PURPLE GROUP
LIMITED

UNAUDITED CONDENSED CONSOLIDATED RESULTS
FOR THE SIX MONTHS ENDED 29 FEBRUARY 2020

LETTER FROM THE BOARD

GROUP HIGHLIGHTS

- The Group generated a profit of R0.8 million , compared to a loss of R6.2 million in the comparative period, an improvement of 113.6%;
- Group revenue increased by 15.2%; and
- Group costs are 6.3% lower than the comparative period

EASYEQUITIES HIGHLIGHTS

- EasyEquities revenue increased by 139.5% to R28.6 million;
- EasyEquities generated a profit;
- Platform assets increased by 310.9% to R15.8 billion;
- Funded retail investment accounts increased by 115.1% to 199 491;
- RISE assets totalled R5.9 billion.

SURGE TOWARDS THE TIPPING POINT

Half-year results afford a brief pause to reflect on the past and to take stock of the remainder of the year. In an ever changing, unpredictable world where there is little time to pause, such an opportunity is useful. We started this period with a rather despondent world in September 2019 and ended it in February 2020 with the early news of COVID-19 moving beyond China. Certainly not business as usual for anyone.

We are proud of these results. Not only because they demonstrate the hard work of our team and the support of our shareholders, but because they clearly reflect a surge towards the tipping point of us achieving our purpose – financial inclusion and dignity for all. Tens of thousands of new clients are joining the EasyEquities community monthly and these retail investors are investing hundreds of millions of Rands every month. And investing smartly. Our now more than 150 000 active users are showing what is possible on a platform that is easy to use, welcoming to all and provides new functionality based on user data and feedback.

We are humbled by the feedback we receive on a daily basis. The EasyEquities community is not just investing and walking away – they are passionate and highly engaged. They want to grow not only their own wealth, but also those around them. They challenge us on social media, they write to us and offer suggestions. They help us be better, daily, in what we do. It remains a privilege to be a part of this community who come to us whether they are DIY investors, need help with managed solutions or would like to take money offshore to invest in shares listed on international exchanges.

We are excited by what lies ahead. We have many promises still to deliver on. Many opportunities to seize. Millions more investors to help. With many partnerships now actively part of our DNA, our focus is firmly on ongoing operational efficiencies, ensuring we deliver effectively and timeously to all and that our scaling efforts keep up with our ambitions and our community's demands.

The next six months will, no doubt, prove to be unpredictable. In many ways perhaps some of the toughest months experienced in the investment world in decades lie ahead with the world economy in unchartered waters. But that suits us just fine. Firm in the knowledge that we simply must, every minute of every day, be there for our partners and clients on their financial journey.

We very much look forward to updating you in six months from now on our progress.

EXECUTING ON OUR STRATEGY

EasyEquities

Purple Group owns 70% of Easy Equities and Sanlam Investment Holding the remaining 30%.

EasyEquities leverages its innovative investment platform and technology stack through various distribution channels:

Core offering

Founded in South Africa in 2014, originally targeting the heavily under-invested Millennial Generation, EasyEquities was built with the deep desire and purpose to democratise all things investing. Since then it's been a wonderful journey. A library of global awards and powerful partnerships gives credence to our success, having Best Fintech, Best Startup, Most Innovative Business and Top Online Stockbroker, amongst others. But the real rewards come from our customers and the testimony they give to the difference we are making in changing their financial lives, and the incredible stories of every day South Africans taking up investing for the very first time.

EasyEquities solves three customer problem statements through a world first single platform:

- Customers that know what shares they want to buy. (DIY Investing).
- Customers that do not know what shares they want to buy and prefer their money managed by a market professional. (Managed Portfolios).
- Customers who have financial goals but lack the confidence and understanding to match these goals with their risk tolerance, time horizon and capital constraints. (Goal-Based Investment Guide).

We built our loyalty program, Thrive, to drive and shape long-term investor behaviour rewarding them through zero brokerage benefits and other lifestyle experiences and encouraging them to level up their education through our academy, build community through our referral and vouchering tools and stay financially fit by putting their education into practice on the platform.

Distribution channels

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. Satrix transferred circa. 50 000 clients with investments totalling circa. R6 Billion onto the SatrixNow platform on 29 February 2020.

Bidvest Bank Grow Account

EasyEquities has provided customers of the 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 core platform.

RISE

EasyEquities has been appointed by RISE to provide execution services in respect of investment mandates secured by RISE and offer members of funds administered by RISE various investment accounts.

RISE

Retirement Investments And Savings For Everyone Proprietary Limited ("RISE") is:

- A joint venture (50/50) with NBC Fund Administration Services, is a one-stop-shop integrated institutional administration and investment fund management business.
- Through its proprietary administration and investment management system, coupled with a first-of-its-kind member savings portal, RISE is equipped to reduce the cost of administration and provide unparalleled efficiency and transparency to all stakeholders.
- Contributions are seamlessly invested into selected portfolios and claims processed within 96 hours of submission.
- 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 USD Investment Account and a Tax-Free Savings Account with no minimum investment amounts or prescribed investment periods

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 and competitive offering for our clients.

Emperor Asset Management

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

Over the past few years several investment strategies were formulated and listed on the EasyEquities platform. The offering caters to a broad range of investor risk/return requirements.

Emperor Asset Management is one of the investment managers appointed by RISE to manage a portion of the investment mandates secured by RISE.

CONDENSED GROUP STATEMENT OF PROFIT OR LOSS
for the six months ended 29 February 2020

	Unaudited six months 29 February 2020 R'000	Unaudited six months 28 February 2019 R'000	Change 2019 to 2020 %	Audited 12 months 31 August 2019 R'000
Continuing operations				
Revenue	56 038	48 625	**15,2**	98 476
Equity investing fees	28 569	11 984	**138.4**	40 807
Derivatives trading revenue	19 946	29 893	**(33,3)**	43 624
Net funding income	4 404	3 253	**35,4**	7 604
Asset management execution revenue	1 645	1 674	**(1,7)**	4 277
Asset management fees	1 474	1 821	**(19,1)**	2 164
Commissions and research	(1 229)	(1 660)	**(26,0)**	(3 143)
Operating expenses	(47 111)	(49 951)	**(5,7)**	(100 756)
Net profit/(loss)	7 698	(2 986)	**357,8**	(5 423)
Other income	284	25	**1036,0**	33
Earnings/(loss) before interest, depreciation & amortisation	7 982	(2 961)	**369,6**	(5 390)
Finance income	-	593	**(100,0)**	3 636
Finance expense	(4 515)	(4 026)	**12,1**	(7 286)
Depreciation and amortisation	(5 873)	(4 677)	**25,6**	(9 813)
Loss before fair value, impairment adjustments and tax	(2 405)	(11 071)	**(78,3)**	(18 853)
Fair value and impairment adjustments	384	(396)	**197,0**	102
Share of profit/(loss) of joint venture	2 869	(336)	**953,9**	3 474
Profit/(loss) before tax	847	(11 803)	**107,2**	(15 277)
Income tax benefit	97	2 152	**(95,5)**	3 264
Profit/(loss) for the period	945	(9 651)	**109,8**	(12 013)
Profit/(loss) attributable to:				
Owners of the company	839	(6 162)	**113,6**	(9 544)
Non-controlling interest	106	(3 489)	**103,0**	(2 469)
	945	**(9 651)**	**109,8**	**(12 013)**
Earnings per share				
Basic and diluted earnings/(loss) per share (cents)	0,09	(0,69)	**113,2**	(1,06)
Weighted number of shares in issue at end of period ('000)	918 914	898 089		898 316
Headline earnings/(loss) per share				
Profit/(loss) for the period	838	(6 170)	**113,6**	(9 544)
Headline earnings/(loss) for the period	838	(6 170)	**113,6**	(9 544)
Headline earnings/(loss) per share (cents)	0,09	(0,69)	**113,2**	(1,06)

The Group recorded a profit attributable to shareholders for the six months ended 29 February 2020 of R0.8 million compared with a loss of R6.2 million in the comparative period in the prior year. The basic and headline profit of 0.09 cents per share improved by 113.2% compared to a basic and headline loss of 0.69 cents per share in the prior comparative period.

OPERATING SEGMENT REVIEW

EasyEquities condensed statement of profit or loss

EasyEquities
www.easyequities.co.za

	HY2020 R'000	HY2019 R'000	% change
Revenue	**28 569**	11 928	139,5
Commissions and research	**(198)**	(355)	(44,2)
Operating expenses	**(25 748)**	(24 314)	5,9
Net profit/(loss)	**2 623**	(12 741)	120,6
Other income	**284**	25	1 036,0
Earnings/(loss) before interest, depreciation and amortisation	**2 907**	(12 716)	122,9
Net finance (expense)/income	**(1 116)**	593	(288,2)
Depreciation and amortisation	**(5 398)**	(4 183)	29,0
Loss before fair value, impairment adjustments and tax	**(3 607)**	(16 306)	(77,9)
Share of profit/(loss) of joint venture	**2 869**	(336)	953,9
Loss before tax	**(738)**	(16 642)	(95,6)
Income tax benefit	**814**	4 230	(80,8)
Profit/(loss) for the period	**76**	(12 412)	100,6

- EasyEquities revenue was up 139.5%.
- Total expenses increased by 5.2%, driven primarily by the significant increase in clients and resultant increase in transactional volumes.
- The marketing expense per direct EasyEquities client acquired during the period was significantly down due to an increased number of clients being acquired through referrals.
- Management remains focused on containing the cost base through improving existing processes and working on initiatives to decrease costs where possible.
- EasyEquities' 50% shareholding in RISE added R2.9 million to the bottom line for the six months.

GT247.com condensed statement of profit or loss

<GT247.COM>

	HY2020 R'000	HY2019 R'000	% change
Revenue	**25 995**	34 820	(25,3)
Derivatives trading revenue	**19 946**	29 893	(33,3)
Net funding income	**4 404**	3 253	35,4
Asset management execution revenue	**1 645**	1 674	(1,7)
Commissions and research	**(1 003)**	(1 052)	(4,7)
Operating expenses	**(16 054)**	(16 447)	(2,4)
Earnings before depreciation and amortisation	**8 938**	17 321	(48,4)
Depreciation and amortisation	**(439)**	(464)	(5,4)
Profit before tax	**8 499**	16 857	(49,6)
Income tax expense	**(2 347)**	(4 334)	(45,8)
Profit for the period	**6 152**	12 523	(50,9)

- Revenue is down 25.3% compared to the prior comparative period. The lower revenue was a product of low market volatility during the first five months of this period. Volatility did increase towards the end of February 2020 with the outbreak of COVID-19, which significantly disrupted global markets.
- Total expenses are 2.5% lower due to various cost saving initiatives implemented over the past few years. Compared to the six months ended 29 February 2016, total costs in respect of this business have decreased by 32.3% (R8.1 million for the six months).

Emperor Asset Management condensed statement of profit or loss

EMPEROR
ASSET MANAGEMENT

	HY2020 R'000	HY2019 R'000	% change
Revenue	**1 474**	1 822	(19,1)
Trading expenses	**(28)**	(224)	(87,5)
Operating expenses	**(1 722)**	(2 052)	(16,1)
Loss before depreciation and amortisation	**(276)**	(454)	(39,2)
Depreciation and amortisation	**(18)**	(16)	12,5
Loss before fair value, impairment adjustments and tax	**(294)**	(470)	(37,4)
Fair value adjustments	**383**	(396)	196,7
Profit/(loss) before tax	**89**	(866)	110,3
Income tax benefit	**37**	497	(92,6)
Profit/(loss) for the period	**126**	(369)	134,1

- Revenue is down 19.1% compared to the prior comparative period, primarily due to a decrease in client funds invested in leveraged strategies. These portfolios did, however, outperform their respective benchmarks for the calendar year ended 31 December 2019, along with most of the unleveraged strategies managed by Emperor.
- Institutional asset management revenue increased by 78% to R650 000 during the current period.
- Future revenue growth will be driven through retail distribution on the EasyEquities' platform and securing additional institutional assets to manage.

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

	HY2020 R'000	HY2019 R'000	% change
Revenue	–	55	(100,0)
Commissions and research expenses	–	(29)	(100,0)
Operating expenses	(3 587)	(7 137)	(49,7)
Loss before interest, depreciation and amortisation	(3 587)	(7 111)	(49,6)
Finance costs	(3 399)	(4 026)	(15,6)
Depreciation and amortisation	(17)	(14)	21,4
Loss before tax	(7 003)	(11 151)	(37,2)
Income tax benefit	1 593	1 759	(9,4)
Loss for the period	(5 410)	(9 392)	(42,4)

- Operating expenses have decreased by 49.7% due to the prior period including various once-off costs.

RISE condensed statement of profit or loss

	HY2020 R'000	HY2019 R'000	% change
Revenue	23 177	1 622	1 329
Operating expenses	(14 982)	(2 555)	486
Profit/(loss) before tax	8 195	(933)	978
Income tax (expense)/benefit	(2 457)	261	(1 041)
Profit/(loss) for the period	5 738	(672)	954
EasyEquities share of profit/(loss)	2 869	(336)	954

- RISE secured various administration and asset management mandates during the second half of FY 2019.
- EasyEquities' 50% share of the RISE Profit amounted to R2.9 million for the six months ended 29 February 2020.

Segmental balance sheets

	GT247.com and EAM R'000	EasyEquities R'000	Purple Group and Investments R'000	2020 Total R'000
As at 29 February 2020				
Segment asset				
Non-current assets	6 885	80 925	272 617	360 427
Current assets	36 802	89 930	5 369	132 101
Total assets	43 687	170 855	277 986	492 528
Segment liabilities				
Non-current liabilities	–	29 963	39 379	69 342
Current liabilities	28 220	75 130	20 676	124 026
Total liabilities	28 220	105 093	60 055	193 368

SUBSEQUENT EVENTS

The directors are not aware of any other matter or circumstances arising since 29 February 2020 up to the date of this announcement, not otherwise dealt with in this announcement.

In respect of COVID 19's impact on our business: all of our systems, data and all software required to operate the business is hosted in the cloud. We will be in a position to operate at 100% capacity as all of our staff have been equipped with the technology to enable them to work from home. Our Disaster Recovery and Business Continuity plans are world class and have been extensively tested over the past few months.

We believe we are well prepared and uniquely positioned to operate efficiently under such circumstances.

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.

The areas that include significant judgements made by management in applying the Group's accounting policies, including the valuation techniques applied and key sources of estimation uncertainty used in fair value calculations were the same as those that were identified in the audited consolidated annual financial statements as at and for the year ended 31 August 2019, 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 16. On adoption of IFRS 16, the Group recognised a right-of-use asset and a lease liability in relation to a lease of office space which had previously been classified as an operating lease. The Group adopted IFRS 16 using the modified retrospective approach, with the recognition of transitional adjustments on the date of initial application (1 September 2019), without restatement of comparative period information. The cumulative effect of the initial application of IFRS 16 has been recognised as an adjustment to the opening balance of retained earnings. The discount rate used to calculate the present value of the lease liability and the right-of-use asset was 10%. Upon implementation, the carrying amounts of the right-of-use asset and lease liability are R5.7 million and R6.1 million respectively.

Implementation of IFRS 16 Leases

The table below summarises the impact of the implementation of IFRS 16 on the Group's statement of profit or loss:

	Unaudited six months 29 February 2020 R'000
Lease payment no longer expensed	952
Interest recognised on lease liability	(294)
Amortisation on Right of Use Asset	(743)
Net decrease in profit	(85)

The table below reconciles the previously disclosed operating lease commitments to the lease liabilities recognised on 1 September 2019:

Operating lease commitments at 31 August 2019	6 996
Discounted using the incremental borrowing rate at 1 September 2019	(876)
Financial lease liabilities recognised at 1 September 2019	6 120

The preparation of these unaudited condensed Group interim financial statements for the six months ended 29 February 2020 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 29 February 2020.

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
3 April 2020

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION
For the six months ended 29 February 2020

	Unaudited six months 29 February 2020 R'000	Unaudited six months 28 February 2019 R'000	Audited 12 months 31 August 2019 R'000
ASSETS			
Equipment	2 886	3 753	3 273
Intangible assets and goodwill	267 567	253 947	257 657
Right of use asset	5 013	–	–
Investment in joint venture	7 416	1 154	3 877
Investments	13 782	13 781	13 781
Receivables	2 835	2 867	2 826
Deferred tax assets	60 928	58 884	60 591
Total non-current assets	360 427	334 386	342 005
Trade and other receivables	19 231	12 451	23 643
Tax receivable	2 626	2 540	2 097
Investments	4 403	3 546	4 044
Receivables	–	742	–
Cash and cash equivalents	105 841	95 704	69 614
Total current assets	132 101	114 983	99 398
Total assets	492 528	449 369	441 403
EQUITY AND LIABILITIES			
Share capital and premium	474 023	464 023	474 023
Accumulated loss	(241 523)	(238 879)	(242 261)
Equity component of compound financial instrument	3 496	3 496	3 496
Other reserves	39 497	35 877	38 037
Equity attributable to owners	275 493	264 517	273 295
Non-controlling interest	23 667	22 584	23 604
Total equity	299 160	287 101	296 899
Borrowings	65 225	37 922	38 521
Lease liability	4 117	–	–
Total non-current liabilities	69 342	37 922	38 521
Bank overdraft	13 623	12 796	8 313
Trade and other payables	47 157	35 571	18 823
Client position liability	58 027	68 004	58 582
Lease liability	1 372	–	–
Borrowings	3 847	7 975	20 265
Total current liabilities	124 026	124 346	105 983
Total equity and liabilities	492 528	449 369	441 403
Net asset value per ordinary share (cents)	29,32	31,97	32,51

CONDENSED GROUP STATEMENT OF CASH FLOWS
For the six months ended 29 February 2020

	Unaudited six months 29 February 2020 R'000	Unaudited six months 28 February 2019 R'000	Audited 12 months 31 August 2019 R'000
Cash flows from operating activities			
Cash generated/(utilised) in operations	41 412	13 068	(25 385)
Tax paid	(770)	–	(152)
Finance income	–	–	3 477
Finance costs	(2 408)	(972)	(4 752)
Cash flows generated/(utilised) by operating activities	38 234	12 096	(26 812)
Cash flows from investing activities			
Acqusition of intangible assets	(14 729)	(9 229)	(17 505)
Acqusition of equipment	(190)	(366)	(456)
(Acquisition of)/repayment from joint venture	(670)	(858)	228
Rental deposit received	–	–	740
Cash flows utilised in investing activities	(15 589)	(10 453)	(16 993)
Cash flows from financing activities			
Proceeds from the issue of share capital	–	–	10 000
Proceeds from borrowings raised	10 000	–	15 000
Repayments of borrowings	(1 821)	(21 954)	(23 354)
Cash flows generated/(utilised) by financing activities	8 179	(21 954)	1 646
Net increase/(decrease) in cash and cash equivalents	30 824	(20 311)	(42 159)
Effect of foreign exchange on cash	93	(34)	207
Cash and cash equivalents at beginning of period	61 301	103 253	103 253
Cash and cash equivalents at end of period	92 218	82 908	61 301

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY
for the six months ended 29 February 2020

	Unaudited six months 29 February 2020 R'000	Unaudited six months 28 February 2019 R'000	Audited 12 months 31 August 2019 R'000
Balance at beginning of the period	273 295	268 416	268 416
Adjustment on initial application of IFRS 16	(100)	-	-
Adjusted balance at 1 September 2019	273 195	268 416	268 416
Shares issued	–	–	10 000
Profit/(loss) for the period	838	(6 162)	(9 544)
Share-based payments	1 367	2 297	4 216
Foreign currency translation reserve	93	(34)	207
Attributable to owners of the parent	275 493	264 517	273 295
Balance at beginning of the period	23 604	26 073	26 073
Adjustment on initial application of IFRS 16	(43)	–	
Adjusted balance at 1 September 2019	23 561	26 073	26 073
Profit/Loss for the period	106	(3 489)	(2 469)
Non-controlling interest	23 667	22 584	23 604
Total Equity	299 160	287 101	296 899

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 29 February 2020

	Unaudited six months 29 February 2020 R'000	Unaudited six months 28 February 2019 R'000	Audited 12 months 31 August 2019 R'000
Profit/(loss) for the period	944	(9 651)	(12 013)
Other comprehensive income			
Items that may be reclassified subsequently to profit/loss			
Foreign currency translation reserve	93	(34)	207
Total other comprehensive profit/(loss)	93	(34)	207
Total comprehensive profit/(loss)	1 037	(9 685)	(11 806)
Total comprehensive profit/(loss) attributable to:			
Owners of the company	931	(6 196)	(9 337)
Non controlling interest	106	(3 489)	(2 469)
	1 037	(9 685)	(11 806)

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

Independent auditors
BDO South Africa Incorporated
Chartered Accountants (SA)
Registered Auditors
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Group secretary and transfer secretaries
4 Africa Exchange Registry Proprietary Limited
Cedarwood House
Ballywoods Office Park
33 Ballyclare Dr
Bryanston

Sponsor
Deloitte & Touche Sponsor Services Proprietary Limited

Deloitte, 5 Magwa Crescent, Waterfall City, Midrand, 2090

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*
Bonang Mohale	*Non-executive Director*
Arnold Forman	*Independent Non-executive Director*

There were no changes in directors in the current period.

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

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