

## ASX Announcement:

4 October 2018

### Pureprofile announces the sale of its media trading business unit

Pureprofile Limited (ASX: **PPL** or the **Company**) is pleased to announce that it has signed a binding agreement to sell its media trading business unit (**Media Trading Business**) to SM1 Global Pty Ltd (**SM1 Global**).

The Media Trading Business formed part of Sparcmedia, which was acquired in 2015. Its principal activity is a display and video advertising exchange.

The other business units acquired from Sparcmedia will continue to form part of Pureprofile and remain integral to Pureprofile's core business. They include the managed programmatic media business for advertisers and Adsparc, a supply side platform for media publishers.


The sale of the Media Trading Business follows a review by the Board and Management which concluded that the business unit was no longer aligned with Pureprofile's core business strategies which are focused on providing data and insights, managed programmatic media and supply-side services and performance marketing. The business unit directly employs 12 staff and was forecast to contribute \$0.5m of EBITDA in FY2019. The selling price of \$600,000 is based on the same criteria used when the Media Trading Business was originally acquired.

The sale of the Media Trading Business will allow Pureprofile management to fully focus on its core business units which it believes has greater long-term potential and which are highly-complimentary to each other. Importantly, the sale will have no impact on the range of services offered to Pureprofile's customers.

The buyer of the Media Trading Business, SM1 Global, is a company owned by former owners of Sparcmedia who control a substantial shareholding in Pureprofile.

Key terms of the sale include:

- expected completion date of 31 October 2018;
- Completion is conditional upon the transfer of key staff and no material adverse changes happening in relation to the Media Trading Business;
- key assets of the Media Trading Business to be sold include contracts with relevant media platforms and trading counter-parties, staff, equipment and intangible assets;
- Selling Price is \$600,000 of which \$200,000 will be paid in cash upon completion and \$400,000 to be paid as deferred consideration (**Deferred Consideration**);
- the Deferred Consideration can be paid, at the buyer's discretion, in cash or through a buy-back by the Company of Pureprofile shares (**Share Buy-Back**). In either case, the Deferred Consideration is payable no later than 3 months following Pureprofile's AGM at which shareholder approval may be sought for the Share Buy-Back; and

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- for the purposes of the Share Buy-Back, the number of Pureprofile shares purchased by the Company will be calculated using the higher of the 90-day volume weighted average price (**VWAP**) prior to the completion date or the closing share price on the completion date.

The key strategic benefits of the sale to Pureprofile include:

- allowing management to fully focus on its core businesses which have good momentum and a pipeline of opportunities in Australia, the UK and the US;
- reducing the volatility of cash flows associated with the Media Trading Business, which is working capital intensive and has a significantly higher risk profile than Pureprofile's other business units;
- creating opportunities to allocate more capital to grow its other business units; and
- in the event that the Share Buy-Back is completed, the number of Pureprofile shares on issue will be reduced and this would have a positive impact on future earnings per share.

More details about the sale and the proposed Share Buy-back will be included in the Company's Notice of Annual General Meeting.

**- 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.