

1. Company details

| | |
|-------------------|---------------------------------|
| Name of entity: | Pureprofile Ltd |
| ABN: | 37 167 522 901 |
| Reporting period: | For the year ended 30 June 2023 |
| Previous period: | For the year ended 30 June 2022 |

2. Results for announcement to the market

| | | | \$ |
|---|------|--------|-------------|
| Revenues from ordinary activities | up | 13% to | 46,960,769 |
| EBITDA (excluding significant items) | up | 7% to | 4,299,188 |
| Loss from ordinary activities after tax attributable to the owners of Pureprofile Ltd | down | - to | (2,159,208) |
| Loss for the year attributable to the owners of Pureprofile Ltd | down | - to | (2,159,208) |

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 \$2,159,208 (30 June 2022: \$2,164,277).

Earnings before interest, tax, depreciation, amortisation and significant items ('EBITDA excluding significant items') for the financial year amounted to a profit of \$4,299,188 (30 June 2022: profit of \$4,005,964).

EBITDA excluding significant items is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The directors consider EBITDA excluding significant items and operating profit before tax to be the two core earnings measures of the group.

The following table summarises key reconciling items between statutory loss after income tax and EBITDA excluding significant items:

| | Consolidated 2023 \$ | 2022 \$ |
|---|----------------------------|--------------------|
| Loss after income tax | (2,159,208) | (2,164,277) |
| Less: | | |
| Interest income | (157) | - |
| Add back: | | |
| Finance costs | 526,086 | 496,700 |
| Income tax expense | 89,862 | 96,085 |
| Depreciation and amortisation expense | 2,960,991 | 3,246,427 |
| Loss on disposal of intangible assets | 105,949 | - |
| Restructuring and acquisition costs | 468,017 | - |
| Share-based payment expense | 2,201,739 | 2,238,811 |
| Professional fees and payroll tax on share-based payments | 105,909 | 92,218 |
| EBITDA (excluding significant items) | 4,299,188 | 4,005,964 |

3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|------------------------------|-----------------------------|
| Net tangible assets per ordinary security | <u>(0.28)</u> | <u>(0.22)</u> |

As at 30 June 2023, the net tangible assets per ordinary security presented above is exclusive of right-of-use assets and inclusive of lease liabilities.

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 and an unmodified opinion is expected to be issued.

10. Attachments

Details of attachments (if any):

The Preliminary Financial Report of Pureprofile Ltd for the year ended 30 June 2023 is attached.

11. Signed

As authorised by the Board of Directors

Signed  _____

Linda Jenkinson
Non-Executive Chair
Sydney

Date: 31 August 2023

Pureprofile Ltd

ABN 37 167 522 901

Preliminary Financial Report - 30 June 2023

Pureprofile Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

| | Note | Consolidated 2023 \$ | 2022 \$ |
|---|-------------|-------------------------------------|--------------------|
| Revenue from continuing operations | 3 | 43,649,702 | 35,544,435 |
| Other income | 4 | 97,923 | 50,892 |
| Interest revenue calculated using the effective interest method | | 157 | - |
| Expenses | | | |
| Direct costs of sales | | (19,855,763) | (16,703,369) |
| Panel expenses | | (819,442) | (551,236) |
| Employee benefits expense | | (14,957,536) | (12,933,438) |
| Foreign exchange loss | | (22,810) | - |
| Depreciation and amortisation expense | 6 | (2,952,705) | (3,004,601) |
| Loss on disposal of intangible assets | | (105,949) | - |
| Technology, engineering and licence fees | | (1,504,099) | (1,063,602) |
| Share-based payment expense | | (2,201,739) | (2,238,811) |
| Professional fees and payroll tax on share-based payments | | (105,909) | (92,218) |
| Restructuring and acquisition costs | | (114,972) | - |
| Occupancy costs | | (325,425) | (41,027) |
| Other expenses | | (1,678,391) | (1,082,550) |
| Finance costs | 6 | (526,084) | (403,860) |
| Loss before income tax expense from continuing operations | | (1,423,042) | (2,519,385) |
| Income tax expense | 7 | (89,862) | (96,085) |
| Loss after income tax expense from continuing operations | | (1,512,904) | (2,615,470) |
| (Loss)/profit after income tax expense from discontinued operations | 5 | (646,304) | 451,193 |
| Loss after income tax expense for the year attributable to the owners of Pureprofile Ltd | | (2,159,208) | (2,164,277) |
| Other comprehensive loss | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation | | (7,940) | (4,601) |
| Other comprehensive loss for the year, net of tax | | (7,940) | (4,601) |
| Total comprehensive loss for the year attributable to the owners of Pureprofile Ltd | | <u>(2,167,148)</u> | <u>(2,168,878)</u> |
| Total comprehensive loss for the year is attributable to: | | | |
| Continuing operations | | (1,520,844) | (2,620,071) |
| Discontinued operations | | (646,304) | 451,193 |
| | | <u>(2,167,148)</u> | <u>(2,168,878)</u> |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Pureprofile Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

| | | Cents | Cents |
|---|----|--------------|--------------|
| Loss per share for loss from continuing operations attributable to the owners of Pureprofile Ltd | | | |
| Basic earnings per share | 24 | (0.14) | (0.24) |
| Diluted earnings per share | 24 | (0.14) | (0.24) |
| Profit/(loss) per share for profit/(loss) from discontinued operations attributable to the owners of Pureprofile Ltd | | | |
| Basic earnings per share | 24 | (0.06) | 0.04 |
| Diluted earnings per share | 24 | (0.06) | 0.04 |
| Loss per share for loss attributable to the owners of Pureprofile Ltd | | | |
| Basic earnings per share | 24 | (0.19) | (0.20) |
| Diluted earnings per share | 24 | (0.19) | (0.20) |

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 2023

| | Note | Consolidated 2023 \$ | 2022 \$ |
|--------------------------------|------|----------------------------|---------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 8 | 4,726,460 | 5,298,389 |
| Trade and other receivables | 9 | 7,518,690 | 6,871,535 |
| Contract assets | 10 | 1,259,996 | 685,778 |
| Financial assets | | 265,531 | 101,367 |
| Prepayments | 11 | 1,035,976 | 1,121,648 |
| Total current assets | | <u>14,806,653</u> | <u>14,078,717</u> |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 132,143 | 77,503 |
| Right-of-use assets | 13 | 2,004,885 | 1,107,139 |
| Intangibles | 14 | 5,582,914 | 5,766,959 |
| Total non-current assets | | <u>7,719,942</u> | <u>6,951,601</u> |
| Total assets | | <u>22,526,595</u> | <u>21,030,318</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 16 | 8,672,121 | 8,869,380 |
| Contract liabilities | 17 | 1,502,499 | 954,838 |
| Borrowings | 18 | 3,000,000 | - |
| Lease liabilities | 19 | 352,704 | 150,079 |
| Income tax | | 69,475 | 68,434 |
| Provisions | 20 | 2,619,364 | 2,488,205 |
| Total current liabilities | | <u>16,216,163</u> | <u>12,530,936</u> |
| Non-current liabilities | | | |
| Borrowings | 18 | - | 3,000,000 |
| Lease liabilities | 19 | 1,682,877 | 990,006 |
| Provisions | 20 | 216,825 | 148,237 |
| Total non-current liabilities | | <u>1,899,702</u> | <u>4,138,243</u> |
| Total liabilities | | <u>18,115,865</u> | <u>16,669,179</u> |
| Net assets | | <u>4,410,730</u> | <u>4,361,139</u> |
| Equity | | | |
| Issued capital | 21 | 61,788,147 | 60,426,781 |
| Reserves | 22 | 3,267,676 | 3,725,266 |
| Accumulated losses | | <u>(60,645,093)</u> | <u>(59,790,908)</u> |
| Total equity | | <u>4,410,730</u> | <u>4,361,139</u> |

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 2023

| Consolidated | Issued capital \$ | Reserves \$ | Accumulated losses \$ | Total equity \$ |
|--|------------------------------|------------------------|----------------------------------|----------------------------|
| Balance at 1 July 2021 | 59,892,781 | 1,482,306 | (57,626,631) | 3,748,456 |
| Loss after income tax expense for the year | - | - | (2,164,277) | (2,164,277) |
| Other comprehensive loss for the year, net of tax | - | (4,601) | - | (4,601) |
| Total comprehensive loss for the year | - | (4,601) | (2,164,277) | (2,168,878) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Contributions of equity, net of transaction costs (note 21) | 534,000 | - | - | 534,000 |
| Share-based payments | - | 2,238,811 | - | 2,238,811 |
| Consultancy fee paid as share rights | - | 8,750 | - | 8,750 |
| Balance at 30 June 2022 | <u>60,426,781</u> | <u>3,725,266</u> | <u>(59,790,908)</u> | <u>4,361,139</u> |

| Consolidated | Issued capital \$ | Reserves \$ | Accumulated losses \$ | Total equity \$ |
|--|------------------------------|------------------------|----------------------------------|----------------------------|
| Balance at 1 July 2022 | 60,426,781 | 3,725,266 | (59,790,908) | 4,361,139 |
| Loss after income tax expense for the year | - | - | (2,159,208) | (2,159,208) |
| Other comprehensive loss for the year, net of tax | - | (7,940) | - | (7,940) |
| Total comprehensive loss for the year | - | (7,940) | (2,159,208) | (2,167,148) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Share-based payments | - | 2,201,739 | - | 2,201,739 |
| Transfer from share-based payments reserve to accumulated losses | - | (1,305,023) | 1,305,023 | - |
| Share options and rights exercised | 1,361,366 | (1,346,366) | - | 15,000 |
| Balance at 30 June 2023 | <u>61,788,147</u> | <u>3,267,676</u> | <u>(60,645,093)</u> | <u>4,410,730</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 2023

| | Note | Consolidated 2023 \$ | 2022 \$ |
|--|-------------|-------------------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 48,690,536 | 43,364,234 |
| Payments to suppliers and employees (inclusive of GST) | | (45,760,364) | (39,113,843) |
| | | 2,930,172 | 4,250,391 |
| Interest received | | 157 | - |
| Interest and other finance costs paid | | (270,610) | (263,887) |
| Income taxes paid | | (91,027) | (94,742) |
| Net cash from operating activities | 25 | <u>2,568,692</u> | <u>3,891,762</u> |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | 12 | (142,791) | (52,492) |
| Payments for intangibles | 14 | (2,392,708) | (2,217,326) |
| Proceeds from disposal of property, plant and equipment | | - | 4,205 |
| Payment for expenses relating to acquisitions | | (114,972) | - |
| Net cash used in investing activities | | <u>(2,650,471)</u> | <u>(2,265,613)</u> |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 15,000 | 534,000 |
| Repayment of lease liabilities | | (536,937) | (453,429) |
| Net cash from/(used in) financing activities | | <u>(521,937)</u> | <u>80,571</u> |
| Net increase/(decrease) in cash and cash equivalents | | (603,716) | 1,706,720 |
| Cash and cash equivalents at the beginning of the financial year | | 5,298,389 | 3,621,675 |
| Effects of exchange rate changes on cash and cash equivalents | | 31,787 | (30,006) |
| Cash and cash equivalents at the end of the financial year | 8 | <u><u>4,726,460</u></u> | <u><u>5,298,389</u></u> |

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

Note 1. Comparatives

Certain comparatives have been reclassified to conform with current year presentation. Other expenses have been restated from \$1,757,475 to \$1,082,550, panel recruitment expenses have been restated from \$nil to \$551,236, employee benefits expense have been restated from \$13,047,971 to \$12,933,438, technology, engineering and license fees have been restated from \$3,159,168 to \$1,063,602 and deposits of \$101,367 have been reclassified from other receivables to financial assets. This has not had any impact on the financial position at 30 June 2022 or financial results for the year then ended.

Note 2. Operating segments

Identification of reportable operating segments

The group is organised into three operating segments:

- Data & Insights;
- Pure.amplify Media AU; and
- Pure.amplify Media UK.

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.

Other segments represent the corporate headquarters of the group.

The CODM reviews adjusted EBITDA (earnings before interest, tax, depreciation and amortisation, adjusted for non-cash and significant items). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Types of products and services

The principal products and services are as follows:

| | |
|-----------------------|---|
| Data & Insights | Conducting market research and accessing insights and campaigns through our proprietary self-service platform |
| Pure.amplify Media AU | Buying and selling online advertising inventory on behalf of advertisers and publishers |
| Pure.amplify Media UK | Generates leads for clients through its consumer database and proprietary and partner digital assets |

Major customers

During the years ended 30 June 2023 and 30 June 2022, no single customer contributed more than 10% to the group's external revenue.

Discontinued operations

During the year ended 30 June 2023, the Pure.amplify Media AU and Pure.amplify Media UK segments ceased operations. Refer note 5.

Note 2. Operating segments (continued)

Operating segment information (continuing and discontinued operations)

| | Data & Insights \$ | Pure.amplify Media AU \$ | Pure.amplify Media UK \$ | Other segments \$ | Total \$ |
|---|--------------------------|--------------------------------|--------------------------------|-------------------------|--------------------|
| Consolidated - 2023 | | | | | |
| Revenue | | | | | |
| Sales to external customers | 43,649,702 | 3,167,257 | 143,653 | - | 46,960,612 |
| Interest | - | - | - | 157 | 157 |
| Total revenue | 43,649,702 | 3,167,257 | 143,653 | 157 | 46,960,769 |
| EBITDA excluding significant items | 12,409,787 | (211,470) | (73,501) | (7,825,628) | 4,299,188 |
| Depreciation and amortisation | (2,470,804) | - | (8,286) | (481,901) | (2,960,991) |
| Share-based payment expense | - | - | - | (2,201,739) | (2,201,739) |
| Restructuring and acquisition costs | - | (353,045) | - | (114,972) | (468,017) |
| Loss on disposal of intangible assets | (105,949) | - | - | - | (105,949) |
| Interest | - | - | - | 157 | 157 |
| Finance costs | - | - | (2) | (526,084) | (526,086) |
| Professional fees and payroll tax on share-based payments | - | - | - | (105,909) | (105,909) |
| (Loss)/profit before income tax expense | 9,833,034 | (564,515) | (81,789) | (11,256,076) | (2,069,346) |
| Income tax expense | | | | | (89,862) |
| Loss after income tax expense | | | | | (2,159,208) |
| Consolidated - 2022 | | | | | |
| Revenue | | | | | |
| Sales to external customers | 35,544,435 | 4,901,233 | 1,265,301 | - | 41,710,969 |
| Total revenue | 35,544,435 | 4,901,233 | 1,265,301 | - | 41,710,969 |
| EBITDA excluding significant items | 10,270,574 | 493,191 | 292,668 | (7,050,469) | 4,005,964 |
| Depreciation and amortisation | (2,687,909) | - | (241,826) | (316,692) | (3,246,427) |
| Share-based payment expense | - | - | - | (2,238,811) | (2,238,811) |
| Interest expense on leases | - | - | - | (145,313) | (145,313) |
| Finance costs | - | - | (92,840) | (258,547) | (351,387) |
| Professional fees and payroll tax on share-based payments | - | - | - | (92,218) | (92,218) |
| (Loss)/profit before income tax expense | 7,582,665 | 493,191 | (41,998) | (10,102,050) | (2,068,192) |
| Income tax expense | | | | | (96,085) |
| Loss after income tax expense | | | | | (2,164,277) |

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 (continuing and discontinued operations)

The group has operations in 10 countries working with clients based in 3 (2022: 3) regions. The sales revenue based on each client region is as follows:

Note 2. Operating segments (continued)

| | Consolidated 2023 \$ | Consolidated 2022 \$ |
|------------------------------------|----------------------------|----------------------------|
| Sales to external customers | | |
| Australasia | 32,918,554 | 28,332,293 |
| Europe | 8,246,140 | 8,958,077 |
| United States | 5,795,918 | 4,420,599 |
| | <u>46,960,612</u> | <u>41,710,969</u> |

Note 3. Revenue

| | Consolidated 2023 \$ | Consolidated 2022 \$ |
|------------------------------------|----------------------------|----------------------------|
| From continuing operations | | |
| Data & Insights | 38,888,661 | 32,091,966 |
| Data & Insights - Platform | 4,761,041 | 3,452,469 |
| Revenue from continuing operations | <u>43,649,702</u> | <u>35,544,435</u> |

Disaggregation of revenue

Refer to note 2 'Operating segments' for analysis of revenue by major product line and geographical region.

During the financial years ended 30 June 2023 and 30 June 2022, all revenue was recognised based on services transferred over time.

Note 4. Other income

| | Consolidated 2023 \$ | Consolidated 2022 \$ |
|---|----------------------------|----------------------------|
| Net foreign exchange gain | - | 13,214 |
| Net gain on disposal of property, plant and equipment | 1,558 | 4,379 |
| Miscellaneous | 96,365 | 33,299 |
| Other income | <u>97,923</u> | <u>50,892</u> |

Note 5. Discontinued operations

Description

The discontinued operations represented Pureprofile Performance Ltd (UK) (Pure.amplify Media UK business) that ceased activity in the first half of financial year 2023 and Pure.amplify Media AU (Pure.amplify Media Australia business) that ceased activity in the second half of financial year 2023.

Note 5. Discontinued operations (continued)

Financial performance information

| | Consolidated | |
|---|-------------------------|-----------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Revenue from contracts with customers | 3,310,910 | 6,166,534 |
| Other income | 15,723 | 573,085 |
| Direct cost of sales | (2,069,108) | (3,478,676) |
| Employee benefits expense | (1,414,043) | (1,981,952) |
| Foreign exchange loss | (2,370) | (2,389) |
| Depreciation and amortisation expense | (8,286) | (241,826) |
| Loss on disposal of property, plant and equipment | (9,630) | (38,293) |
| Technology, engineering and licence fees | (77,354) | (228,148) |
| Restructuring and acquisition costs | (353,045) | - |
| Occupancy costs | - | (100,614) |
| Other expenses | (39,099) | (123,688) |
| Finance costs | (2) | (92,840) |
| Total expenses | <u>(3,972,937)</u> | <u>(6,288,426)</u> |
| (Loss)/profit before income tax expense | (646,304) | 451,193 |
| Income tax expense | <u>-</u> | <u>-</u> |
| (Loss)/profit after income tax expense from discontinued operations | <u><u>(646,304)</u></u> | <u><u>451,193</u></u> |

Note 6. Expenses

| | Consolidated 2023 \$ | 2022 \$ |
|---|----------------------------|------------|
| Loss before income tax from continuing operations includes the following specific expenses: | | |
| <i>Depreciation</i> | | |
| Right-of-use assets | 439,326 | 291,490 |
| Office and computer equipment | 42,575 | 25,203 |
| Total depreciation | 481,901 | 316,693 |
| <i>Amortisation</i> | | |
| Software | 2,092,628 | 2,309,732 |
| Membership base | 378,176 | 378,176 |
| Total amortisation | 2,470,804 | 2,687,908 |
| Total depreciation and amortisation | 2,952,705 | 3,004,601 |
| <i>Finance costs</i> | | |
| Interest and finance charges paid/payable on borrowings | 358,110 | 351,387 |
| Interest and finance charges paid/payable on lease liabilities | 167,974 | 52,473 |
| Finance costs expensed | 526,084 | 403,860 |
| <i>Leases</i> | | |
| Short-term lease payments | 55,612 | 22,495 |
| Low-value assets lease payments | 3,300 | 2,630 |
| | 58,912 | 25,125 |
| <i>Superannuation expense</i> | | |
| Defined contribution superannuation expense | 1,016,171 | 887,261 |
| <i>Employee benefits expense excluding superannuation</i> | | |
| Employee benefits expense excluding superannuation | 13,941,365 | 12,160,710 |

Note 7. Income tax expense

| | Consolidated 2023 \$ | 2022 \$ |
|--|----------------------------|--------------------|
| <i>Income tax expense</i> | | |
| Current tax | 91,118 | 86,604 |
| Adjustment recognised for prior periods | (1,256) | 9,481 |
| Aggregate income tax expense | <u>89,862</u> | <u>96,085</u> |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i> | | |
| Loss before income tax expense from continuing operations | (1,423,042) | (2,519,385) |
| (Loss)/profit before income tax expense from discontinued operations | (646,304) | 451,193 |
| | <u>(2,069,346)</u> | <u>(2,068,192)</u> |
| Tax at the statutory tax rate of 30% | (620,804) | (620,458) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Entertainment expenses | 19,827 | 4,540 |
| Share-based payments | 660,522 | 671,643 |
| Disposal of intangible assets | 31,785 | - |
| Sundry items | 2,990 | (1,508) |
| | <u>94,320</u> | <u>54,217</u> |
| Adjustment recognised for prior periods | (1,256) | 9,481 |
| Current year tax losses not recognised | 80,399 | 39,934 |
| Prior year tax losses not recognised now recouped | (49,258) | (64,162) |
| Current year temporary differences not recognised | - | 104,017 |
| Difference in overseas tax rates | (34,343) | (47,402) |
| Income tax expense | <u>89,862</u> | <u>96,085</u> |

| | Consolidated 2023 \$ | 2022 \$ |
|--|----------------------------|------------|
| <i>Tax losses not recognised</i> | | |
| Potential unused tax benefit for which no deferred tax asset has been recognised | 1,355,500 | 1,099,223 |

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 8. Cash and cash equivalents

| | Consolidated 2023 \$ | 2022 \$ |
|-----------------------|----------------------------|------------------|
| <i>Current assets</i> | | |
| Cash at bank | 4,726,460 | 5,289,175 |
| Cash on deposit* | - | 9,214 |
| | <u>4,726,460</u> | <u>5,298,389</u> |

* Cash on deposit of \$9,214 at 30 June 2022 is a restricted cash balance which is held and maintained as security over the group's leased properties.

Note 9. Trade and other receivables

| | Consolidated | |
|--|-------------------------|-------------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Trade receivables | 7,687,681 | 6,938,442 |
| Less: Allowance for expected credit losses | <u>(168,991)</u> | <u>(66,907)</u> |
| | <u><u>7,518,690</u></u> | <u><u>6,871,535</u></u> |

Note 10. Contract assets

| | Consolidated | |
|-----------------------|-------------------------|-----------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Contract assets | <u><u>1,259,996</u></u> | <u><u>685,778</u></u> |

Note 11. Prepayments

| | Consolidated | |
|-----------------------|-------------------------|-------------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Prepayments | <u><u>1,035,976</u></u> | <u><u>1,121,648</u></u> |

Note 12. Property, plant and equipment

| | Consolidated | |
|---|-----------------------|----------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Office and computer equipment - at cost | 466,795 | 378,041 |
| Less: Accumulated depreciation | <u>(334,652)</u> | <u>(300,538)</u> |
| | <u><u>132,143</u></u> | <u><u>77,503</u></u> |

Note 12. Property, plant and equipment (continued)

Reconciliations

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

| | Office and computer equipment \$ |
|-------------------------|---|
| Consolidated | |
| Balance at 1 July 2021 | 147,611 |
| Additions | 52,492 |
| Disposals | (38,482) |
| Exchange differences | (2,273) |
| Depreciation expense | (81,845) |
| | <hr/> |
| Balance at 30 June 2022 | 77,503 |
| Additions | 142,791 |
| Disposals | (38,652) |
| Exchange differences | 1,362 |
| Depreciation expense | (50,861) |
| | <hr/> |
| Balance at 30 June 2023 | <u>132,143</u> |

Note 13. Right-of-use assets

| | Consolidated | |
|--------------------------------|---------------------|--------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Buildings - right-of-use | 2,637,308 | 2,449,802 |
| Less: Accumulated depreciation | <u>(632,423)</u> | <u>(1,342,663)</u> |
| | <u>2,004,885</u> | <u>1,107,139</u> |

The group leases buildings under agreements of between 1 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 13. Right-of-use assets (continued)

Reconciliations

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

| Consolidated | Buildings - right-of-use \$ |
|-------------------------|-----------------------------------|
| Balance at 1 July 2021 | 1,945,484 |
| Additions | 1,175,231 |
| Lease modification | (1,390,437) |
| Exchange differences | (146,465) |
| Depreciation expense | (476,674) |
| Balance at 30 June 2022 | 1,107,139 |
| Additions | 1,347,580 |
| Exchange differences | (10,508) |
| Depreciation expense | (439,326) |
| Balance at 30 June 2023 | <u>2,004,885</u> |

Note 14. Intangibles

| | Consolidated 2023 \$ | Consolidated 2022 \$ |
|--|----------------------------|----------------------------|
| <i>Non-current assets</i> | | |
| Goodwill - at cost | 15,503,285 | 15,503,285 |
| Less: Impairment | (15,503,285) | (15,503,285) |
| | - | - |
| Software - at cost | 31,033,378 | 29,036,730 |
| Less: Accumulated amortisation | (20,986,205) | (19,183,688) |
| Less: Impairment | (4,598,724) | (4,598,724) |
| | <u>5,448,449</u> | <u>5,254,318</u> |
| Customer contracts and partner network arrangement - at cost | 3,622,000 | 3,622,000 |
| Less: Accumulated amortisation | (1,168,990) | (1,168,990) |
| Less: Impairment | (2,453,010) | (2,453,010) |
| | - | - |
| Membership base - at cost | 2,694,410 | 2,694,410 |
| Less: Accumulated amortisation | (2,559,945) | (2,181,769) |
| | <u>134,465</u> | <u>512,641</u> |
| | <u>5,582,914</u> | <u>5,766,959</u> |

Note 14. 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:

| Consolidated | Software \$ | Membership base \$ | Total \$ |
|-------------------------|------------------|--------------------------|------------------|
| Balance at 1 July 2021 | 5,346,724 | 890,817 | 6,237,541 |
| Additions | 2,217,326 | - | 2,217,326 |
| Amortisation expense | (2,309,732) | (378,176) | (2,687,908) |
| Balance at 30 June 2022 | 5,254,318 | 512,641 | 5,766,959 |
| Additions | 2,392,708 | - | 2,392,708 |
| Disposals | (105,949) | - | (105,949) |
| Amortisation expense | (2,092,628) | (378,176) | (2,470,804) |
| Balance at 30 June 2023 | <u>5,448,449</u> | <u>134,465</u> | <u>5,582,914</u> |

Note 15. Deferred tax

Consolidated
2023
\$

2022
\$

Non-current assets

Deferred tax asset comprises temporary differences attributable to:

Amounts recognised in profit or loss:

| | | |
|---|-----------|-----------|
| Allowance for expected credit losses | 3,924 | 1,048 |
| Prepayments | (2,862) | (2,501) |
| Capitalised expenditure | (232,774) | (177,420) |
| Employee benefits | 71,418 | 35,725 |
| Accrued expenses and other payables | (71,857) | (136,196) |
| Provision for reward redemptions | 135,675 | 76,536 |
| Business related capital expenditure | 136,814 | 192,923 |
| Unrealised foreign exchange (gain)/loss | (40,338) | 9,885 |

| | | |
|--------------------|----------|----------|
| Deferred tax asset | <u>-</u> | <u>-</u> |
|--------------------|----------|----------|

Movements:

| | | |
|-------------------------------------|----------|----------|
| Opening balance | - | - |
| Credited to profit or loss (note 7) | - | - |
| Closing balance | <u>-</u> | <u>-</u> |

Note 16. Trade and other payables

| | Consolidated 2023 \$ | 2022 \$ |
|----------------------------|----------------------------|------------------|
| <i>Current liabilities</i> | | |
| Trade payables | 4,061,356 | 3,509,731 |
| Accrued expenses | 3,858,843 | 4,665,798 |
| Other payables | 751,922 | 693,851 |
| | <u>8,672,121</u> | <u>8,869,380</u> |

Note 17. Contract liabilities

| | Consolidated 2023 \$ | 2022 \$ |
|----------------------------|----------------------------|----------------|
| <i>Current liabilities</i> | | |
| Contract liabilities | <u>1,502,499</u> | <u>954,838</u> |

Note 18. Borrowings

| | Consolidated 2023 \$ | 2022 \$ |
|--------------------------------|----------------------------|------------------|
| <i>Current liabilities</i> | | |
| Loans | <u>3,000,000</u> | <u>-</u> |
| <i>Non-current liabilities</i> | | |
| Loans | <u>-</u> | <u>3,000,000</u> |

The debt facility between the group and its previous lender, Lucerne, was \$3,000,000 effective from 29 December 2020. On 1 October 2021, the respective rights and obligations under each of the facility agreement and the general security deeds were novated to Altor Capital Management Pty Ltd. The facility remained at \$3,000,000. Interest is fixed and payable at 8.5% per annum and is payable quarterly on the last day of the quarter. The facility expires on 29 December 2023. It has therefore been reclassified to current liabilities in the current period. The facility does not contain business performance covenants. As at 30 June 2023, the facility has been fully drawn. The group is well progressed in its plans to refinance these borrowings well in advance of the expiry date.

Assets pledged as security

The loans are secured by the assets of the group.

Note 19. Lease liabilities

| | Consolidated 2023 \$ | 2022 \$ |
|--------------------------------|----------------------------|----------------|
| <i>Current liabilities</i> | | |
| Lease liability | <u>352,704</u> | <u>150,079</u> |
| <i>Non-current liabilities</i> | | |
| Lease liability | <u>1,682,877</u> | <u>990,006</u> |

Note 20. Provisions

| | Consolidated | |
|--------------------------------|---------------------|------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Employee benefits | 795,161 | 737,930 |
| Reward redemption | 1,824,203 | 1,750,275 |
| | <u>2,619,364</u> | <u>2,488,205</u> |
| <i>Non-current liabilities</i> | | |
| Employee benefits | 125,561 | 77,303 |
| Lease make-good | 91,264 | 70,934 |
| | <u>216,825</u> | <u>148,237</u> |

Note 21. Issued capital

| | 2023 | Consolidated | 2023 | 2022 |
|------------------------------|----------------------|----------------------|-------------------|-------------------|
| | Shares | 2022 | \$ | \$ |
| | | Shares | | |
| Ordinary shares - fully paid | <u>1,133,322,342</u> | <u>1,107,022,671</u> | <u>61,788,147</u> | <u>60,426,781</u> |

Note 21. Issued capital (continued)

Movements in ordinary share capital

| Details | Date | Shares | Issue price | \$ |
|--|------------------|----------------------|-------------|-------------------|
| Balance | 1 July 2021 | 1,057,734,591 | | 59,892,781 |
| Shares issued on exercise of share rights* | 5 July 2021 | 327,322 | | - |
| Shares issued on exercise of share rights* | 6 October 2021 | 146,033 | | - |
| Shares issued on exercise of share options | 6 October 2021 | 13,800,000 | \$0.030 | 414,000 |
| Shares issued on exercise of share options* | 6 October 2021 | 4,527,701 | | - |
| Shares issued on exercise of performance rights* | 6 October 2021 | 4,937,500 | | - |
| Shares issued on exercise of performance rights* | 6 October 2021 | 3,125,000 | | - |
| Shares issued on exercise of share options* | 29 October 2021 | 9,512,861 | | - |
| Shares issued on exercise of share options* | 18 November 2021 | 1,995,961 | | - |
| Shares issued on exercise of share options | 18 November 2021 | 4,000,000 | \$0.030 | 120,000 |
| Shares issued on exercise of share options* | 8 February 2022 | 390,502 | | - |
| Shares issued on exercise of share rights* | 1 April 2022 | 2,493,950 | | - |
| Shares issued on exercise of performance rights* | 1 April 2022 | 1,562,500 | | - |
| Shares issued on exercise of performance rights* | 7 April 2022 | 2,468,750 | | - |
| Balance | 30 June 2022 | 1,107,022,671 | | 60,426,781 |
| Shares issued on exercise of performance rights* | 17 November 2022 | 2,816,667 | \$0.060 | 170,136 |
| Shares issued on exercise of share options | 20 December 2022 | 500,000 | \$0.034 | 17,042 |
| Shares issued on exercise of share options* | 23 December 2022 | 3,102,862 | \$0.031 | 95,300 |
| Shares issued on exercise of share options* | 23 December 2022 | 3,894,973 | \$0.094 | 366,844 |
| Shares issued on exercise of share options* | 23 December 2022 | 1,386,422 | \$0.102 | 141,350 |
| Shares issued on exercise of share options* | 20 January 2023 | 5,611,560 | \$0.030 | 167,140 |
| Shares issued on exercise of share options* | 20 January 2023 | 739,293 | \$0.029 | 21,408 |
| Shares issued on exercise of share options* | 20 January 2023 | 1,999,604 | \$0.031 | 62,392 |
| Shares issued on exercise of share options* | 20 January 2023 | 876,086 | \$0.091 | 79,899 |
| Shares issued on exercise of share options* | 20 January 2023 | 1,309,648 | \$0.107 | 139,542 |
| Shares issued on exercise of share rights | 14 February 2023 | 15,653 | \$0.064 | 1,000 |
| Shares issued on exercise of share rights | 14 February 2023 | 15,653 | \$0.064 | 1,000 |
| Shares issued on exercise of performance rights | 3 April 2023 | 2,468,750 | \$0.024 | 59,250 |
| Shares issued on exercise of performance rights | 3 April 2023 | 1,562,500 | \$0.025 | 39,063 |
| Balance | 30 June 2023 | <u>1,133,322,342</u> | | <u>61,788,147</u> |

* The exercise price is a notional amount that is not paid in cash.

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. 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.

Note 22. Reserves

| | Consolidated 2023 \$ | Consolidated 2022 \$ |
|------------------------------|----------------------------|----------------------------|
| Foreign currency reserve | (228,822) | (220,882) |
| Share-based payments reserve | 3,496,498 | 3,946,148 |
| | <u>3,267,676</u> | <u>3,725,266</u> |

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 23. Dividends

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

Note 24. Earnings per share

| | Consolidated 2023 \$ | Consolidated 2022 \$ |
|---|----------------------------|----------------------------|
| <i>Loss per share for loss from continuing operations</i> | | |
| Loss after income tax attributable to the owners of Pureprofile Ltd | <u>(1,512,904)</u> | <u>(2,615,470)</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 1,118,994,477 | 1,089,228,154 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>1,118,994,477</u> | <u>1,089,228,154</u> |
| | Cents | Cents |
| Basic earnings per share | (0.14) | (0.24) |
| Diluted earnings per share | (0.14) | (0.24) |
| | Consolidated 2023 \$ | Consolidated 2022 \$ |
| <i>Profit/(loss) per share for profit/(loss) from discontinued operations</i> | | |
| (Loss)/profit after income tax attributable to the owners of Pureprofile Ltd | <u>(646,304)</u> | <u>451,193</u> |

Note 24. Earnings per share (continued)

| | Number | Number |
|---|----------------------|----------------------|
| Weighted average number of ordinary shares used in calculating basic earnings per share | 1,118,994,477 | 1,089,228,154 |
| Adjustments for calculation of diluted earnings per share: | | |
| Options over ordinary shares | - | 61,413,772 |
| Rights over ordinary shares | - | 43,828,103 |
| | <u>1,118,994,477</u> | <u>1,194,470,029</u> |
| | Cents | Cents |
| Basic earnings per share | (0.06) | 0.04 |
| Diluted earnings per share | (0.06) | 0.04 |
| | Consolidated | |
| | 2023 | 2022 |
| | \$ | \$ |
| <i>Loss per share for loss</i> | | |
| Loss after income tax attributable to the owners of Pureprofile Ltd | <u>(2,159,208)</u> | <u>(2,164,277)</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 1,118,994,477 | 1,089,228,154 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>1,118,994,477</u> | <u>1,089,228,154</u> |
| | Cents | Cents |
| Basic earnings per share | (0.19) | (0.20) |
| Diluted earnings per share | (0.19) | (0.20) |

Note 25. Cash flow information

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

| | Consolidated 2023 \$ | 2022 \$ |
|---|----------------------------|------------------|
| Loss after income tax expense for the year | (2,159,208) | (2,164,277) |
| Adjustments for: | | |
| Depreciation and amortisation | 2,960,991 | 3,246,427 |
| Share-based payments | 2,201,739 | 2,238,811 |
| Net loss on disposal of non-current assets | 114,021 | (247,874) |
| Interest on lease liabilities | 167,976 | 145,313 |
| Restructuring and acquisition costs | 114,972 | - |
| Change in operating assets and liabilities: | | |
| Increase in trade and other receivables | (647,154) | (1,350,940) |
| Increase in contract assets | (574,218) | (9,403) |
| Decrease/(increase) in prepayments | 85,672 | (65,909) |
| Increase in financial assets | (164,164) | - |
| Increase/(decrease) in trade and other payables | (197,262) | 1,783,294 |
| Increase in contract liabilities | 547,661 | 228,854 |
| Increase in provision for income tax | 1,041 | 3,490 |
| Increase/(decrease) in employee benefits | (14,534) | 38,108 |
| Increase in other provisions | 131,159 | 45,868 |
| Net cash from operating activities | <u>2,568,692</u> | <u>3,891,762</u> |

Note 26. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 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.