

ASX Announcement


22 April 2021

Q3 FY21 Activity Report and Appendix 4C

Pureprofile delivers positive operating cash flow, EBITDA and revenue growth

Pureprofile Limited (ASX: **PPL** or the **Company**) is pleased to present its Q3 FY21 business activity report and Appendix 4C for the quarter ended 31 March 2021 highlighting impressive results for the Company. Pureprofile reported an EBITDA improvement of 150%, revenue uplift of 25% and growth across all product platforms. The Company is now operating in eight countries and delivering insights from 89 countries.

Key Financial Metrics

Revenue	EBITDA	Net Operating Cash Flow
25% ▲	150% ▲	\$794k ▲
Revenue up 25%, to \$7.1m versus pcp	EBITDA up 150% to \$506k versus pcp	Positive Operating cash flow of \$794k versus (\$1.3m) cash outflow during pcp
Cash flow positive for the quarter!		
	With a cash balance of \$3.4m ▲ as at 31 March 2021, up from \$3.1m as at 31 December 2021	

Key Operational Metrics

Data & Insights	Platform SaaS	Pure.amplify Media
35% ▲	37% ▲	28% ▲
Revenue growth on pcp, across all regions	SaaS revenue growth on pcp	Revenue growth on pcp
98% ▲	100% ▲	71% ▲
Growth in panel acquisition on pcp	SaaS client growth on pcp	Increase in consumers clicking on advertising managed by Pure.amplify on pcp

Pureprofile CEO Martin Filz said *“Our results continue to demonstrate strong performance across all business units and regions. We are continuing to deliver on our strategy to grow our panel, increase SaaS revenues and grow our Data and Insights businesses. As we leverage the recent investment we have made, we are achieving notable improvement in revenue and free cash flow and are on track to deliver further substantial revenue and additional positive cash flow in the last quarter of this financial year and FY22. Our FY21 EBITDA guidance remains \$3m”.*

Panels

Panel Growth

Quality panels¹ are the differentiator of Pureprofile’s business and through the quarter, our panels continued to grow globally demonstrated by a 98% increase in the number of new panelists joining over the last 12 months. This growth in new panelists gives Pureprofile the ability to provide more insights to new and existing clients, grow revenue, and improve margins.

Products and partnerships

Project Volume

The Data and Insights business unit continues to perform strongly, delivering an increase in project volume of 49% on pcp. Operational efficiencies have enabled the data and insights team to deliver projects with no additional costs, at improved margins.

Global Growth

Our new offices in Singapore and Europe are already generating profitable revenue growth, reinforcing the strategy of expanding into these new markets.

Flybuys Partnership

During the quarter we announced an exclusive survey platform that has been created for members of Flybuys, one of Australia’s largest loyalty programs. The platform, called Pureprofile Perks is going live in April 2021 and will enable Flybuys members to earn points by answering surveys via their Flybuys accounts. The partnership is expected to create the largest insights panel in Australia, allowing more brands and businesses to unearth the attitudes and behaviours of consumers. This will increase project and survey complete volumes, further driving Pureprofile’s growth.

Audience Intelligence

The launch of Pureprofile’s unique Audience Intelligence SaaS product in April 2021, will provide clients with direct access to unrivalled market intelligence and consumer trends. The Audience Intelligence datasets are from millions of transactions made by over 400,000 anonymised consumers across various markets and retail categories. Using Audience Intelligence, Pureprofile’s clients will be able to access demographic and spending behaviours related to their own marketplaces, while comparing the demographics and spending behaviours of competitors. Audience Intelligence findings can then be used to launch surveys to understand consumer intent more deeply and activate targeted advertising

¹ Panels are groups of people who are recruited to take part in Pureprofile’s market research



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campaigns. Exclusive insights generated via this new platform will attract new clients and offer existing client's new products, increasing high margin SaaS platform revenues.

Operations

Investor engagement

In line with Pureprofile's ongoing efforts to improve market communications, we engaged a new specialist investor relations firm to support us with investor engagement and financial public relations. IR Department was appointed in April 2021 and is working with the Board, Management team and Corporate Advisor to put in place a number of new initiatives to complement our corporate strategy and improve awareness.

Financial Management

Appendix 4C Commentary

The Company's cash balance at the end of the Q3 FY21 was **\$3.4m**, up **\$244k** on the closing balance of \$3.1m at end Q2 FY21. Net cash from operating activities for Q3 FY21 was **\$794k**, an improvement of **\$493k** on pcp. The solid operating cash result for the quarter was the result of higher cash receipts from increased sales revenue to **\$8.4m, 22% up on pcp**. Net cash used in investing activities was an improvement of **\$145k** on pcp. Net cash from financing activities were nil compared to \$550k due to proceeds from borrowings in the pcp. Payments made to related parties for Q3 FY21 were \$161k. The related party payments were Directors fees paid during the quarter.

Outlook

Looking forward, the company will continue to deliver on all three pillars of its corporate strategy around the global growth of our Panels and data, increasing our SaaS client base and leveraging our Data and Insights and Media services. In the final quarter of FY21 we expect to launch several important partnerships and initiatives, further expanding our footprint as a global data, insights and media business. We will also commence planning and development for the establishment of new panels in Europe and Asia, which are expected to drive further revenue and profit growth in FY22.

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

- ENDS -

For further information, please contact:

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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.



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Appendix 4C

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

Name of entity

Pureprofile Ltd

ABN

37 167 522 901

Quarter ended ("current quarter")

31st March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,395	21,837
1.2 Payments for		
(a) research and development	(274)	(848)
(b) product manufacturing and operating costs	(2,759)	(8,436)
(c) advertising and marketing	(263)	(574)
(d) leased assets	(222)	(756)
(e) staff costs	(2,765)	(7,946)
(f) administration and corporate costs	(1,252)	(3,078)
1.3 Dividends received (see note 3)		
1.4 Interest received		1
1.5 Interest and other costs of finance paid	(66)	(101)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		479
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	794	578

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	(492)	(1,400)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(f) other non-current assets	(17)	(26)
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	(509)	(1,426)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		13,397
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		(1,081)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		(9,897)
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	2,419

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,116	1,768
4.2 Net cash from / (used in) operating activities (item 1.9 above)	794	578
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(509)	(1,426)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	2,419
4.5	Effect of movement in exchange rates on cash held	(42)	19
4.6	Cash and cash equivalents at end of period	3,360	3,360

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	3,360	3,116
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)	3,360	3,116

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	161
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p><i>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.</i></p> <p>Item 6.1: Payments for Directors' monthly fees</p>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>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.</i>		
7.1 Loan facilities	3,000	3,000
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	3,000	3,000
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 8.5% 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)	794
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,360
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	3,360
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	NA
<i>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.</i>	
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:	
<i>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.</i>	

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:22nd April 2021.....

Authorised by:Board of Directors.....
(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.