

PINCHme.com Inc.
(ASX: PIN)

ASX ANNOUNCEMENT

(All \$ amounts in US Dollars unless otherwise stated)

30 August 2019

PINCHme's first half performance underpins continued growth in 2019

PINCHme.com Inc. ("PINCHme" or the "Company") (ASX: PIN), the New York based product sampling and digital promotions platform, is pleased to announce its results for the six months ended 30 June 2019 (H1 FY19).

H1 FY19 overview (vs H1 FY18):

- Member numbers at 30 June 2019 up 10% to 5.3 million (vs 31 December 2018)
 - Member numbers now at 5.4 million
 - Nearly 120 million data points collected at 30 June 2019 and growing
- Sampling programs up 84% to 156 programs, across 27 manufacturers
- Revenue down 10% to \$4.0 million
- EBT loss of \$2.1 million
- Net Loss after Tax of US\$2.1million
- Cash at 30 June 2019 was US\$1.1 million, with no debt

Commenting on PINCHme's H1 FY19 financial performance, Managing Director & CEO Jeremy Reid said:

"We are pleased to have surpassed more than 5 million members signed to PINCHme during the period. This is an excellent achievement and demonstrates the increasing level of customer engagement with our offering as we continue to drive the network effect and increase member numbers.

"With strong foundations in place, we believe PINCHme is well positioned to continue building monetisation partnerships, accelerate growth, and expand the size of our customer base. We look forward to leveraging our platform and the operational momentum we have built, to grow the business and generate positive cashflows."

Overview of H1 FY19 results

Member numbers increased 10% to 5.3 million over FY19, reflecting the success of PINCHme's extensive product offering and strong marketing capabilities. With nearly 120 million data points

(and growing) collected at 30 June 2019, this offers a substantial monetisation opportunity, and the Company has been testing some campaigns ahead of driving this revenue stream.

Compared to H1 FY18, sampling programs have increased 84% to 156 programs, across 26 manufacturers. PINCHme implemented annual partnerships with large portfolio clients to underpin consistent program revenue throughout the year. This approach is increasing the volume of programs while incentivizing partners with lower costs per program.

Revenue decreased 10% to \$4.0 million over H1 FY19 reflecting a fall in audience monetisation revenues the Company focused on trialling some new large campaigns ahead of their launch, and the QWIZme platform underwent an integration phase as a result of the partnership with London based survey business Qmee. Both of these operational activities are expected to underpin strong future growth in revenue as PINCHme enhances its engagement with its large growing member base.

The Company reported a loss in earnings before tax of \$2.1 million for H1 FY19, an improvement on the \$2.5 million loss in H1 FY18. While the loss narrowed, PINCHme continued to invest in further enhancing its platform and marketing and sales capabilities to drive future growth.

Commenting on PINCHme’s positive outlook for continued growth in FY19, Mr Reid said:

“We have had a strong start to the second half of the financial year. The business continues to see new deals from returning clients representing \$650,000 over the first six weeks of the second half. Two of our largest clients this year are continuing to grow their partnerships with PINCHme, with each spending in excess of \$1 million with PINCHme in the year to date.

“We anticipate PINCHme’s audience monetisation will improve in the second half, with several high-quality campaigns added to the current portfolio. In addition, the re-launch of our QWIZme survey platform, in partnership with Qmee, is expected to underpin strong user engagement this half.

“On 23 August 2019, we announced an entitlement offer to raise approximately A\$2.4 million to accelerate the next stage of the Company’s growth. The funds raised will be used to increase investments in customer acquisition to grow audience numbers, re-design the website to enhance the user experience, invest in content that can be monetised, increase the size of our sales team and test new revenue streams. PINCHme’s Board of Directors are taking up their full pro-rate entitlements, accounting for a minimum aggregate investment of A\$500,000, or almost 20% of the total raising.

“For the remainder of this year, we will continue focusing on increasing member numbers and building on our momentum as we seek to grow our brand across the market.”

- ENDS -

FOR MORE INFORMATION, PLEASE CONTACT:

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ABOUT PINCHme.com

PINCHme.com is a New York based company that operates a leading product sampling and data monetisation platform.

PINCHme's platform intelligently matches large FMCG brands with PINCHme's own members, who are consumers that have provided PINCHme with comprehensive personal data about themselves and their spending habits. In return for the data they provide, PINCHme's members receive free samples of products already available in-store or access to products ahead of their store release, while the FMCG brands receive detailed insights, product reviews and feedback and social media engagement, all of which assist in driving sales uplift.

In addition to revenues derived from the FMCG brands for providing these services, PINCHme is able to further 'monetise' its member audience through performance-based online advertising (which involves PINCHme promoting third party advertisements on its website or to its members) and survey-based revenue streams (which involve PINCHme members completing third party online surveys).

For more information, please visit: <https://investors.pinchme.com/>