

# PURPLE GROUP

LIMITED

# UNAUDITED CONDENSED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 28 FEBRUARY 2021

### LETTER FROM THE BOARD

### **GROUP HIGHLIGHTS**

- Group revenue increased by 79.5% to R100.6 million, compared to R56.0 million;
- EBITDA increased by 324.4% to R33.9 million;
- The Group realised a profit of R15.2 million, compared to R0.9 million in the comparative period;
- The Group generated a profit attributable to shareholders of R8.3 million, compared to a profit of R0.8 million in the comparative period, an increase of 884.1%; and
- The basic and headline earnings per share increased by 844.4% to 0.85 cents per share compared to 0.09 cents per share in the prior comparative period.

### **EASYEQUITIES HIGHLIGHTS**

- EasyEquities revenue increased by 197.6% to R85.0 million;
- EasyEquities generated a profit after tax of R22.3 million, compared to a profit of R0.08 million in the comparative period;
- Platform assets increased by 70.3% to R26.9 billion; and
- Funded retail investment accounts increased by 161% to 519 816;

### **SURGING FORWARD**

When we updated shareholders this time last year, we titled our feedback "Surge towards the tipping point". At the time, despite the many Covid-19 and global economic challenges, we were confident that our team and our clients were well positioned to maximise value for themselves and all stakeholders. We are proud that, a year later, we can report back on major achievements. EasyEquities has just about tripled revenue, funded retail investment accounts are up 161%, platform assets have increased by 70.3% to R26 billion and the EasyEquities business has generated a profit after tax of R22.3 million for the six months. The tipping point may well have been reached, however, we shun complacency and remain laser focused as we continue to deliver with and for our partners and clients.

Half-year results are always an opportunity to reflect on the past, to take stock, and to consider the outlook for the remainder of the year.

The past six months performance of the Purple Group has starkly highlighted the immense growth opportunity evident in the EasyEquities Group.

We continue to see volatility in the earnings of our derivatives trading platform, GT247.com, which is expected and appropriately risk managed. Although the recent performance of GT247.com is disappointing, especially the impact it has on the Groups results, it is a business that has generated substantial profits for the Group, specifically over the past few years, and we still believe that the products and services offered by GT247.com fill a gap, although niche, in the trading landscape of South Africa.

Emperor Asset Management, although a small part of the Group currently, has generated a small profit for the six months and remains a complementary business to EasyEquities and RISE. The Emperor team was awarded a coveted Raging Bull Award in respect of its global equity strategy. The IP Global Momentum Equity Fund managed by Emperor Asset Management was recognised as the best performing global equity fund over a three-year period. For us this award and the ongoing work our Emperor team is doing is testimony to not giving up when times are tough. We are excited that in the next reporting period, the Emperor team will be driving the launch of unit trusts on the EasyEquities platform. As a market of assets in excess of R2 trillion, unit trusts on our platform offer traditional and new retail investors the opportunity to access additional financial instruments to grow their wealth.

EasyProperties is on track to have a property portfolio of over R100 million in its first year, allowing retail investors to own property in an innovative way. We are proud of this result. Clients are largely existing EasyEquities users, resulting in a very low cost of acquisition, and the team can focus on having a continuous pipeline of exciting properties on offer. Our next planned move is into international property listings.

The EasyEquities results speak for themselves but we'd like to highlight the diversity and power of our community. From minors who have accounts opened for them to 90-year-olds actively investing, from famous celebrities, business icons and legendary authors and artists to unknown, but to us equally extraordinary, new investors, hundreds of thousands of people, daily, engage with our platform. Their smarts and passionate activism to help themselves and each other to grow wealth, is infectious. This is what continues to inspire us as we approach one million registered users.

Our journey is certainly far from over, it has scarcely begun. We remain committed to continue with the investment revolution – making it possible for anyone to achieve financial freedom and dignity, no matter their background, investment experience or financial resources. Thank you for being a part of the journey.

## GROUP OVERVIEW

# EASYEQUITIES GROUP

Purple Group owns 70% of First World Trader (Pty) Ltd ("EasyEquities SA") and Sanlam Investment Holdings the remaining 30%.

EasyEquities SA leverages its innovative investment platform and technology stack through various business offerings, as detailed below:

- EasyEquities South African operations (operated within EasyEquities SA) ("Core Offering");
- Retirement Investments and Savings for Everyone Proprietary Limited ("RISE"), a 50/50 joint venture between EasyEquities SA and NBC Fund Administration Services (an existing administrator of retirement funds);
- EasyProperties Proprietary Limited ("EasyProperties") a 51/49 joint venture between EasyEquities SA and Narrative (a Johannesburg-based residential property development company); and
- EasyEquities Australia Proprietary Limited ("EE Australia"), 100% owned by EasyEquities SA.

# CORE OFFERING

EasyEquities was built with the deep desire and purpose to democratise all things investing.

Previously, investing was seen as an elite activity, and was, to a great extent, an intimidating (and often unaffordable) option for the average person. With the internet becoming more affordable and accessible, EasyEquities identified an opportunity, and dire need, to make investing and trading equities just as accessible for all.

Industry trends and global best practices has seen the global democratisation of financial services through digitalisation. Accordingly, EasyEquities created a solution that deals with the evolving needs of all customer types, recognizing that today's managed investor is tomorrows day trader, the curious 20 something crypto investor, next decades advised passive parent. We've delivered a world-first, all-inclusive digital investment platform that not only caters for the DIY investor, but also the investor that just wants his money to be managed or receive advice on how to invest to achieve their wealth goals.

The solution reduces the costs associated with investing (specifically in small amounts) but makes the investing process easy, as easy as purchasing a book on Amazon, posting a message on Facebook or calling an Uber taxi.

EasyEquities delivers this offering through the following distribution channels and partnerships:

### EasyEquities Direct

Customers are acquired directly by EasyEquities through various marketing initiatives and more importantly through referrals from existing customers (40% plus of clients are acquired through referrals).

#### SatrixNow

EasyEquities has white labelled its core platform to Satrix (a pioneer of index tracking investment products in South Africa and one of the largest providers of these products to the South African market), branded as SatrixNow, which utilises the platform to attract customers to invest in Satrix's Exchange Traded Funds ("ETFs") and Unit Trusts. Satrix transferred circa. 50 000 clients with investments totalling circa. R6 billion onto the SatrixNow platform last year on 29 February 2020.

### Capitec Bank

EasyEquities, in partnership with Capitec Bank have provided users of the new Capitec Banking App the opportunity to seamlessly invest, through the Capitec Banking App, into the various investment products offered on the EasyEquities core platform.

### RISE

EasyEquities SA, in addition to its shareholding in RISE, provides equity execution and investment administration services to RISE in respect of retirement fund investment mandates secured by RISE and offers members of funds administered by RISE various investment accounts.

### RISE

RISE, a (50/50) joint venture between EasyEquities SA and NBC Fund Administration Services, is a one-stop-shop integrated institutional administration and investment fund management business, in which EasyEquities SA has a 50% shareholding.

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.

# EASYPROPERTIES

Launched in July 2020, EasyProperties is a (51/49) joint venture between EasyEquities SA and Narrative, a Johannesburg-based residential property development company.

The EasyProperties' mission is to make investing in property a fun, easy and rewarding ownership experience, providing access to all the benefits of ownership such as the rental income and capital growth but none of the hassle - managing tenants, maintenance and raising a bond. This is made possible through fractional property investment. Fractional property investing allows first-time home buyers to get exposure to property much earlier in their quest to own a home, and the entire process is streamlined through our tech-friendly, online property investment platform.

# GT247.COM

GT247.com is 100% owned by Purple Group Limited.

GT247.com pioneered CFD trading in South Africa 20 years ago and has claimed the prestigious title of SA's Top Online Stockbroker at the Intellidex Annual Awards in the years 2016 and 2019

In 2017 we migrated to the internationally recognized and multi award-winning Metatrader 5 trading platform which offers full technical charting functionality and lightning-fast trade executions on both desktop and mobile application.

We offer a vast range of tradable instruments; 153 JSE Equity CFDs, 5 Commodities, 5 Crypto Currencies, 135 Currency Pairs and 12 Major Indices, all tradeable in USD or Rand. We offer a Private Broking services as well as DIY trading.

GT247.com offers the ultimate trading experience and service at the lowest commission rates in the market for retail investors at 0.10%. Daily market updates, technical and fundamental research, blogs, podcasts, educational notes, and weekly trade ideas are just some of the many value-added services our dedicated team of traders offers.

# EMPEROR ASSET MANAGEMENT

Emperor is 100% owned by Purple Group Limited.

Emperor is a quantitative asset manager. Our algorithm looks for what we call building blocks, that is, we analyse all the company's fundamentals and invest in a combination of companies that exhibit momentum, value, stability, and quality.

The IP Global Momentum Equity Fund, managed by Emperor Asset Management, was awarded a Raging Bull Award in 2021 for the best performing global equity fund over a three-year period.

The strategy for Emperor Asset Management is to continue to offer managed portfolios on the EasyEquities platform and secure institutional asset management and consulting mandates.

### CONDENSED GROUP STATEMENT OF PROFIT OR LOSS

for the six months ended 28 February 2021

	Unaudited six months 28 February 2021 R'000	Unaudited six months 29 February 2020 R'000	Change 2020 to 2021 %	Audited 12 months 31 August 2020 R'000
Revenue	100 574	56 038	79,5	162 672
Equity investing fees	83 294	28 569	191,6	95 716
Derivatives trading revenue	7 590	19 946	(61,9)	52 386
Net funding income	3 672	4 404	(16,6)	7 509
Asset management execution revenue	1 817	1 645	10,5	3 257
Asset management fees	2 467	1 474	67,4	3 211
Property investing fees and				
commissions	1 734	_	n/a	593
Commissions and research expenses	(1 559)	(1 229)	26,9	(3 016)
Operating expenses	(65 140)	(47 111)	38,3	(117 774)
Net income	33 875	7 698	340,0	41 882
Other income	-	284	(100,0)	47
Earnings before interest,				
depreciation and amortisation	33 875	7 982	324,4	41 929
Finance income	429	- (4.515)	n/a	1 303
Finance costs Depreciation and	(4 040)	(4 515)	(10,5)	(9 016)
amortisation	(9 361)	(5 872)	59,4	(14 052)
Profit/(loss) before fair value,				
impairment adjustments	20.000	(0. (05)	(0(04)	00.1//
<b>and tax</b> Fair value adjustments	20 903 1 408	(2 405) 384	(969,1) 266,7	20 164 2 405
Share of (loss)/profit of joint	1 400	004	200,7	2 400
venture	(673)	2 869	(123,5)	1 183
Profit before tax	21 638	848	2 451,7	23 752
Income tax (expense)/benefit	(6 415)	97	(6 713,4)	(6 615)
Profit for the period	15 223	945	1 510,9	17 137
Profit attributable to:				
Owners of the company	8 257	839	884,1	14 443
Non-controlling interest	6 966	106	6 471,7	2 694
	15 223	945	1 510,9	17 137
Earnings per share				
Basic earnings per share (cents)	0,85	0,09	844,4	1,54
Weighted number of shares				
in issue at end of period ('000)	1 004 643	918 914	9,3	940 445
Headline earnings per share	1004 643	710 714	7,3	740 443
Profit for the period	8 257	839	884,1	14 443
Headline earnings for				
the period Headline earnings per	8 257	839	884,1	14 443
share (cents)	0,85	0,09	844,4	1,54
Diluted basic and headline				
earnings per share (cents)	0,82	0,09	811,1	1,47

The Group recorded a profit attributable to owners of the company for the six months ended 28 February 2021 of R8.3 million compared with a profit of R0.8 million in the comparative period in the prior year. The basic and headline earnings per share increased by 844.4% to 0.85 cents per share compared to 0.09 cents per share in the prior comparative period.

# OPERATING SEGMENT REVIEW EasyEquities condensed statement of profit or loss

**Easy**Equities

	Unaudited six months 28 February 2021 R'000	Unaudited six months 29 February 2020 R'000	Change 2020 to 2021 %
Revenue Commissions and research expenses Operating expenses	85 028 (893) (42 105)		197,6 351,0 63,5
Net profit Other income	42 030 -	2 623 284	1 502,4 (100,0)
Earnings before interest, depreciation and amortisation Finance income Finance costs Depreciation and amortisation	42 030 429 (1 174) (8 971)	,	1 345,8 n/a 5,2 66,2
Profit/(loss) before fair value, impairment adjustments and tax Share of (loss)/profit of joint venture	32 314 (673)		(995,9) (123,5)
Profit before tax Income tax (expense)/benefit	(9 300)	(738) 814	(4 387,4)
Profit for the period	22 341	76	29 296,1

- EasyEquities revenue was up 197.6%. EasyProperties and EasyEquities Australia contributed revenue of R1.7 million and R0.1 million respectively during the period.
- Operating expenses increased by 63.5%, driven primarily by the significant increase
  in clients and resultant increase in transaction volumes. Operating expenses per
  active client for the six months ended 28 February 2021 decreased by 56.8%
  to R106 per client, down from R246 in the prior comparative period. Operating
  expenses incurred to acquire and onboard new active clients (EasyEquities Direct)
  during the period, amounted to R71 per new active client, slightly down from
  R73 per new active client acquired in the prior comparative period.
- Management remains focused on reducing the operating cost per client as the business continues to scale.
- EasyEquities' 50% shareholding in RISE contributed a loss of R0.7 million for the six months, compared to a profit of R2.9 million in the prior comparative period.
   The business has incurred various once-off costs during the past 12 months and is expected to return to profitability in the next 12 months.



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	Unaudited six months 28 February 2021 R'000	Unaudited six months 29 February 2020 R'000	Change 2020 to 2021 %
Revenue	13 079	25 995	(49,7)
Derivatives trading revenue Net funding income Asset management execution revenue	7 590 3 672 1 817	19 946 4 404 1 645	(61,9) (16,6) 10,5
Commissions and research expenses Operating expenses	(648) (16 883)		(35,4) 5,2
(Loss)/earnings before interest, depreciation and amortisation Depreciation and amortisation	(4 452) (354)		(149,8) (19.4)
(Loss)/profit before tax Income tax benefit/(expense)	(4 806) 1 545	8 499 (2 347)	(156,5) (165,8)
(Loss)/profit for the period	(3 261)	6 152	(153,0)

• GT247.com's revenue is down 49.7% compared to the prior comparative period. This result was largely driven by a decrease in trading activity during the current period compared to the prior comparative period.

### Emperor Asset Management condensed statement of profit or loss



	Unaudited six months 28 February 2021 R'000	Unaudited six months 29 February 2020 R'000	Change 2020 to 2021 %
Revenue	2 467		67,4
Trading Expenses	(18)		(35,7)
Operating expenses	(2 119)		23,1
Earnings/(loss) before interest, depreciation and amortisation Depreciation and amortisation	330 (18)	(276) (18)	(219,6)
Profit/(loss) before fair value, impairment adjustments and tax Fair value adjustments	312	(294)	(206,1)
	1 408	384	266,7
Profit before tax	1 720	90	1 811,1
Income tax (expense)/benefit	(367)	37	(1 091,9)
Profit for the period	1 353	127	965,4

 Emperor Asset Management continues to pursue its stated strategy of driving retail distribution of its products through the EasyEquities platform and securing institutional assets to manage.

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



PURPLE GROUP

	Unaudited six months 28 February 2021 R'000	Unaudited six months 29 February 2020 R'000	Change 2020 to 2021 %	
Operating expenses	(4 033)	(3 587)	12,4	
Loss before interest, depreciation and amortisation Finance costs Depreciation and amortisation	(4 033) (2 866) (18)	(3 399)	12,4 (15,7) 5,9	
Loss before tax Income tax benefit	(6 917) 1 707	(7 003) 1 593	(1,2) 7,2	
Loss for the period	(5 210)	(5 410)	(3,7)	

• Operating expenses increased by 12.4% during the current period primarily due to an increase in head office employment costs, which includes directors' emoluments, as approved by shareholders at the Annual General Meeting of the company.

# Segmental balance sheets

Segmental balance sneets				
	GT247.com and EAM R'000	EasyEquities R'000	Purple Group and Investments R'000	2021 Total R'000
As at 28 February 2021 Segment asset				
Non-current assets Current assets	8 948 102 064	90 691 139 097	273 276 1 181	372 915 242 342
Total assets	111 012	229 788	274 457	615 257
Segment liabilities Non-current liabilities Current liabilities	- 83 040	5 784 124 311	9 409 38 874	15 193 246 225
Total liabilities	83 040	130 095	48 283	261 418

# SUBSEQUENT EVENTS

re of any other matter or circumstances arising since 28 February 2021 up to the date of this announcement, not otherwise dealt with in this

# 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 2020, 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.

The preparation of these unaudited condensed Group interim financial statements for the six months ended 28 February 2021 was supervised by the Financial Director, Gary van Dyk CA (SA) and have not been reviewed or reported on by the company's

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 2021.

Happy Ntshingila (Independent Non-executive Chairman) Charles Savage (Chief Executive Officer) Gary van Dyk (Chief Financial and Operations Officer)

Johannesburg 9 April 2021

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

as at 28 February 2021

2 437 86 763 204 568 3 467 4 159 13 781 2 954 54 786	2 886 62 999 204 568 5 013 7 416 13 782	2 839 76 719 204 568 4 209
86 763 204 568 3 467 4 159 13 781 2 954	62 999 204 568 5 013 7 416	76 719 204 568
204 568 3 467 4 159 13 781 2 954	204 568 5 013 7 416	204 568
3 467 4 159 13 781 2 954	5 013 7 416	
4 159 13 781 2 954	7 416	4 209
13 781 2 954		
2 954	13 782	4 832
		13 781
54 786	2 835	2 954
	60 928	59 396
372 915	360 427	369 298
46 037	19 231	23 372
1 333	2 626	1 333
1 519	4 403	6 356
193 453	105 841	225 104
242 342	132 101	256 165
615 257	492 528	625 463
494 026	474 023	481 430
(218 610)	(241 523)	(226 867)
		3 496
		39 915
319 338	275 493	297 974
34 501	23 667	27 535
353 839	299 160	325 509
9 409	65 225	39 131
2 505	4 117	3 368
3 279	-	1 474
15 193	69 342	43 973
5 418	13 623	9 847
22 794	47 157	85 921
156 030	58 027	128 831
1 652	1 372	1 507
60 331	3 847	29 875
244 225	124 026	255 981
246 225		
615 257	492 528	625 463
	34 501 353 839 9 409 2 505 3 279 15 193 5 418 22 794 156 030 1 652 60 331 246 225	40 426     39 497       319 338     275 493       34 501     23 667       353 839     299 160       9 409     65 225       2 505     4 117       3 279     -       15 193     69 342       5 418     13 623       22 794     47 157       156 030     58 027       1 652     1 372       60 331     3 847

Current liabilities include the Serialong Loan outstandings of R26.5 million in Borrowings, which is convertible into Purple Group shares at a price of 22.85 cents per share. Excluding this loan from current liabilities positively influences the current ratio and more accurately reflects the liquidity position of the Group

# CONDENSED GROUP STATEMENT OF CASH FLOWS

For the six months ended 28 February 2021

Cash flows from operating activities         (22 383)         41 412         182 125           Tax paid         - (770)         (3 182)           Finance income         429         - 1303           Finance costs         (1 907)         (2 408)         (4 222)           Cash flows (utilised)/generated by operating activities         (23 861)         38 234         176 024           Cash flows from investing activities         (23 861)         38 234         176 024           Cash flows from investing activities         (17 282)         (14 729)         (34 993)           Acqusition of intangible assets         (17 282)         (14 729)         (34 993)           Acqusition of equipment         (979)         (190)         (768)           (Acquisition of)/Repayment from joint venture         - (670)         229           Rental deposit received         (128)         - (128)           Proceeds from disposal of investments         4 837         (128)           Proceeds from disposal of ownership interest in subsidiary         - 980           Cash flows utilised in investing activities         (13 424)         (15 589)         (34 680)           Cash flows from financing activities         - 10 000         10 000         10 000         10 000         10 000         10		six months 28 February 2021 R'000	six months 29 February 2020 R'000	12 months 31 August 2020 R'000
Cash flows (utilised)/generated by operating activities         (23 861)         38 234         176 024           Cash flows from investing activities         (17 282)         (14 729)         (34 993)           Acqusition of equipment (Acquisition of)/Repayment from joint venture         (979)         (190)         (768)           Rental deposit received         —         (670)         229           Rental deposit received         —         —         (128)           Proceeds from disposal of investments         4 837         —         —           Proceeds from disposal of ownership interest in subsidiary         —         980           Cash flows utilised in investing activities         (13 424)         (15 589)         (34 680)           Cash flows from financing activities         12 595         —         6 724           Proceeds from borrowings raised         —         10 000         10 000           Repayments of borrowings         (1 400)         (1 821)         (4 020)           Repayments of lease liability         (719)         —         (1 169)           Proceeds from disposal of treasury shares         —         —         1 000           Cash flows generated by financing activities         10 476         8 179         12 535           Net (decrease)/increase	Cash (utilised)/generated in operations Tax paid Finance income	429	(770)	(3 182) 1 303
Acqusition of intangible assets         (17 282)         (14 729)         (34 993)           Acqusition of equipment         (979)         (190)         (768)           (Acquisition of)/Repayment from joint venture         -         (670)         229           Rental deposit received         -         -         (128)           Proceeds from disposal of investments         4 837         -         -           Proceeds from disposal of ownership interest in subsidiary         -         -         980           Cash flows utilised in investing activities         (13 424)         (15 589)         (34 680)           Cash flows from financing activities         -         -         6 724           Proceeds from the issue of share capital         12 595         -         6 724           Proceeds from borrowings raised         -         10 000         10 000           Repayments of borrowings         (1 400)         (1 821)         (4 020)           Proceeds from disposal of treasury shares         -         -         1 000           Cash flows generated by financing activities         10 476         8 179         12 535           Net (decrease)/increase in cash and cash equivalents         (26 809)         30 824         153 879           Effect of foreign exchange on ca	Cash flows (utilised)/generated by	, , ,	, , ,	
Rental deposit received	Acqusition of intangible assets Acqusition of equipment (Acquisition of)/Repayment from joint		(190)	(768)
Cash flows utilised in investing activities         (13 424)         (15 589)         (34 680)           Cash flows from financing activities         Proceeds from the issue of share capital         12 595         —         6 724           Proceeds from borrowings raised         —         —         10 000         10 000           Repayments of borrowings         (1 400)         (1 821)         (4 020)           Repayments of lease liability         (719)         —         (1 169)           Proceeds from disposal of treasury shares         —         —         1 000           Cash flows generated by financing activities         10 476         8 179         12 535           Net (decrease)/increase in cash and cash equivalents         (26 809)         30 824         153 879           Effect of foreign exchange on cash         (413)         93         77           Cash and cash equivalents at beginning of period         215 257         61 301         61 301	Rental deposit received Proceeds from disposal of investments Proceeds from disposal of ownership	4 837	(670) - -	(128) -
Proceeds from the issue of share capital         12 595         -         6 724           Proceeds from borrowings raised         -         10 000         10 000           Repayments of borrowings         (1 400)         (1 821)         (4 020)           Repayments of lease liability         (719)         -         (1 169)           Proceeds from disposal of treasury shares         -         -         1 000           Cash flows generated by financing activities         10 476         8 179         12 535           Net (decrease)/increase in cash and cash equivalents         (26 809)         30 824         153 879           Effect of foreign exchange on cash         (413)         93         77           Cash and cash equivalents at beginning of period         215 257         61 301         61 301		(13 424)	(15 589)	
Net (decrease)/increase in cash and cash equivalents  Effect of foreign exchange on cash Cash and cash equivalents at beginning of period  (26 809) 30 824 153 879 (413) 93 77  Cash and cash equivalents at beginning	Proceeds from the issue of share capital Proceeds from borrowings raised Repayments of borrowings Repayments of lease liability	(1 400)		10 000 (4 020) (1 169)
equivalents         (26 809)         30 824         153 879           Effect of foreign exchange on cash         (413)         93         77           Cash and cash equivalents at beginning of period         215 257         61 301         61 301	Cash flows generated by financing activities	10 476	8 179	12 535
	equivalents Effect of foreign exchange on cash Cash and cash equivalents at beginning	(413)	93	77
cash and cash equivalents at end of period 188 035 92 218 215 257	Cash and cash equivalents at end of period	188 035	92 218	215 257

### IMPACT OF COVID-19

Leading up to the announcement of the lockdown in South Africa on 23 March 2020, all businesses within the Group finalised their plans to ensure all staff members were equipped to work from home. As all our business systems and applications are hosted virtually, the transition from office to home was relatively seamless. At this point in time we have no plans to call staff back to the office, firstly to ensure their safety and secondly all aspects of the business are operating efficiently and effectively from home.

The business has performed various tests of its disaster recovery and business continuity plans, and we are satisfied that these plans are effective and will result in minimum down time in the event of a disaster at our primary hosting site.

As far as customer acquisition rates and the resultant revenue generated are concerned, during the second half of FY 2020 and the first half of FY 2021, client acquisition rates and investment activity increased almost threefold, compared to the first half of FY 2020, resulting in the business generating a healthy profit during the past 12 months, which includes the six months reported on in this announcement.

The business continues to be well positioned for future growth.

### CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

for the six months ended 28 February 2021

	Unaudited six months 28 February 2021 R'000	Unaudited six months 29 February 2020 R'000	Audited 12 months 31 August 2020 R'000
Balance at beginning of the period	297 974	273 295	273 295
Adjustment on initial application of IFRS 16	-	(100)	251
Adjusted balance at beginning of period	297 974	273 195	273 546
Shares issued	12 596	_	6 724
Profit for the period	8 257	838	14 443
Share-based payments	924	1 367	2 485
Foreign currency translation reserve	(413)	93	76
Buy-back of treasury shares	-	_	700
Attributable to owners of the parent	319 338	275 493	297 974
Balance at beginning of the period	27 535	23 604	23 604
Adjustment on initial application of IFRS 16	-	(43)	(43)
Adjusted balance at beginning of period	27 535	23 561	23 561
Profit for the period	6 966	106	2 694
Sale of minority share in subsidiary	-	_	980
Buy-back of treasury shares	_	_	300
Non-controlling interest	34 501	23 667	27 535
Total Equity	353 839	299 160	325 509

### CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 28 February 2021

	Unaudited six months 28 February 2021 R'000	Unaudited six months 29 February 2020 R'000	Audited 12 months 31 August 2020 R'000
Profit for the period Other comprehensive income Items that may be reclassified subsequently to profit/loss	15 223	944	17 137
Foreign currency translation reserve	(413)	93	76
Total other comprehensive (loss)/profit	(413)	93	76
Total comprehensive profit	14 810	1 037	17 213
Total comprehensive profit attributable to: Owners of the company Non controlling interest	7 844 6 966	931 106	14 519 2 694
	14 810	1 037	17 213

# Registered office

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

# Independent auditors

BDO South Africa Incorporated Chartered Accountants (SA) Registered Auditors

Wanderers Office Park, 52 Corlett Drive, Illovo, 2196

### Group secretary and transfer secretaries 4 Africa Exchange Registry Proprietary Limited

Hill on Empire 4th Floor, Block A 16 Empire Road Parktown

# Sponsor

2193

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: 74F000185526 ("Purple Group" or "the Company" or "the Group")

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

www.purplegroup.co.za