Pureprofile

FY15 Results Presentation | ASX:PPL

28 August 2015

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About Pureprofile

Pureprofile Limited (Pureprofile) is a profile marketing and insights technology company.

It enables consumers to create, manage and enrich their online profiles.

These profiles are then monetised with global brands, publishers and advertisers using proprietary big data technology and programmatic targeting.

Pureprofile overview

Founded in 2001

Established as early pioneer in market research and technology (patents lodged 2001 & 2003)

More than 1 million registered profiles

Registrations acquired from 40 countries since inception

Established client base

Including global corporations and multinationals

End-to-end platform

One of the few businesses able to provide end-to-end profiling, research and media services

Growth via profile-driven programmatic media

Accelerating monetisation of profiles and data expertise

5 billion display ads bought and sold programmatically each month

Sparc has significant experience and is a major trader in the programmatic media space

Operations in 6 countries

Australia, US, UK, India, Poland and Greece

Board and senior management

Fred Swaab
Non-Executive Chairman

Chairman of Swaab Attorneys

Founding Director of Pureprofile

Cliff Rosenberg
Non Executive Director

Current MD of LinkedIn

NED Nearmap Ltd

Former MD of Yahoo! Australia

Andrew Edwards
Non Executive Director

Chairman & CEO, UK & President, Central Euro Leo Burnett (London based)

Paul Chan
Founder & CEO, Executive Director

Founded Pureprofile in 2000

Geoff Nesbitt
CFO, Executive Director

Former CFO of Enero Group Ltd

Extensive public company CFO experience

Wout Van Damme
Media Director

Founded Sparc in 2004

Growing global blue-chip client base

FY15 business highlights

Sparc Media Acquisition

Successful acquisition of Sparc Media upon completion of IPO. Operational and revenue synergies on track.

Agreement with News Corp

Pureprofile powers News Connect product. Part of publisher alliance strategy.

Extends partnership to news.com.au, Australia's largest news website

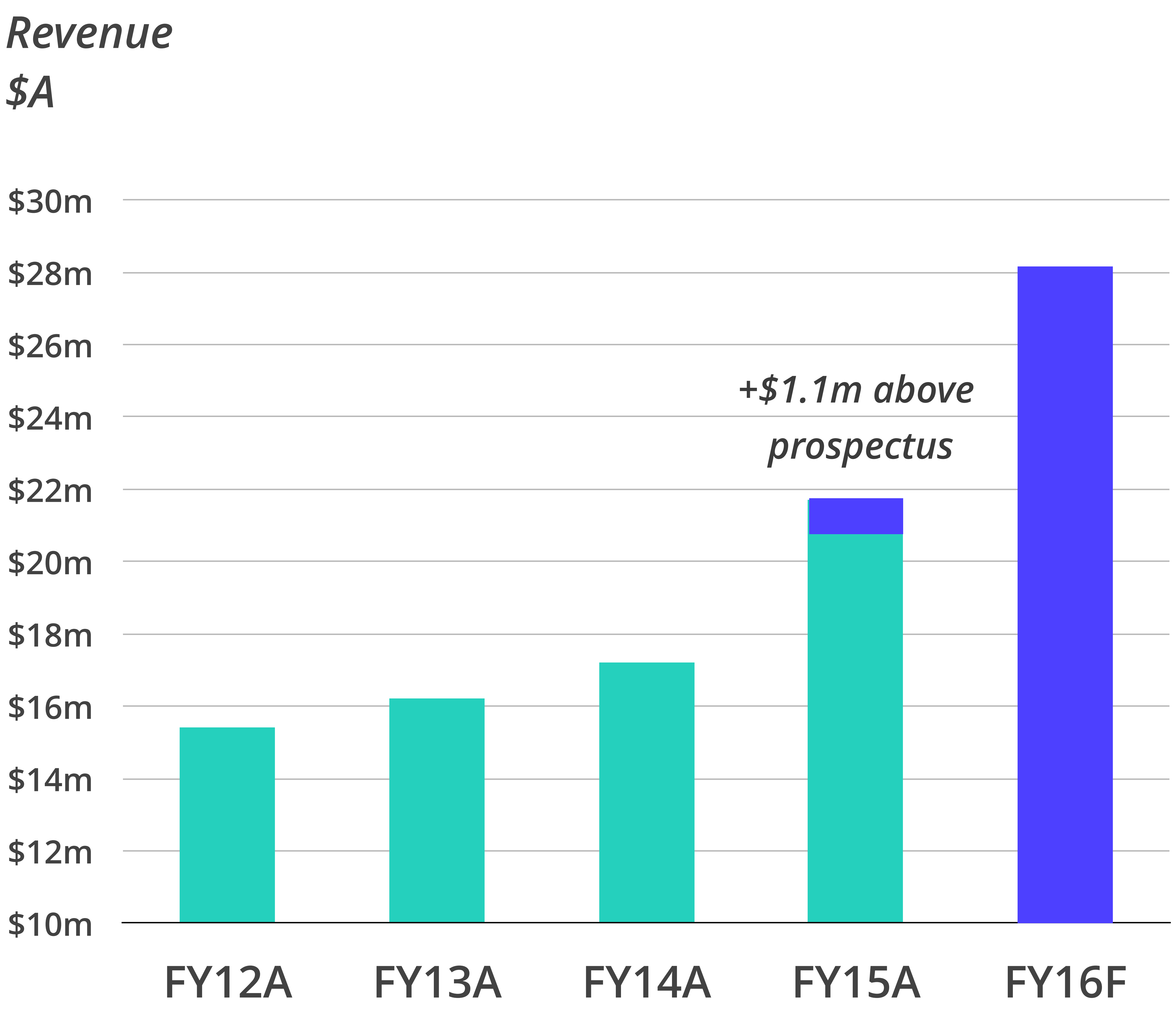
New Zealand Alliance

Landmark agreement signed with AA Smartfuel, one of NZ's largest rewards programs.

Strategic alliance with ProductReview.com.au

Enhances profiling capabilities and reach.

Strong revenue growth



- Exceeded prospectus forecast by $1.1m to $21.7m
- Strong revenue growth: 26% pcp FY14
- Good momentum for FY16

FY15 financial highlights

Forecast pro forma revenue exceeded by $1.1m

Pro-forma revenues of $21.7m exceed prospectus forecast of $20.6m

Pro forma operating EBITDA of $0.6m

Company achieves $0.6m operating EBITDA vs. $0.3m prospectus forecast

Gross profit margin exceeded forecast

50% gross profit margin vs. 47% prospectus forecast

FY15 financial highlights

Strong revenues in Q4 FY15

Solid final quarter results across all three product groups provides momentum for FY16

Market-beating programmatic growth

FY15 programmatic revenue increased to $12.5m, up 39% on FY14 vs programmatic market growth rate of 27%

Strong growth in online research

Revenue up 18% on FY14, increasing to $8.6m

Pro forma profit & loss

A $'M Year ending 30 June	FY12A	FY13A	FY14A	FY15 Forecast	FY15 Actual	FY16F
Online research	7.9	7.6	7.3	8.5	8.6	11.1
Media	7.4	8.6	9.0	11.6	12.5	16.2
Platform	0.1	0.1	0.9	0.5	0.6	0.8
Total revenue	**15.4**	**16.2**	**17.2**	**20.6**	**21.7**	**28.1**
Cost of sales	7.7	7.6	8.1	10.9	10.9	14.1
Gross profit	**7.7**	**8.6**	**9.1**	**9.7**	**10.8**	**14.0**
Operating EBITDA (1)	**(0.2)**	**0.9**	**(1.1)**	**0.3**	**0.6**	**2.5**
Underlying NPAT (2)	**(0.6)**	**0.4**	**(1.4)**	**(0.5)**	**0.3**	**0.9**
Revenue growth %	**N/A**	**6%**	**6%**	**20%**	**26%**	**29%**
Gross profit margin %	**50%**	**53%**	**53%**	**47%**	**50%**	**50%**

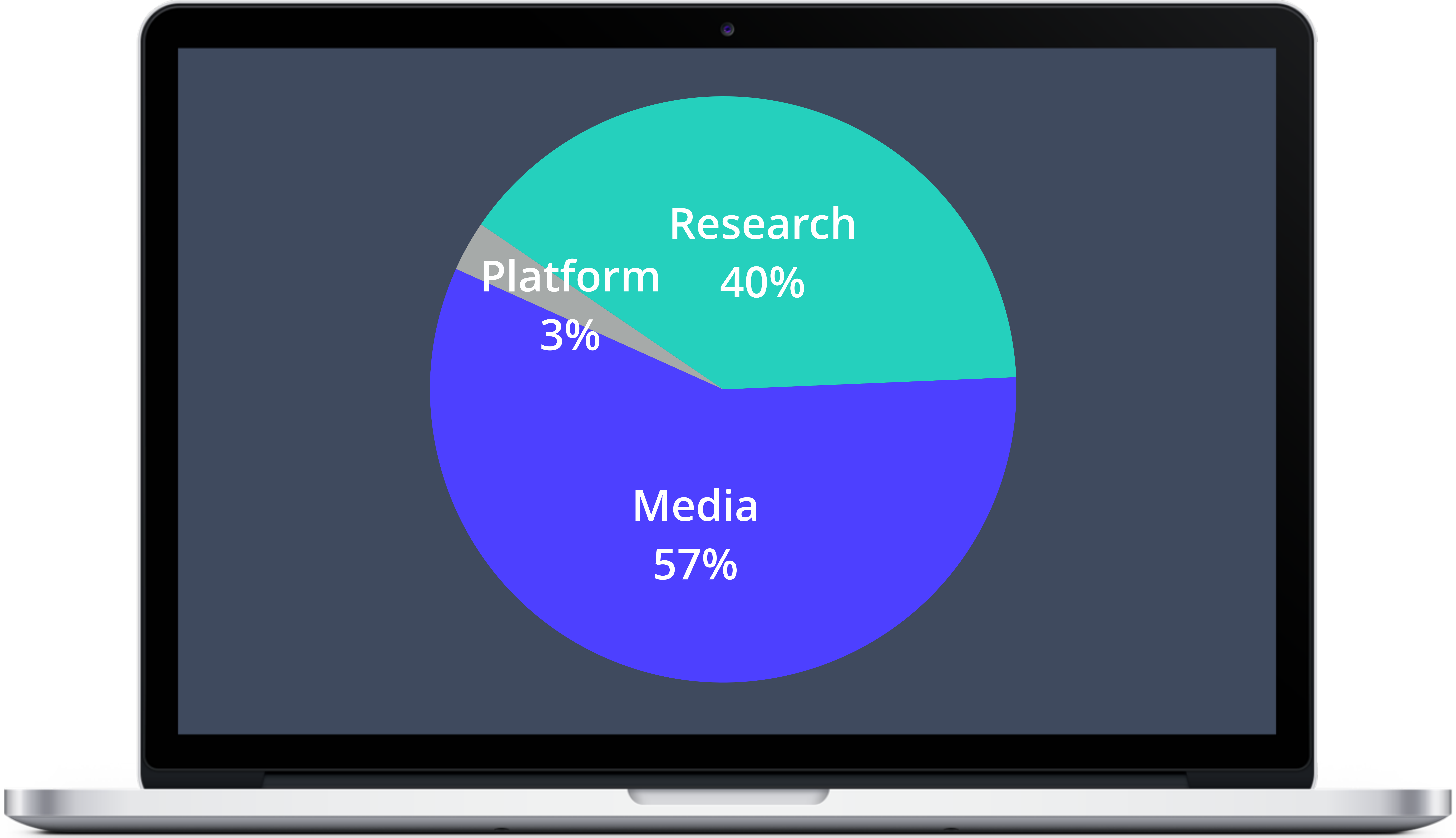
- Pro forma revenue of $21.7 million (prospectus forecast of $20.6 million)
- Gross profit margin of 50% (prospectus forecast of 47%)
- Pro forma operating EBITDA of $0.6 million (prospectus forecast of $0.3 million)
- Strong cash conversion from operating EBITDA

Notes:

(1) Operating EBITDA excludes interest, tax, depreciation, amortisation, and one-off recurring transaction costs associated with the IPO and Sparc Media acquisition totalling approx. $2.0 million

(2) Underlying Net profit (Loss) after Tax excludes one-off non recurring transaction costs associated with the IPO and Sparc Media acquisition totalling approx. $1.7 million

Revenue composition – Product Segment FY15A



FY16 growth strategies

Market research	• Expand market research business globally by leveraging high margin Pureprofile SaaS technology platform. Offer “best in class” consumer driven proposition.
Publisher licensing	• Extend publisher platform (News model) to other publishers and large reward programs globally, generating annual licensing fees and revenue share.
Programmatic trading	• Incorporate profile data in managed campaigns • Further proprietary technology to automate and expand Sparc Media trading • Build publisher-focused programmatic business using technology and profiling to optimise yields
Performance marketing	• Use profiling to increase effectiveness of performance marketing business • Enter new high-value markets (e.g. home loans, insurance, automotive)
International expansion	• Open NZ office to support new publisher licensing deal with AA Smartfuel • Grow existing businesses in US, UK, India, Poland • Enter new markets in Europe and Asia by leveraging scalable technology platform

FY15 guidance

FY16 forecast of $28.1m

Core products performing well and on track to achieve prospectus forecast

New revenues not included in FY16 forecast

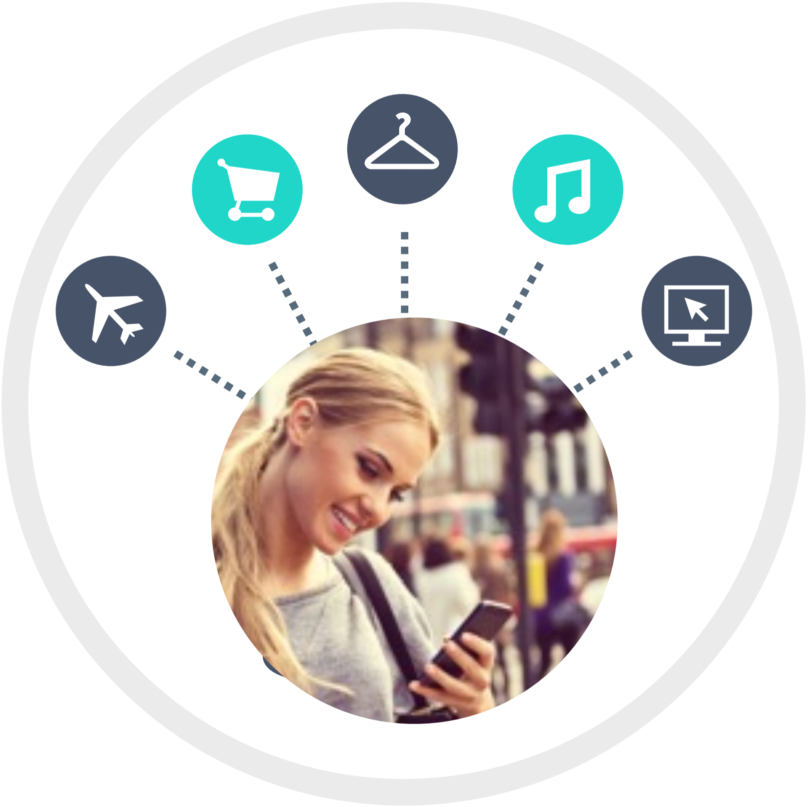
FY16 revenue forecasts do not include increases in revenue from $4m to be deployed for strategic growth investments

Revenue latency

Expected revenue from significant ongoing investments in the technology platform and apps expected to be realised in future periods and not forecast in FY16

Our core business

We create profiles



We are experts in attracting and engaging with consumers by rewarding them for providing personal, preference and intent information, which builds user profiles

- **Pureprofiles** from our members
- **Managed profiles** for our partners
- **Unclaimed profiles** from programmatic campaigns

We enrich profiles

Pureprofile

We ask people what they are intending to buy and are planning to do, instead of guessing.

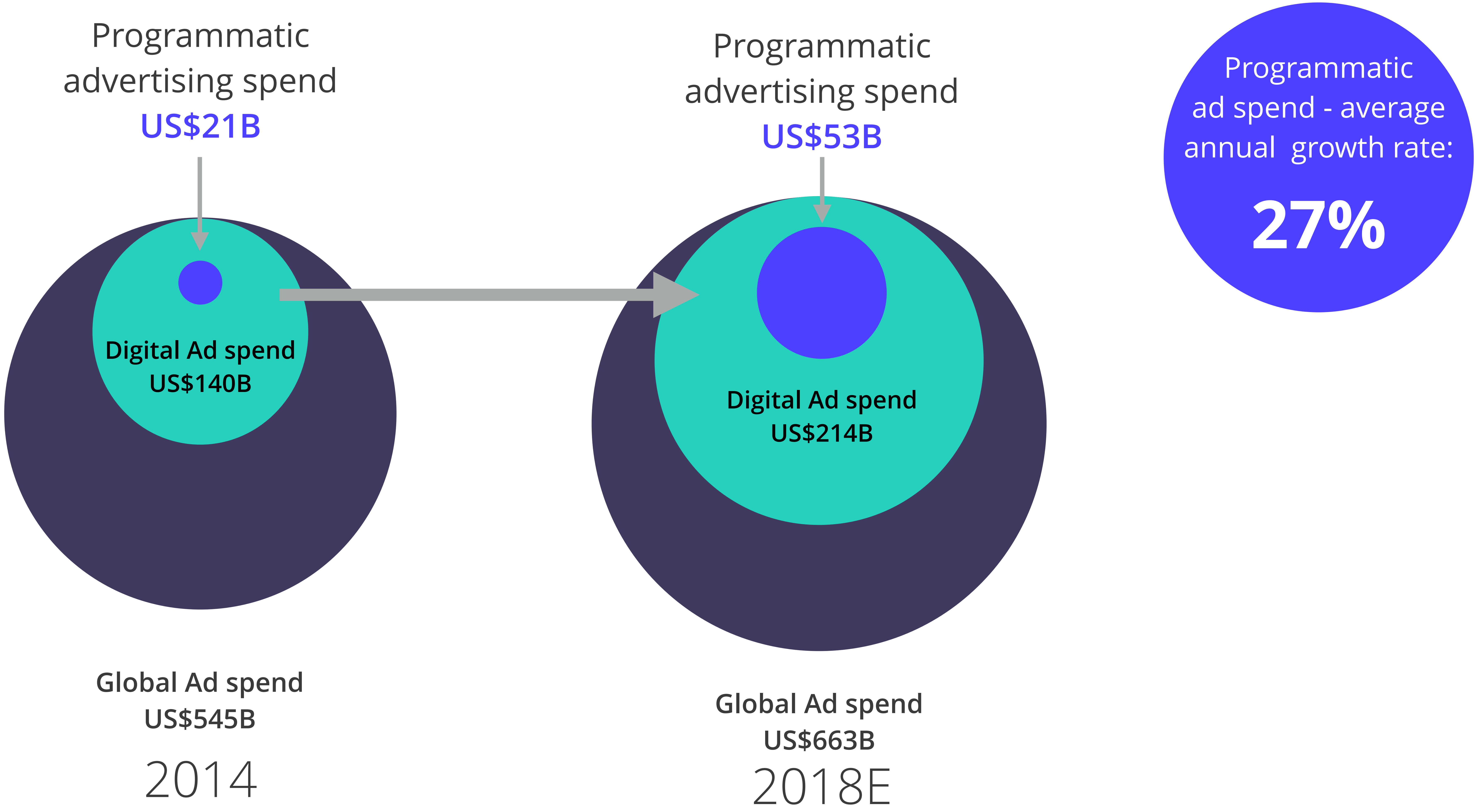
We combine membership details, surveys, research, sampling and meta data with a suite of proprietary big data applications to enrich profile data and produce valuable audience segmentation and market intelligence for clients.

We monetise profiles

We monetise profile data through:

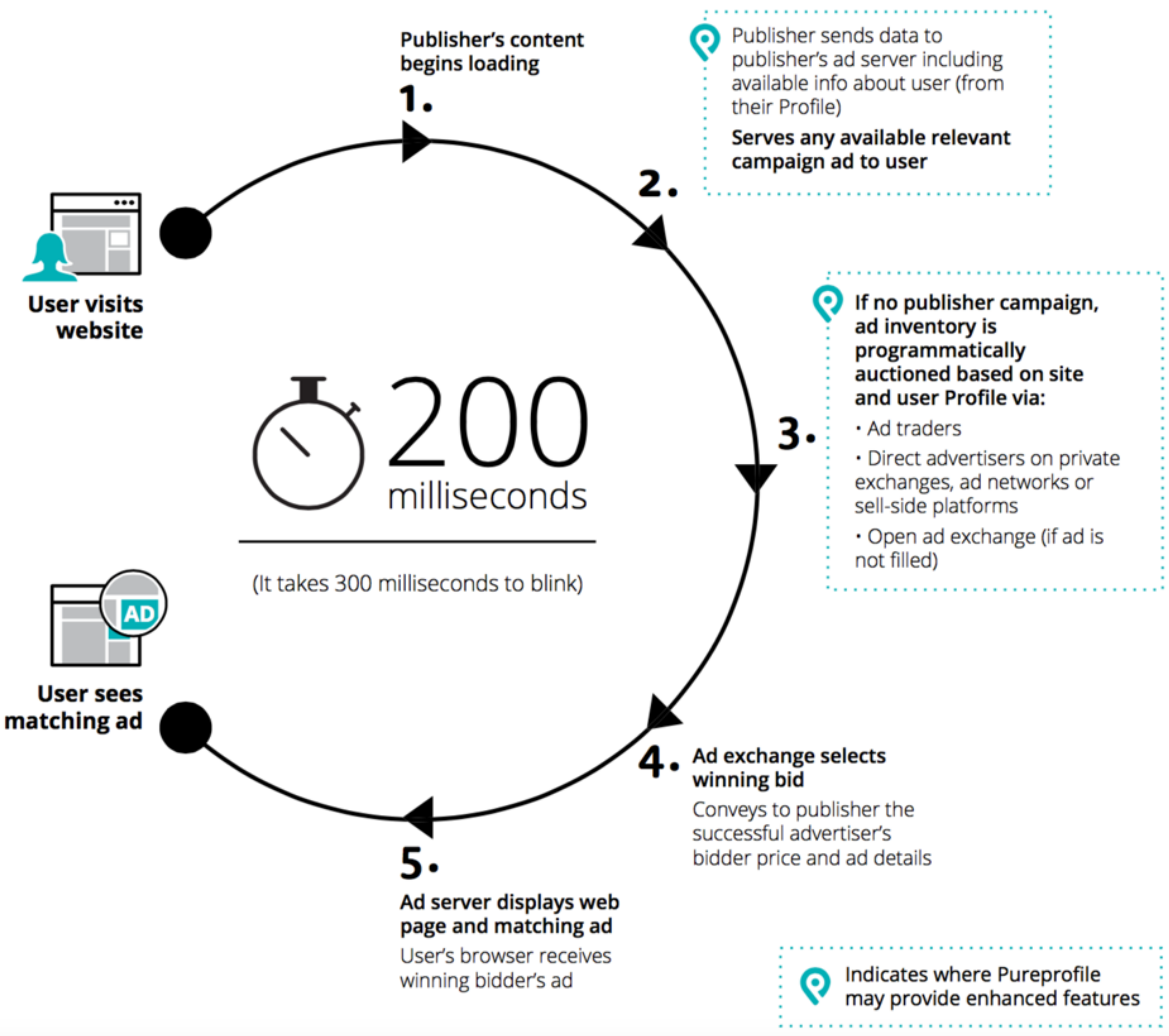
- **Online market research** for global brands & advertisers
- **Licensing our technology** and optimising yields for global media publishers
- **Media Sales** – programmatic display, performance marketing

Industry overview: fast-growing global market



Source: eMarketer and Magna Global

The lifecycle of a programmatic ad



Key business attributes

Proprietary big data profiling technology

Scalable, proven cloud platform

5bn+ programmatic ads served per month,global profiles

Well funded to executive strategy priorities

Accelerating growth

Global client base

Outstanding management, deep expertise

Scalable market opportunity

The big opportunity

The shift from mass marketing to one-to-one digital marketing is accelerating

Next purchase:
Gumboots

Mass advertising

Move away from site specific placement to profile targeting

Personal recommendations

Linking Pureprofile's targeting and insights capability with programmatic reach

We create profiles...

Opportunity:

Low-cost growth of Pureprofiles via publisher alliances and Pureprofile widgets

1

Pureprofiles

Our members

- Consumers sign up to build own profiles by sharing demographic, intent & preference data.
- Participate in paid surveys

2

Managed profiles

Our partners

- White label Pureprofile platform (SaaS) licensed to partners with large databases like publishers and rewards programs
- Provides revenue via SaaS and revenue share agreements

3

Unclaimed profiles

Programmatic media

- Publishers increasing yields via Sparc Media programmatic media
- Future strategy: publishers increase yield by developing profiles of their audience via Pureprofile widgets
- Future strategy: brands increase advertising ROI by more effective, profile-based targeting

Opportunity: Pureprofiles + deep behavioural profiles from publishers delivers competitive advantage for programmatic (via machine learning).

Creating profiles: the advantage of Pureprofile's deep profiling capabilities

Pureprofiles

- Authentic member profiles built from engaged users
- Volunteered personal information
- Rich source of market intelligence
- Capture consumers' evolving preferences

Established revenue source, YoY growth

Managed profiles

- Expand profiling to wider audience via strategic partnerships
- Volunteered and behavioural data
- Rich source of market intelligence
- Publishers & brands access hard-to-find consumer groups

New income stream, already generating revenue

Unclaimed profiles

- Extend profiling beyond membership model
- New opportunity for publishers to monetise data
- Potential to turn unclaimed profiles into Pureprofiles

Significant growth opportunity, builds on media trading momentum

Creating profiles: increasing the appeal of Pureprofile to a mass audience

3-5 questions
(1 short mobile survey) per day

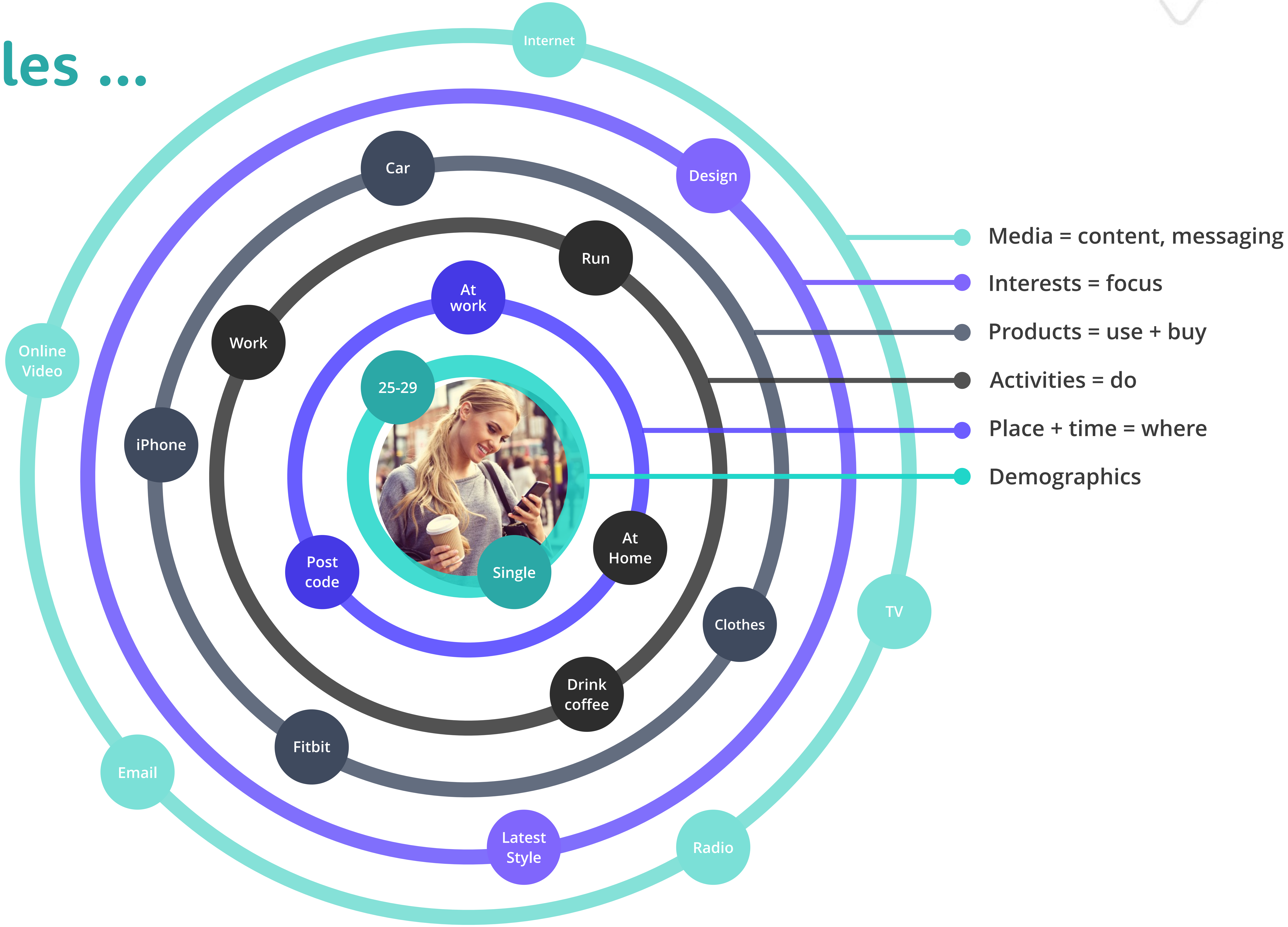
Earn $10 - $15 per month
to pay for content

Watch content when and
where you want (ad-free)

Planning to expand Pureprofile's redemption options to subscription content

We enrich profiles …

Our proprietary technology efficiently organises each individual's data into a single view



Enriching profiles: creating valuable profiles and market intelligence data

Male

10 Logins this month

AAMI

AAMI third party car insurance expires Oct 2015

Planning to buy a laptop Nov 2015

Planning to buy an Apple Watch Jul 2015

Runs weekly

Female

OPTUS yes

Optus mobile phone contract expires Oct 2015

Planning to buy a car Aug 2015

NETFLIX

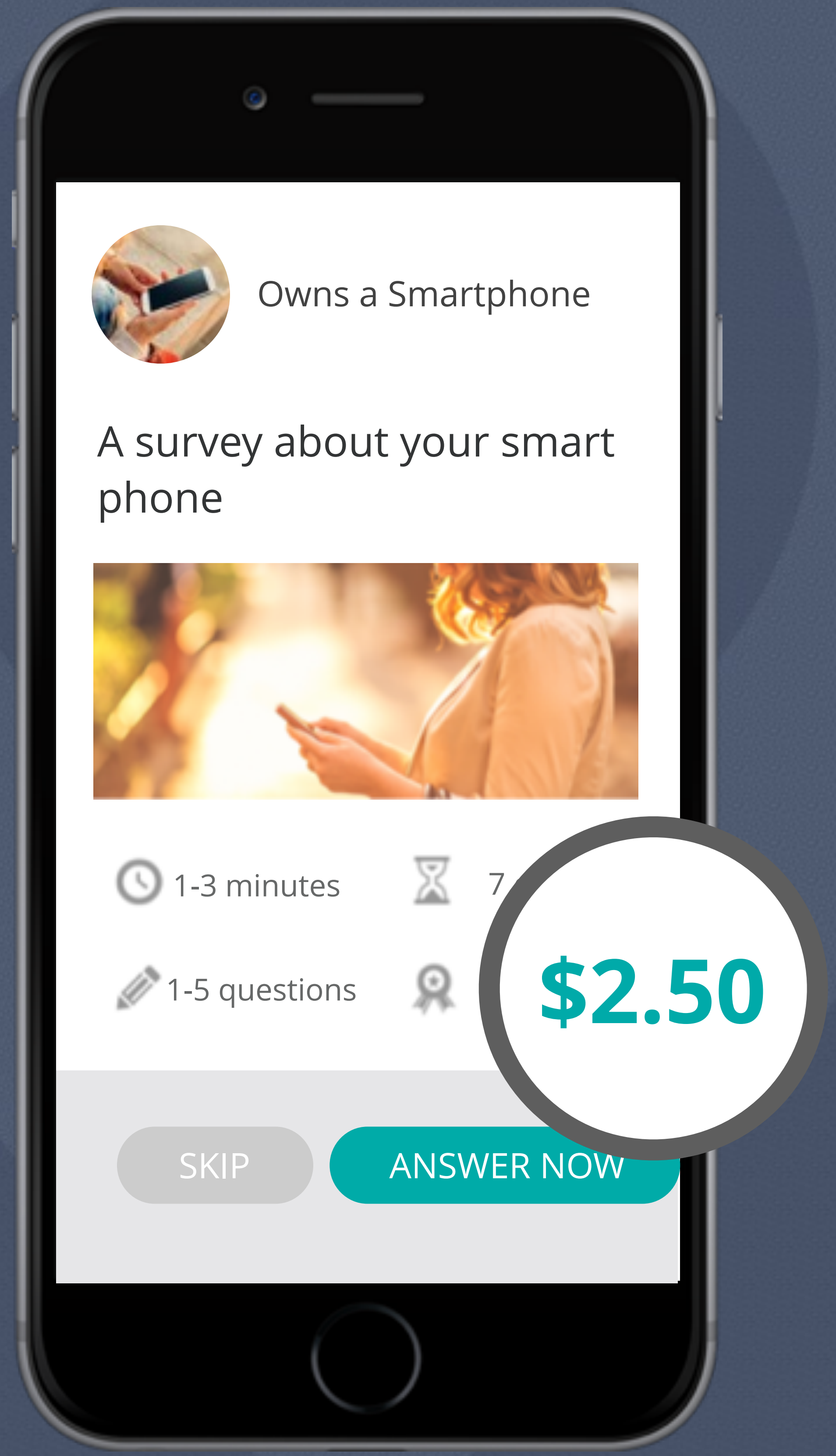
Subscribes to Netflix

Planning to travel to New York Jan 2016

Drinks coffee daily

Pureprofiles
We monetise Pureprofiles – via online market research

*We charge the client **$6.00** per completed survey*



*Our Member earns **$2.50** per completed survey*

Managed profiles (White label)
We monetise managed profiles – via publisher partnerships …

Large audiences

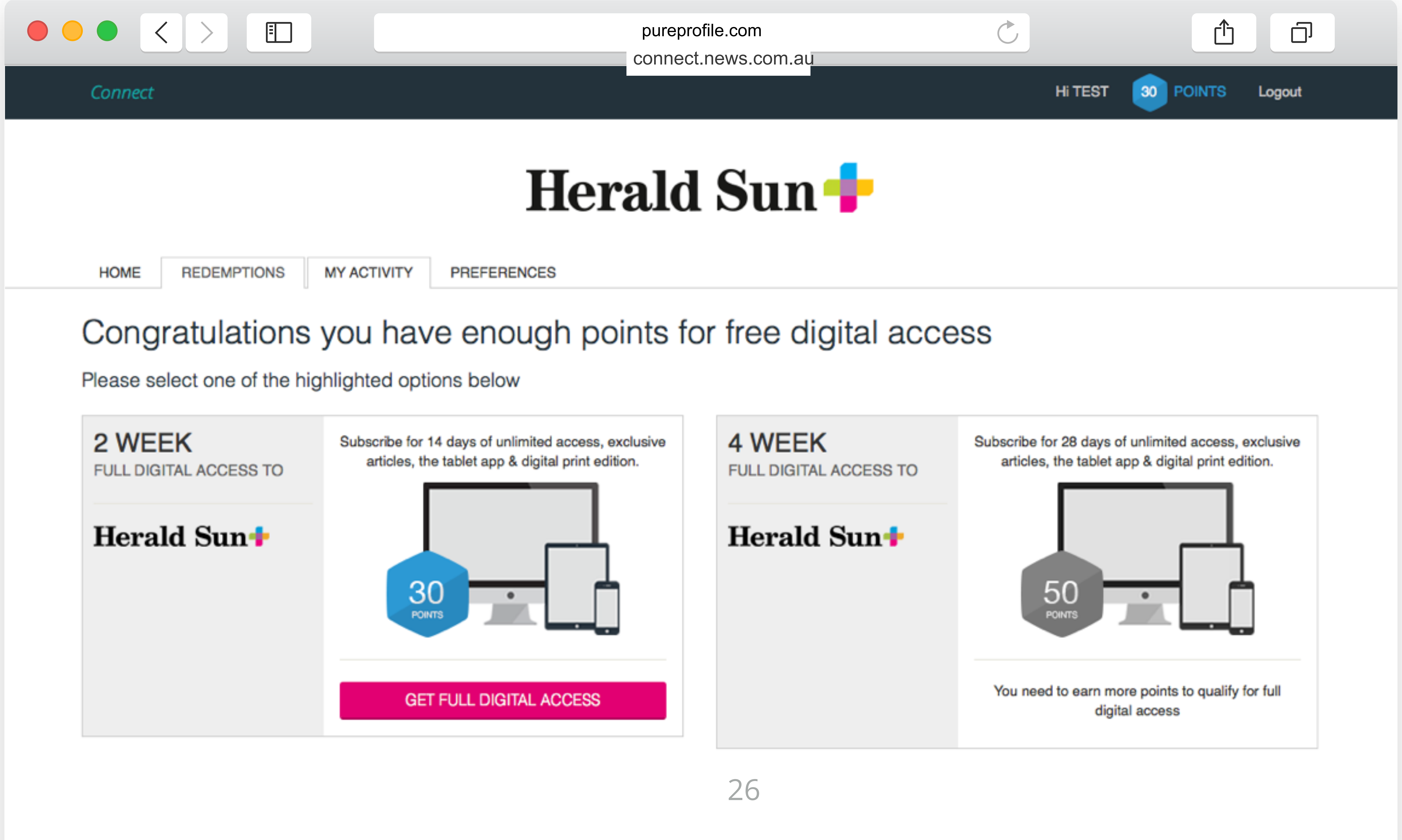
The Advertiser
Messenger Sunday Mail

Daily Telegraph

Courier Mail

Herald Sun

Exchange points for paywall content access



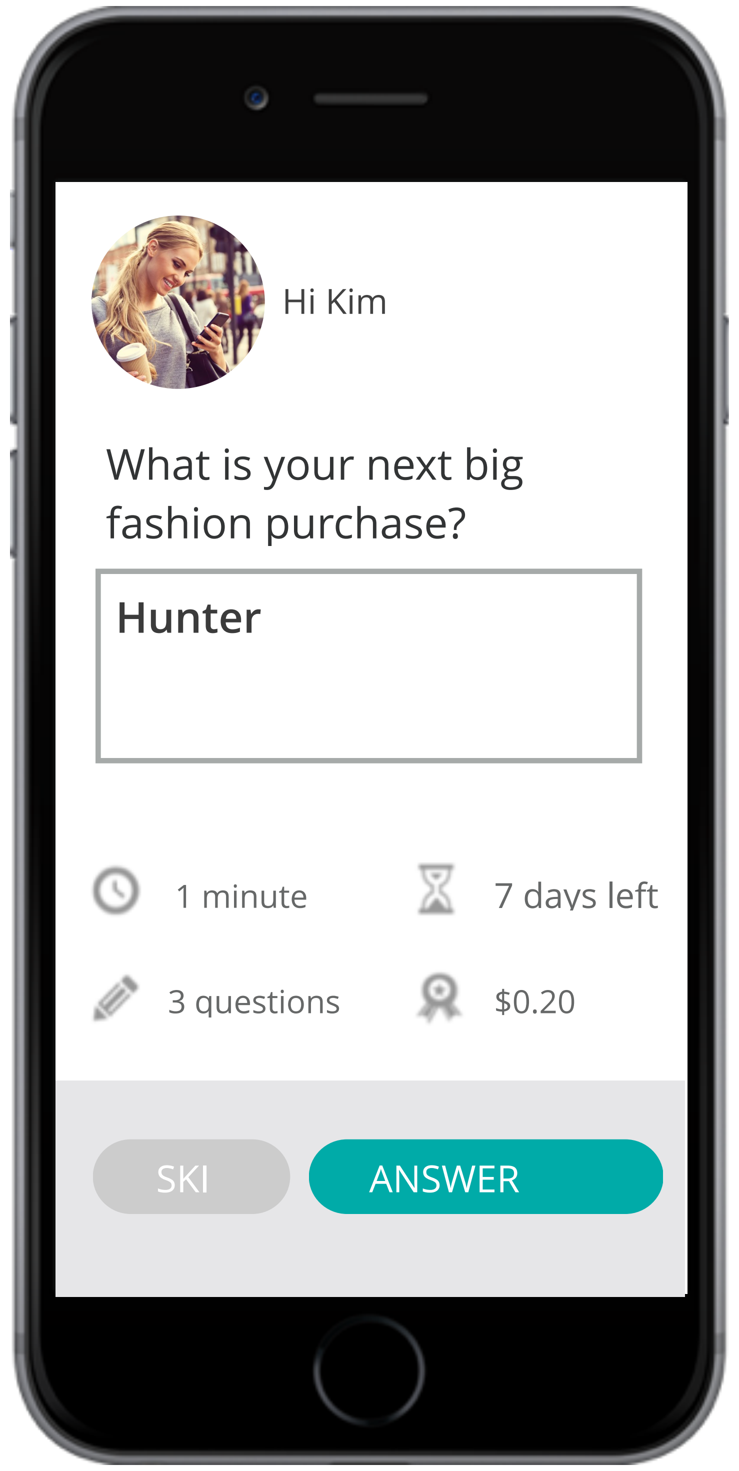
- ☑ SaaS revenue
- ☑ Revenue share
- ☑ Large databases
- ☑ No acquisition cost

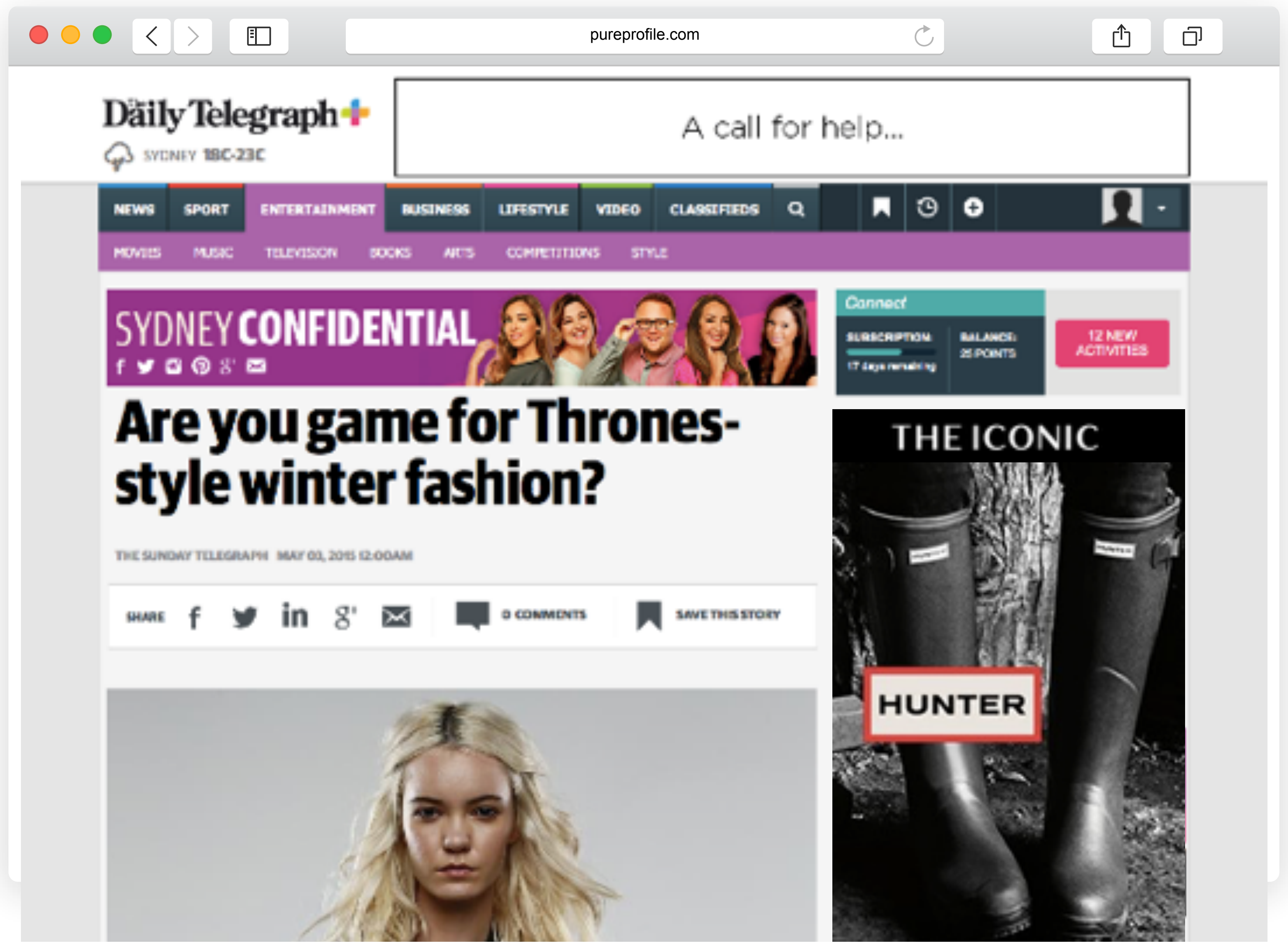
Unclaimed profiles

We monetise unclaimed profiles – via programmatic targeting . . .

Highly engaged Pureprofile Account Holders + Highly effective data capture = High-value targeting and lookalike imputed profiles

Answer Pureprofile micro survey





Expand relevant advertising to thousands of sites via programmatic (profile based) targeting

Financial attributes

Repeat revenue	• Blue-chip, long-term global clients • Long-term client relationships extending up to 10 years • SaaS monthly subscription revenues
Cloud, SaaS model	• Highly-scalable, low marginal cost of delivery • Single platform leveraged across the globe
High gross profit margin	• High-value profile data created and enriched at low cost • Gross profit margin tracking from 50%
Viral model	• Low-cost organic profile growth from member referrals • Opportunity to extend member referral model to publisher alliances
Cost efficiencies	• Utilise lower-cost ad inventory to reduce member and profile data acquisition cost • Lower cost, highly-skilled staff in India, Poland and Greece
Cash conversion	• Low Capex • Excess cash can be invested in technology & growth

Driving shareholder value

- **Disciplined approach to investment**
- **Continue investment in development of technology**
- **Focus on high gross margin and cash conversion**
- **M&A focus around 3 core principles:**
  1. Create profiles that add to or complement Pureprofile's consumer profile base, such as relevant online sites with a large audience or member base
  2. Enrich consumer profiles (such as big data analysis or profile-centric businesses
  3. Accelerate Pureprofile's monetisation of profiles, via acquisitions like Sparc
- **Medium-term focus to invest surplus cash for growth**
- **Board will develop a dividend policy to both support ongoing growth and provide yield**

Contact details

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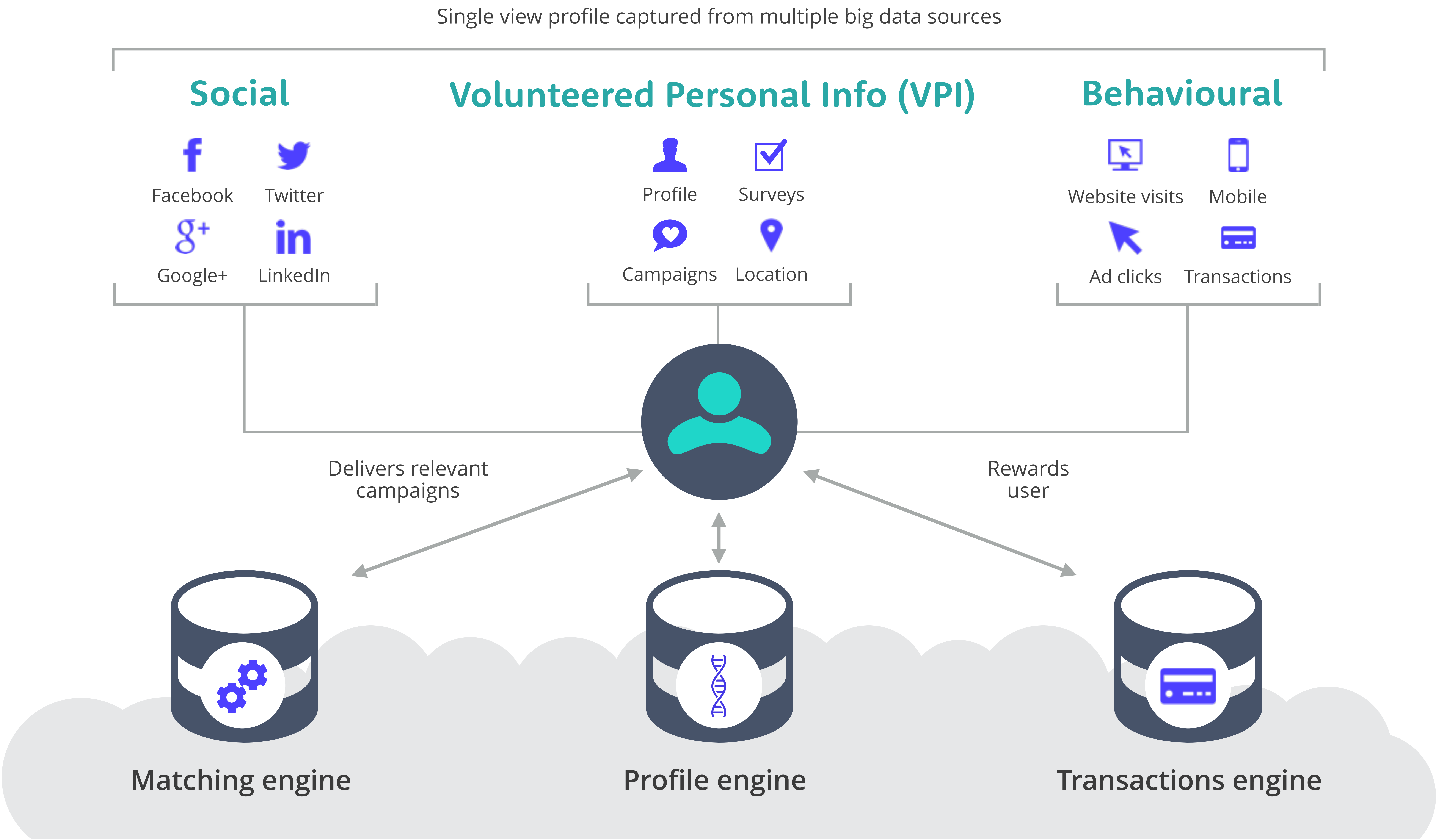
Appendix 1: technology platform



- ☑ Proprietary
- ☑ Scalable
- ☑ SaaS
- ☑ Cloud
- ☑ Programmatic
- ☑ Big data
- ☑ Evolved over time
- ☑ Competitive advantage

Appendix 2: shareholding & valuation

Shareholding	No. Shares / (%)
Paul Chan & Associates *	6,962,656 / 12.0%
Frederick Swaab & Associates *	6,173,850 / 10.6%
Top 20 Shareholders	26,226,658 / 45.3%
Board, Management & Staff	1,189,406 / 2.1%
Other	17,336,910 / 30.0%
Total	**57,889,480 / 100%**

* Voluntarily escrowed until release of 30 June 2016 Audited Financial Results

Valuation	PPL
Market Capitalisation - 29 Jul 15	$28.9 million
Shares on Issue	57,889,480 *
Unlisted Options	3,371,000
IPO	29 July 2015
Issue Price	50 cents

* Excludes assumption of additional 7,646,378 shares to Sparc vendors subject to performance

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