



PURPLE GROUP LIMITED

UNAUDITED SUMMARY CONSOLIDATED RESULTS

FOR THE SIX MONTHS ENDED 28 FEBRUARY 2018

GROUP LOSS PER SHARE AT 1.89 CENTS
▼ 66%
 (HY 2017: Loss 5.52c)

EQUITY ATTRIBUTABLE TO PURPLE GROUP SHAREHOLDERS AT R272M
▲ 14%
 (HY 2017: R239m)

FUNDED INVESTMENT ACCOUNTS AT 58 518
▲ 98%
 (HY 2017: 29 554)

EASY EQUITIES REVENUE AT R7.8M
▲ 123%
 (HY 2017: R3.5m)

EASY EQUITIES PLATFORM ASSETS AT R2.87BN
▲ 158%
 (HY 2017: R1.1bn)

RETAIL CLIENT DEPOSITS R629M
▲ 99%
 (HY 2017: R316m)

RETAIL CLIENTS REGISTERED AT 126 518
▲ 129%
 (HY 2017: 55 239)

FUNDED TRADING ACCOUNTS AT 5 412
▲ 36.5%
 (HY 2017: 3 965)

GT247.COM PROFIT AFTER TAX AT R2.0M
▲ 105%
 (HY 2017: R1.0m)

CHAIRMAN'S LETTER

Easy Equities has now achieved a level of market acceptance and momentum that provides a strong base for future growth:

- revenue has grown from R1.7 million to R7.8 million over the past two years, a compound growth rate of 113% p.a.
- Funded investment accounts has grown from zero when EE was launched in October 2014 to 58 518 accounts currently

Our core trading operation, GT247.com, has, until recently, funded the technology, platform development, people and marketing costs in EE.

Sanlam, on 17 November 2017, invested R100 million to fund further development and secure a 30% equity stake in EasyEquities.

GT247.com is expected to return to the stable earnings we have enjoyed from this operation over the years:

- average attributable earnings over the past five years was R18 million;
- cost savings achieved over the past twelve months, annualised, are in excess of R10 million;
- Trading Revenue is up 18% compared to HY 2016;
- The new platform has already resulted in a 44% increase in funded trading accounts in the last 6 months.

The combination of predictable earnings in GT247.com and the exciting capital growth prospects of EasyEquities will prove to be just the right mix for Purple Group's shareholders going forward - providing a base for returning to dividend payments whilst enjoying the rating EasyEquities will attract as a Fintech disruptor.

Purple has turned the corner and I expect better times ahead for all of us.

Mark Barnes

Chairman

CHIEF EXECUTIVE OFFICER'S LETTER

Purple Group posted an accounting consolidated loss after tax, attributable to ordinary shareholders of the company, of R16.8 million, which was offset by an economic gain, taken directly to reserves, of R67.4 million arising from the sale of 30% of EasyEquities.

Investors, shareholders and analysts alike are encouraged to pay special attention to the underlying companies' financials and key performance indicators (KPI's) in assessing our true performance

The compounded annual growth rate (CAGR) achieved across all KPI's in EasyEquities over the last three years, continues to prove the business case.

- Retail Client Registrations have grown from 4 161 to 126 518 a CAGR of 212%
- Funded Investment Accounts have grown from 2 981 to 58 518 a CAGR of 170%
- Platform Assets have grown from R62 Million to R2.875 Billion a CAGR of 259%
- Retail Deposits have grown from R34.7 Million to R628 Million a CAGR of 163%
- Net Revenue has grown from (R1.148) Million to R7.79 Million a CAGR of 98%

The average annual growth rate across all KPI's from H1 2017 to H1 2018 was 121.6%. This is now the 7th half year reporting period for EasyEquities where we have evidenced that our unique platform driven market disruption is real and tangible.

We remain focused and attentive to ensuring that growth continues, in partnership, both locally and, very soon, abroad too. Our partner strategy is already proving to be very rewarding. We welcome Rise to our stable of partner platforms, our first foray into the institutional market. Independent feedback on the Rise platform capability confirms that we have every chance of disrupting this market too. More exciting partner opportunities are in the pipeline, we will keep you posted.

Congrats to Team #Easy on an extraordinary set of results.

GT247's KPI's achieved over the last 18 months are also starting to show signs of life

- Funded Trading Accounts increased from 3 930 to 5412 a growth of 38%
- Trading Revenue increased from R19.8 Million to R23.4 Million a growth of 18.2%
- Operating Expenses decreased from R25.6 Million to R19.8 Million a saving of 22.7%

Additional cost savings and efficiencies can be expected in the year ahead. The platform migration and cost saving initiatives are now behind us and the team have returned to focusing on earnings growth. Having had sight of our marketing and Crypto Currency launch plans I am optimistic for the year ahead. The economic and political climate is also setting up for a sustained period of increased investor confidence, albeit with higher levels of market volatility, both are good drivers of GT247.com's income growth into the future.

Emperor Asset Management has been restructured for the future, with new management in place. In partnering RISE and EasyEquities, Emperor has an enviable distribution opportunity for their products and services. To this extent the new team has already secured two institutional asset consulting mandates.

The write-offs in Real People are now behind us.

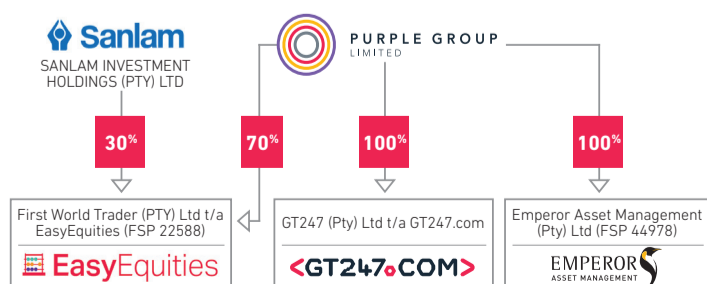
On balance I'm very proud of what we are creating, the team we are building and the disruption we are driving. I am grateful to all shareholders for their incredible support and I am confident that, we all see the future value being created.

Charles Savage

Group CEO

CHIEF FINANCIAL OFFICERS REVIEW BY OPERATING SEGMENT

The internal restructuring of the Purple Group was completed effective 1 November 2017 and shortly thereafter, the transaction with Sanlam Investment Holdings Proprietary Limited ("SIH") was concluded effective 17 November 2017. In the result, SIH acquired a 30% shareholding in EasyEquities for a consideration of R100 million. The current Purple Group structure is reflected below:



Operating segment review

GT247.com review

This business provides a trading destination for active over-the-counter derivatives traders as well as execution services for the Group's asset management business, Emperor Asset Management.

Trading Revenue HY 2018 is up 14.5% compared to HY 2017.

Client trading activity was up 3.9% in respect of equity CFDs, primarily driven by a number of specific market events and a general increase in market volatility. Increased volatility also drove revenue generated from clients trading indices, commodities and currencies.

Asset management execution revenue for EAM clients was down. This decrease was primarily driven by a 51.6% decrease in Client Funds under management.



	HY2018 R'000	HY2017 R'000	% move
Revenue	24 273	26 588	(8.7)
Trading revenue	23 425	20 463	14.5
Asset management execution revenue	743	5 795	(87.2)
Other revenue	105	330	(68.2)
Trading expenses	(1 543)	(2 304)	(33.0)
Operating expenses	(19 771)	(21 999)	(10.1)
Net income	2 959	2 285	29.5
Interest expense	(114)	(433)	(73.7)
Depreciation and amortisation	(533)	(655)	(18.6)
Profit before tax	2 312	1 197	93.1
Current and deferred tax	(314)	(223)	40.8
Profit after tax	1 998	974	105.1
Key revenue drivers			
Client funds (R'm) – Trading	97.9	138.2	(29.2)
Trading activity indicator – Equity CFDs	3.69	3.55	3.9
Client funds (R'm) – Asset management execution	146.9	303.6	(51.6)
Funded trading accounts	5 412	3 965	(38.58)

The GT247.com business generated a profit after tax of R2 million for HY 2018, representing a 105.1% increase over the comparative period. Although this profit for the six months is far from the profit after tax generated by this business for the 12 months ended 31 August 2015 of R37.7 million, it is encouraging to show an increase.

Management has implemented a number of initiatives over the past 12 months that would be expected to position the GT247.com business to compete more effectively and deliver an improved bottom line, including:

- The swap out of the GT247.com proprietary trading platforms (over the past six months) for the Meta Trader 5 platform, which provides clients with a single destination for all their trading needs with functionality rivaling the best in the world; and
- Numerous cost saving initiatives have been implemented and should largely be completed by 31 August 2018. These cost savings are expected to result in the realisation of around R4 million of savings during the current year, ending 31 August 2018, and then an additional decrease of R6 million to be realised during FY 2019 off the FY 2018 base.

Emperor Asset Management review

Emperor Asset Management is a boutique asset manager that primarily offers retail clients segregated portfolios tailored to each individual's risk-return profile.



	HY2018 R'000	HY2017 R'000	% move
Revenue	2 144	7 365	(70.9)
Trading expenses	(314)	(375)	(16.3)
Operating expenses	(2 952)	(3 166)	(6.8)
Net (loss)/income	(1 122)	3 824	(129.3)
Depreciation and amortisation	(10)	–	–
(Loss)/profit before tax	(1 132)	3 824	(129.6)
Current and deferred tax	152	(697)	(121.8)
(Loss)/profit after tax	(980)	3 127	(131.3)
Key revenue drivers			
Client funds (R'm) – Asset management	191.5	340.2	(43.7)
Client funds (R'm) – Asset consulting	1 005.7	–	>100

Emperor has an 11-year track record of quantitative momentum-style investing.

The last 24 months have been an extremely difficult period, resulting in significant outflows from Emperor's momentum based alternative strategies, with a resultant decrease in revenue.

Emperor has taken steps to reposition and add to its offering over the last 12 months to cater to a broader audience of investors.

In this regard Emperor has secured client assets of R14 million through offering managed portfolios on the EasyEquities platform, alongside other asset managers.

In addition, Emperor secured its first two institutional asset consulting mandates (totaling R1 billion) during February 2018. Although the revenue expected to be generated from these mandates is modest, it is a positive step towards institutionalising Emperor's offering.

EasyEquities review



	HY2018 R'000	HY2017 R'000	% move
Revenue	7 789	3 488	123.3
Trading expenses	(557)	(629)	(11.4)
Operating expenses	(21 442)	(18 733)	14.5
Net loss	(14 210)	(15 874)	(10.5)
Other income	–	–	–
Loss before interest, depreciation and amortisation	(14 210)	(15 874)	(10.5)
Interest income	1 339	–	–
Interest expense	(195)	(1 264)	(84.6)
Depreciation and amortisation	(2 776)	(1 607)	72.7
Loss before share of net profit of joint venture	(15 842)	(18 745)	(15.5)
Share of net profit of joint venture accounted for using the equity method	(195)	–	–
Loss before tax	(16 037)	(18 745)	(14.4)
Current and deferred tax	2 123	3 418	(37.9)
Loss after tax	(13 914)	(15 327)	(9.2)
Key revenue drivers			
Direct retail client assets (R'm)	1 418.0	912.4	55.4
Partner retail client assets (R'm)	446.5	199.8	123.5
Partner institutional assets (R'm)	1 005.7	–	>100
Total platform assets	2 870.2	1 112.2	158.1
Retail client deposits (R'm)	628.6	315.6	99.2
Retail clients registered	126 518	55 239	129.0
Funded investment accounts	58 518	29 554	98.0

The Group has continued to invest in its EasyEquities investment platform over the past six months.

Revenue for the six months ended 28 February 2018 was 123.3% higher than the comparative period last year.

Total Client Assets on the EasyEquities platform increased 158.1% to R2.87 billion compared to HY 2017. Direct Retail Client Assets increased by 55.4% HY 2018 compared to HY 2017, supported by the launch of the EasyEquities US Investment Account during September 2017 and the EasyEquities Retirement Annuity Account during January 2018. Direct Retail Client deposits totalled R465 million HY 2018, an increase of 76% compared to HY 2017.

Partner Retail Assets increased by 123.5%, which also included the addition of unit trusts into the investment universe. Total deposits across partner retail clients totalled R164.8 million HY 2018, an increase of 218% compared to HY 2017.

The platform secured its first two institutional clients during February 2018 through its joint venture, RISE ("Retirement Investments and Savings for Everyone Proprietary Limited"). RISE is a new entity that has been established to target the pension administration and related asset management industry. The assets secured onto the platform comprise the first in respect of this joint venture.

Operating expenses were 14.5% higher HY 2018 compared to HY 2017 due to higher professional fees and employment related costs. Professional fees incurred during the period mainly comprise audit fees in respect of the year ended 31 August 2017 and legal consulting fees paid, associated with the USD Investment Account and the Retirement Annuity Account launched during the period. Additional staff resources were employed to support the new products launched and the increased volumes being generated by the business.

In the result, the loss before tax decreased by 14.4% HY 2018 compared to the prior comparative period.

These unaudited results are available on the Company's website:

www.purplegroup.co.za

PURPLE GROUP LIMITED

(Incorporated in the Republic of South Africa)

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• ("Purple Group" or "the Company" or "the Group")

