Annual Report 2019

Pureprofile Limited ABN 37 167 522 901

Pureprofile

Contents

Our Mission, Vision & Values
Financial Highlights
Chairman's Letter
Meet our Directors
Directors' report 2
Auditor's independence declaration 15
Statement of profit or loss & other comprehensive income... 16
Statement of financial position 18
Statement of changes in equity 19
Statement of cash flows 20
Notes to the financial statements 21
Directors' declaration 63
Independent auditor's report to the members of Pureprofile Ltd 64
Corporate directory 68
Shareholder information 69

WE BELIEVE IN A WORLD WHERE CONSUMERS HAVE ACCESS TO MORE OF WHAT THEY WANT, AND BUSINESSES HAVE THE OPPORTUNITY TO CONNECT WITH MORE OF THE PEOPLE THAT MATTER.

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 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 and principal business address is: Level 20, 233 Castlereagh Street, Sydney NSW 2000. 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 27 September 2019. The directors have the power to amend and reissue the financial statements.

Our Mission, Vision & Values

Mission: Help people thrive in the new world.

Vision: Create a world where people know what's important.

Values: Reflect our identity and help shape our culture.
We are committed to:

- **Discovery:** We're always learning, keeping an open mind, empowering creative thinking and always innovating.
- **Ownership:** We take ownership for delivering work we are proud of and we genuinely care about our relationships with stakeholders.
- **Trust:** Honesty, transparency and mutual respect are non-negotiable. We act with integrity and kindness.
- **Teamwork:** We work as a team, respect our stakeholders and get in the trenches and win together.

WE ASPIRE TO BE THE FIRST CONSUMER-TRUSTED DATA BRAND.

Data & Insights, powered by technology
We believe in a world where consumers have access to more of what they want, and businesses have the opportunity to connect with more of the people that matter.

Our platform helps businesses identify, connect and engage with consumers as part of a mutually beneficial relationship. By capturing declared, first-party data and the formation of deep consumer profiles, our clients gain the ability to segment, target and engage with their audiences for the purpose of research, advertising, customer acquisition and consumer profiling. In exchange, consumers receive value for their data and opinions, both as an immediate reward and through the delivery of preferred, more relevant content and advertising.

Pureprofile is at the nexus of consumers realising the value of their data and the importance of transparency. We aspire to be the first consumer-trusted data brand by enabling consumers to take ownership and control of their data and helping them derive substantial benefit from it.

Financial Highlights

Discontinued declining / lower margin businesses

NPAT loss improved by $11.5m through decrease in non-cash write down of intangibles and amortisation expenses

Extension on all debt facilities to 1 October 2020

Revenue on continuing businesses was
$26.7m up 5%
on pcp

D&I business grew revenue
14%
with UK growing
89%

Media business grew revenue 3%, ramping up to
23%
in H2

Further cost savings of
$0.5m
on continuing businesses

Operating cash flow improved by
$1.9m
through increased collection of receipts in H2

Continuing EBITDA was up
49%
driven by growth in revenue, gross margin and cost savings

Chairman's Letter

DEAR FELLOW INVESTORS,

It is my privilege to present to you Pureprofile's FY2019 Annual Report. There is no doubt that it has been a year of challenges and changes, most recently to the composition of the Board and senior management, which included me stepping back into an executive role as Executive Chairman.

With a leaner and more agile team to continue the focus on growing our core business, I am confident that we will return to positive operating cash flow and EBITDA. In this regard, we have provided to the market an **FY20 EBITDA guidance of $2.7m - $3.0m.**

We have reached this position after completing the first phase of our turnaround strategy, which included:

- **a $5m reduction in the annualised cost base;**
- **simplification of the business with the sale of the Company's media trading and ANZ lead generation business units; and**
- **revenue growth of its core Data & Insights and Media offerings**.

I am especially pleased that the next phase of the Company's turnaround will be led by Mrs Melinda Sheppard, who has been promoted from Chief Financial Officer to Chief Operating Officer. Melinda has been instrumental over the past year in ensuring that the Company's finances continue to be managed tightly and prudently.

WITH A LEANER AND MORE AGILE TEAM TO CONTINUE THE FOCUS ON GROWING OUR CORE BUSINESS, I AM CONFIDENT THAT WE WILL RETURN TO POSITIVE OPERATING CASH FLOW AND EBITDA.

In working with her, Melinda has not been afraid to roll up her sleeves and get down into the weeds and she shows genuine enthusiasm to see this Company succeed. I can think of no one better to take on the day-to-day management responsibilities for Pureprofile and she has the strongest confidence and support of the Board.

I welcome our latest board appointment, Mr Aaryn Nania, as a non-executive director. Aaryn is also a co-founder and director of Lucerne Investment Partners, Pureprofile primary lender. Lucerne has been supportive of Pureprofile's for almost 2 years and to have Aaryn on board as a director shows the commitment Lucerne has to working with us as true partners.

The past 18 months have been challenging for Pureprofile as it has undergone a fundamental transformation. Notwithstanding this, the underlying fundamentals of the Company are encouraging and continue to improve. On a continuing business basis:

- **Total revenue was $26.7m, up 5% on FY2018**
- **Gross margin was 58%, down 1% on FY2018**
- **EBITDA was ($1.3m), up 49% on FY2018**

It is even more impressive to note that the Company's core D&I and Media businesses grew 14% and 3% respectively over the year. More challenging though was the Performance UK business unit, which declined 35%.

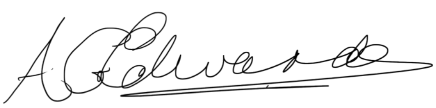
On a statutory basis (which includes the discontinued businesses that were sold during the year), the results are:

- **Total statutory revenue of $37.8m**
- **Net Profit (Loss) After Tax of ($14.5m)**
- **Operating cash flow improvement of $1.9m**

The NPAT position was primarily attributable to the final, non-cash write down of intangibles relating to the sale of the Media Trading and Performance ANZ businesses. Accordingly, with the impact of these material write downs behind us, it is expected that NPAT will significantly improve in the coming financial year.

There is still much work to do as we enter the next phase of Pureprofile's turnaround. However, the direction and strategic focus of the business is clear: maintain net positive cash flow; continue to grow revenue; and explore capital restructuring initiatives that reduce our debt exposure.

As always, I'd like to thank my board colleagues for their commitment and contribution over the year. I'd also like to thank our talented, hard-working staff across the globe for all their efforts. And, of course, to our shareholders, whose continued patience and support is greatly appreciated.



ANDREW EDWARDS
CHAIRMAN

Meet our Directors

ANDREW EDWARDS

Executive Chairman

Andrew has more than 30 years of marketing experience and, prior to joining Pureprofile, was the Chairman and CEO of internationally-renowned advertising and marketing agency Leo Burnett Group UK and President of Leo Burnett Central Europe.
Andrew also sat on its Global Executive Leadership Team with the specific remit of M&A (EMEA) and the rollout of the groups Social and Mobile Strategy.

Prior to his roles at Leo Burnett, Andrew ran Australia's most-awarded direct marketing company, Cartwright Williams.

Andrew now focusses his time on his portfolio of business interests.

SUE KLOSE

Non-Executive Director

Sue is an experienced executive, board director and team leader, with a diverse background in digital business growth, corporate development, strategy and marketing. Previously the Chief Marketing Officer of GraysOnline, she was responsible for brand strategy, marketing operations and digital product strategy.

Prior roles in consulting and global media companies, including 12WBT and News Ltd, Sue has led strategic planning and development and helped teams continually seek new opportunities for growth and innovation. As Director of Digital Corporate Development for News Ltd, Sue screened hundreds of potential investments, leading multiple acquisitions, establishing the CareerOne and Carsguide joint ventures.

Sue is currently a Non-Executive Director of ASX-listed Nearmap, and Aftercare, one of Australia's largest mental health care providers.

AARYN NANIA

Non-Executive Director

Aaryn is co-founder and Head of Funds Management at Lucerne Investment Partners – an active, long-term investor in both listed and unlisted companies globally. Prior to Lucerne, Aaryn was a Portfolio Manager at Canadian investment bank Canaccord Genuity (Australia) where he established and managed the Absolute Return Portfolio.

In addition to his directorship at Lucerne, Aaryn is currently a non-executive director of Headware, an optometry group, Connexion Telematics, an ASX-listed software company, holds a Bachelor of Commerce from the University of Melbourne and is a Member of the Australian Institute of Company Directors.

Directors' Report

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 year ended 30 June 2019.

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

Andrew Edwards - Executive Chairman (formerly Non-Executive, appointed Executive on 28 August 2019)
Sue Klose - Non-Executive Director (appointed on 1 September 2018)
Aaryn Nania - Non-Executive Director (appointed on 28 August 2019)
Marcelo Ulvert - Non-Executive Director (appointed on 1 September 2018 and resigned on 12 February 2019)
Clifford Rosenberg - Non-Executive Director (resigned on 28 February 2019)
Nic Jones - Managing Director & Chief Executive Officer (resigned on 28 August 2019)

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 year.

Review of operations
The loss for the group after providing for income tax amounted to $14,460,042 (30 June 2018: $25,979,877).

Earnings before interest, tax, depreciation and amortisation ('EBITDA') for the financial year amounted to a loss of $713,742 (30 June 2018: profit of $740,914).

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 EBITDA:

	Consolidated	
	2019 $	2018 $
Loss after income tax	(14,460,042)	(25,979,877)
Add: Depreciation and amortisation	3,803,103	5,251,229
Add: Impairment of assets	2,453,010	17,994,882
Add: Loss on disposal of intangible assets	1,027,054	1,058,000
Add: Derecognition of goodwill on disposal of businesses	3,500,000	-
Less: Interest income	(3,246)	(5,584)
Add: Finance costs	2,522,508	1,574,900
Less: Income tax expense/(benefit)	443,871	847,364
EBITDA	(713,742)	740,914

Total statutory revenue for FY2019 was $37.8m, a decline of 27% on prior comparable period (pcp) (FY2018: $52.0m). However, the decline was largely due to the group not having the benefit of full-year results of the Media Trading and Performance (ANZ) businesses, which were sold in October 2018 and March 2019 respectively. These businesses were sold as they were forecast to have declining revenues and with lower margins compared to the group's core business units. Following the release of the preliminary financials on 28 August 2019, an additional amount of ($3.8m) was recognised, which impacted the group's NPAT. This included a non-cash write down of intangibles relating to the disposal of the Media Trading business ($3.5m); provision for retroactively applied council rates in the UK ($0.2m); and revenue reversal ($0.1m). This accounts for the difference in the statutory NPAT of ($14.5m) compared to NPAT of ($10.7m) stated in the preliminary financials.

On a continuing business basis, total revenue was $26.7m, a 5% increase on pcp (FY2018: $25.4m). The full impact of the growth from the core businesses was masked by the decline of the retained Performance business in the UK, which was down 35% on pcp (FY19: $2.2m; FY18: $3.4m) due to unforeseen reduction in sales resources and capability. Data & Insights was up 14% on pcp (FY19: $18.4m, FY18: 16.1m). Of this growth, the D&I business in the UK grew 95%. The Media business also showed modest growth for the year of 3% (FY19: $6.1m, FY18: $5.9m) though it significantly ramped up in the second half with growth of 23% on pcp.

Gross margin remained relatively stable at 58%, a 1% decline on pcp. The decline was more marked across the Media Trading and Performance ANZ businesses, which were sold. Had these business units not been divested, it is likely that gross margin levels would have declined further.

The revenue growth had a positive impact on EBITDA on continuing businesses, which improved by 49%, up from ($2.5m) in FY2018 to ($1.3m) in FY2019. Statutory net profit (loss) after tax was also improved by 44% (FY2019: ($14.5m); FY2018: ($26.0m)), largely due to the reduction in non-cash write-downs of intangibles that were recognised in FY2018.

Significant changes in the state of affairs

The following significant changes in the state of affairs occurred during the year:

- Board resignations: Mr Marcelo Ulvert and Mr Cliff Rosenberg resigned from the Board on 12 February 2019 and 28 February 2019, respectively.
- Debt facilities: the group agreed new terms on its existing debt facility with Lucerne Investment Partners (Lucerne). Under the revised terms, the group secured an additional line of credit of $3m in February 2019 and $2.6m in June 2019.
- Sales of businesses: the group divested its Media Trading and Performance (ANZ) businesses (in October 2018 and March 2019 respectively), which were considered to be declining in revenue with lower margins compared to its core businesses.

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

Matters subsequent to the end of the financial year

On 28 August 2019, Mr Nic Jones resigned as CEO and Managing Director, with Mr Andrew Edwards taking over in an ongoing executive capacity as Executive Chairman. At the same time, CFO, Mrs Melinda Sheppard, was promoted to Chief Operating Officer, with responsibility for managing finance, HR, operational delivery and corporate services. Mr Aaryn Nania was also appointed Non-Executive Director to replace Mr Jones on the board.

Effective 1 September 2019, the following changes were made to the group's existing debt facilities with Lucerne:

- Maturity date: the maturity date on all facilities has been extended to 1 October 2020;
- Interest rate: the interest rate has been set at 20% on all drawn facilities and the group has the option to capitalise interest and repay it with the principal upon maturity; and
- Repayment fee: the 'Repayment Fee', which Lucerne would have been entitled to on the happening of a 'Control Transaction' (as disclosed to the ASX on 28 February 2019), has been removed.

Effective 27 September 2019, the group's debt facilities with Lucerne were increased by $5,400,000. The line of credit on Facility C was increased from $2,600,000 to $7,000,000. The maturity date and interest rate remain unchanged from the amendments made to the facility on 1 September 2019.

No other matter or circumstance has arisen since 30 June 2019 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.

Likely developments and expected results of operations

Revenue growth for the group's core Data & Insights and Media business units are expected to continue while revenues for the Performance UK business is expected to recover after a decline in FY2019.

The group has provided EBITDA guidance of $2.7m - $3.0m (excluding the impact of AASB16 lease accounting standard).

The group further expects to realise net positive cash flows from operating activities and will continue to explore capital restructuring initiatives and other strategic options to reduce its debt exposure.

Environmental regulation

The group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Andrew Edwards
Title:	Executive Chairman
Experience and expertise:	Andrew has more than 30 years of marketing experience behind him. Most recently, he was Chairman and CEO of internationally-renowned advertising and marketing agency Leo Burnett Group UK and President of Leo Burnett Central Europe. Andrew joined Leo Burnett as the Global Discipline Lead for DM and CRM of Arc in 2003 and was soon promoted to Managing Director of Leo Burnett Sydney, incorporating Arc. During his tenure, the agency topped the new business league, and in September 2005, Leo Burnett/Arc was voted Australia's number one agency. For over 10 years, Andrew was appointed to several senior roles within the company, including President of Arc for the EMEA region, Chairman of Arc UK and Deputy Chairman of the Leo Burnett Group London, before becoming CEO of the UK Group in November 2007 and Chairman in December 2010. Andrew was a member of the Global Executive Board and was tasked to drive Leo Burnett's Global Strategy for Social and Mobile and Acquisitions in EMEA. Prior to his roles for Leo Burnett and Arc. Andrew ran Australia's most-awarded Database and Direct Marketing company, Cartwright Williams. Andrew now focusses his time on his growing portfolio of business interests.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee
Interests in shares:	984,691 ordinary shares
Interests in options:	400,000 options over ordinary shares
Interests in rights:	None
Contractual rights to shares:	None

Name:	Sue Klose
Title:	Non-Executive Director (appointed on 1 September 2018)
Qualifications:	Sue has an MBA in Finance, Strategy and Marketing from the JL Kellogg School of Management at Northwestern University, and a Bachelor of Science in Economics from the Wharton School of the University of Pennsylvania.
Experience and expertise:	Sue is an experienced executive, board director and team leader, with a diverse background in digital business growth, corporate development, strategy and marketing. Previously the Chief Marketing Officer of GraysOnline, Sue was responsible for brand strategy, marketing operations and digital product strategy. In prior roles in consulting and global media companies, including 12WBT and News Ltd, Sue has led strategic planning and development and is passionate about helping teams continually seek new opportunities for growth and innovation. As Director of Digital Corporate Development for News Ltd, Sue screened hundreds of potential investments, leading multiple acquisitions, establishing the CareerOne and Carsguide joint ventures, and holding multiple board roles in high-growth digital and SaaS business.
Other current directorships:	Non-Executive Director of Nearmap (ASX: NEA)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit Committee and Member of the Nomination and Remuneration Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	None
Contractual rights to shares:	None

Name:	Aaryn Nania
Title:	Non-Executive Director (appointed on 28 August 2019)
Qualifications:	Bachelor of Commerce from the University of Melbourne and is a Member of the Australian Institute of Company Directors
Experience and expertise:	Aaryn is co-founder and Head of Funds Management at Lucerne Investment Partners – an active, long-term investor in both listed and unlisted companies globally. Prior to Lucerne, Aaryn was a Portfolio Manager at Canadian investment bank Canaccord Genuity (Australia) where he established and managed the Absolute Return Portfolio.In addition to his directorship at Lucerne, Aaryn is currently a Non-Executive director of Headware, an optometry group, Connexion Telematics Ltd, an ASX-listed software company.
Other current directorships:	Non-Executive director of Connexion Telematics Ltd (ASX: CXZ)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit Committee and Member of the Nomination and Remuneration Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	None
Contractual rights to shares:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Kohei Katagiri was appointed Company Secretary on 1 May 2018. Kohei is an admitted solicitor and holds a Bachelor of Arts (Psychology) / Bachelor of Laws from Macquarie University, and a Graduate Diploma in Taxation and a Master of Laws from the University of Sydney. He is an associate member of the Governance Institute of Australia.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Andrew Edwards	9	9	-	-	1	1
Nic Jones	9	9	-	-	1	1
Cliff Rosenberg	5	7	-	-	1	1
Sue Klose	7	7	-	-	-	-
Marcelo Ulvert	2	3	-	-	-	-

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee is responsible for reviewing and making recommendations to the Board on remuneration packages and policies relating to the directors and executives and to ensure that the remuneration policies and practices are consistent with the group's strategic goals and human resource objectives.

In consultation with external remuneration consultants (refer to the section 'use of remuneration consultants' below), the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focussing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive short-term incentives and their remuneration must not include a commission on, or a percentage of, operating revenue.

ASX listing rules require the aggregate non-executive directors remuneration be determined periodically by a general meeting. Under the company’s constitution and as set out in the IPO Prospectus, total aggregate remuneration available to non-executive directors is set currently at $600,000 per annum. Non-executive director fees (directors' fees and committee fees, inclusive of superannuation) proposed for the year ending 30 June 2020 are summarised as follows:

Name	FY 2020 Fees
Sue Klose	$70,000
Aaryn Nania	$70,000

All directors are also eligible for additional long term incentives under the company's Long Term Incentive plan ('LTI'). The company from time to time grant Director share options under the LTI. Refer to Long Term Incentives section below for key terms and conditions of the LTI.

Executive remuneration
The group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration. The remuneration packages for executives are considered by the Nomination and Remuneration Committee and approved by the Board. At the absolute discretion of the Nomination and Remuneration Committee, the company may seek external advice on the appropriate level and structure of remuneration packages from time to time.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Nomination and Remuneration Committee, based on individual and business unit performance, the overall performance of the group and comparable market remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. Under the STI, eligible executives may be offered cash incentives ('rewards') which may be subject to vesting conditions set by the Board. Each offer of rewards under the STI is, or will be, on the terms generally described as follows:
- the Board will determine the total dollar amount of the STI, calculated as a percentage of their salary package;
- the payment (or part payment) of the STI will be subject to fulfilment (or part fulfilment) of performance conditions set by the Board;
- any STI that becomes payable will be paid in cash and, at the discretion of the Board, by the grant of rights to receive shares ('service rights') of equivalent value (as determined by the Board at the time of grant);
- if granted, the service rights will vest 13 months from grant date provided that the eligible employee is still employed by the company at the vesting date;
- on vesting employees will receive the shares that are subject to the service rights without payment of any exercise price;
- service right holders are not entitled to participate in new issues of shares or other securities made by the company to holders of shares without receiving the shares that are subject to the service rights before the record date for the relevant issue;
- if, prior to the receipt of shares that are subject to the service right, the company makes a pro rata bonus issue to the holders of its shares, and the shares that are subject to the service right are not issued prior to the record date in respect of that bonus issue, the service right will, when vested, entitle the holder to one share plus the number of bonus shares which would have been issued to the holder if the shares that are subject to the service right had been issued prior to the record date; and
- if, prior to the receipt of shares that are subject to the service right, the company undergoes a reorganisation of capital (other than by way of a bonus issue for cash), the terms of the service rights will be changed to the extent necessary to comply with the ASX Listing Rules as they apply at the relevant time.

The long-term incentives include long service leave and share-based payments. The company has adopted a long term incentive plan ('LTI') in order to assist in the motivation and retention of key staff. The LTI is designed to align the interest of eligible executives and employees more closely with the interests of the shareholders by providing an opportunity for eligible executives and employees to receive an equity interest in the company.

Under the LTI, eligible executives and employees may be given options to acquire shares which may be subject to vesting conditions set by the Board. Each grant of options under the LTI is, or will be, on the terms generally described as follows:
- the Board will determine the number of options to be granted to each eligible employee;
- options will vest progressively over the periods which were determined by the Board at the time of the grant. One third of the options vested on completion of the IPO; another one third of the options vested on 31 August 2016 and the remaining one third of the options vested on 31 August 2017;
- the options will expire five years from the vesting date;
- the exercise price is set by the Board at the time of the grant. For the initial grant of options under the LTI as outlined in the prospectus, the exercise price is $0.60 for non-executive directors and $0.50 for all other executives and employees issued options;
- options holders are not entitled to participate in new issues of shares or other securities made by the company to holders of shares without exercising the options before the record date for the relevant issue;
- if, prior to the exercise of an option, the company makes a pro rata bonus issue to the holders of its shares, and the option is not exercised prior to the record date in respect of that bonus issue, the option will, when vested, entitle the holder to one share plus the number of bonus shares which would have been issued to the holder if the option had been exercised prior to the record date; and
- if, prior to the exercise of an option, the company undergoes a reorganisation of capital (other than by way of a bonus issue for cash), the terms of the options will be changed to the extent necessary to comply with the ASX Listing Rules as they apply at the relevant time.

Group performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the group. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is of the opinion that the adoption of performance based compensation will have a positive impact on its earnings, which in turn will have a positive impact on its share price. This is expected to increase shareholder wealth if maintained over the coming years.

Consequences of performance on shareholder wealth
In considering the group's performance and benefits to shareholder wealth, the remuneration committee has had regard to the share price in respect of the current financial year and the previous three financial years.

	2019	2018	2017
Share price	$0.01	$0.14	$0.34

Use of remuneration consultants
During the financial year ended 30 June 2019, the company did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

Voting and comments made at the company's 2018 Annual General Meeting ('AGM')
At the 2018 AGM, 96.5% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the group are set out in the following tables.

The key management personnel of the group consisted of the following directors of Pureprofile Ltd:
- Andrew Edwards - Executive Chairman
- Sue Klose - Non-Executive Director (appointed on 1 September 2018)
- Marcelo Ulvert - Non-Executive Director (appointed on 1 September 2018 and resigned on 12 February 2019)
- Clifford Rosenberg - Non-Executive Director (resigned on 28 February 2019)
- Nic Jones - Managing Director & Chief Executive Officer (appointed on 5 February 2018 and resigned on 28 August 2019)

And the following person:
- Melinda Sheppard - Chief Operating Officer/Chief Financial Officer

2019	Short-term benefits Cash salary and fees $	Short-term benefits Cash bonus $	Short-term benefits Other $	Post-employment benefits Super-annuation $	Long-term benefits Employee leave $	Share-based payments Equity-settled* $	Total $
Non-Executive Directors:							
S. Klose*	53,273	-	-	5,061	-	-	58,334
C. Rosenberg*	52,500	-	-	-	-	-	52,500
M. Ulvert*	32,083	-	-	-	-	-	32,083
Executive Directors:							
A. Edwards	120,000	-	-	11,400	-	-	131,400
N. Jones*	417,469	-	-	20,531	-	-	438,000
Other Key Management Personnel:							
M. Sheppard	275,119	-	-	20,531	-	-	295,650
	950,444	-	-	57,523	-	-	1,007,967

* Represents remuneration from the date of appointment and/or to the date of resignation

2018	Short-term benefits Cash salary and fees $	Short-term benefits Cash bonus $	Short-term benefits Other $	Post-employment benefits Super-annuation $	Long-term benefits Employee leave $	Share-based payments Equity-settled* $	Total $
Non-Executive Directors:							
C. Rosenberg	62,832	-	-	1,518	-	778	65,128
M. Berriman*	29,165	-	-	-	-	-	29,165
Executive Directors:							
A. Edwards	242,451	-	-	20,049	-	778	263,278
N. Jones*	237,821	-	-	17,679	-	-	255,500
P. Chan*	330,351	-	-	20,049	-	23,345	373,745
	902,620	-	-	59,295	-	24,901	986,816

* Represents remuneration from the date of appointment and/or to the date of resignation

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2019	2018	At risk - STI 2019	At risk - LTI 2019
Non-Executive Directors:				
S. Klose	100%	-	-	-
C. Rosenberg	100%	100%	-	-
M. Ulvert	100%	-	-	-
M. Berriman	-	100%	-	-
Executive Directors:				
A. Edwards	100%	100%	-	-
N. Jones	100%	100%	-	-
P. Chan	-	100%	-	-
Other Key Management Personnel:				
M. Sheppard	100%	-	-	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Andrew Edwards
Title:	Executive Chairman
Agreement commenced:	12 June 2015
Term of agreement:	Appointment until next Annual General Meeting, at which he will be eligible for re-election
Details:	Base salary for the year ended 30 June 2019 of $120,000 including superannuation, to be reviewed from time to time by the Nomination and Remuneration Committee in accordance with constitution and policies. From 1 July 2019, Andrew will receive an additional $1,500 per week for additional services provided to the group. Share options of up to 400,000 granted in year 1, and eligibility to short-term and long-term incentives under the Incentives Scheme, which defines the amount, form, frequency KPIs and targets to which the incentives relate.

Name:	Sue Klose
Title:	Non-Executive Director
Agreement commenced:	1 September 2018
Term of agreement:	Appointment until next Annual General Meeting, at which she will be eligible for re-election
Details:	Base salary of $70,000 plus superannuation and any GST, to be reviewed from time to time by the Nomination and Remuneration Committee in accordance with constitution and policies. Eligibility to long-term incentives under the Incentives Scheme, which defines the amount, form, frequency KPIs and targets to which the incentives relate. From 1 July 2019, Sue will receive an additional $1,500 per week for additional services provided to the group.

Name:	Aaryn Nania
Title:	Non-Executive Director
Agreement commenced:	28 August 2019
Term of agreement:	Appointment until next Annual General Meeting, at which he will be eligible for election
Details:	Base salary of $70,000 plus superannuation and any GST, to be reviewed from time to time by the Nomination and Remuneration Committee in accordance with constitution and policies. Eligibility to long-term incentives under the Incentives Scheme, which defines the amount, form, frequency KPIs and targets to which the incentives relate.

Name:	Melinda Sheppard
Title:	Chief Operating Officer/Chief Financial Officer
Agreement commenced:	25 June 2018
Term of agreement:	No fixed end date
Details:	Base salary for the year ended 30 June 2019 of $275,000 including superannuation, to be reviewed from time to time by the Nomination and Remuneration Committee in accordance with constitution and policies. Reimbursement of reasonable out-of-pocket expenses incurred in connection with the performance of duties. 3 month termination notice period by either party. Eligibility to short-term incentive reward of up to $151,250 and eligibility to long-term incentives, under the Incentives Scheme, which defines the amount, form, frequency, KPI's and targets to which the incentives relate.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019 (2018: nil).

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
29/05/2015 (a)	31/08/2017	29/05/2020	$0.60	$0.0931

All options were granted over unissued fully paid ordinary shares in the company. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

(a) Andrew Edwards and Clifford Rosenberg were each granted 400,000 options

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2019 are set out below:

	Number of options granted during the year 2019	Number of options granted during the year 2018	Number of options vested during the year 2019	Number of options vested during the year 2018	Total number of options vested as at 30 June 2019	Total number of options vested at as 30 June 2018
Andrew Edwards	-	-	-	166,667	400,000	400,000
Cliff Rosenberg	-	-	-	133,334	400,000	400,000

Service rights
There were no service rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2019.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other*	Balance at the end of the year
Ordinary shares					
Andrew Edwards	984,691	-	-	-	984,691
Sue Klose	-	-	-	-	-
Nic Jones	1,067,548	-	-	(1,067,548)	-
Clifford Rosenberg	233,000	-	-	(233,000)	-
Marcelo Ulvert	3,888,889	-	-	(3,888,889)	-
Melinda Sheppard	-	-	-	-	-
	6,174,128	-	-	(5,189,437)	984,691

* Disposals/other represents a member no longer being designated as a KMP and does not represent a disposal of holding.

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Disposals/ other*	Balance at the end of the year
Options over ordinary shares					
Andrew Edwards	400,000	-	-	-	400,000
Clifford Rosenberg	400,000	-	-	(400,000)	-
	800,000	-	-	(400,000)	400,000

* Disposals/other represents a member no longer being designated as a KMP and does not represent a disposal of holding.

Other transactions with key management personnel and their related parties
During the financial year, expenses totalling $7,098 (2018: $362) were reimbursed to key management personnel.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Pureprofile Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
29/05/2015	29/05/2020	$0.50	2,009,000
29/05/2015	29/05/2020	$0.60	1,200,000
			3,209,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Pureprofile Ltd issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

Shares under service rights
There were no unissued ordinary shares of Pureprofile Ltd under service rights outstanding at the date of this report.

Shares issued on the exercise of service rights
There were no ordinary shares of Pureprofile Ltd issued on the exercise of service rights during the year ended 30 June 2019 and up to the date of this report.

Shares under performance rights
Unissued ordinary shares of Pureprofile Ltd under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
12 December 2017	2 November 2019	$0.00	2,100,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of performance rights
There were no ordinary shares of Pureprofile Ltd issued on the exercise of performance rights during the year ended 30 June 2019 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Grant Thornton
There are no officers of the company who are former partners of Grant Thornton.

Rounding of amounts
The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in the Directors' Report and Financial Report have been rounded to the nearest dollar.

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 immediately after this directors' report.

Auditor
Grant Thornton continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Andrew Edwards
Executive Chairman

27 September 2019
Sydney

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration

To the Directors of Pureprofile Ltd

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Pureprofile Ltd for the year ended 30 June 2019, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

S M Coulton
Partner – Audit & Assurance

Sydney, 27 September 2019

Pureprofile Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Revenue from continuing operations	5	26,734,213	25,365,966
Other income	6	232,055	57,471
Interest revenue calculated using the effective interest method		1,145	786
Expenses			
Direct costs of revenue		(11,263,048)	(10,492,712)
Employee benefits expense		(11,037,117)	(10,702,569)
Foreign exchange loss		(360,666)	(123,354)
Depreciation and amortisation expense	7	(3,439,595)	(2,729,882)
Loss on disposal of intangible assets		(424,665)	-
Technology, engineering and licence fees		(2,637,564)	(2,653,058)
Share-based payment expense		-	(82,425)
Restructuring, acquisition and IPO costs		-	(24,666)
Occupancy costs		(1,408,087)	(1,372,564)
Other expenses		(1,931,355)	(2,451,619)
Finance costs	7	(2,377,093)	(1,338,138)
Loss before income tax expense from continuing operations		(7,911,777)	(6,546,764)
Income tax expense	8	(443,871)	(847,364)
Loss after income tax expense from continuing operations		(8,355,648)	(7,394,128)
Loss after income tax expense from discontinued operations	9	(6,104,394)	(18,585,749)
Loss after income tax expense for the year attributable to the owners of Pureprofile Ltd		(14,460,042)	(25,979,877)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		36,356	17,581
Other comprehensive income for the year, net of tax		36,356	17,581
Total comprehensive loss for the year attributable to the owners of Pureprofile Ltd		(14,423,686)	(25,962,296)
Total comprehensive loss for the year is attributable to:			
Continuing operations		(8,319,292)	(7,376,547)
Discontinued operations		(6,104,394)	(18,585,749)
		(14,423,686)	(25,962,296)

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 2019

	Note	Consolidated 2019 $	2018 $
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Pureprofile Ltd			
Basic earnings per share	36	(7.02)	(6.32)
Diluted earnings per share	36	(7.02)	(6.32)
Earnings per share for loss from discontinued operations attributable to the owners of Pureprofile Ltd			
Basic earnings per share	36	(5.13)	(15.89)
Diluted earnings per share	36	(5.13)	(15.89)
Earnings per share for loss attributable to the owners of Pureprofile Ltd			
Basic earnings per share	36	(12.15)	(22.22)
Diluted earnings per share	36	(12.15)	(22.22)

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 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Assets			
Current assets			
Cash and cash equivalents	10	524,322	2,481,770
Trade and other receivables	11	6,413,738	12,430,953
Contract assets	12	412,903	268,481
Other	13	688,267	516,938
Total current assets		8,039,230	15,698,142
Non-current assets			
Property, plant and equipment	14	222,226	377,982
Intangibles	15	11,121,341	19,144,187
Deferred tax	16	-	422,870
Total non-current assets		11,343,567	19,945,039
Total assets		19,382,797	35,643,181
Liabilities			
Current liabilities			
Trade and other payables	17	9,285,091	11,327,255
Contract liabilities	18	331,421	385,556
Borrowings	19	16,469,339	5,628,290
Income tax		95,174	303,676
Provisions	20	1,997,449	1,977,229
Total current liabilities		28,178,474	19,622,006
Non-current liabilities			
Borrowings	21	-	10,000,000
Provisions	22	80,568	132,085
Total non-current liabilities		80,568	10,132,085
Total liabilities		28,259,042	29,754,091
Net assets/(liabilities)		(8,876,245)	5,889,090
Equity			
Issued capital	23	41,461,502	41,803,151
Reserves	24	270,559	234,203
Accumulated losses		(50,608,306)	(36,148,264)
Total equity/(deficiency)		(8,876,245)	5,889,090

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 2019

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2017	39,937,294	126,010	(10,168,387)	29,894,917
Loss after income tax expense for the year	-	-	(25,979,877)	(25,979,877)
Other comprehensive income for the year, net of tax	-	17,581	-	17,581
Total comprehensive loss for the year	-	17,581	(25,979,877)	(25,962,296)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 23)	1,865,857	-	-	1,865,857
Share-based payments (note 37)	-	90,612	-	90,612
Balance at 30 June 2018	41,803,151	234,203	(36,148,264)	5,889,090

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2018	41,803,151	234,203	(36,148,264)	5,889,090
Loss after income tax expense for the year	-	-	(14,460,042)	(14,460,042)
Other comprehensive income for the year, net of tax	-	36,356	-	36,356
Total comprehensive loss for the year	-	36,356	(14,460,042)	(14,423,686)
Transactions with owners in their capacity as owners:				
Share buy-back	(341,649)	-	-	(341,649)
Balance at 30 June 2019	41,461,502	270,559	(50,608,306)	(8,876,245)

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

	Note	Consolidated 2019 $	2018 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		44,802,722	54,824,312
Payments to suppliers and employees (inclusive of GST)		(42,797,944)	(55,104,783)
		2,004,778	(280,471)
Interest received		3,246	5,584
Interest and other finance costs paid		(2,226,449)	(1,574,900)
Income taxes (paid)/refunded		(152,357)	(452,673)
Net cash used in operating activities	38	(370,782)	(2,302,460)
Cash flows from investing activities			
Final payments for prior period's purchase of subsidiary		-	(4,298,856)
Payments for property, plant and equipment	14	(52,848)	(306,354)
Payments for intangibles	15	(2,742,282)	(3,914,542)
Proceeds from disposal of business	9	650,000	-
Proceeds from disposal of intangibles		9,354	-
Net cash used in investing activities		(2,135,776)	(8,519,752)
Cash flows from financing activities			
Share issue transaction costs		-	(810)
Proceeds from borrowings		4,400,000	15,628,290
Repayment of borrowings		(3,883,147)	(4,000,000)
Net cash from financing activities		516,853	11,627,480
Net increase/(decrease) in cash and cash equivalents		(1,989,705)	805,268
Cash and cash equivalents at the beginning of the financial year		2,481,770	1,676,502
Effects of exchange rate changes on cash and cash equivalents		32,257	-
Cash and cash equivalents at the end of the financial year	10	524,322	2,481,770

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

Note 1. 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 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 20
233 Castlereagh Street
Sydney NSW 2000
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 27 September 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new or amended 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 or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the group:

The group has adopted AASB 9 from 1 July 2018, using the modified retrospective approach. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Note 2. Significant accounting policies (continued)

The group has adopted AASB 15 from 1 July 2017, using the fully retrospective approach. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The adoption of these standards resulted in the following adjustments:
- interest receivable is now shown on the face of profit or loss;
- provision for impairment of receivables is now reclassified as allowance for expected credit loss;
- accrued revenue (previously classified in other current assets) now reclassified as contract asset; and
- deferred revenue now reclassified as contract liability.

There was no change in the carrying amounts on adoption of AASB 9 as at 1 July 2018 and AASB 15 as at 1 July 2017.

Going concern
The financial statements have been prepared on a going concern basis, which contemplates continuity of normal activities and realisation of assets and settlement of liabilities in the normal course of business.

The group incurred a loss after income tax of $14,460,042 (2018: loss after income tax of $25,979,877) and was in a net current liability position of $20,139,244 (2018: $3,923,864). The group generated negative cash flows from operations of $370,782 (2018: cash outflows of $2,302,460).

The directors believe that there are reasonable grounds to conclude that the consolidated entity will continue as a going concern, after consideration of the following factors:
- the group has restructured its debt facility with the Lender to support its 3-year forecast, including the following, which have already been secured:
  (i) an extension to its existing $10,000,000 debt facility to October 2020; and
  (ii) 2 additional facilities totalling $10,000,000 used to fund working capital.
- the group has executed on a number of strategic decisions during the first half of FY2019, including the sale of the Media Trading business, the Adsparc business and the ANZ Performance business. The discontinuation of these business units, which have historically generated declining revenues and lower gross margins, is expected to improve the group’s gross margin and EBITDA as a result;
- restructuring activities which were executed during FY2019 and the ongoing identification of further cost saving initiatives during FY2020 continue to better align expenses to revenue and to strengthen EBITDA;
- the above changes complemented by robust processes for cash management will support the cash needs during the transition to a simpler business model; and
- existing Lender continues to be supportive of the group and its turnaround strategy.

Accordingly, the directors believe the group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the consolidated financial report. Should the group be unable to continue as a going concern it may be required to release its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying value amounts of the amounts of liabilities that might result should the group be unable to continue as a going concern and meet its debts as and when they fall due.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Note 2. Significant accounting policies (continued)

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the group only. Supplementary information about the parent entity is disclosed in note 33.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Pureprofile Ltd ('company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Pureprofile Ltd and its subsidiaries together are referred to in these financial statements as the 'group'.

Subsidiaries are all those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of common control subsidiaries is accounted for at book value. The acquisition of other subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Pureprofile Ltd's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into the company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 2. Significant accounting policies (continued)

Revenue recognition
The group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sales revenue - data and insights
Revenue relating to the provision of services for Data & Insights encapsulates online market research services which helps businesses connect to, and receive feedback from, consumers who are registered to www.pureprofile.com. The group generates sales revenue by charging clients for access to its online panel for survey responses and may additionally charge for set-up and support services. Contracts with clients generally comprise a single distinct performance obligation, being the provision of market research services and the transaction price is allocated to the single performance obligation. Some contracts contain multiple deliverables – such as set-up and support services. In such circumstances, these multiple deliverables are considered to represent a single distinct performance obligation, given there is a significant integration performed by the group in delivering the services. For fixed-price contracts, revenue is recognised over time and is based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual surveys completed relative to the total expected surveys.

Sales revenue - media
Revenue relating to the provision of services for Media sales including programmatic buying and selling of ad inventory, online marketing solutions for advertisers and advertising yield optimisation solutions for online publishers. The group generates sales revenue for managed campaign (programmatic trading) services by charging clients for purchasing ad inventory and managing the placement of ads on their behalf (at a marked-up price to the ad inventory purchased or as a service fee). The group also generates sales revenue for Media Trading service by buying and reselling ad inventory. The group also generates sales revenue by helping publishers to increase yield through programmatically selling their ad inventory. Contracts with clients generally comprise a single distinct performance obligation, being the provision of Media services described above and the transaction price is allocated to the single performance obligation. Fees for the provision of services are recognised as revenue as the services are rendered, in accordance with the terms and conditions of the service agreement.

Sales revenue - performance
Revenue relating to the provision of services for digital marketing by providing lead generation and email marketing services. The group generates sales revenue for lead generation services by charging clients on a price per lead basis. The group generates sales revenue from email marketing by various revenue models including cost per thousand (CPM), cost per click (CPC) and cost per acquisition (CPA). Contracts with clients generally comprise a single distinct performance obligation, being the provision of Lead Generation and Email marketing services described above and the transaction price is allocated to the single performance obligation. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual leads obtained relative to the total expected leads.

Note 2. Significant accounting policies (continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Grant income
Grant income received is recognised as income in the period in which it is received.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Pureprofile Ltd. (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group with tax funding agreements, under the tax consolidation regime, effective 7 November 2014. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Note 2. Significant accounting policies (continued)

Discontinued operations
A discontinued operation is a component of the group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets
Contract assets are recognised when the group has transferred goods or services to the customer but where the group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Office and computer equipment	3 to 9 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements (including make-good asset) and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Note 2. Significant accounting policies (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases
Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Software
Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reductions are capitalised. Costs capitalised include external direct costs of materials and service and employee costs. Software development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset. Software costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between four and five years.

Customer and partnership network relationships
In November 2016, Pureprofile, with the acquisition of the Cohort Group, acquired customer and partner network relationships which will be amortised over their useful economic life of between 6 to 8 years, on a straight line basis. The Cohort Group was subsequently disposed during the year ended 30 June 2019 and the Customer and partnership network relationships intangible assets were subsequently disposed of and/or impaired.

Membership base
In November 2016, Pureprofile, with the acquisition of the Cohort Group, acquired a membership database which will be amortised over its useful economic life of 7 years, on a straight line basis. The Membership base was not disposed as part of sale of the Performance ANZ business.

Brand names
Acquired brand names are not amortised. Instead, brand names are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired, and is carried at cost less accumulated impairment losses.

Impairment of non-financial assets
Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 2. Significant accounting policies (continued)

Trade and other payables
These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30-45 days of recognition.

Contract liabilities
Contract liabilities represent the group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the group has transferred the goods or services to the customer.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the group has a present (legal or constructive) obligation as a result of a past event, it is probable the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Reward redemption
The group invites its internet panel members to complete surveys in exchange for a cash or points-based incentive. These amounts are not paid until a predetermined target value has accrued on a members account. An assessment of incentives likely to be paid (present obligation) is made taking into account past behaviour and activity. This is recognised as an expense in the period in which the service is provided.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for employee benefits not expected to be settled wholly within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

Note 2. Significant accounting policies (continued)

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award are treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 2. Significant accounting policies (continued)

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Pureprofile Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Note 2. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this Report have been rounded to the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2019. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The group has elected to apply the modified retrospective approach as permitted by AASB 16. The cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019 with no restatement of comparative information.

The group has chosen to measure the existing operating leases at the present value of the remaining lease payments, discounted using the group's incremental borrowing rate at the date of initial application.

	1 July 2019 $
Recognition of right-of-use assets on adoption of AASB 16	4,426,507
Recognition of lease liability on adoption of AASB 16	(4,426,507)
Net impact on retained earnings at 1 July 2019	-

The effect on NPAT is not expected to be significant. However, EBITDA will be positively affected because the operating lease expense will be replaced by depreciation and interest charges, which are recorded below the EBITDA line.

Note 2. Significant accounting policies (continued)

New Conceptual Framework for Financial Reporting
A revised Conceptual Framework for Financial Reporting has been issued by the AASB and is applicable for annual reporting periods beginning on or after 1 January 2020. This release impacts for-profit private sector entities that have public accountability that are required by legislation to comply with Australian Accounting Standards and other for-profit entities that voluntarily elect to apply the Conceptual Framework. Phase 2 of the framework is yet to be released which will impact for-profit private sector entities. The application of new definition and recognition criteria as well as new guidance on measurement will result in amendments to several accounting standards. The issue of AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework, also applicable from 1 January 2020, includes such amendments. Where the group has relied on the conceptual framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards, the group may need to revisit such policies. The group will apply the revised conceptual framework from 1 July 2020 and is yet to assess its impact.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimation of useful lives of assets
The group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Following the disposal of the business units during the year ended 30 June 2019, goodwill has been apportioned between continuing operations and goodwill disposed of through the discontinued operations. Considerable judgement is required in determining the amounts to be apportioned between the continuing and discontinued operations.

Impairment of non-financial assets other than indefinite life intangible assets
The group assesses impairment of non-financial assets other than indefinite life intangible assets at each reporting date by evaluating conditions specific to the group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Income tax
The group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Reward redemption provision
In determining the level of provision required for reward redemptions the group has made judgements in respect of the expected outflows necessary to settle the redemptions. The provision represents the maximum amount that the group estimates is likely to be claimed by panel members and is based on estimates made from historical data and likely redemption patterns. Balances accrued by panel members that have been inactive (i.e. not completed any transaction) for more than one year are written back to profit or loss.

Note 4. Operating segments

Identification of reportable operating segments
The Group is organised into three operating segments:
- Data & Insights;
- Media; and
- Performance

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 consolidated entity.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). 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 providing research technology platforms
Media	Buying and selling online advertising inventory on behalf of advertisers and publishers
Performance	Generates leads for clients through its consumer database and proprietary and partner digital assets

On 4 October 2018, the group entered into a binding agreement to sell its media trading business unit which acquired as part of the acquisition of Sparcmedia in 2015 and on 1 March 2019 the group sold 100% of its interest in Cohort Holdings Australia Pty Ltd and its controlled entities. Both business units were part of the media segment. Refer note 9 for further information.

Major customers
During the years ended 30 June 2019 and 30 June 2018 no single customer contributed more than 10% to the Group's external revenue.

Note 4. Operating segments (continued)

Operating segment information (continuing and discontinued operations)

Consolidated - 2019	Data & Insights $	Media $	Performance $	Other segments $	Total $
Revenue					
Sales to external customers	18,375,807	11,574,006	7,852,283	-	37,802,096
Interest	-	-	-	3,246	3,246
Total revenue	18,375,807	11,574,006	7,852,283	3,246	37,805,342
EBITDA	6,534,540	2,235,106	(271,498)	(9,211,890)	(713,742)
Depreciation and amortisation	(2,493,136)	(405,550)	(686,834)	(217,583)	(3,803,103)
Impairment of assets	-	-	(2,453,010)	-	(2,453,010)
Loss on disposal of intangible assets	(212,987)	(602,389)	(211,678)	-	(1,027,054)
Derecognition of goodwill on disposal of businesses	-	(3,500,000)	-	-	(3,500,000)
Finance costs	-	-	-	3,246	3,246
Finance costs	-	-	-	(2,522,508)	(2,522,508)
Profit/(loss) before income tax expense	3,828,417	(2,272,833)	(3,623,020)	(11,948,735)	(14,016,171)
Income tax expense					(443,871)
Loss after income tax expense					(14,460,042)

Consolidated - 2018	Data & Insights $	Media $	Performance $	Other segments $	Total $
Revenue					
Sales to external customers	16,058,862	16,359,632	19,565,615	-	51,984,109
Interest	-	-	-	5,584	5,584
Total revenue	16,058,862	16,359,632	19,565,615	5,584	51,989,693
EBITDA	5,417,563	1,428,644	1,370,476	(7,475,769)	740,914
Depreciation and amortisation	(2,154,816)	(433,136)	(2,346,525)	(316,752)	(5,251,229)
Impairment of assets	-	-	(17,994,882)	-	(17,994,882)
Loss on disposal of intangible assets	-	-	(1,058,000)	-	(1,058,000)
Interest revenue	-	-	-	5,584	5,584
Finance costs	-	-	-	(1,574,900)	(1,574,900)
Profit/(loss) before income tax expense	3,262,747	995,508	(20,028,931)	(9,361,837)	(25,132,513)
Income tax expense					(847,364)
Loss after income tax expense					(25,979,877)

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 operates in 3 (2018: 3) regions. The sales revenue for each region is as follows:

Note 4. Operating segments (continued)

	Consolidated 2019 $	Consolidated 2018 $
Sales to external customers		
Australasia	30,740,479	45,861,718
Europe	5,679,573	5,245,252
United States	1,382,044	877,139
	37,802,096	51,984,109

Note 5. Revenue

	Consolidated 2019 $	Consolidated 2018 $
From continuing operations		
Data & Insights	18,375,807	16,058,862
Media	6,145,245	5,890,299
Performance	2,213,161	3,416,805
Revenue from continuing operations	26,734,213	25,365,966

Disaggregation of revenue
Refer to note 4 'Operating segments' for analysis of revenue by major product line and geographical region.

During the financial years ended 30 June 2019 and 30 June 2018, all revenue was recognised based on services transferred over time.

Note 6. Other income

	Consolidated 2019 $	Consolidated 2018 $
Net gain on disposal of property, plant and equipment	10,203	-
Rental income	171,950	57,471
Other income	49,902	-
Other income	232,055	57,471

Note 7. Expenses

	Consolidated 2019 $	Consolidated 2018 $
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Office and computer equipment	147,693	207,901
Amortisation		
Software	2,900,551	2,521,982
Membership base	391,351	-
Total amortisation	3,291,902	2,521,982
Total depreciation and amortisation	3,439,595	2,729,883
Finance costs		
Interest and finance charges paid/payable	2,377,093	1,338,138
Superannuation expense		
Defined contribution superannuation expense	697,096	655,753
Share-based payments expense		
Share-based payments expense	-	90,612
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	10,340,021	10,046,815

Note 8. Income tax expense

	Consolidated 2019 $	Consolidated 2018 $
Income tax expense		
Current tax	21,001	116,814
Deferred tax - origination and reversal of temporary differences	422,870	805,551
Adjustment recognised for prior periods	-	(75,001)
Aggregate income tax expense	443,871	847,364
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets (note 16)	422,870	805,551
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(7,911,777)	(6,546,764)
Loss before income tax expense from discontinued operations	(6,104,394)	(18,585,749)
	(14,016,171)	(25,132,513)
Tax at the statutory tax rate of 30%	(4,204,851)	(7,539,754)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	8,723	20,157
Share-based payments	-	20,610
Eligible research and development expenditure	95,843	146,795
Impairment/Revaluation on Cohort earn-out payment	-	4,991,455
Merger and acquisition expenditure	-	7,064
Disposal of intangible assets	-	317,400
Sundry items	1,065,470	(15,509)
	(3,034,815)	(2,051,782)
Adjustment recognised for prior periods	-	(75,001)
Current year tax losses not recognised	2,570,636	2,169,532
Derecognition of deferred tax liability on sale of subsidiary	(211,087)	-
Reversal of deferred tax asset on carried forward losses	422,870	-
Prior year deferred tax balances no longer recognised	729,415	962,283
Difference in overseas tax rates	62,695	33,202
Research and development tax concession	(95,843)	(176,773)
Tax refund previously not provided for	-	(14,097)
Income tax expense	443,871	847,364

	Consolidated 2019 $	Consolidated 2018 $
Tax losses not recognised		
Potential unused tax benefit for which no deferred tax asset has been recognised	5,026,658	2,464,379

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 9. Discontinued operations

Description
On 4 October 2018, the group entered into a binding agreement to sell its media trading business unit ('Media Trading Business') which was acquired as part of the acquisition of Sparcmedia in 2015. The Media Trading Business was sold for total consideration of $541,499 comprising $200,000 which was paid in cash and $341,649 by way of a buy-back of the company's shares.

On 1 March 2019, the group sold 100% of its interest in Cohort Holdings Australia Pty Ltd and its controlled entities to Unity4. The sale price for the transaction is $450,000 which was paid in cash.

Financial performance information

	Consolidated 2019 $	Consolidated 2018 $
Revenue from contracts with customers	11,067,883	26,618,143
Interest revenue calculated using the effective interest method	2,101	4,798
Total revenue	11,069,984	26,622,941
Other income	179,738	1,366,000
Direct cost of sales	(7,877,896)	(17,294,958)
Employee benefits expense	(2,141,435)	(5,289,646)
Foreign exchange gain/(loss)	(57,167)	(27,318)
Depreciation and amortisation expense	(363,508)	(2,521,347)
Impairment of assets	(2,453,010)	(17,994,882)
Loss on disposal of intangible assets	(602,389)	(1,058,000)
Technology, engineering and licence fees	(290,295)	(903,176)
Share-based payment expense	-	(8,187)
Occupancy costs	(225,026)	(282,978)
Other expenses	(206,229)	(957,436)
Finance costs	(145,415)	(236,762)
Total expenses	(14,362,370)	(46,574,690)
Loss before income tax expense	(3,112,648)	(18,585,749)
Income tax expense	-	-
Loss after income tax expense	(3,112,648)	(18,585,749)
Gain on disposal before income tax	(2,991,746)	-
Income tax expense	-	-
Loss on disposal after income tax expense	(2,991,746)	-
Loss after income tax expense from discontinued operations	(6,104,394)	(18,585,749)

Note 9. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed

	Consolidated 2019 $	Consolidated 2018 $
Cash and cash equivalents	164,114	-
Trade and other receivables	1,660,648	-
Property, plant and equipment	25,478	-
Intangibles	3,667,991	-
Total assets	5,518,231	-
Trade and other payables	1,623,470	-
Provisions	107,092	-
Total liabilities	1,730,562	-
Net assets	3,787,669	-

Details of the disposal

	Consolidated 2019 $	Consolidated 2018 $
Total sale consideration	991,499	-
Carrying amount of net assets disposed	(3,787,669)	-
Less working capital adjustment	(195,576)	-
Loss on disposal before income tax	(2,991,746)	-
Loss on disposal after income tax	(2,991,746)	-

Note 10. Current assets - cash and cash equivalents

	Consolidated 2019 $	Consolidated 2018 $
Cash at bank	513,991	2,289,560
Cash on deposit*	10,331	192,210
	524,322	2,481,770

* Cash on deposit of $10,331 (2018: $192,210) is a restricted cash balance which is held and maintained as security over the group's bank overdraft facility, bank guarantees and leased properties.

Note 11. Current assets - trade and other receivables

	Consolidated 2019 $	Consolidated 2018 $
Trade receivables	6,560,276	12,894,416
Less: Allowance for expected credit losses	(266,091)	(615,897)
	6,294,185	12,278,519
Other receivables	119,553	152,434
	6,413,738	12,430,953

Allowance for expected credit losses
The group has recognised a loss of $39,865 (2018: $528,941) in profit or loss in respect of impairment of receivables for the year ended 30 June 2019.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate 2019 %	Carrying amount 2019 $	Allowance for expected credit losses 2019 $
Not overdue	-	4,760,821	-
0 to 3 months overdue	0.7928%	1,002,303	7,946
3 to 6 months overdue	4.0846%	324,352	13,248
Over 6 months overdue	41.3430%	592,353	244,897
		6,679,829	266,091

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2019 $	Consolidated 2018 $
Opening balance	615,897	199,302
Additional provisions recognised	222,345	540,090
Receivables written off during the year as uncollectable	(389,671)	(112,347)
Unused amounts reversed	(182,480)	(11,148)
Closing balance	266,091	615,897

Note 12. Current assets - contract assets

	Consolidated 2019 $	Consolidated 2018 $
Contract assets (2018: accrued revenue)	412,903	268,481

Note 12. Current assets - contract assets (continued)

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

	Consolidated 2019 $
Recognition of contract assets on adoption of AASB 15	268,482
Additions	412,312
Cumulative catch-up adjustments	26
Transfer to trade receivables	(267,917)
Closing balance	412,903

Allowance for expected credit losses
The allowance for expected credit losses on contract assets for the year ended 30 June 2019 is $nil.

Note 13. Current assets - other

	Consolidated 2019 $	Consolidated 2018 $
Prepayments	688,267	516,938

Note 14. Non-current assets - property, plant and equipment

	Consolidated 2019 $	Consolidated 2018 $
Office and computer equipment - at cost	862,755	1,235,488
Less: Accumulated depreciation	(640,529)	(857,506)
	222,226	377,982

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

Consolidated	Office and computer equipment $
Balance at 1 July 2017	356,863
Additions	306,354
Depreciation expense	(285,235)
Balance at 30 June 2018	377,982
Additions	55,407
Disposals	(1,401)
Sale of businesses	(25,478)
Exchange differences	2,231
Depreciation expense	(186,515)
Balance at 30 June 2019	222,226

Note 15. Non-current assets - intangibles

	Consolidated 2019 $	Consolidated 2018 $
Goodwill - at cost	15,503,285	19,003,285
Less: Impairment	(13,396,158)	(13,396,158)
	2,107,127	5,607,127
Software - at cost	23,854,594	22,745,638
Less: Accumulated amortisation	(11,982,825)	(9,467,946)
Less: Impairment	(4,598,724)	(4,598,724)
	7,273,045	8,678,968
Customer contracts and partner network arrangement - at cost	3,622,000	3,622,000
Less: Accumulated amortisation	(1,168,990)	(896,428)
Less: Impairment	(2,453,010)	-
	-	2,725,572
Membership base - at cost	2,694,410	2,694,410
Less: Accumulated amortisation	(1,047,241)	(655,890)
	1,647,169	2,038,520
Brand names - at cost	94,000	94,000
	11,121,341	19,144,187

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

Consolidated	Goodwill $	Software $	Customer contracts and partner network arrangement $	Membership base $	Brand names $	Total $
Balance at 1 July 2017	19,003,285	13,388,843	3,270,697	2,433,696	1,152,000	39,248,521
Additions	-	3,914,542	-	-	-	3,914,542
Disposals	-	-	-	-	(1,058,000)	(1,058,000)
Impairment of assets	(13,396,158)	(4,598,724)	-	-	-	(17,994,882)
Amortisation expense	-	(4,025,693)	(545,125)	(395,176)	-	(4,965,994)
Balance at 30 June 2018	5,607,127	8,678,968	2,725,572	2,038,520	94,000	19,144,187
Additions	-	2,742,880	-	-	-	2,742,880
Disposals	-	(1,028,137)	-	-	-	(1,028,137)
Sale of businesses	(3,500,000)	(167,991)	-	-	-	(3,667,991)
Impairment of assets	-	-	(2,453,010)	-	-	(2,453,010)
Amortisation expense	-	(2,952,675)	(272,562)	(391,351)	-	(3,616,588)
Balance at 30 June 2019	2,107,127	7,273,045	-	1,647,169	94,000	11,121,341

Impairment testing
Goodwill and brand names are tested annually for impairment. Goodwill and brand names are allocated to the Media GCU.

Note 15. Non-current assets - intangibles (continued)

The recoverable amount of the CGU has been determined based on a value in use calculation. This calculation uses a 5 year cash flow projection based upon financial budgets approved by management. Cash flows beyond the five year period are extrapolated using the long term growth rate stated below. The growth rate does not exceed the long term average growth rate for the business.

Key assumptions used in the value in use calculations

Media CGU
- Forecast growth 5%-18% (2018: 8%-12%);
- Long-term growth rate 1% (2018: 1%); and
- Pre-tax discount rate 24% (2018: 17%).

Impairment test results - Media CGU
Based on the testing performed no impairment was recognised for this CGU, for the year ended 30 June 2019.

Impact of possible changes in assumptions
The directors have made judgments and estimates in respect of impairment testing of goodwill. Should these judgments and estimates not occur the resulting goodwill carrying may decrease. The sensitivities specific to the Media CGU are as follows:

(a) budgeted revenue growth would be required to be less than 16% for the year ending 30 June 2020 and 4% in subsequent years before further goodwill and other intangibles assets would be impaired, with all other assumptions remaining constant.
(b) the discount rate would be required to increase to 28% before goodwill and other intangibles assets would be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

Note 16. Non-current assets - deferred tax

	Consolidated 2019 $	2018 $
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	-	422,870
Allowance for expected credit losses	21,346	137,315
Prepayments	(1,769)	(936)
Capitalised expenditure	(1,350,800)	(1,802,235)
Partner network arrangements	-	(792,107)
Brand names	(28,200)	(28,200)
Employee benefits	235,493	216,943
Accrued expenses and other payables	97,829	146,352
Provision for reward redemptions	321,238	349,105
Other assets	(533,746)	5,507
Unrealised foreign exchange loss	-	(15,312)
Business related capital expenditure	326,245	535,218
Research and development expenditure	853,930	1,205,199
Borrowing costs	-	43,151
Unrealised FX Loss	58,434	-
Deferred tax asset	-	422,870
Movements:		
Opening balance	422,870	1,228,421
Charged to profit or loss (note 8)	(422,870)	(805,551)
Closing balance	-	422,870

The group has unused tax losses of $5,026,658 (2018: $2,464,379) for which no tax benefit has been recognised. Based on management's assessment, taking into consideration the group's future forecasts, deferred tax assets on tax losses have only been recognised to the extent that it is probable that there will be taxable future income from which to off set the tax losses.

Note 17. Current liabilities - trade and other payables

	Consolidated 2019 $	2018 $
Trade payables	4,153,807	5,276,716
Accrued expenses	3,740,973	4,493,178
Other payables	1,390,311	1,557,361
	9,285,091	11,327,255

Refer to note 26 for further information on financial instruments.

Note 18. Current liabilities - contract liabilities

	Consolidated 2019 $	2018 $
Contract liabilities (2018: Deferred revenue)	331,421	385,556

Note 18. Current liabilities - contract liabilities (continued)

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

	Consolidated 2019 $
Recognition of contract liabilities on adoption of AASB 15	385,556
Payments received in advance	447,358
Transfer to revenue	(497,607)
Disposals	(3,886)
Closing balance	331,421

Unsatisfied performance obligations
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $331,421 as at 30 June 2019 and is expected to be recognised as revenue in future periods as follows:

	Consolidated 2019 $
Within 6 months	231,561
6 to 12 months	99,860
	331,421

Note 19. Current liabilities - borrowings

	Consolidated 2019 $	Consolidated 2018 $
Loans	14,400,000	-
Trade receivables financing facility	2,069,339	5,628,290
	16,469,339	5,628,290

Refer to note 26 for further information on financial instruments.

Loan facility

As at 30 June 2019, the loan comprises as 3 facilities as follows:
(a) Facility A was $10,000,000 (2018: $10,000,000). Interest was fixed and payable at 12.5% per annum and was payable monthly in arrears. The facility expires on 25 October 2019. As at 30 June 2019, the facility is fully used and there are As at 30 June 2018, the loan was included in non-current liabilities.
(b) Facility B was $3,000,000 (2018: $nil). Interest was fixed and payable at 9.5% per annum and was payable monthly in arrears. The facility expires on 30 June 2020. As at 30 June 2019, the facility is fully used and there are no unused amounts.
(c) Facility C was $2,600,000 (2018: $nil). Interest was fixed and payable at 20% per annum and was payable monthly in arrears. The facility expires on 15 October 2019. As at 30 June 2019, $1,400,000 of the facility was drawn down and $1,200,000 remains available to be drawn at the discretion of the lender.

Note 19. Current liabilities - borrowings (continued)

Subsequent to 30 June 2019, the group agreed revised terms on its existing loan facilities. Under the revised terms:

(a) Facility A is $10,000,000 (2018: $10,000,000). Interest is fixed and payable at 20% per annum and is payable on the date the facility expires. The facility expires on 1 October 2020.

(b) Facility B is $3,000,000 (2018: $nil). Interest is fixed at 20% per annum and is payable on the date the loan expires. The facility expires on 1 October 2020.

(c) Facility C is $7,000,000 (2018: $nil). Interest is fixed at 20% per annum and is payable on the date the loan expires. The facility expires on 1 October 2020.

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated 2019 $	Consolidated 2018 $
Loans	14,400,000	10,000,000

Assets pledged as security

The loans are secured by the assets of the group.

Financing arrangements

At the reporting date to the following lines of credit were available:

	Consolidated 2019 $	Consolidated 2018 $
Total facilities		
Loans	15,600,000	10,000,000
Trade receivables financing facility	2,069,339	5,628,290
	17,669,339	15,628,290
Used at the reporting date		
Loans	14,400,000	10,000,000
Trade receivables financing facility	2,069,339	5,628,290
	16,469,339	15,628,290
Unused at the reporting date		
Loans	1,200,000	-
Trade receivables financing facility	-	-
	1,200,000	-

* Unused amounts available to the group at the discretion of the lender.

Note 20. Current liabilities - provisions

	Consolidated 2019 $	Consolidated 2018 $
Employee benefits	453,584	529,616
Reward redemption	1,155,052	1,277,019
Rent straight-lining	388,813	170,594
	1,997,449	1,977,229

Note 20. Current liabilities - provisions (continued)

Reward redemption
This provision represents the estimated costs of rewards awarded to customers in respect of services sold. The provision is estimated based on historical reward redemption information, sales levels and any recent trends that may suggest future reward redemptions could differ from historical amounts.

Rent straight-lining
The provision represents operating lease incentives received. The incentives are allocated to profit or loss in such a manner that the rent expense is recognised on a straight-line basis over the lease term.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2019	Reward redemption $	Rent straight-lining $
Carrying amount at the start of the year	1,277,019	170,594
Additional provisions recognised	3,937,250	250,880
Amounts used	(3,429,371)	(29,568)
Payments	(195,853)	(3,093)
Unused amounts reversed	(433,993)	-
Carrying amount at the end of the year	1,155,052	388,813

Note 21. Non-current liabilities - borrowings

	Consolidated 2019 $	Consolidated 2018 $
Loans	-	10,000,000

Refer to note 26 for further information on financial instruments.

Refer to note 19 for further details.

Note 22. Non-current liabilities - provisions

	Consolidated 2019 $	Consolidated 2018 $
Employee benefits	80,568	132,085

Note 23. Equity - issued capital

	Consolidated 2019 Shares	2018 Shares	2019 $	2018 $
Ordinary shares - fully paid	117,526,063	120,495,625	41,461,502	41,803,151

Note 23. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2017	111,171,611		39,937,294
Shares issued on acquisition of Cohort	8 November 2017	8,888,889	$0.21	1,866,667
Conversion of service rights to ordinary shares	7 May 2018	435,125	$0.00	-
Less: share issue costs net of taxation		-	$0.00	(810)
Balance	30 June 2018	120,495,625		41,803,151
Share buy-back	24 December 2018	(2,969,562)	$0.11	(341,499)
Less: adjustment for prior year share issue costs net of taxation		-	$0.00	(150)
Balance	30 June 2019	117,526,063		41,461,502

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.

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.

Capital risk management
The group's objectives when managing capital is to safeguard its ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the previous period.

Note 24. Equity - reserves

	Consolidated	
	2019 $	2018 $
Foreign currency reserve	(178,682)	(215,038)
Share-based payments reserve	449,241	449,241
	270,559	234,203

Note 24. Equity - reserves (continued)

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 and previous financial year are set out below:

Consolidated	Foreign currency $	Share-based payments $	Total $
Balance at 1 July 2017	(232,619)	358,629	126,010
Foreign currency translation	17,581	-	17,581
Share-based payments	-	90,612	90,612
Balance at 30 June 2018	(215,038)	449,241	234,203
Foreign currency translation	36,356	-	36,356
Balance at 30 June 2019	(178,682)	449,241	270,559

Note 25. Equity - dividends

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

Note 26. Financial instruments

Financial risk management objectives
The group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group may use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Market risk

Foreign currency risk
The group operates internationally and is exposed to foreign currency risk from various currency exposures, primarily with respect to the US dollar and GB Pound.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the group's foreign currency denominated financial assets and financial liabilities at the reporting date were not significant.

Price risk
The group is not exposed to any significant price risk.

Note 26. Financial instruments (continued)

Interest rate risk
The group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk.

An analysis by remaining contractual maturities is shown in the liquidity section below.

As at the 30 June 2019 and 30 June 2018, the group's borrowings were subject to a fixed interest rate, hence the group was not susceptible to interest rate risk arising from fluctuation in the variable interest rate.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group does not have any material credit risk exposure to any single debtor or group of debtors and does not hold any collateral.

The group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The group has a concentration of credit risk exposure with its debtors financing facility. The finance provider, as at 30 June 2019, is owed $2,069,339 (2018: $5,628,290) from the group's trade receivables. In the event that the group's trade receivables are not collect the group will be liable for amounts owed to the finance provider. Amounts owing represent 31.5% (2018: 81.6%) of trade receivables at 30 June 2019. The group has recognised a provision for impairment of receivables of $266,091 at 30 June 2019 (2018: 615,897) and management is confident of collection of the remaining trade receivables balances. There are no guarantees against these receivables but management closely monitors the receivable balance on a monthly basis and is in regular contact with this customer to mitigate risk.

Liquidity risk
Vigilant liquidity risk management requires the group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated	
	2019	2018
	$	$
Loans	1,200,000	-

Note 26. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	4,153,807	-	-	-	4,153,807
Other payables	-	1,390,311	-	-	-	1,390,311
Reward redemption provision	-	1,155,052	-	-	-	1,155,052
Interest-bearing - fixed rate						
Loans	20.00%	14,897,427	-	-	-	14,897,427
Trade receivables financing facility	26.82%	2,069,339	-	-	-	2,069,339
Total non-derivatives		23,665,936	-	-	-	23,665,936

Consolidated - 2018	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	5,276,716	-	-	-	5,276,716
Other payables	-	1,557,361	-	-	-	1,557,361
Reward redemption provision	-	1,277,019	-	-	-	1,277,019
Interest-bearing - fixed rate						
Loans	9.50%	950,000	10,316,667	-	-	11,266,667
Trade receivables financing facility	26.82%	5,628,290	-	-	-	5,628,290
Total non-derivatives		14,689,386	10,316,667	-	-	25,006,053

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 27. 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

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.

Note 27. Fair value measurement (continued)

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 2 and level 3
During the year ended 30 June 2018, the fair value of the contingent consideration has been valued using a discounted cash flow model and the fair value of shares to be issued.

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

Consolidated	Contingent consideration $
Balance at 1 July 2017	7,522,222
Payment of contingent consideration	(4,298,856)
Issue of shares in lieu of payment	(1,866,667)
Fair value movement recognised in profit or loss	(1,356,699)
Balance at 30 June 2018	-
Balance at 30 June 2019	-

Note 28. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the group is set out below:

	Consolidated 2019 $	Consolidated 2018 $
Short-term employee benefits	950,444	902,620
Post-employment benefits	57,523	59,295
Share-based payments	-	24,901
	1,007,967	986,816

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the company, and unrelated firms:

	Consolidated 2019 $	Consolidated 2018 $
Audit services - Grant Thornton		
Audit or review of the financial statements	158,593	160,028
Audit services - other firms		
Audit or review of the financial statements	50,935	99,900
Other services - other firms		
Taxation services	116,507	120,899
Assistance in financial due diligence	35,300	35,050
	151,807	155,949
	202,742	255,849

Note 30. Contingent liabilities

The group has given a bank guarantee as at 30 June 2019 of $182,337 (2018: $182,337) to its landlord for leased property.

Note 31. Commitments

	Consolidated 2019 $	Consolidated 2018 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,542,243	1,271,783
One to five years	2,701,710	1,161,844
More than five years	1,488,922	1,806,350
	5,732,875	4,239,977

Operating lease commitments includes contracted amounts for offices and plant and equipment under non-cancellable operating leases expiring within 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 32. Related party transactions

Parent entity
Pureprofile Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 34.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

Note 32. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2019 $	Consolidated 2018 $
Payment for goods and services:		
Payment for expenses reimbursed to key management personnel	7,098	362

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2019 $	Parent 2018 $
Loss after income tax	(14,423,686)	(32,297,136)
Total comprehensive loss	(14,423,686)	(32,297,136)

Statement of financial position

	Parent 2019 $	Parent 2018 $
Total current assets	176,684	227,218
Total assets	6,937,633	16,040,212
Total current liabilities	15,813,878	151,122
Total liabilities	15,813,878	10,151,122
Equity		
Issued capital	41,461,502	41,803,151
Share-based payments reserve	449,241	449,241
Accumulated losses	(50,786,988)	(36,363,302)
Total equity/(deficiency)	(8,876,245)	5,889,090

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity is a party to a deed of cross guarantee (refer note 35), under which it guarantees the debts of certain of its subsidiaries as at 30 June 2019 and 30 June 2018.

Note 33. Parent entity information (continued)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018 other than those disclosed in note 30.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2019 %	2018 %
Pureprofile.com, Inc.	USA	100.00%	100.00%
Pureprofile Australia Pty Limited	Australia	100.00%	100.00%
Pureprofile Global Pty Ltd	Australia	100.00%	100.00%
Pureprofile Media PLC	United Kingdom	100.00%	100.00%
Pureprofile UK Ltd	United Kingdom	100.00%	100.00%
Pureprofile US Inc.	USA	100.00%	100.00%
Pure Network Pty Ltd	Australia	100.00%	100.00%
Real Research Global Pty Ltd	Australia	100.00%	100.00%
Real Research Pty Ltd	Australia	100.00%	100.00%
Sparc Media Pty Ltd	Australia	100.00%	100.00%
Funbox India Private Limited	India	100.00%	100.00%
Sparc Media sp. Z o.o.	Poland	100.00%	100.00%
Pureprofile NZ Ltd	New Zealand	100.00%	100.00%
Cohort Holdings Australia Pty Limited	Australia	-	100.00%
Cohort Australia Pty Ltd	Australia	-	100.00%
Cohort Developments Pty Ltd	Australia	-	100.00%
Cohort Global LLC	USA	-	100.00%
Cohort Global Ltd	United Kingdom	-	100.00%

Note 35. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Pureprofile Australia Pty Limited
Pureprofile Global Pty Ltd
Pure Network Pty Ltd
Real Research Global Pty Ltd
Real Research Pty Ltd
Sparc Media Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Pureprofile Ltd, they also represent the 'Extended Closed Group'.

Note 35. Deed of cross guarantee (continued)

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	**2019 $**	**2018 $**
Revenue	29,177,873	31,706,698
Other income	568,359	-
Interest revenue calculated using the effective interest method	1,145	-
Direct costs of revenue	(13,432,576)	(16,094,793)
Employee benefits expense	(8,719,075)	(9,102,649)
Foreign exchange loss	(359,413)	(400,441)
Loss on disposal of intangible assets	(4,527,054)	-
Depreciation, amortisation and impairment expense	(3,053,627)	(21,904,282)
Loss on disposal of investments	(8,416,100)	-
Technology, engineering and licence fees	(2,782,531)	(3,177,898)
Share-based payment expense	-	(68,700)
Restructuring, acquisition and IPO costs	-	(23,548)
Other expenses	(2,151,142)	(5,611,871)
Loss before income tax expense	(13,694,141)	(24,677,484)
Income tax expense	(502,669)	(278,974)
Loss after income tax expense	(14,196,810)	(24,956,458)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the year	(14,196,810)	(24,956,458)

Equity - accumulated losses	**2019 $**	**2018 $**
Accumulated losses at the beginning of the financial year	(39,586,150)	(14,629,692)
Loss after income tax expense	(14,196,810)	(24,956,458)
Accumulated losses at the end of the financial year	(53,782,960)	(39,586,150)

Note 35. Deed of cross guarantee (continued)

Statement of financial position	2019 $	2018 $
Current assets		
Cash and cash equivalents	406,371	948,962
Trade and other receivables	6,165,058	4,207,371
Contract assets	287,049	-
Other	507,812	437,345
	7,366,290	5,593,678
Non-current assets		
Property, plant and equipment	75,319	125,186
Intangibles	9,474,174	14,393,271
Deferred tax	1,311,230	1,559,248
Investment in subsidiary	765,465	9,181,561
	11,626,188	25,259,266
Total assets	18,992,478	30,852,944
Current liabilities		
Trade and other payables	8,046,896	7,892,508
Contract liabilities	316,186	224,594
Borrowings	16,543,518	-
Income tax	1,275,924	459,101
Provisions	596,884	1,559,815
Related party payables	3,063,216	7,893,261
	29,842,624	18,029,279
Non-current liabilities		
Borrowings	-	10,000,000
Provisions	1,070,794	71,992
	1,070,794	10,071,992
Total liabilities	30,913,418	28,101,271
Net assets/(liabilities)	(11,920,940)	2,751,673
Equity		
Issued capital	41,461,502	41,803,151
Reserves	400,518	534,672
Accumulated losses	(53,782,960)	(39,586,150)
Total equity/(deficiency)	(11,920,940)	2,751,673

Note 36. Earnings per share

	Consolidated 2019 $	Consolidated 2018 $
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of Pureprofile Ltd	(8,355,648)	(7,394,128)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	118,966,097	116,934,616
Weighted average number of ordinary shares used in calculating diluted earnings per share	118,966,097	116,934,616

Note 36. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(7.02)	(6.32)
Diluted earnings per share	(7.02)	(6.32)

	Consolidated 2019 $	Consolidated 2018 $
Earnings per share for loss from discontinued operations		
Loss after income tax attributable to the owners of Pureprofile Ltd	(6,104,394)	(18,585,749)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	118,966,097	116,934,616
Weighted average number of ordinary shares used in calculating diluted earnings per share	118,966,097	116,934,616

	Cents	Cents
Basic earnings per share	(5.13)	(15.89)
Diluted earnings per share	(5.13)	(15.89)

	Consolidated 2019 $	Consolidated 2018 $
Earnings per share for loss		
Loss after income tax attributable to the owners of Pureprofile Ltd	(14,460,042)	(25,979,877)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	118,966,097	116,934,616
Weighted average number of ordinary shares used in calculating diluted earnings per share	118,966,097	116,934,616

	Cents	Cents
Basic earnings per share	(12.15)	(22.22)
Diluted earnings per share	(12.15)	(22.22)

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

Note 37. Share-based payments

Share options and service rights
A long term incentive plan ('LTI') and short term incentive plan ('STI') has been established by the group, whereby the group may, at the discretion of the Board, grant options or performance rights (in the case of an LTI) or service rights (in the case of an STI) over ordinary shares in the company to certain key management personnel and employees of the group. The existing options are issued for consideration and are granted in accordance with guidelines established by the Board. The existing service rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

The general terms under which the share options and service rights are granted are summarised in the Remuneration report section of the Directors' report.

Note 37. Share-based payments (continued)

Performance rights

On 12 December 2017, the company issued 2,100,000 performance rights to its finance facility provider, as part consideration for the financing facility obtained in November 2017. 950,000 performance rights, which will convert to fully paid-up ordinary shares upon the 60-day volume weighted average price ('VWAP') of Pureprofile shares reaching $0.40 per share; and 1,150,000 performance rights, which will convert to fully paid-up ordinary shares upon the 60-day VWAP of Pureprofile shares reaching $0.60 per share.

Share-based payments expense for the financial year was $nil (2018: $90,612).

Set out below are summaries of options granted under the long term incentive plan:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
29/05/2015	29/05/2020	$0.50	2,009,000	-	-	-	2,009,000
29/05/2015	29/05/2020	$0.60	1,200,000	-	-	-	1,200,000
			3,209,000	-	-	-	3,209,000
Weighted average exercise price			$0.54	$0.00	$0.00	$0.00	$0.54

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
29/05/2015	29/05/2020	$0.50	2,009,000	-	-	-	2,009,000
29/05/2015	29/05/2020	$0.60	1,200,000	-	-	-	1,200,000
			3,209,000	-	-	-	3,209,000
Weighted average exercise price			$0.54	$0.00	$0.00	$0.00	$0.54

Set out below are the options that have vested and are exercisable at the end of the financial year:

Grant date	Expiry date	2019 Number	2018 Number
29/05/2015	29/05/2020	2,009,000	2,009,000
29/05/2015	29/05/2020	1,200,000	1,200,000
		3,209,000	3,209,000

The weighted average share price during the financial year was $0.07 (2018: $0.18).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.9 years (2018: 1.9 years).

Set out below are summaries of service rights granted under the short term incentive plan:

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/02/2018	31/01/2018	$0.00	435,125	-	(435,125)	-	-
			435,125	-	(435,125)	-	-

Note 37. Share-based payments (continued)

No service rights are exercisable at the end of the financial year (2018: nil)

The weighted average remaining contractual life of service rights outstanding at the end of the financial year was nil (2018: nil).

Set out below are summaries of performance rights granted under the plan:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
12/12/2017	02/11/2019	$0.00	2,100,000	-	-	-	2,100,000
			2,100,000	-	-	-	2,100,000

No performance rights are exercisable at the end of the financial year (2018: n/a)

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 0.3 years (2018: 1.3 years).

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
12/12/2017	02/11/2019	$0.00	-	2,100,000	-	-	2,100,000
			-	2,100,000	-	-	2,100,000

Note 38. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2019 $	Consolidated 2018 $
Loss after income tax expense for the year	(14,460,042)	(25,979,877)
Adjustments for:		
Depreciation and amortisation	3,803,103	5,251,229
Impairment of intangibles	2,453,010	17,994,882
Share-based payments	-	90,612
Net loss on disposal of non-current assets	831,380	1,058,000
Foreign currency differences	1,759	17,581
Revaluation of earn-out liability	-	(1,356,699)
Loss on sale of businesses	2,991,746	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	4,760,248	(349,591)
Increase in contract assets	(144,421)	(186,290)
Decrease in deferred tax assets	102,827	889,887
Decrease/(increase) in prepayments	(250,815)	278,175
Increase/(decrease) in trade and other payables	(793,288)	768,949
Decrease in contract liabilities	(53,606)	-
Decrease in provision for income tax	(130,019)	(410,860)
Increase/(decrease) in deferred tax liabilities	320,043	(84,336)
Decrease in employee benefits	(69,553)	(32,387)
Increase/(decrease) in other provisions	266,846	(251,735)
Net cash used in operating activities	(370,782)	(2,302,460)

Changes in liabilities arising from financing activities

Consolidated	Loans $	Trade receivables financing facility $
Balance at 1 July 2017	4,000,000	-
Net cash from financing activities	6,000,000	5,628,290
Balance at 30 June 2018	10,000,000	5,628,290
Net cash from/(used in) financing activities	4,400,000	(3,883,147)
Changes through discontinued operations	-	324,196
Balance at 30 June 2019	14,400,000	2,069,339

Note 39. Events after the reporting period

On 28 August 2019, Mr Nic Jones resigned as CEO and Managing Director, with Mr Andrew Edwards taking over in an ongoing executive capacity as Executive Chairman. At the same time, CFO, Mrs Melinda Sheppard, was promoted to Chief Operating Officer, with responsibility for managing finance, HR, operational delivery and corporate services. Mr Aaryn Nania was also appointed Non-Executive Director to replace Mr Jones on the board.

Effective 1 September 2019, the following changes were made to the group's existing debt facilities with Lucerne:

Note 39. Events after the reporting period (continued)

- Maturity date: the maturity date on all facilities has been extended to 1 October 2020;
- Interest rate: the interest rate has been set at 20% on all drawn facilities and the group has the option to capitalise interest and repay it with the principal upon maturity; and
- Repayment fee: the 'Repayment Fee', which Lucerne would have been entitled to on the happening of a 'Control Transaction' (as disclosed to the ASX on 28 February 2019), has been removed.

Effective 27 September 2019, the group's debt facilities with Lucerne were increased by $5,400,000. The line of credit on Facility C was increased from $2,600,000 to $7,000,000. The maturity date and interest rate remain unchanged from the amendments made to the facility on 1 September 2019.

No other matter or circumstance has arisen since 30 June 2019 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.

Pureprofile Ltd
Directors' declaration
30 June 2019

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date;

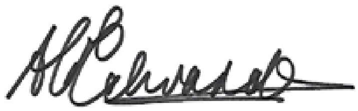
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 35 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Edwards
Executive Chairman

27 September 2019
Sydney

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report

To the Members of Pureprofile Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Pureprofile Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Grant Thornton

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of $14,460,042 during the year ended 30 June 2019, and as of that date, the Group's current liabilities exceeded its current assets by $20,139,244. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Carrying value of intangible assets Note 15	
At 30 June 2019, the Group's consolidated statement of financial position included intangible assets of $11.1 million. AASB 136 *Impairment of Assets* requires, for the purposes of impairment testing, that goodwill acquired in a business combination be allocated to each of the Group's cash-generating units (CGUs). Each CGU to which goodwill has been allocated must be tested for impairment at least annually or when indicators of impairment are present. During the period, the Group sold two of its Media businesses. As a result, goodwill of $3.5 million relating to these businesses within the Media CGU has been disposed. The remaining goodwill balance of $2.1 million allocated to the Media CGU has been tested for impairment. This assessment was performed by comparing the carrying amount of the Media CGU with its recoverable amount, which was determined using a value-in–use impairment model. We considered this to be a key audit matter given the value of these assets relative to total assets and the significant judgements and assumptions involved in the application of the value-in-use model used by management in testing intangible assets for impairment.	Our audit procedures included the following: • Evaluating the allocation of goodwill to the businesses disposed of during the period by considering the underlying transactions which originated the goodwill; • Assessing whether the impairment testing model ("the model") used by management met the requirements of Australian Accounting Standard AASB136 *Impairment of Assets*; • Evaluating the determination of Cash Generating Units (CGUs) with respect to the independence of cash inflows generated by each CGU; • Testing the mathematical accuracy of the model; • Considering the underlying assumptions regarding future cash flows used in the model by comparing these to approved budgets, historical performance, business plans, industry forecasts and other supporting information ; • Considering the historical accuracy of the Group's forecasting ability; • Assessing the discount rates and the terminal growth rates used in the model, with involvement from our valuation specialists; • Considering the sensitivity of the model, focussing on areas where a reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount and therefore indicate impairment; and • Considering the adequacy of the disclosures relating to intangible assets in the financial statements, including those made with respect to judgements and estimates.

Key audit matter	How our audit addressed the key audit matter
Capitalisation of development costs Note 15	
During the year ended 30 June 2019, the Group capitalised $2.7 million of costs related to the development of its software assets. AASB 138 *Intangible Assets* sets out the criteria that are required to be met in order to record intangible assets arising from the development phase of a project. Judgment is required by management in determining if the internal labour and external supplier costs incurred are directly attributable to the development projects and the appropriateness of these costs to be capitalised under AASB 138. This was considered to be a key audit matter due to the magnitude of amounts capitalised and the judgments and estimates involved in determining which costs may be capitalised throughout the life of the project and determining the useful life of the asset.	Our audit procedures included the following: • Assessing the assumptions used and estimates made in capitalising development costs; • Assessing whether the useful life of development costs is appropriate; • Testing, on a sample basis, costs capitalised to underlying evidence including employment contracts, payroll reports and invoices from external suppliers to assess the nature and eligibility of development costs for capitalisation as an intangible asset under AASB 138; and • Considering the adequacy of the financial report disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 5 to 12 of the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Pureprofile Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

S M Coulton
Partner – Audit & Assurance

Sydney, 27 September 2019

Directors	Andrew Edwards Sue Klose Aaryn Nania
Company secretary	Kohei Katagiri
Notice of annual general meeting	The details of the annual general meeting of Pureprofile Ltd. are: Thursday, 28 November 2019 at 10:00am at: Automic Level 5, 126 Phillip Street Sydney NSW 2000
Registered office	Level 20, 233 Castlereagh Street Sydney NSW 2000 Tel: +61 2 9333 9700
Principal place of business	Level 20, 233 Castlereagh Street Sydney NSW 2000 Tel: +61 2 9333 9700
Share register	Automic Level 5, 126 Phillip Street Sydney NSW 2000 Tel: +61 2 9698 5414
Auditor	Grant Thornton Level 17, 383 Kent Street Sydney NSW 2000 Tel: +61 2 8297 2400
Stock exchange listing	Pureprofile Ltd. shares are listed on the Australian Securities Exchange (ASX code: PPL)
Website	www.pureprofile.com
Business objectives	Pureprofile Ltd. has used cash and cash equivalents held at the time of listing, in a way consistent with its stated business objectives.
Corporate Governance Statement	The Corporate Governance Statement was approved by the Board of Directors at the same time as the Annual Report and can be found on the Investor Relations page at https://business.pureprofile.com/investors/

The shareholder information set out below was applicable as at 1 September 2019.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	28	-
1,001 to 5,000	159	1
5,001 to 10,000	82	-
10,001 to 100,000	235	7
100,001 and over	137	10
	641	18
Holding less than a marketable parcel	431	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Merrill Lynch (Australia) Nominees Pty Limited	22,998,594	19.57
Mr Paul Augustine Chan (The Chan Family A/C)	6,202,090	5.28
Appwam Pty Ltd	6,000,000	5.11
Fmg Holdings Pty Ltd	5,868,139	4.99
Super Options Fund Pty Ltd (Super Options Fund A/C)	4,500,000	3.83
Mrs Judith Swaab	3,921,977	3.34
HSBC Custody Nominees (Australia) Limited	3,870,950	3.29
Nofusa Pty Ltd (Hersch Family A/C)	2,500,000	2.13
Onmell Pty Ltd (ONM BPSF A/C)	2,411,755	2.05
BNP Paribas Nominees Pty Ltd (IB AU Noms Retailclient DRP)	2,046,286	1.74
Dato Lim Sen Yap	1,758,756	1.50
Pilmore Pty Limited (Miwa Superannuation Fund A/C)	1,660,065	1.41
Vadina Pty Limited (Jordan Super Fund A/C)	1,600,000	1.36
Mrs Saverina Comperatore	1,360,950	1.16
Mr Wouter Dimitri Adam Van Damme	1,350,000	1.15
Depofo Pty Ltd (Super A/C)	1,300,000	1.11
Mr Malcolm John Badgery	1,200,391	1.02
Depofo Pty Ltd (Ordinary A/C)	1,150,000	0.98
Mr Lance Sacks	1,073,076	0.91
Osgood Holdings Pty Ltd (Nicky6 Family A/C)	1,067,548	0.91
	73,840,577	62.84

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares	3,209,000	7
Performance rights over ordinary shares	2,100,000	1

The following person holds 20% or more of unquoted equity securities:

Name	Class	Number held
Lucerne Finance	Performance rights over ordinary shares issued	2,100,000

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Merrill Lynch (Australia) Nominees Pty Limited	22,998,594	19.57
Mr Paul Augustine Chan (The Chan Family A/C)	6,202,090	5.28
Appwam Pty Ltd	6,000,000	5.11

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
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.

There are no other classes of equity securities.

Pureprofile