17. Non-current liabilities - deferred tax

	Consolidated 2018 Unaudited \$	2017 \$
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Prepayments	937	2,319
Capitalised expenditure	1,802,235	2,323,946
Deferred research and development credit	-	396,861
Membership base	792,107	-
Brand names	28,200	-
Unrealised FX gain	14,505	-
Deferred tax liability	<u>2,637,984</u>	<u>2,723,126</u>
<i>Movements:</i>		
Opening balance	2,723,126	1,695,302
Credited to profit or loss (note 6)	(85,142)	(58,776)
Additions through business combinations	-	1,086,600
Closing balance	<u>2,637,984</u>	<u>2,723,126</u>

Note 18. Non-current liabilities - provisions

	Consolidated 2018 Unaudited \$	2017 \$
Employee benefits	<u>132,085</u>	<u>155,546</u>

Note 19. Equity - issued capital

	2018 Unaudited Shares	Consolidated 2017 Shares	2018 Unaudited \$	2017 \$
Ordinary shares - fully paid	<u>120,495,628</u>	<u>111,171,611</u>	<u>41,803,151</u>	<u>39,937,294</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2016	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	666,666	\$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	(453,132)
Balance	30 June 2017	111,171,611		39,937,294
Shares issued on acquisition of Cohort	8 November 2017	8,888,889	\$0.21	1,866,667
Conversion of performance rights to ordinary shares	7 May 2018	435,128	\$0.00	-
Less: share issue costs net of taxation		-	\$0.00	(810)
Balance	30 June 2018	<u>120,495,628</u>		<u>41,803,151</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.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the previous period.

Note 20. Equity - reserves

	Consolidated 2018 Unaudited \$	2017 \$
Foreign currency reserve	103,442	(232,619)
Share-based payments reserve	449,241	358,629
	<u>552,683</u>	<u>126,010</u>

Movements in reserves

Movements in each class of reserve during the current and previous financial 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	(101,851)	-	(101,851)
Share-based payments	-	130,411	130,411
	<u>-</u>	<u>130,411</u>	<u>130,411</u>
Balance at 30 June 2017	(232,619)	358,629	126,010
Foreign currency translation	336,061	-	336,061
Share-based payments	-	90,612	90,612
	<u>-</u>	<u>90,612</u>	<u>90,612</u>
Balance at 30 June 2018	<u>103,442</u>	<u>449,241</u>	<u>552,683</u>

Note 21. Equity - dividends

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

Note 22. Reconciliation of loss after income tax to net cash from operating activities

	Consolidated 2018 Unaudited \$	2017 \$
Loss after income tax benefit for the year	(12,130,332)	(1,998,302)
Adjustments for:		
Depreciation and amortisation	5,251,229	3,491,458
Impairment of intangibles	5,989,381	-
Share-based payments	90,612	130,411
Net loss on disposal of non-current assets	1,058,000	6,418
Foreign currency differences	336,061	(29,445)
Payment for expenses relating to acquisitions	1,745,869	2,238,747
Revaluation of earn-out liability	(1,356,699)	(977,778)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	5,278,700	(1,077,842)
Decrease in income tax refund due	-	522,124
Increase in deferred tax assets	(1,289,186)	(532,724)
Decrease/(increase) in accrued revenue	(186,290)	210,313
Decrease/(increase) in prepayments	278,175	(72,189)
Increase in trade and other payables	768,949	481,490
Increase/(decrease) in provision for income tax	(377,161)	51,329
Decrease in deferred tax liabilities	(101,487)	(58,776)
Increase/(decrease) in employee benefits	(32,387)	188,706
Decrease in other provisions	(251,735)	(198,410)
Net cash from operating activities	<u>5,071,699</u>	<u>2,375,530</u>

Note 23. Earnings per share

	Consolidated 2018 Unaudited \$	2017 \$
Loss after income tax attributable to the owners of Pureprofile Ltd	<u>(12,130,332)</u>	<u>(1,998,302)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>116,934,616</u>	<u>96,032,731</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>116,934,616</u>	<u>96,032,731</u>
	Cents	Cents
Basic earnings per share	(10.37)	(2.08)
Diluted earnings per share	(10.37)	(2.08)

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

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2018 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.