ASX Announcement

29 October 2020

Q1 FY21 Activity Report and Appendix 4C

Pureprofile Limited (ASX: **PPL** or the **Company**) is pleased to present the following activity report and attached Appendix 4C for the quarter ended 30 September 2020.

The Company's closing cash balance at the end of the quarter was **$1.4m**. This was up on Q1 FY20 by 180% or $927k (Q1 FY20: $516k) but down on the prior quarter by 18% or $325k (Q4 FY20: $1.7m).

Net cash from operating activities for Q1 FY21 was **$86k**, an improvement of **$1.2m** on Q1 FY20 where net cash from operating activities was an outflow of ($1.1m). The actions around restructuring the business over the past 24 months are continuing to result in a reduction in operating expenses. Product manufacturing and operating costs and staff costs (down by $1.1m and $546k on Q1 FY20 respectively) are two areas of particular savings.

An increase in quarter-on-quarter revenue has allowed the Company to catch up on deferred payments and invest more into data acquisition. Despite these additional costs, expenses only increased by 6% quarter-on-quarter compared to revenue growth of 19%. Q1 FY21 operating expenses of $6.4m went towards product manufacturing and operating costs ($2.9m), staff costs ($2.3m), administration and corporate costs ($0.7m), R&D ($0.3m), occupancy costs / leased assets ($0.2m), and advertising and marketing ($80k).

Encouragingly, Q1 FY21 saw clients commissioning or resuming projects that were paused or delayed during Q4 FY20 and a general increase in business.

A reduction in software development expenses (Q1 FY21: ($421k)) reduced net cash used in investing activities (Q1 FY20: ($615k); Q4 FY20: ($485k)).

Net cash from financing activities for **Q1 FY21 was nil** (Q1 FY20: $1.8m, Q4 FY20: $nil).

This announcement has been authorised for release to the ASX by the Board of Directors.

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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 500 brands, publishers and research groups worldwide.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity
Pureprofile Ltd

ABN	Quarter ended ("current quarter")
37 167 522 901	30 September 2020

	Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		6,161	6,161
1.2	Payments for			
	(a)	research and development	(276)	(276)
	(b)	product manufacturing and operating costs	(2,921)	(2,921)
	(c)	advertising and marketing	(83)	(83)
	(d)	leased assets	(231)	(231)
	(e)	staff costs	(2,264)	(2,264)
	(f)	administration and corporate costs	(658)	(658)
1.3	Dividends received (see note 3)			
1.4	Interest received			
1.5	Interest and other costs of finance paid		(20)	(20)
1.6	Income taxes paid			
1.7	Government grants and tax incentives		377	377
1.8	Other (provide details if material)			
1.9	**Net cash from / (used in) operating activities**		**86**	**86**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities		
	(b)	businesses		
	(c)	property, plant and equipment		
	(d)	investments		
	(e)	intellectual property	(417)	(417)
	(f)	other non-current assets	(4)	(4)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(421)**	**(421)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**0**	**0**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,768	1,768
4.2	Net cash from / (used in) operating activities (item 1.9 above)	86	86
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(421)	(421)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	0
4.5	Effect of movement in exchange rates on cash held	10	10
4.6	**Cash and cash equivalents at end of period**	**1,443**	**1,443**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,443	1,768
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,443**	**1,768**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	80
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	20,000	20,000
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	**20,000**	**20,000**

7.5	**Unused financing facilities available at quarter end**	0

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Lender – Lucerne Finance Pty Ltd, Interest rate 20% p.a. Secured loan

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	86
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,443
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	1,443
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	N/A

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2020

Authorised by: Board of Directors of Pureprofile Ltd.
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.