



PURPLE GROUP
LIMITED

UNAUDITED CONDENSED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2019

LETTER FROM THE BOARD

GROUP HIGHLIGHTS

- Loss per share improved by 63% from a loss per share of 1.89 cents in the prior year to a loss of 0.69 cents per share for the six months ended 28 February 2019.
- Group revenue increased by 41.9%.
- Group expenses increased by 0.7%.
- Group net loss from operations decreased by 82.4%.

EASYEQUITIES HIGHLIGHTS

- EasyEquities revenue increased by 53.9%.
- Platform assets increased by 34.1% to R3.85 billion.
- Funded investment accounts increased by 58.5% to 92 731 accounts.
- RISE has been appointed as the fund administrator and investment manager of five retirement funds with assets under management of circa R4.2 billion. The on-boarding of these funds commenced on 1 March 2019. This would increase platform assets by R4.2 billion.

GT247.COM HIGHLIGHTS

- GT247.com revenue increased by 43.5%.
- GT247.com costs decreased by 17.9%; and
- Net income from operations increased by 485% to R17.3 million.

MESSAGE FROM THE CEO

An admirable set of half year results has set the tempo for an exciting 2019 for the Purple Group. To the ever-increasing loyal shareholders who support our dreams to democratise all things investing, these results should come as no surprise.

The resilience of our strategies and the determination of our team to deliver, despite the difficult economic climate, is commendable and the rising tide of everyday South Africans taking up investing for the very first time continues to lift the group.

The challenges of scaling a business are a part of every disruptive digital success story and they are very much a part of our story too. If you look at companies like Facebook or Amazon, their journeys haven't been without challenges either. Why? Because like us, they're constantly pushing to drive scale and exponential growth in their business. This means adding new features, bringing on new partners and supporting a customer base whose trajectory is anything but horizontal.

Every day is our biggest day, every month new records are broken and each quarter we climb our very own Everest. There is never a moment to sit back and relax... and we are grateful for that. In fact, we love every moment of it. It's what gets us all out of bed early - knowing that we are increasing participation in investing in the stock market and making investing fun for everyone is an exciting endeavour.

We are scaling for a future where millions of customers are investing billions of Rands every single day, and we are getting there faster than we could ever have dreamed. We take your security of assets, data and the integrity of our systems very, very seriously whilst balancing the need to deliver faster, easier, cheaper, better financial services.

We are very grateful to all our stakeholders for being a part of this incredible journey and are extremely proud of the ever increasing role of partners that continue to join us in our cause.

The next 6 months are full of more challenges and ever greater opportunities, we look forward to sharing the outcomes with you.

EXECUTING ON OUR STRATEGY

EasyEquities

EasyEquities has continued to leverage its innovative investment platform and technology stack through its established distribution channels in South Africa, primarily including:

- EasyEquities Direct: Customers are acquired directly by EasyEquities through various marketing initiatives and more importantly through referrals from existing customers (40% of clients are acquired through referrals);
- SatrixNow: EasyEquities has white-labelled its core platform to SatrixNow, who utilises the platform to attract customers to invest in Satrix's ETFs and Unit Trusts;
- Bidvest Bank Grow Account: EasyEquities has provided customers of the recently launched Bidvest Bank Grow Account the opportunity to invest seamlessly through the Bidvest Bank Grow Account App, into the various investment products offered on the EasyEquities platform; and
- RISE: EasyEquities has been appointed by RISE to provide execution services in respect of investment mandates secured by RISE and offer members, of Retirement Funds administered by RISE, various savings accounts.

EasyEquities will continue to investigate and assess new partnership opportunities with institutions that provide significant distribution opportunities for the EasyEquities product offering.

In addition, EasyEquities is continuously investigating and developing additional products and services for its existing clients to consume.

As far as international expansion is concerned, EasyEquities plans to launch, on the ground, in Australia during June 2019.

RISE

Retirement Investments and Savings for Everyone Proprietary Limited ("RISE"), a 50/50 joint venture between EasyEquities and NBC Fund Administration Services ("NBC"):

- Is an integrated retirement fund administration and investment fund management business.

- Through its administration and investment management system, coupled with a first-of-its-kind members savings portal ("RISE System") (which has been developed and licensed to RISE by EasyEquities), RISE is equipped to reduce the cost of retirement fund administration and provide unparalleled efficiency and transparency to all stakeholders.
- Retirement fund members are provided with real-time, online access to view their retirement savings and the ability to complement their retirement savings through various investment accounts. This includes a Rand-based Investment Account, a US Dollar Investment Account and a Tax-Free-Savings Account with no minimum investment amounts or prescribed investment periods.

RISE is targeting the Retirement Fund industry through a dedicated sales force and through leveraging off the networks that have been established in the retirement fund space by NBC over the past 20 years.

GT247.com

GT247.com is the trading destination for active derivative traders. GT247.com is an important complementary service for traders who require market leverage at competitive rates. The platform provides traders with access to trade equity CFDs (listed on the JSE) and derivatives in respect of over 60 currency pairs, all major international indices, commodities and cryptocurrencies using Rands.

GT247.com offers the lowest commission rates in the market for retail investors, being 10 basis points. This coupled with the Meta Trader 5 trading platform provides a compelling offering for our clients.

Emperor Asset Management

The strategy for Emperor Asset Management is to broaden its client base through offering managed portfolios on the EasyEquities platform and securing institutional asset management and consulting mandates.

CONDENSED GROUP STATEMENT OF PROFIT OR LOSS

for the six months ended 28 February 2019

	Change 2018 to 2019 %	Unaudited six months 28 February 2019 R'000	Unaudited six months 28 February 2018 R'000	Audited 12 months 31 August 2018 R'000
Continuing operations				
Revenue	42	48 625	34 264	70 216
Commissions and research	(31)	(1 660)	(2 414)	(3 982)
Operating expenses	2	(49 951)	(48 828)	(94 045)
Net loss from operations	(82)	(2 986)	(16 978)	(27 811)
Other income		25	3 444	4 069
Deficit before interest, depreciation and amortisation	(78)	(2 961)	(13 534)	(23 742)
Interest income	(56)	593	1 339	2 687
Finance costs	7	(4 026)	(3 779)	(7 003)
Depreciation and amortisation	40	(4 677)	(3 342)	(8 500)
Loss before fair value, impairment adjustments and tax	(43)	(11 071)	(19 316)	(36 558)
Fair value, impairments and guarantee adjustments	(95)	(396)	(8 113)	(6 540)
Share of net loss of equity- accounted investee		(336)	(195)	(483)
Loss before tax	(57)	(11 803)	(27 624)	(43 581)
Income tax benefit	(72)	2 152	7 784	10 443
Loss for the period	(51)	(9 651)	(19 840)	(33 138)
Loss attributable to:				
Owners of the company	(63)	(6 162)	(16 828)	(26 667)
Non-controlling interest	16	(3 489)	(3 012)	(6 471)
		(9 651)	(19 840)	(33 138)
Weighted number of shares in issue at end of period ('000)		898 089	890 953	905 972
Loss per share				
Basic loss per share (cents)	(63)	(0.69)	(1.89)	(2.94)
Headline loss per share				
Loss for the period	(63)	(6 170)	(16 828)	(26 667)
Headline loss for the period	(63)	(6 170)	(16 828)	(27 148)
Headline loss per share (cents)	(63)	(0.69)	(1.89)	(3.00)

The Group recorded a loss for the six months ended 28 February 2019 of R6.2 million compared with a loss of R16.8 million in comparative period in the prior year. The basic and headline loss of 0.69 cents per share compares with a basic and headline loss of 1.89 cents per share in the prior comparative period.

OPERATING SEGMENT REVIEW

EasyEquities condensed statement of profit or loss

EasyEquities
www.easyequities.co.za

	HY2019 R'000	HY2018 R'000	% move
Revenue	11 928	7 789	53.9
Commissions and research expenses	(355)	(557)	(36.3)
Operating expenses*	(24 314)	(21 442)	13.4
Net loss from operations	(12 741)	(14 210)	(10.8)
Other income	25	-	-
Profit before interest, depreciation and amortisation	(12 716)	(14 210)	(15.1)
Interest income	593	1 339	(55.7)
Finance costs	-	(195)	(100.0)
Depreciation and amortisation	(4 183)	(2 776)	50.7
Loss before fair value, impairments and guaranteed adjustments	(16 306)	(15 842)	(1.2)
Share of net profit of joint ventures accounted for using the equity method	(336)	(195)	72.3
Loss before tax	(16 642)	(16 037)	(0.3)
Current and deferred tax	4 230	2 123	99.2
Loss after tax	(12 412)	(13 914)	(15.5)

- EasyEquities revenue was up 53.9%.
- Total expenses increased by 12.1% primarily due to higher employment related costs and marketing expenses. The increase in employment costs relates to additional resources employed during the second half of FY2018 to support new products launched and the increased volumes experienced by the business, as employment costs during the last six months remained flat. The higher marketing expense resulted from a radio campaign conducted during September/October 2018.
- Management is focused on containing the cost base currently and working on initiatives to decrease costs where possible.

GT247.com condensed statement of profit or loss

<GT247.COM>

	HY2019 R'000	HY2018 R'000	% move
Revenue	34 820	24 273	43.5
Trading revenue	33 127	23 425	41.4
Asset management execution revenue	1 673	743	125.2
Other revenue	20	105	(81.0)
Commissions and research expenses	(1 052)	(1 543)	(31.8)
Operating expenses*	(16 447)	(19 771)	(16.8)
Net income from operations	17 321	2 959	485.3
Profit before interest, depreciation and amortisation	17 321	2 959	485.3
Finance costs	-	(114)	(100.0)
Depreciation and amortisation	(464)	(533)	(12.9)
Profit before tax	16 857	2 312	629.1
Current and deferred tax	(4 334)	(314)	1 280.3
Profit after tax	12 523	1 998	526.7

- Trading revenue is up 41.4% compared to the prior comparative period, driven by increased market volatility, specifically for the first four months of the financial year.
- Total expenses are 17.9% lower due to various cost saving initiatives implemented over the past 24 months. Compared to the six months ended 28 February 2016, total costs in respect of this business have decreased by 31%.

Emperor Asset Management condensed statement of profit or loss

EMPEROR
ASSET MANAGEMENT

	HY2019 R'000	HY2018 R'000	% move
Revenue	1 822	2 144	(15.0)
Trading expenses	(224)	(314)	(28.7)
Operating expenses*	(2 052)	(2 952)	(30.5)
Net loss from operations	(454)	(1 122)	(59.5)
Other income	-	-	-
Loss before depreciation and amortisation	(454)	(1 122)	(59.5)
Depreciation and amortisation	(16)	(10)	60.0
Loss before fair value, impairments and guaranteed adjustments	(470)	(1 132)	(58.5)
Fair value adjustments	(396)	-	-
Loss before tax	(866)	(1 132)	(23.5)
Current and deferred tax	497	152	227.0
Loss after tax	(369)	(980)	(62.3)

- With lower revenue levels than previous periods, due to a decrease in client funds invested in its leveraged strategies, Emperor is focused on building its distribution through the EasyEquities platform and targeting institutional asset management mandates with its range of new portfolios, which cater to the full risk/reward spectrum.
- Emperor has increased its assets under management on the EasyEquities platform by 150% (to R35 million) compared to the prior comparative period.

Purple Group head office and investments condensed statement of profit or loss



	HY2019 R'000	HY2018 R'000	% move
Revenue	55	58	(5.2)
Commissions and research expenses	(29)	-	-
Operating expenses	(7 137)	(4 663)	53.1
Net loss from operations	(7 111)	(4 605)	54.4
Other income	-	3 444	(100.0)
Loss before interest, depreciation and amortisation	(7 111)	(1 161)	512.5
Finance costs	(4 026)	(3 470)	16.0
Depreciation and amortisation	(14)	(23)	(39.1)
Loss before fair value, impairments and guaranteed adjustments	(11 151)	(4 654)	139.6
Fair value, impairments and guarantee adjustments	-	(8 113)	(100.0)
Loss before tax	(11 151)	(12 767)	(12.7)
Current and deferred tax	1 759	5 823	(69.8)
Loss after tax	(9 392)	(6 944)	35.3

- Operating expenses have increased by 53.1% (R2.5 million), which includes capital-raising fees and corporate advisory fees totalling R2.9 million, which are of a non-recurring nature.
- Other income in the prior period includes a profit of R3.4 million realised by Purple Group in respect of its investment in Misty Sea Trading.
- The fair value, impairments and guarantee adjustment in the prior period related to Purple Group increasing the estimated value of its liability to the Industrial Development Corporation of South Africa ("IDC") by R8.1 million, after final agreement in this regard had been agreed with the IDC.

Segmental balance sheets

	GT247.com and EAM R'000	EasyEquities R'000	Purple Group and Investments R'000	2019 Total R'000
As at 28 February 2019				
Segment asset				
Non-current assets	9 554	53 225	271 607	334 386
Current assets	57 397	55 770	1 816	114 983
Total assets	66 951	108 995	273 423	449 369
Segment liabilities				
Non-current liabilities	-	-	37 922	37 922
Current liabilities	49 617	53 509	21 220	124 346
Total liabilities	49 617	53 509	59 142	162 268

SUBSEQUENT EVENTS

The directors are not aware of any other matter or circumstances arising since 28 February 2019 up to the date of this announcement, not otherwise dealt with in this announcement.

Basis of preparation of the unaudited results

The unaudited condensed Group interim financial statements are prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards ("IFRS"), the presentation and disclosure requirements of IAS 34 – Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and the requirements of the South African Companies Act, 71 of 2008.

This announcement does not include the information required pursuant to paragraph 16A(j) of IAS 34, however, the areas that include significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that were identified in the audited consolidated annual financial statements as at and for the year ended 31 August 2018, and which are available on the Company's website, at its registered office and upon request.

Accounting policies which comply with IFRS have been applied consistently by all entities in the Group and are consistent with those applied in the previous financial year except for the adoption of IFRS 9 and IFRS 15. The preparation of these unaudited condensed Group interim financial statements for the six months ended 28 February 2019 was supervised by the Financial Director, Gary van Dyk CA (SA) and have not been reviewed or reported on by the company's external auditors.

Any forward-looking statements contained in this announcement have not been reviewed or reported on by the Company's external auditors.

The directors take full responsibility for the preparation of the unaudited consolidated results for the six months ended 28 February 2019.

On behalf of the board

Happy Ntshingila (Independent Non-executive Chairman)

Charles Savage (Chief Executive Officer)

Gary van Dyk (Chief Financial and Operations Officer)

Johannesburg
17 April 2019

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

For the six months ended 28 February 2019

	Unaudited six months 28 February 2019 R'000	Unaudited six months 28 February 2018 R'000	Audited 12 months 31 August 2018 R'000
ASSETS			
Equipment	3 753	2 620	3 944
Intangible assets and goodwill	253 947	240 607	248 838
Other investments	13 781	12 208	13 781
Investment in Joint Venture	1 154	-	631
Other financial assets	2 867	1 013	2 824
Deferred tax assets	58 884	53 629	56 289
Total non-current assets	334 386	310 077	326 307
Trade and other receivables	12 451	13 897	23 645
Tax receivable	2 540	2 831	2 983
Other investments	3 546	3 439	3 942
Other financial assets	742	1 919	742
Cash and cash equivalents	95 704	205 249	107 333
Total current assets	114 983	227 335	138 645
Total assets	449 369	537 412	464 952
EQUITY AND LIABILITIES			
Share capital and premium	464 023	464 022	464 023
Accumulated loss	(238 879)	(222 931)	(232 717)
Equity component of compound instrument	3 496	-	3 496
Other reserves	35 877	30 935	33 614
Equity attributable to owners	264 517	272 026	268 416
Non-controlling interest	22 584	29 532	26 073
Total equity	287 101	301 558	294 489
Financial guarantee	-	20 500	-
Borrowings	37 922	-	40 284
Total non-current liabilities	37 922	20 500	40 284
Bank overdraft	12 796	14 499	4 080
Financial guarantee	-	16 499	-
Trade and other payables	35 571	40 419	22 061
Client position liability	68 004	138 937	79 716
Borrowings	7 975	5 000	24 322
Total current liabilities	124 346	215 354	130 179
Total equity and liabilities	449 369	537 412	464 952
Net asset value per ordinary share (cents)	31.97	33.58	32.51

CONDENSED GROUP STATEMENT OF CASH FLOWS

For the six months ended 28 February 2019

	Unaudited six months 28 February 2019 R'000	Unaudited six months 28 February 2018 R'000	Audited 12 months 31 August 2018 R'000
Cash flow generated/(utilised) by operating activities	12 096	(195)	(77 310)
Cash flow generated/(utilised) in investing activities	(10 453)	68 656	(19 846)
Cash flow generated/(utilised) in financing activities	(21 954)	(4 889)	73 642
Net decrease in cash and cash equivalents	(20 311)	63 572	(23 514)
Effect of foreign exchange on cash	(34)	-	(411)
Cash and cash equivalents at the beginning of the period	103 253	127 178	127 178
Cash and cash equivalents at the end of the period	82 908	190 750	103 253

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

for the six months ended 28 February 2019

	Unaudited six months 28 February 2019 R'000	Unaudited six months 28 February 2018 R'000	Audited 12 months 31 August 2018 R'000
Balance at beginning of the period	268 416	238 312	238 312
Shares issued	-	-	-
Profit/(loss) for the period	(6 162)	(16 828)	40 789
Share-based payments	2 297	2 999	5 528
Foreign currency translation reserve	(34)	(562)	(411)
Own shares purchased	-	(19 299)	(19 298)
Reserve generated from minority share of subsidiary	-	67 404	-
Equity component of compound instrument	-	-	3 496
Attributable to owners of the parent	264 517	272 026	268 416
Balance at beginning of the period	(26 073)	-	-
Loss for the period	(3 489)	(3 012)	(6 471)
Reserve generated from sale of minority share of subsidiary	-	32 544	32 544
Non-controlling interest	22 584	29 532	26 073
Total equity	287 101	301 558	294 489

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 28 February 2019

	Unaudited six months 28 February 2019 R'000	Unaudited six months 28 February 2018 R'000	Audited 12 months 31 August 2018 R'000
Loss for the period	(9 651)	(19 840)	(33 138)
Other comprehensive income			
Items that may be reclassified subsequently to profit/loss			
Foreign currency translation reserve	(34)	(562)	(411)
Available-for-sale assets sold	-	-	-
Tax effect	-	-	-
Total other comprehensive loss	(34)	(562)	(411)
Total comprehensive loss	(9 685)	(20 402)	(33 549)
Total comprehensive loss attributable to:			
Owners of the company	(6 196)	(17 390)	(27 078)
Non-controlling interest	(3 489)	(3 012)	(6 471)
	(9 685)	(20 402)	(33 549)

Registered office

16th Floor, 25 Owl Street, Braamfontein Werf, 2092

Independent auditors

BDO South Africa Incorporated
Chartered Accountants (SA)
Registered Auditors
22 Wellington Road, Parktown, 2193, Private Bag X60500, Houghton, 2041

Group secretary and transfer secretaries

4 Africa Exchange Registry Proprietary Limited
Ballywoods Office Park
33 Ballyclare Dr
Bryanston

Sponsor

Deloitte & Touche Sponsor Services Proprietary Limited
Building 8, Deloitte Place, The Woodlands, 20 Woodlands Drive, Woodmead, 2196
Private Bag X6, Gallo Manor, 2052

Directors

Mark Barnes	Non-executive Director
Charles Savage	Chief Executive Officer
Gary van Dyk	Chief Financial and Operations Officer
Craig Carter	Independent Non-executive Director
Happy Ntshingila	(Chairman) Independent Non-executive Director (appointed 7/2/2019)
Bonang Mohale	Non-executive Director (appointed: 7/2/2019)
Arnold Forman	Independent Non-executive Director (appointed 7/2/2019)
Ronnie Lubner	Non-executive Director (deceased: 27/12/2018)
Denise Alter	Independent Non-executive Director (resigned: 7/2/2019)

PURPLE GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1998/013637/06)
Share code: PPE
ISIN: ZAE000185526
("Purple Group" or "the Company" or "the Group")

These unaudited results are available on the Company's website:
www.purplegroup.co.za