

1. Company details

Name of entity:	Pureprofile Ltd.
ABN:	37 167 522 901
Reporting period:	For the half-year ended 31 December 2015
Previous period:	For the half-year ended 31 December 2014

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	256.3% to	13,795,599
Normalised Earnings Before Interest, Tax, Depreciation, and Amortisation (Normalised EBITDA)	up	376.4% to	463,058
Loss from ordinary activities after tax attributable to the owners of Pureprofile Ltd.	up	61.1% to	(440,767)
Loss for the half-year attributable to the owners of Pureprofile Ltd.	up	61.1% to	(440,767)

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 \$440,767 (31 December 2014: \$273,592).

Normalised EBITDA profit for the financial year amounted to \$463,058 (31 December 2014: loss of \$167,505).

EBITDA 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 following table summarises key reconciling items between statutory loss after income tax and normalised EBITDA:

	Consolidated 31 Dec 2015 \$	31 Dec 2014 \$
Loss after income tax	(440,767)	(273,592)
Add: Depreciation and amortisation	591,487	308,163
Less: Interest income	(11,031)	(7,784)
Add: Share-based payment expense	173,565	92,443
Add: Restructuring, acquisition and IPO costs	326,572	14,384
Less: Income tax benefit	(176,768)	(301,119)
Normalised EBITDA	<u>463,058</u>	<u>(167,505)</u>

Refer to the Directors' report for further commentary on the group's results for the reporting period.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>3.53</u>	<u>0.80</u>

4. Control gained over entities

Name of entities (or group of entities) Funbox India Private Limited and Sparc Media sp. z o.o. (Poland)

Date control gained 24 July 2015

\$

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material) (176,848)

Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material) -

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 were subject to a review by the auditors and the review report is attached as part of the Interim Report.

10. Attachments

Details of attachments (if any):

The Interim Report of Pureprofile Ltd. for the half-year ended 31 December 2015 is attached.

11. Signed



Signed _____

Date: 25 February 2016

Andrew Edwards
Director
Sydney

Pureprofile Ltd.

ABN 37 167 522 901

Interim Report - 31 December 2015

Pro forma adjustments to the statutory income statement

The table below sets out the adjustment to the Statutory Results for the period 1 July 2015 to 31 December 2015 to primarily reflect the acquisitions that Pureprofile Ltd. has made since 1 July 2015 as if they had occurred as at 1 July 2014 and the full year impact of the operating and capital structure that is in place following completion of the Initial Public Offering ('IPO') (on 29 July 2015) as if it was in place as at 1 July 2014. In addition, certain other adjustments to eliminate non-recurring items have been made. These adjustments are summarised below:

	Pro forma Actual Consolidated 31 Dec 2015 \$m	Pro forma Actual Consolidated 31 Dec 2014 \$m	Change %
Statutory revenue	13.8	3.9	254%
Pro forma impact of acquisition ¹	1.1	5.4	(79%)
Pro forma revenue	14.9	9.3	62%
Statutory NPAT	(0.4)	(0.6)	22%
Pro forma impact of acquisition ¹	0.2	(0.2)	196%
Non-recurring and one-off items ²	0.3	0.3	(16%)
Non-recurring share-based payment expense	0.2	-	-
Non-recurring IPO expenses ³	0.2	-	-
Non-recurring M&A expenses ⁴	0.2	-	-
Amortisation of intangible upon acquisition ⁵	-	(0.1)	-
IPO-related remuneration costs ⁶	-	(0.1)	-
Public company costs ⁷	-	(0.1)	-
Tax effect ⁸	(0.1)	-	-
Total pro forma adjustments	1.0	(0.2)	622%
Pro forma NPAT	0.6	(0.8)	172%

The pro forma adjustments made to statutory revenue and NPAT of Pureprofile reflects the following events and assumptions:

1. **Pro forma impact of acquisition** represents the full impact of Sparc** revenue and NPAT as if Pureprofile controlled Sparc since 1 July 2014.
2. **Non-recurring and one-off items** represents the pro forma adjustment for non-recurring 'one-off' business expenditure incurred by Pureprofile which are specific to circumstances at the time, and include such items as recruitment fees, consultant fees and salaries as a result of the transition of key management roles.
3. **Non-recurring IPO expenses** relates to 'one-off' legal, auditor, corporate advisor and accounting services expenditure incurred in relation to the IPO on the Australian Securities Exchange.
4. **Non-recurring M&A expenses** relates to 'one-off' legal, auditor and accounting services expenditure incurred in relation to the acquisition of Sparc.
5. **Amortisation of intangible upon acquisition** represents the amortisation expense over four years stemming from the identifiable intangibles of the Sparc acquisition
6. **IPO-related remuneration costs** adjustment for increases in senior management remuneration on completion of the IPO and to remove the impact of one-off share-based payment expense relating to the issue of 3,371,000 options to directors, senior executive and staff of Pureprofile.
7. **Public company costs** based on Pureprofile's estimate of the incremental annual costs that it will incur as a listed public company. These costs include incremental increase to non-executive director remuneration, company secretary costs, additional audit and legal costs, listing fees, share registry fees, directors' and officers' insurance premiums as well as annual general meeting and annual report costs.
8. **Tax-effect of pro forma adjustments** relating to 1 to 7 above has been reflected in this adjustment as appropriate.

** Sparc Media Pty Limited, Adsparc Pty Limited, Future Students Pty Limited, Funbox India Private Limited (India) and Sparc Media sp. z o.o. (Poland) (collectively referred to as 'Sparc').

Pro forma consolidated income statements: Financial half-year ended 31 December 2015 compared to financial half-year ended 31 December 2014

The pro forma consolidated income statement for the financial half-year ended 31 December 2015 and 31 December 2014 has been prepared on the same basis as the pro forma consolidated financial income statement for the half-year ended 31 December 2015 and 31 December 2014 published in the Pureprofile Ltd. IPO prospectus issued in July 2015.

The table below sets out the pro forma consolidated income statement for the financial half-years ended 31 December 2015 and 31 December 2014.

	Pro forma 31 Dec 2015 \$m	Actual 31 Dec 2014 \$m	Change %
<i>Revenue</i>			
- Data & Insights	5.4	3.8	44%
- Programmatic Media	9.5	5.5	73%
Total revenue	14.9	9.3	62%
Cost of sales	7.1	5.3	34%
Gross Profit	7.8	3.9	98%
Operating EBITDA¹	1.0	(0.7)	251%
Depreciation	0.1	0.0	64%
Amortisation	0.5	0.4	34%
NPAT before non-recurring items²	0.6	(0.8)	169%
NPATA before non-recurring items³	0.7	(0.7)	193%

- Notes:
1. **Operating EBITDA** represents EBITDA before the impact of non-recurring items.
 2. **NPAT before non-recurring items** represent net profit after tax before the impact of non-recurring items.
 3. **NPATA before non-recurring items** is net profit after tax but prior to the amortisation of intangibles relating to acquisitions (net of tax effect), before the impact of non-recurring items.

Summary key operating metrics

Summary key operating metrics: Financial half-year ended 31 December 2015 compared to financial half-year ended 31 December 2014

	Pro forma 31 December 2015	31 December 2014	Change %
<i>Key financial metrics</i>			
- Revenue growth	62%	6%	55%
- Gross profit margin	52%	42%	10%
- EBITDA growth	251%	(65%)	316%
- EBITDA margin	7%	(7%)	14%
- NPATA growth	193%	(247%)	440%
- NPATA margin	4%	(7%)	12%

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Pureprofile Ltd. (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

Directors

The following persons were directors of Pureprofile Ltd. during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Andrew Edwards - Non-Executive Director (appointed acting Chairman on 18 February 2016)
Paul Chan - Executive Director & Chief Executive Officer
Geoffrey Nesbitt - Executive Director & Chief Financial Officer
Clifford Rosenberg - Non-Executive Director
Fredrick Swaab - Non-Executive Director (ceased to be a director on 17 February 2016)

Principal activities

During the financial year the principal continuing activities of the group consisted of the provision of profile marketing and insights technology services.

Dividends

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

Review of operations

The loss for the group after providing for income tax amounted to \$440,767 (31 December 2014: \$273,592).

Normalised EBITDA profit for the financial half-year amounted to \$463,058 (31 December 2014: loss of \$167,505).

EBITDA 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.

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Less: Interest income	(11,031)	(7,784)
Add: Share-based payment expense	173,565	92,443
Add: Restructuring, acquisition and IPO costs	326,572	14,384
Less: Income tax benefit	(176,768)	(301,119)
Normalised EBITDA	<u>463,058</u>	<u>(167,505)</u>

Overview

The group's financial performance for the half-year was very strong with pro forma revenue of \$14.9 million for 1HFY16, representing a 62% increase on 1HFY15.

The majority of the revenue growth was organic across its Data & Insights and Programmatic Media business divisions.

Review of key business segments

Data & Insights

Data & Insights performed strongly with pro forma revenue for 1HFY16 increasing to \$5.4m, up 44% on the previous corresponding period.

The group established a New Zealand presence in 2QFY16 with the incorporation of Pureprofile NZ Limited (PPNZ) within the group. PPNZ will continue to support and progress the group's ongoing strategic partnership with AA Smartfuel.

In addition, the ongoing work with News Corp Australia, and the further build of the company's SaaS platform capabilities, will allow Pureprofile to go to market with a strong value proposition to other top-tier online publishers in time.

Programmatic Media

The Programmatic Media business continues to perform above expectations with pro forma revenue for 1H FY16 of \$9.5m. This represents an increase of 73% compared to 1H FY15.

With the licensing of a data management platform, Lotame, in 1Q FY16, the group continued to build on existing infrastructure and capabilities that can process big data and provide more accurate and effective targeting of marketing campaigns.

Review of other operational aspects of the business

Purchase of business assets of Effective Measure

In February 2016, the group entered an agreement with Effective Measure International Pty Ltd ('Effective Measure') to purchase the assets of its Australia and New Zealand business. Effective Measure provided audience measurement and insights services to its clients.

The assets acquired by the group consist of anonymised data sets previously collated by Effective Measure; active client contracts for services and over 60 publisher contracts, which will allow the company access to track behavioural data from each of their websites.

Separately, Effective Measure have been engaged to develop similar data capture and storage capabilities to its business, which will further enhance the group's existing big data technology and infrastructure.

Sparc integration

The integration of the Sparc Media business has completed with a revised senior management and divisional structure. The group is now streamlining its capabilities and focusing on a simplified strategy.

Strategic alliances

The group's alliance with ProductReview.com.au was discontinued during the testing phase following ProductReview entering into an exclusive agreement with Fairfax Media. Any new opportunities that could potentially have been generated through ProductReview were not included in the group's forecasts. Further, it is believed the additional opportunities generated through the publisher agreements acquired from Effective Measure more than offsets any loss of opportunities of the ProductReview alliance.

The group's other strategic alliances with News Corp Australia (including the expansion of the revenue share arrangement from its main mastheads to news.com.au) and AA Smartfuel, remain on hand.

Significant changes in the state of affairs

On 24 July 2015, the group acquired the business and assets of Sparc Media's Australian business carried on by Sparc Media Pty Limited, Adsparc Pty Limited and Future Students Pty Limited, and the share capital of Funbox India Private Limited and Sparc Media sp. z o.o. (Poland) (collectively referred to as 'Sparc'). The purchase price is to be based upon the financial performance of Sparc in FY 2015 and FY 2016 but will be a minimum price of \$2,500,000 and is capped at a maximum price of \$6,600,000 plus any additional working capital adjustment up to \$10,600. The consideration will be settled in a mix of both cash and shares of Pureprofile Ltd. Sparc specialises in programmatic media sales of online advertising inventory for advertisers and publishers.

On 29 July 2015, the company completed an initial public offering ('IPO') of 20,000,000 shares of its common stock at \$0.50 per share and was admitted to the Official List of ASX Limited with the ASX code PPL. The net proceeds of the IPO after payment of fees, expenses and underwriting discounts were \$9,450,000.

There were no other significant changes in the state of affairs of the group during the financial half-year.

Matters subsequent to the end of the financial half-year

In February 2016, Pureprofile entered into an asset purchase agreement with Effective Measure International Pty Ltd ('Effective Measure') to purchase the assets of its Australia and New Zealand businesses. The assets acquired by the group consist of Effective Measure's existing client and publisher contracts as well as its online panel members and inventory of anonymous consumer behavioural data.

No other matter or circumstance has arisen since 31 December 2015 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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Edwards
Director

25 February 2016
Sydney



PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

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Auditor's Independence Declaration to the Directors of Pureprofile Ltd.

As lead auditor for the review of Pureprofile Ltd. for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pureprofile Ltd. and the entities it controlled during the period.

Pitcher Partners

Melissa Alexander
Partner

Dated in Sydney, this 25th day of February 2016

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General information

The financial statements cover Pureprofile Ltd. as a group consisting of Pureprofile Ltd. and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Pureprofile Ltd.'s functional and presentation currency.

Pureprofile Ltd. is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1, 35 Reservoir Street
Surry Hills
NSW 2010
Australia

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2016.

		Consolidated	
	Note	31 Dec 2015 \$	31 Dec 2014 \$
Revenue	3	13,795,599	3,871,984
Other income	4	900	49,994
Expenses			
Survey fees and other direct costs		(6,493,380)	(1,384,019)
Employee benefits expense		(4,226,945)	(1,581,057)
Foreign exchange loss		(105,168)	(4,692)
Depreciation and amortisation expense	5	(591,487)	(308,163)
Technology, engineering and licence fees		(1,144,357)	(493,790)
Share-based payment expense		(173,565)	(92,443)
Restructuring, acquisition and IPO costs		(326,572)	(14,384)
Other expenses		(1,352,559)	(618,141)
Loss before income tax benefit		(617,534)	(574,711)
Income tax benefit		176,767	301,119
Loss after income tax benefit for the half-year attributable to the owners of Pureprofile Ltd.		(440,767)	(273,592)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(24,719)	(50,114)
Other comprehensive income for the half-year, net of tax		(24,719)	(50,114)
Total comprehensive income for the half-year attributable to the owners of Pureprofile Ltd.		<u>(465,486)</u>	<u>(323,706)</u>
		Cents	Cents
Basic earnings per share	19	(0.78)	(0.86)
Diluted earnings per share	19	(0.78)	(0.86)

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

		Consolidated	
	Note	31 Dec 2015	30 Jun 2015
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	2,624,568	733,118
Trade and other receivables	7	7,336,764	3,261,482
Income tax receivable		1,319,682	925,920
Other		638,495	503,833
Total current assets		<u>11,919,509</u>	<u>5,424,353</u>
Non-current assets			
Property, plant and equipment	8	251,424	119,601
Intangibles	9	9,806,715	2,581,869
Deferred tax		1,757,566	1,235,587
Other		-	43,419
Total non-current assets		<u>11,815,705</u>	<u>3,980,476</u>
Total assets		<u>23,735,214</u>	<u>9,404,829</u>
Liabilities			
Current liabilities			
Trade and other payables	10	7,260,422	4,162,970
Borrowings	11	464,519	426,956
Provisions		2,363,716	2,384,842
Deferred revenue		117,490	248,000
Total current liabilities		<u>10,206,147</u>	<u>7,222,768</u>
Non-current liabilities			
Deferred tax		1,446,895	1,000,282
Provisions		79,886	29,114
Total non-current liabilities		<u>1,526,781</u>	<u>1,029,396</u>
Total liabilities		<u>11,732,928</u>	<u>8,252,164</u>
Net assets		<u>12,002,286</u>	<u>1,152,665</u>
Equity			
Issued capital	12	18,471,730	7,175,254
Reserves	13	(4,559)	1,529
Accumulated losses		<u>(6,464,885)</u>	<u>(6,024,118)</u>
Total equity		<u>12,002,286</u>	<u>1,152,665</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2014	4,015,461	509,468	(4,585,279)	(60,350)
Loss after income tax benefit for the half-year	-	-	(273,592)	(273,592)
Other comprehensive income for the half-year, net of tax	-	(50,114)	-	(50,114)
Total comprehensive income for the half-year	-	(50,114)	(273,592)	(323,706)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	2,375,882	-	-	2,375,882
Share-based payments	-	92,443	-	92,443
Balance at 31 December 2014	<u>6,391,343</u>	<u>551,797</u>	<u>(4,858,871)</u>	<u>2,084,269</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2015	7,175,254	1,529	(6,024,118)	1,152,665
Loss after income tax benefit for the half-year	-	-	(440,767)	(440,767)
Other comprehensive income for the half-year, net of tax	-	(24,719)	-	(24,719)
Total comprehensive income for the half-year	-	(24,719)	(440,767)	(465,486)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 12)	11,141,542	-	-	11,141,542
Share-based payments	-	173,565	-	173,565
Transfer from share-based payments reserve to issued capital (note 13)	154,934	(154,934)	-	-
Balance at 31 December 2015	<u>18,471,730</u>	<u>(4,559)</u>	<u>(6,464,885)</u>	<u>12,002,286</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

		Consolidated	
	Note	31 Dec 2015 \$	31 Dec 2014 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		10,299,039	4,141,969
Payments to suppliers and employees (inclusive of GST)		(12,306,871)	(4,361,318)
		(2,007,832)	(219,349)
Interest received		11,031	7,784
Income taxes refunded		14,059	-
Net cash used in operating activities		(1,982,742)	(211,565)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	17	(2,515,893)	-
Payment for expenses relating to acquisitions		(1,412,572)	-
Payments for property, plant and equipment	8	(164,936)	(10,986)
Payments for intangibles	9	(1,172,620)	(748,008)
Proceeds from disposal of property, plant and equipment		900	-
Net cash used in investing activities		(5,265,121)	(758,994)
Cash flows from financing activities			
Proceeds from issue of shares	12	10,000,000	2,375,882
Share issue transaction costs		(896,574)	-
Repayment of borrowings		(100,000)	-
Net cash from financing activities		9,003,426	2,375,882
Net increase in cash and cash equivalents		1,755,563	1,405,323
Cash and cash equivalents at the beginning of the financial half-year		531,162	998,604
Effects of exchange rate changes on cash and cash equivalents		(1,676)	13,231
Cash and cash equivalents at the end of the financial half-year		<u>2,285,049</u>	<u>2,417,158</u>

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Pureprofile Ltd. was incorporated on 14 January 2014. On 6 November 2014 ('the corporate restructure date') the shareholders of the company undertook a corporate reorganisation, in which Pureprofile Ltd, acquired Pureprofile Global Pty Ltd and Pureprofile.com, Inc. and their respective subsidiaries ('existing Merged Group').

This corporate reorganisation did not represent a business combination in accordance with AASB 3 'Business Combination'. Instead the appropriate accounting treatment for recognising the new group structure was on the basis that the transaction was a form of capital reconstruction and group reorganisation. Accordingly the financial statements for the current and comparative periods presented are a continuation of the existing Merged Group. As such,

- the assets and liabilities recognised as at the corporate restructure date were measured at the carrying amounts of the existing Merged Group at that time rather than at fair value;
- the retained earnings and other equity balances recognised as at the corporate restructure date were the existing retained earnings and other equity balances of the existing Merged Group;
- no 'new' goodwill had been recognised as a result of the corporate restructure; and
- the comparatives presented represent the results of the existing Merged Group for the half year up to the corporate restructure date and of the restructured entity from that restructure date for the remainder of the half year.

New, revised or amending Accounting Standards and Interpretations adopted

The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Operating segments

Identification of reportable operating segments

The group has one operating segment 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. This segment's financial information is detailed throughout these financial statements.

The CODM reviews sales by product type and geographical region.

In the 30 June 2015 annual report, revenue was split into three product and service lines being Research, Media and Platform. Internal reports provided to the Board of Directors during the period ended 31 December 2015 have merged Research and Platform product and service lines (now called Data & Insights) for the purposes of the Board assessing performance and in determining the allocation of resources.

Types of products and services

The principal products and services are as follows:

Data & Insights	Conducting market research and providing research technology platforms
Programmatic Media	Buying and re-selling advertising inventory

Note 2. Operating segments (continued)

Refer to note 3 for details of revenue split by product and service line.

Major customers

There are no major customers that contributed more than 10% of revenue to the group (2014: nil).

Revenue by geographical area

The group operates in 3 (2014: 3) regions. The sales revenue for each region is as follows:

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
Australia	6,700,429	3,080,614
Europe	2,432,424	231,133
US	4,662,746	560,237
	<u>13,795,599</u>	<u>3,871,984</u>

Note 3. Revenue

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
<i>Sales revenue</i>		
Data & Insights	5,452,488	3,805,080
Programmatic Media	8,332,080	59,120
	<u>13,784,568</u>	<u>3,864,200</u>
<i>Other revenue</i>		
Interest	11,031	7,784
Revenue	<u>13,795,599</u>	<u>3,871,984</u>

Note 4. Other income

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
Net gain on disposal of property, plant and equipment	900	-
Government grants	-	49,994
Other income	<u>900</u>	<u>49,994</u>

Note 5. Expenses

Consolidated
31 Dec 2015 31 Dec 2014
\$ \$

Loss before income tax includes the following specific expenses:

Depreciation

Office and computer equipment	55,586	15,003
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Amortisation

Software	527,401	293,160
Membership base	8,500	-

Total amortisation	535,901	293,160
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Total depreciation and amortisation	591,487	308,163
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Finance costs

Interest and finance charges paid/payable	69,206	27,989
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Rental expense relating to operating leases

Minimum lease payments	270,558	174,674
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Superannuation expense

Defined contribution superannuation expense	301,760	115,367
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Share-based payments expense

Share-based payments expense	173,565	92,443
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Employee benefits expense excluding superannuation

Employee benefits expense excluding superannuation	3,925,185	1,465,690
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Note 6. Current assets - cash and cash equivalents

Consolidated
31 Dec 2015 30 Jun 2015
\$ \$

Cash at bank	1,363,566	233,118
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Cash on deposit*	1,261,002	500,000
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	2,624,568	733,118
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* Included in cash on deposits is \$500,000 (30 June 2015: \$500,000) of restricted cash balances. \$500,000 (30 June 2015: \$500,000) is held and maintained as security over the group's bank overdraft facility.

Cash and cash equivalents at 31 December 2015 of \$2,285,049 as shown in the statement of cash flows comprises the cash and cash equivalents balances as shown above and the bank overdraft of \$339,519 (30 June 2015: \$201,956) as disclosed in note 11.

Note 7. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Trade receivables	6,848,206	3,052,477
Less: Provision for impairment of receivables	(40,520)	(35,120)
	<u>6,807,686</u>	<u>3,017,357</u>
Other receivables	529,078	244,125
	<u>7,336,764</u>	<u>3,261,482</u>

Included in other receivables is \$300,000 (30 June 2015: \$nil) which is held in escrow and represents the final cash payment for the acquisition of Sparc Media which is expected to be released on 29 July 2016.

Note 8. Non-current assets - property, plant and equipment

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Office and computer equipment - at cost	350,099	171,758
Less: Accumulated depreciation	(98,675)	(52,157)
	<u>251,424</u>	<u>119,601</u>

Reconciliations

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

Consolidated	Office and computer equipment	Total
	\$	\$
Balance at 1 July 2015	119,601	119,601
Additions	164,936	164,936
Additions through business combinations (note 17)	22,473	22,473
Depreciation expense	(55,586)	(55,586)
Balance at 31 December 2015	<u>251,424</u>	<u>251,424</u>

Note 9. Non-current assets - intangibles

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Goodwill - at cost	5,607,127	-
Software - at cost	6,109,726	3,956,106
Less: Accumulated amortisation	(2,059,813)	(1,532,412)
	<u>4,049,913</u>	<u>2,423,694</u>
Membership base - at cost	68,000	68,000
Less: Accumulated amortisation	(12,325)	(3,825)
	<u>55,675</u>	<u>64,175</u>
Brand names - at cost	94,000	94,000
	<u>94,000</u>	<u>94,000</u>
	<u><u>9,806,715</u></u>	<u><u>2,581,869</u></u>

Reconciliations

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

	Goodwill	Software	Membership	Brand	Total
	\$	\$	base	names	\$
Consolidated					
Balance at 1 July 2015	-	2,423,694	64,175	94,000	2,581,869
Additions	-	1,172,620	-	-	1,172,620
Additions through business combinations (note 17)	5,607,127	981,000	-	-	6,588,127
Amortisation expense	-	(527,401)	(8,500)	-	(535,901)
Balance at 31 December 2015	<u>5,607,127</u>	<u>4,049,913</u>	<u>55,675</u>	<u>94,000</u>	<u>9,806,715</u>

Impairment testing

Goodwill and brand names are tested annually for impairment. For the half year ended 31 December 2015, the recoverable amount of the brand name and goodwill is determined based on fair value less costs to sell. On the basis that the brand name was acquired on 9 April 2015 and the goodwill was acquired on 24 July 2015 and no indicators of impairment have arisen subsequent to the acquisition dates, management have assessed that the carrying value of the goodwill and brand name at 31 December 2015 approximates its fair value less cost to sell. Therefore the carrying amount of the brand name does not exceed its recoverable amount.

Note 10. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Trade payables	2,471,440	2,071,380
Contingent consideration	1,500,000	-
Accrued expenses	2,182,701	1,187,298
Other payables	1,106,281	904,292
	<u>7,260,422</u>	<u>4,162,970</u>

Contingent consideration of \$1,500,000 represents consideration for the acquisition of Sparc Media's business which is payable subject to the achievement of certain performance criteria. Contingent consideration comprises \$300,000 payable in cash and \$1,200,000 of Pureprofile Limited shares to be issued. Contingent consideration will be payable on 29 July 2016.

Note 11. Current liabilities - borrowings

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Bank overdraft	339,519	201,956
Bank loans	125,000	125,000
Convertible notes payable	-	100,000
	<u>464,519</u>	<u>426,956</u>

Note 12. Equity - issued capital

	Consolidated			
	31 Dec 2015	30 Jun 2015	31 Dec 2015	30 Jun 2015
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>62,161,253</u>	<u>37,531,146</u>	<u>18,471,730</u>	<u>7,175,254</u>

Movements in ordinary share capital

Details	Date	Shares	\$	
Balance	1 July 2015	37,531,146		7,175,254
Shares issued at IPO	29 July 2015	20,000,000	\$0.50	10,000,000
Shares issued as share-based payment	29 July 2015	302,334	\$0.42	126,934
Shares issued through the Prospectus under the Employee Award Offer	29 July 2015	56,000	\$0.50	28,000
Shares issued on acquisition of Sparc Media	1 September 2015	2,420,624	\$0.40	968,250
Shares issued on acquisition of Sparc Media	1 November 2015	1,851,149	\$0.41	755,269
Less: share issue costs net of taxation		-	\$0.00	(581,977)
Balance	31 December 2015	<u>62,161,253</u>		<u>18,471,730</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 12. Equity - issued capital (continued)

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.

Note 13. Equity - reserves

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Foreign currency reserve	(175,916)	(151,197)
Share-based payments reserve	171,357	152,726
	<u>(4,559)</u>	<u>1,529</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.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency \$	Share-based payments \$	Total \$
Balance at 1 July 2015	(151,197)	152,726	1,529
Foreign currency translation	(24,719)	-	(24,719)
Share-based payments	-	173,565	173,565
Transfer to issued capital (note 12)	-	(154,934)	(154,934)
Balance at 31 December 2015	<u>(175,916)</u>	<u>171,357</u>	<u>(4,559)</u>

Note 14. Equity - dividends

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

Note 15. Fair value measurement

Fair value hierarchy

The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - 31 Dec 2015				
<i>Liabilities</i>				
Contingent consideration	-	-	1,500,000	1,500,000
Total liabilities	-	-	1,500,000	1,500,000

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 3

Contingent consideration has been valued using a discounted cash flow model.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

	Contingent consideration \$	Total \$
Consolidated		
Balance at 1 July 2015	-	-
Additions	1,500,000	1,500,000
Balance at 31 December 2015	1,500,000	1,500,000

Note 16. Contingent liabilities

The group has given a bank guarantee as at 31 December 2015 of \$229,060 (30 June 2015: \$127,904) to their landlord for leased property.

Note 17. Business combinations

Sparc Media's Australian business

On 24 July 2015, the group acquired the business and assets of Sparc Media's Australian business carried on by Sparc Media Pty Limited, Adsparc Pty Limited and Future Students Pty Limited, and 100% of the share capital of Funbox India Private Limited and Sparc Media sp. Z o.o. (Poland) (collectively referred to as "Sparc") for the total consideration transferred of \$6,610,240. Sparc specialises in programmatic media sales of online advertising inventory for advertisers and publishers and operates in Sparc Media Pty Ltd subsidiary of the consolidated entity. It was acquired to accelerate Pureprofile's expansion into media sales, to access Sparc Group's highly skilled workforce and proprietary technology platforms. The goodwill of \$5,607,127 represents the strategic drivers of the business including enabling Pureprofile to offer advertisers and their agencies highly targeted programmatic advertising campaigns across display, rich media, mobile, video and social channels in key global markets, to offer publishers programmatic campaigns and profiling data to optimise yields and to create additional profiles at a low marginal cost. The acquired business contributed revenues of \$8,297,263 and profit after tax of \$875,843 to the consolidated entity for the period from 24 July 2015 to 31 December 2015. If the acquisition occurred on 1 July 2015, the full year contributions would have been revenues of \$9,454,494 and profit after tax of \$1,082,531. The values identified in relation to the acquisition of Sparc Group are final as at 31 December 2015.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	117,866
Trade receivables	691,880
Prepayments	18,948
Other current assets	156,525
Plant and equipment	22,473
Software	981,000
Deferred tax asset	7,969
Trade payables	(655,702)
Employee benefits	(26,564)
Other liabilities	(311,282)
Net assets acquired	1,003,113
Goodwill	5,607,127
Acquisition-date fair value of the total consideration transferred	<u>6,610,240</u>
Representing:	
Cash paid or payable to vendor	2,710,240
Pureprofile Ltd. shares issued/to be issued to vendor	2,400,000
Contingent consideration - cash payable to vendor	300,000
Contingent consideration - Pureprofile Ltd. shares to be issued to vendor	1,200,000
	<u>6,610,240</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	6,610,240
Less: cash and cash equivalents	(117,866)
Less: payments to be made in future periods	(76,481)
Less: contingent consideration	(1,500,000)
Less: shares issued by company as part of consideration	(1,723,519)
Less: shares to be issued by company in future periods	(676,481)
Net cash used	<u>2,515,893</u>

Total acquisition costs in relation to the acquisition of Sparc amounted to \$449,451, of which \$103,254 were expensed to the profit or loss during the half-year ended 31 December 2015.

Note 18. Events after the reporting period

In February 2016, Pureprofile entered into an asset purchase agreement with Effective Measure International Pty Ltd ('Effective Measure') to purchase the assets of its Australia and New Zealand businesses. The assets acquired by the group consist of Effective Measure's existing client and publisher contracts as well as its online panel members and inventory of anonymous consumer behavioural data.

No other matter or circumstance has arisen since 31 December 2015 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.

Note 19. Earnings per share

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
Loss after income tax attributable to the owners of Pureprofile Ltd.	(440,767)	(273,592)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	56,775,683	31,834,239
Weighted average number of ordinary shares used in calculating diluted earnings per share	56,775,683	31,834,239
	Cents	Cents
Basic earnings per share	(0.78)	(0.86)
Diluted earnings per share	(0.78)	(0.86)

Options have been excluded from the calculation of diluted earnings per share as they were considered anti-dilutive.

Options have been excluded from the diluted earnings per share as they were anti-dilutive.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Edwards
Director

25 February 2016
Sydney



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Independent Auditor's Review Report to the Members of Pureprofile Ltd.

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Pureprofile Ltd ("the company"), and its Controlled Entities ("the consolidated entity"), which comprises the statement of financial position as at 31 December 2015, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising Pureprofile Ltd and entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *"Review of a Financial Report Performed by the Independent Auditor of the Entity"*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *"Interim Financial Reporting"* and the *Corporations Regulations 2001*. As the auditor of Pureprofile Ltd. and the entities it controlled, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pureprofile Ltd. is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Pitcher Partners

Pitcher Partners

Melissa Alexander

Melissa Alexander

Partner

Dated in Sydney, this 25th day of February 2016