BLUE OCEAN EQUITIES

PUREPROFILE LIMITED (PPL)

PUREPROFILE LIMITED (PPL)

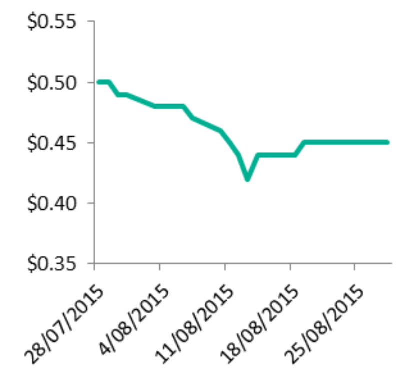
Initiation of Research

Analyst Gregg Taylor CFA
Email greggtaylor@boeq.com.au
Phone + 61 2 8072 2919
Date 31 August 2015

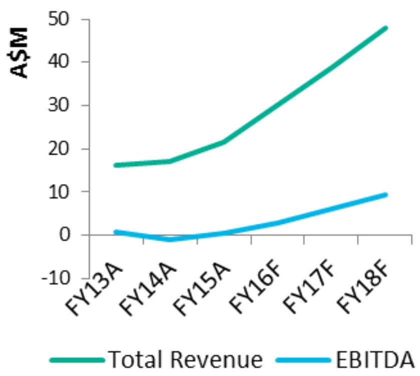
We say	Price	Target	Strategic Target
BUY	**0.45**	**0.87**	**1.70**

PPL is a global opportunity in the high growth and disruptive digital advertising technology industry. The recent acquisition of Sparc also provides exposure to the rapid growth of the global programmatic media trading sector. The recent alliance with News Corp is a significant driver, along with other key drivers, that we forecast can drive a CAGR of EBIT of ~ 200% p.a. over the next 2 years. PPL trades on a FY17 PE of 7.8 times. BUY

PPL SHARE PRICE – RECENT IPO @ $0.50



PPL FORCAST EARNINGS GROWTH ($M)



COMPANY DATA & RATIOS

Head Office	Sydney
Market cap	$26,050,266
Issued capital	57,889,480
Net Cash	$4M
12 month price range	$0.42 - $0.54
GICS sector	Software & Services

INDUSTRY DISRUPTION HAPPENING NOW

The global advertising industry is being severely disrupted with the evolution of digital advertising technology. Programmatic media trading industry is forecast to grow at a CAGR of 26% p.a. and there is a ~ $25B revenue opportunity for the mobile advertising industry to fill in light of ad spending v media consumption data.

GLOBAL GROWTH POTENTIAL

Recent key technology and media alliances with News Corp, ProductReview.com.au and AA SmartFuel provide a genuine opportunity for global growth for PPL. The entry into programmatic media trading with the recent Sparc Media acquisition via the targeted programmatic strategy is another forecast driver of growth.

STRONG MANAGEMENT + COMPELLING VALUE

The Board and Management team of PPL have a proven track record of strong execution and revenue growth. PPL has no debt, $4M of funded growth capital and is trading on a FY17 EV/EBITDA of 2.8 times and a FY17 free cash flow yield of 9.2%. Our price target of $0.87 per share offers 93% upside from the current share price. BUY.

CONTENTS

DISRUPTIVE AND HIGH GROWTH INDUSTRY

Pureprofile is a global opportunity in the high growth and disruptive digital advertising technology industry. The recent acquisition of Sparc also provides exposure to the rapid growth of the global programmatic media trading sector.

Digital Advertising Technology: High Growth & Disruption Happening Now

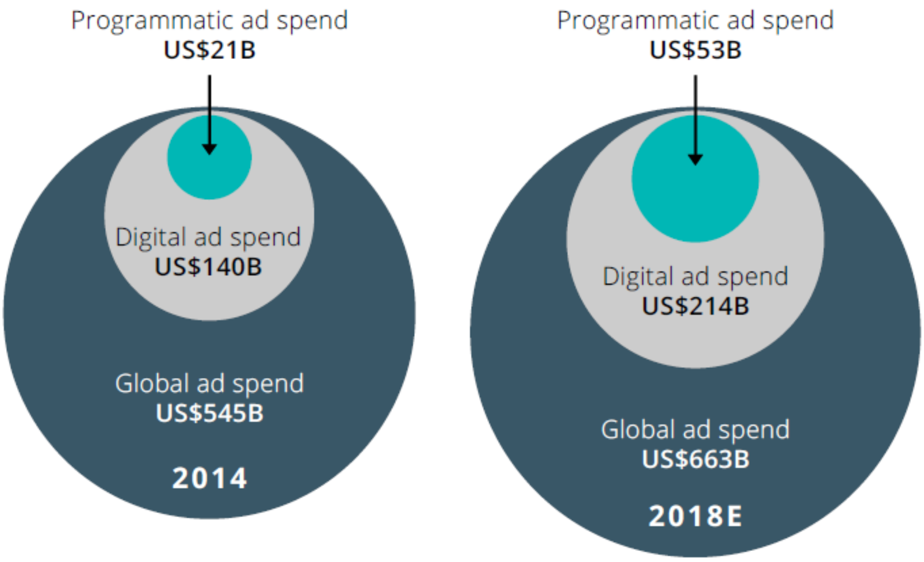
Digital advertising technology has emerged in recent periods with significant advances in bandwidth, mobile computing, networking and cloud delivery technologies (Bierdeman, et al 2014). The existing advertising industry has been severely disrupted with the new evolution of the digital component. Brand marketers now have the ability to plan and manage campaigns on their own, without the need for an agency.

The core of digital advertising is driven by content platforms such as social, mobile and video which generate significant data. The power of this data collection and ability to link to individuals will be the key driver of growth into the future. A crucial growth mechanism for digital ad tech companies going forward is combining multiple forms of critical point advertising technologies. This will enable a closed loop solution of media plan and ad impression delivery to display on both desktop and mobile.

Programmatic Media Trading

Programmatic media trading is the buying and selling of advertising in real time conditions to targeted audiences. This is processed through advanced technology platforms including ad exchanges, demand side platforms (DSPs) and supply side platforms (SSPs).

The programmatic media trading industry is rapidly increasing in size and spend, with the current market valued at $21Billion (2014), and estimated to grow to $53Billion by 2018 (Pureprofile 2015). This represents **a compound annual growth rate of over 26% year on year.** Between 2017 and 2019, it is also suggested that programmatic media trading will surpass and outperform traditional direct sales of desktop and mobile advertising across mediums of display and video. (Field et al, 2015).

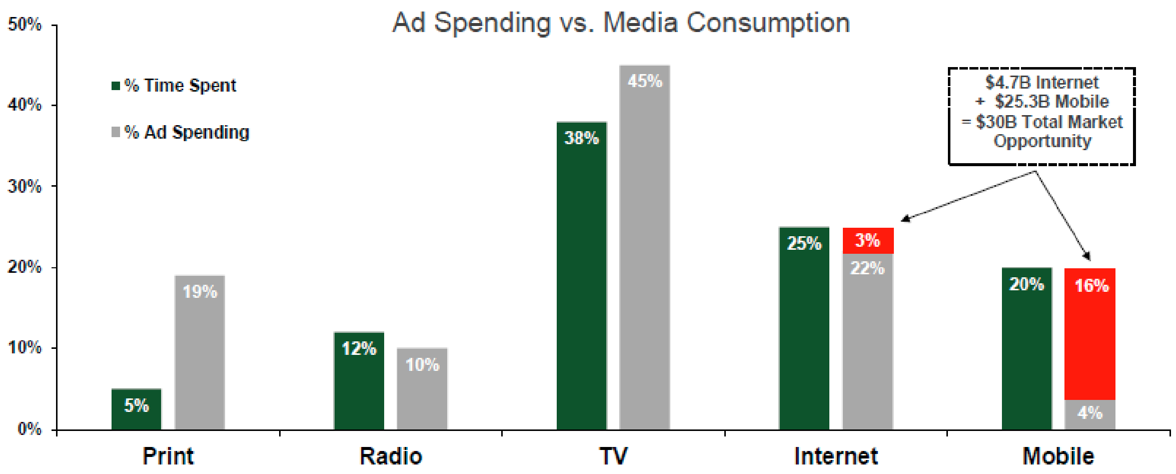


Source: Pureprofile Prospectus, 2015 (eMarketer and Magna Global)

Through online abilities, advertisers are now able to deliver their ads to consumers in a way that has never been experienced, in a market that is getting larger and faster. Programmatic media trading has the capability to target relevant consumers, in times of opportunity, increasing return on investment and consumer reach. In addition programmatic allows advertisers to have the choice of what is displayed alongside the ad when delivered to potential consumers. Overall the process allows for a more accurate trajectory and delivers feedback statistics on the ad campaign.

Mobile Advertising: Combining Big Data and device mobility for personalised success

A new thematic and fast gaining traction is the increase in mobile and video advertisements. Previously the focus was on desktop advertising, however now the focus is in the mobile advertising market. **The growth in this space is led by the surge in purchase and use of smartphones and tablets.** There is significant opportunity to be filled, as shown on the following page, with a 16% difference between user time spent, and ad spending across the board totalling a massive $25.3B difference. The combination of big data analytics and mobility of smartphones and tablets further allow for newly experienced levels of personalised marketing.



Source: Woodside capital partners 2014 (KPCB, IAB, eMarketer)

BUSINESS MODEL

PureProfile's business model is built on three elements

1. Creating profiles – Consumers are encouraged to create and control their profiles using Pureprofile's online platform technology. These clients are then rewarded through the company's market research and media client base.

2. Enriching profiles – Big data applications are used to enrich these profiles by combining the user details with surveys, and research, sampling and tracking techniques. Using these big data applications allows Pureprofile to achieve audience segmentation and data intelligence which are key ingredients in marketing their product. This also assists in lowering costs for clients which ensures Pureprofile remains price competitive in the digital marketing space.

3. Monetising profiles – Pureprofile monetise access to consumer profiles through various methods including:-
   - Supplying global brands and advertisers with ***online market research;***
   - Offering multiple income generating ***media*** products;
   - Licencing its profiling technology ***platform*** to publishers who are able to use it and its data to elevate yields from their websites and apps e.g. News Corp, and AA Smartfuel; and
   - Placement of profiles

KEY GROWTH DRIVERS

Pureprofile has a focused growth strategy, which is concentrated on both growing its profile and its client base organically and by expanding into new markets.

The Company has designated $4 million of the funds raised in the IPO, towards these strategic growth initiatives, which includes expanding its publisher alliances, further product development, international expansion and further enriching and monetising its profiles. We discuss the key growth drivers below:

Targeted Programmatic (Pureprofile and Sparc) – further to the industry discussion (page 2-3) around **the ~26% p.a. forecast growth rates for the programmatic advertising industry over the next 3 years.** The recent acquisition of Sparc primarily brings the programmatic advertising engine to the Pureprofile offering. **The strategic rationale and opportunity for Pureprofile from the Sparc acquisition is to offer profile enriched programmatic services (Profiled Programmatic) to agencies, advertisers and publishers**. Profiled programmatic combines Pureprofiles rich first party profile data, audience segmentation and market intelligence with Sparc's programmatic expertise to provide clients with highly qualified audiences for their ad campaigns. This has the potential to generate higher response rates and lower campaign costs for advertisers, sell more ad inventory at higher prices for publishers and display more relevant, engaging ads to consumers. **It is important to note that NO REVENUE from this opportunity is included in the prospectus forecast.**

Expansion of News Corp Alliance - In January 2015 a licensing agreement was taken up by News Limited to use the SaaS technology platform created by Pureprofile. The agreement stated that News Limited and Pureprofile will partner to launch its new 'Connect' service. This involves users building their account holder profiles for subscription credits to News Limited subscriptions. The News Limited alliance is throughout Australia however has potential to become an international opportunity.

The nature of the agreement with News Corp sees recurring software subscription revenue being received for the use of Pureprofiles technology platform with a 50/50 revenue share model for Pureprofile on all media revenues generated under the alliance.

Recent press in The Australian and in Adnews (industry magazine) (http://www.adnews.com.au/news/news-corp-upfronts-strikes-quantium-data-deal-programmatic-jv-with-mcn-opens-content-studio)

summarises the launch of the **News Connect advanced advertising platform which uses the Pureprofile Connect technology platform and adopts the philosophy and business approach of Pureprofile**.

The significance of the Pureprofile technology platform and strategic offering being a central driver of the News Corp digital advertising strategy cannot be underestimated. The opportunity for Pureprofile is with 2 key revenue streams:

1. Recurring Software Subscription Revenue – in the scenario that News Corp extends the alliance with Pureprofile beyond Australia and/or to additional media properties within the News Corp Group of companies, there will be significant potential for Pureprofile to generate material SaaS and technology implementation fees from the alliance.
2. Media Revenue Share – the nature of the current alliance agreement with News Corp allows for Pureprofile to serve targeted ads into the News Corp digital media properties at no cost and for Pureprofile to keep 50% of the advertising revenue generated. This media revenue has the potential to generate significant revenues for Pureprofile overtime.

Partnership with ProductReview: Pureprofile has partnered with ProductReview, a rich user content and publisher data platform. Australia's number one consumer reviews site, it was established in 2003, and to date has over 9 million page views per month. The revenue-share partnership **allows Pureprofile access to comprehensive data and reviews across multiple consumer divisions** including automotive, insurance, electronics, appliances and telecommunications in exchange for enhancing programmatic advertising yields for ProductReview. The agreement is strategically aligned with the Pureprofile outlook as it allows further traction to be gained in the growing profiling and media markets while also supporting the business model of enriching and monetising profiles.

Additional Publisher/Media Alliances – there is a genuine opportunity for Pureprofile to expand its publisher alliances. Following on from the News Corp publisher alliance, Pureprofile secured an agreement with AA Smartfuel in the New Zealand market. The nature of the agreement is similar to that of the News Corp agreement. Off the back of this agreement with AA Smartfuel and to support additional licensing deals in the region, Pureprofile will open an office in New Zealand.

There are multiple publisher/media alliance opportunities for Pureprofile globally that are currently being pursued. To expand its publisher alliances Pureprofile has hired additional sales and marketing staff who will be solely focused on increasing the client base, the Company's annual SaaS licensing fees and media revenues. Reference clients of the size and profile of News Corp, ProductReview and AA Smartfuel is a key asset in this pursuit of growth.

Leveraging off Pureprofile's developed technology stack, growth in revenues from additional publisher/media alliances are forecast to be highly profitable for the group.

FINANCIAL FORECAST

As part of the prospectus, Pureprofile provided FY15 and FY16 forecast financials. The release of the audited FY15 financials were ahead of the prospectus forecast, and the commentary regarding the first 2 months of trading encouraging.

An overview of the different revenue streams generated by Pureprofile is set out below:

1. *Research Revenue* – Pureprofile earns revenue from online market research by matching client surveys with Pureprofile Account Holders and in general charging for a cost per completed survey.
2. *Media Revenue* – Pureprofile offers a complementary set of media products and services across several verticals including: managed campaign (programmatic trading) services; performance marketing; programmatic media trading; and the media revenues generated through the publisher/media alliances such as the News Corp, ProductReview and AA Smartfuel agreements outlined on pages 5-6.
3. *Platform Revenue* – this includes monthly subscription fees paid by clients for access to the Pureprofile technology platform; and various fees charged including set up and custom development for brand and integration for client specific use.

The table below summarises our forecast financials for Pureprofile:

(A$)	**FY13A**	**FY14A**	**FY15A**	**FY16F**	**FY17F**	**FY18F**
Revenue by Product Set						
Research	$ 7,500,000	$ 7,300,000	$ 8,600,000	$ 11,100,000	$ 12,210,000	$ 13,186,800
Growth Rate	-5%	-3%	18%	29%	10%	8%
Media	$ 8,600,000	$ 9,000,000	$ 12,500,000	$ 18,125,000	$ 25,375,000	$ 32,987,500
Growth Rate	16%	5%	39%	45%	40%	30%
Platform	$ 100,000	$ 900,000	$ 600,000	$ 800,000	$ 1,184,000	$ 1,681,280
Growth Rate	0%	800%	-33%	33%	48%	42%
Total Revenue	**$ 16,200,000**	**$ 17,200,000**	**$ 21,700,000**	**$ 30,025,000**	**$ 38,769,000**	**$ 47,855,580**
Growth Rate	5.2%	6.2%	26.2%	38.4%	29.1%	23.4%
Gross Margin	$ 8,600,000	$ 9,100,000	$ 10,800,000	$ 15,012,500	$ 19,384,500	$ 24,167,068
% of sales	53%	53%	50%	50%	50%	51%
Total Expenses	$ 8,100,000	$ 10,500,000	$ 10,500,000	$ 12,000,000	$ 13,290,000	$ 14,619,000
% of sales	50%	61%	48%	40%	34%	31%
Growth rate	1%	30%	0%	14%	11%	10%
EBITDA	**$ 900,000**	**-$ 1,100,000**	**$ 600,000**	**$ 3,012,500**	**$ 6,094,500**	**$ 9,548,068**
EBITDA growth	-550%	-222%	155%	402%	102.3%	56.7%
EBITDA margin	5.6%	-6.4%	2.8%	10.0%	15.7%	20.0%
EBIT	**$ 200,000**	**-$ 1,900,000**	**-$ 525,716**	**$ 1,621,730**	**$ 4,608,983**	**$ 7,711,458**
EBIT margin	1%	-11%	-2%	5%	12%	16%

Source: BOEQ

The key points from our forecast include:

- The release of the audited FY15 financial results, trading update for FY16 and the announcement of the partnership with ProductReview in our view has created a cleansing event to the investment market and resulted in our forecast being upgraded above the prospectus forecast.
- We have made minor changes to the prospectus forecast for FY16 at this stage, despite the strong momentum achieved in Q4FY15 and strong start to FY16. The FY16 prospectus forecast was for revenue of $28.1M and EBITDA of $2.5M. The primary driver to our upgrade to the forecast was the strong rate of growth being achieved in the Media division. We maintained the 50% GM forecast with a minor increase in expenses (+$0.4M).
- We forecast 29% revenue growth in FY17 and 23% revenue growth in FY18, primarily driven by growth in the media revenue stream. This growth in the media vertical comes from forecast ongoing growth in programmatic trading and the targeted programmatic strategy discussed in this report. The additional driver of this forecast growth is the media revenue generated from media partnerships such as News Corp and AA Smart Fuel.
- The prospectus forecast gross margins to rebound back to 50% in FY16 (this margin outcome was achieved in FY15 ahead of prospectus forecast) due to favourable business mix within the media revenue stream and we forecast this business mix benefit to continue to flow through to the gross margin line into FY17 and FY18.
- We forecast operating expenses increasing by ~14% in FY16 driven by increased staff investment, increased marketing costs, and increased operating costs including ASX listing related expenses. BOEQ forecast expenses in FY16 to be $0.4M higher than prospectus forecast, assumed to service the ~$2M of additional revenue we forecast for FY16. We forecast expenses growth to level off to 10% - 11% p.a. in FY17 and FY18 driven by further investment in staff, technology and marketing costs.
- Strong EBITDA growth is forecast for each of the forecast years with 102% growth forecast in FY17, followed by 57% growth in FY18. From an EBITDA margin perspective, we forecast that a ~20% EBITDA margin is achievable in the next 2 – 3 years and sustainable as a result of the high technology component and high gross margin of the Pureprofile business model.

As a summary, the following revenue opportunities are not included in the FY16 prospectus forecast (nor included in BOEQ’s FY16 forecast):

- No revenue synergies from the Sparc acquisition;
- No revenue from the profiled programmatic strategy;
- No media revenue from News Corp or AA contracts that have been executed;

- No incremental revenue from an additional $1.5M of operating cost increase that has been included in the prospectus forecast for FY16. This is due to the investigating account being unable to reasonably quantify the size of this opportunity.

The prospectus forecast gross margin of ~50% on revenues. Any additional revenue above forecast estimates is not to be expected matched at the expenses line and have the potential ability to materially add to the prospectus forecast EBITDA. This potential operating leverage is a key attraction to the PPL operating model.

KEY RISKS

Acquisition Risk: Pureprofile acquired Sparc at the time of the IPO as part of its business strategy. Pureprofile may make further acquisitions or significant investments. Pureprofile will need to ensure that it is able to integrate the operations of Sparc and any other acquisitions into its existing business. There can be no assurance that Pureprofile will be successful in realising the anticipated benefits and synergies of any business it acquires.

Economic risks: Pureprofile's solutions operate in markets that are quite vulnerable to changes in economic conditions. Even though the company has operations in multiple international markets, there is a possibility that deterioration in economic conditions could affect the Pureprofile enterprise.

Competition: there are competitors in the online research and advertising industries who are larger than Pureprofile in terms of resources they have access to. The company needs to ensure improvements are made to core business solutions regularly to maintain a competitive advantage over peers.

Key personal: Pureprofile carry a key man risk in Paul Chan, the founder and CEO. If Paul was unable to continue his involvement in core day to day activities of Pureprofile this could result in a negative impact in the company. Also important, are the senior management team with global experience and a small team of technological and media experts employed by Pureprofile.

Technology infrastructure: technology is at the core of Pureprofile's product solution. If there were any system delays or failures which interrupted the communication flow between users and Pureprofile, this would affect business operations in the short term, resulting in reduced revenues, and long term with reputational damage.

VALUATION AND RECOMMENDATION

We initiate coverage of Pureprofile (PPL) with a BUY recommendation.

Our near term share price target for PPL is $0.87 per share, which is a 93% premium to the current share price of $0.45 per share. The basis of our $0.87 per share valuation is derived from a PE based multiple. The PE based valuation is derived by applying a 15 times PE multiple to FY17 earnings. We believe FY17 is the appropriate earnings base as it reflects a more accurate and sustainable contribution from recent media deals (such as News Corp, ProductReview, and AA SmartFuel). The FY17 year also allows for a full year contribution from the recent acquisition of Sparc media on an integrated basis.

Our strategic price target of $1.70 per share is derived using a discounted cash flow valuation which is a 270% premium to the current share price of $0.45 per share. The DCF valuation applies a beta of 1.5 resulting in a WACC of 12.5%. This approach captures the long term cash generation potential of PPL, that we believe may be possible from the global technology and strategic alliances that PPL have in place and successful execution of opportunities presented through alliances such as initially with News Corp.

At the current share price of $0.45 per share and based on BOEQ forecast, PPL is trading on the following metrics:

- FY17 EV/Revenue multiple of 0.4 times;
- FY17 PE ratio of 7.8 times;
- FY17 EV/EBITDA ratio of 2.8 times;
- FY17 EV/EBIT of 3.7 times;
- FY17 free cash flow yield of 9.2%; and
- A FY17 cash balance of ~$9M (above metrics do not assume material deployment of the $4M of designated growth capital raised as part of the IPO).

SUMMARY FINANCIALS

BLUE OCEAN EQUITIES

Pureprofile Limited

Code: PPL

Stock Details

Recommendation:	Buy				
Valuation	$0.87	52 Week High	$0.54	Market Capitalisation	$26m
Share price	$0.45	52 Week Low	$0.42	Free Float	56%
Upside/downside	93%				

Profit & Loss Analysis

(A$m)	FY13A	FY14A	*1H15A*	*2H15A*	FY15A	FY16F	FY17F
Revenue	**16.2**	**17.2**	*9.3*	*12.4*	**21.7**	**30.0**	**38.8**
Expenses	-15.3	-18.3	*-10.0*	*-11.1*	-21.1	-27.0	-32.7
EBITDA	**0.9**	**-1.1**	***-0.7***	***1.3***	**0.6**	**3.0**	**6.1**
D&A	-0.7	-0.8	*-0.5*	*-0.7*	-1.1	-1.4	-1.5
EBIT	**0.2**	**-1.9**	***-1.2***	***0.6***	**-0.5**	**1.6**	**4.6**
Tax	0.2	0.5	*0.3*	*0.3*	0.9	-0.2	-1.4
NPAT	**0.4**	**-1.4**	***-0.9***	***1.1***	**0.3**	**1.5**	**3.4**
Net profit after tax (pre A)	0.4	-1.4	*-0.8*	*1.0*	0.6	1.8	3.7
Basic EPS (AUD cents)	1.1	-3.9	*-2.3*	*1.9*	0.5	2.6	5.8
Diluted EPS (AUD cents)	1.1	-3.8	*-2.2*	*1.8*	0.4	2.4	5.5
DPS (AUD cents)	0.0	0.0	*0.0*	*0.0*	0.0	0.0	0.0

Ratio Analysis

	FY13A	FY14A	1H15A	2H15A	FY15A	FY16F	FY17F
Sales growth		6.2%			26.2%	38.4%	29.1%
EBITDA margin	5.6%	-6.4%			2.8%	10.0%	15.7%
EBIT margin	1.2%	-11.1%			-2.4%	5.4%	11.9%
EBIT growth		-1057.2%			-72.5%	208.5%	184.2%
NPAT growth		-442.5%			-119.1%	447.5%	127.0%
EPS growth		-442.5%			-112.0%	447.5%	127.0%
DPS growth	-	-			-	-	-
Tax rate						15.0%	30.0%

Cash Flow Analysis

(A$m)	FY13A	FY14A	*1H15A*	*2H15A*	FY15A	FY16F	FY17F
EBITDA	0.9	-1.1	*-0.7*	*1.3*	0.6	3.0	6.1
Increase in working capital	0.0	0.0	*-1.5*	*0.0*	1.5	-1.3	0.1
Capital expenditure	0.0	0.0	*0.0*	*0.0*	0.0	-2.0	-2.2
Income taxes paid	0.2	0.5	*0.0*	*0.0*	0.9	-0.2	-1.4
Proceeds from issue of shares	0.0	0.0	*0.0*	*2.5*	2.5	10.0	0.0
Dividends paid	0.0	0.0	*0.0*	*0.0*	0.0	0.0	0.0
Other	-1.2	-1.0	*0.7*	*-1.3*	-4.5	-4.5	-0.2
Net increase in cash	**-0.1**	**-1.6**	***-1.5***	***2.5***	**1.0**	**5.0**	**2.4**
Operating Cash Flow ($M)	*0.6*	*-0.8*	*-0.8*	*1.0*	0.2	1.5	4.6
Cash Flow Per Share (cps)	1.7	-2.2	*-2.2*	*1.7*	0.3	2.6	8.0
Free Cash Flow ($M)	0.6	-0.8	*-0.8*	*1.0*	0.2	-0.5	2.4
Free Cash Flow Per Share (cps)	1.7	-2.2	*-2.2*	*1.7*	0.3	-0.8	4.1
Free Cash Flow Yield (%)	3.7%	-4.9%	*-4.9%*	*3.8%*	0.8%	-1.8%	9.2%

Balance Sheet Analysis

(A$m)	FY13A	FY14A	FY15A	FY16F	FY17F
Trade and other receivables	5.9	2.4	3.1	4.3	5.5
Current Deferred Revenue	0.0	0.0	0.0	0.0	0.0
Trade and other payables	5.4	2.3	4.6	4.5	5.8
Working Capital	**0.5**	**0.0**	**-1.5**	**-0.2**	**-0.3**
Property, plant and equipment	0.1	0.0	0.1	0.2	0.3
Intangibles	0.0	1.8	2.8	3.5	4.2
Other assets	1.5	3.0	17.5	12.9	15.6
Total assets	**7.6**	**7.3**	**23.5**	**20.9**	**25.6**
Net debt (- net cash)	0.0	-2.0	-8.4	-6.7	-9.1
Total liabilities	**8.5**	**6.1**	**13.9**	**9.8**	**11.1**
Contributed equity	2.3	6.9	17.6	17.6	17.6
Retained profits & Reserves	- 3.4	- 5.8	- 8.1	- 6.6	- 3.3
Other	0.1	-	0.1	0.1	0.1
Total equity	**-0.9**	**1.1**	**9.6**	**11.1**	**14.4**

Ratio Analysis

	FY13A	FY14A	FY15A	FY16F	FY17F
AUD P/E ratio	39.5x	-11.5x	96.5x	17.6x	7.8x
AUD P/E ratio (ex cash)	31.6x	-10.4x	86.8x	15.0x	6.2x
P/E ratio (valuation)	76.3x	-22.3x	186.4x	34.1x	15.0x
Enterprise value	26.1m	24.0m	17.7m	19.3m	16.9m
EV/EBITDA	28.9x	-21.9x	29.4x	6.4x	2.8x
EV/EBIT	130.3x	-12.6x	-33.6x	11.9x	3.7x
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Payout ratio	0%	0%	0%	0%	0%
Franking	33%	90%	90%	90%	90%
Net Debt / Equity	0%	-178%	-88%	-61%	-63%
Net Debt / (Debt + Equity)	0%	228%	-700%	-155%	-172%
EBIT /Net Interest	-15.4x	#DIV/0!	-5.3x	-16.2x	-35.4x
Return on Assets	14.7%	-19.5%	1.1%	7.1%	13.1%
Return on Equity	-119.8%	-125.7%	2.8%	13.3%	23.3%

Source:BOEQ

APPENDIX

CORPORATE OVERVIEW

Pureprofile is a consumer profile marketing and insights technology company, which enables consumers to create, manage and monetise their online profiles using proprietary big data technology and programmatic targeting. The Company operates in a fast growing global online marketing industry generating over US$140 billion online advertising spend in 2014 (*Source: eMarketer 2014*).

Founded in 2000, the Company has seen significant growth and today, Pureprofile employs over 110 staff in over 7 countries (Sydney, New York, London, Mumbai, Kraków, Thessaloniki and Auckland), has registered over one million Account Holders across 40 countries and has a strong a growing global, blue-chip client base as well as a strategic alliance with News Limited.

Pureprofile has developed a proprietary cloud based platform, which is highly scalable, giving the Company the ability to rapidly expand its consumer proposition and technology stack through publisher alliances with innovative profiling techniques driven by consumer participation and permissions. The Company has a global blue-chip client base which includes, companies such as Commonwealth Bank, Disney, Audi, University of South Australia, Galaxy, News Limited, Fitness First, Officeworks and Tiger Airways.

Pureprofile has three key business units to its offering including; online market research, publisher licensing and programmatic trading of display ad inventory.

COMPANY DATA

Head Office	Sydney
FY15 (a) Net Cash	$4.0M
Market cap	$26M
Issued capital	57.9M
Free float	56%

BOARD AND MANAGEMENT

The Board and Management team of Pureprofile have a proven track record of strong execution and revenue growth. The recent delivery of FY15 financials above prospectus forecast, the early success on the integration of the Sparc media acquisition and the recently announced alliances with news.com.au (extension of News Corp relationship) and ProductReview are further encouraging signs of the ability of the Board and management to deliver to strategy.

The Company is led by **CEO Paul Chan**, who founded Pureprofile in 2000 and has been instrumental in the Company's growth to date. He has a wealth of skills in the online research industry and is an experienced entrepreneur having established his own real estate company at the age of 22.

Paul is joined by **Geoff Nesbitt, Executive Director and CFO**, who has over 20 years' experience in finance, accounting and general management and has previously been the CFO for an ASX listed marketing company Enero Group Limited. He has extensive experience in M&A transactions in the Asia-Pacific region, the U.S and the U.K.

As part of the IPO and acquisition of Sparc Media, **Mr Wout van Damme, founder of Sparc** has joined the senior management team of Pureprofile. Wout founded Sparc in 2004 and has grown the business to a global digital marketing services provider working with some of the world's biggest brands. He has extensive experience within sales and marketing having worked for the largest telecoms company in the Netherlands, KPN.

Fredrick Swaab has been the Non-Executive Chairman of Pureprofile since 2000 and has played a key role in setting the business up for the successes it has achieved. He is a qualified lawyer with extensive commercial experience and in 1981 he established Swaab Attorneys, where he is currently the Chairman of Partners.

The other **Non-Executive Directors** on the Board of Pureprofile are the Managing Director for LinkedIn South-East Asia, Australia and New Zealand, **Mr Cliff Rosenberg**, and Leo Burnett Group UK Chairman and CEO and President of Leo Burnett Central Europe, **Mr Andrew Edwards**.

FURTHER INDUSTRY REFERENCES

Field. D, Zwillenberg. P, Rosenzweig. J, Zuckerman. N & Ruseler. M 2015, 'The Programmatic Path to Profit for Publishers', The Boston Consulting Group, https://www.bcgperspectives.com/content/articles/media-entertainment-marketing-programmatic-path-profit-publishers/#chapter1

Pureprofile, 2015, Pureprofile prospectus

Bierdeman. E & Senk. M 2014, 'Digital Ad Tech: Growth, Disruption, and Consolidation', Woodside Capital Partners (WPC), http://www.google.com.au/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CB0QFjAAahUKEwiVoKWT_5_HAhWIUqYKHW5hAmc&url=http%3A%2F%2Fwww.woodsidecap.com%2Fwp-content%2Fuploads%2F2014%2F08%2FWCP-Ad-Tech-Report-20140821.pdf&ei=TF_JVZXKL4ilmQXuwom4Bg&usg=AFQjCNFiPw6hp1STQL56V5ZZg5FndF7mFA

Meeker, M 2015, 'Internet Trends 2015 – Code Conference', Kleiner Perkins Caufield Byers, http://www.kpcb.com/internet-trends

Display ad tech, 'The Display Advertising Technology Landscape', http://www.displayadtech.com/the_display_advertising_technology_landscape#/the-display-landscape

Scopelliti, R 2014, 'Analyse This, Predict That', Telstra, http://www.google.com.au/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CB0QFjAAahUKEwjjIdv1jqDHAhUC6KYKHQK7AK8&url=http%3A%2F%2Fconnect.telstraglobal.com%2Frs%2Ftelstralimited%2Fimages%2FAnalyse%2BThis%2C%2BPredict%2BThat%2B-%2BFinal%2BReport%2B-%2BSingles%2BLR.pdf&ei=1W_JVaPXK4LQmwWC9oL4Cg&usg=AFQjCNE2prXkmge5mI0kcg_ncgxQz8Gv6Q&bvm=bv.99804247,d.dGY

CONTACTS

ANALYST

Gregg Taylor CFA
Senior Industrial Analyst
P + 61 2 8072 2919
E greggtaylor@boeq.com.au

AUTHORITY

Rex Adams
Executive Director
P + 61 2 8072 2905
E rexadams@boeq.com.au

Rex Adams
Executive Director
P + 61 2 8072 2905
E rexadams@boeq.com.au

Gregg Taylor
Senior Industrials Analyst
P + 612 8072 2919
E greggtaylor@boeq.com.au

Steuart McIntyre
Senior Resources Analyst
P + 61 2 8072 2909
E steuartmcintyre@boeq.com.au

Philip Pepe
Senior Industrials Analyst
P + 61 2 8072 2921
E philpepe@boeq.com.au

Doc Cromme
Institutional Dealing
P + 61 2 8072 2925
E doccromme@boeq.com.au

Nic van Vliet
Institutional Dealing
P + 61 2 8072 2929
E nvv@boeq.com.au

Tim Potts
Institutional/HNW Dealing
P + 61 2 8072 2906
E timpotts@boeq.com.au

Adam Stratton
Institutional Dealing
P + 61 2 8072 2913
E adamstratton@boeq.com.au

HEAD OFFICE

Blue Ocean Equities Pty. Ltd.
P + 61 2 8072 2988
E info@boeq.com.au
www.blueoceanequities.com

L 39 Aurora Place
88 Phillip St
Sydney NSW 2000
Australia

AFSL No. 412765
ABN 53 151186935