



PURPLE GROUP  
LIMITED

# SUMMARY CONSOLIDATED RESULTS

## FOR THE YEAR ENDED 31 AUGUST 2018

### LETTER FROM THE BOARD

"Purple Group Limited intend repositioning as Easy Investment Holdings Limited, (subject to shareholders approval), a proudly South African innovator that is facilitating affordable, accessible, and inclusive investing in South African and International markets.

#### GROUP HIGHLIGHTS

- Loss per share improved by 54% from a loss per share of 6.42 cents in the prior year to a loss of 2.94 cents per share for the current year;
- Net asset value per share increased by 27% to 32.51 cents per share;
- The Groups debt profile was restructured through R25 million of funding raised from a black empowered consortium, led by Bonang Mohale; and
- Sanlam Investment Holdings invested R100 million in EasyEquities and is an engaged and supportive shareholder – ring-fenced cash resources to fund EasyEquities growth.

#### EASYEQUITIES HIGHLIGHTS

- EasyEquities revenue increased by 68%;
- Platform assets increased by 144% to R3.5 Billion;
- Funded investment accounts increased by 77% to 68 739 accounts;
- Total retail deposits increased by 76% to R1.2 Billion for the year;
- RISE secured asset management mandates totalling R1 Billion during the year;
- RISE has been appointed as the fund administrator and investment manager of a retirement fund, post year end, that will see it administering the retirement savings of some 20 000 members with assets under management in excess of R2 Billion;
- Five key distribution channels established in EasyEquities;
- Pleasing take up and acceptance of an evolving EasyEquities product offering; and
- Low cost model gives customers a painless and affordable access to the markets.

#### GT247.COM HIGHLIGHTS

- GT247.com trading revenue increased by 13.9%;
- GT247.com costs decreased by 14.7%;
- Profit before tax increased by 141% to R10.2 million; and
- Clients successfully migrated to Meta Trader 5 trading platform.

#### A LANDMARK YEAR

2018 has been a landmark financial year for the Group. Affordable, accessible, and inclusive investing is becoming a reality to a wider demographic in South Africa and gaining momentum each month through the EasyEquities channel.

Our rapidly growing customer base displays the maturity and wisdom required to take their future in to their own hands.

EasyEquities as a brand name is gaining recognition, creating products our customers relate to.

Off a proven platform, management focus is now devoted to the growth and development of the EasyEquities distribution channels.

A black empowerment consortium, led by Bonang Mohale, CEO of Business Leadership South Africa, invested R25 million into Purple Group. This allowed the Group to settle historic borrowings relating to the investment in Real People. The Group is privileged to have an enthusiastic investor and participant in the business that in time we hope will be a sizable broad-based BEE shareholder.

EasyEquities is an online, predominantly digital business, with a core of people that fulfill various roles, including innovating, managing, helping, and educating. Our expense base now reflects this reality. Harnessing social media as a tool means that we can do away with traditional and expensive marketing techniques; almost half of our new clients are referred by existing clients. We have moved in to new premises that suit our needs far better and which cost us materially less per month to rent. As we achieve our revenue hurdles, so the expense ratio reduces.

Delineated executive performance targets have been determined which are monitored regularly for delivery thereon. Individuals are accountable for what they have been tasked to achieve.

#### EXECUTING ON OUR STRATEGY

##### EasyEquities

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 democratize 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 won everything from Best Fintech, Best Startup, Most Innovative Business and Top Online Stockbroker. 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 don't know what shares they want to buy and prefer to have 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 behavior rewarding them through zero brokerage benefits and other lifestyle experiences and enticing them to level up their education through our academy, build community through our referral and vouching 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;

##### 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 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 savings accounts;

##### EasyEquities Corporate Partnerships

- This revenue pillar enables listed companies to enter into agreements with EasyEquities for company employees to be able to save and invest, or to partner with EasyEquities to add the platform within a suite of financial services products, or as part of their loyalty programme or share incentive programmes.

##### RISE

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

- A joint venture (50/50) with NBC Fund Administration Services, registered as Retirement Investments and Savings for Everyone (Pty) Ltd and trading as RISE. RISE 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 successful migration to the Meta Trader 5 Trading Platform during the past year, 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 year several new investment strategies were formulated and listed on the EasyEquities platform. The new offering now caters to a broad range of investor risk/return requirements.

Emperor Asset Management is currently providing investment consulting services to RISE and will be mandated as one of the investment managers appointed by RISE to manage a portion of the investment mandates secured by RISE.

#### FINANCIAL ANALYSIS

##### CONSOLIDATED PROFIT AND LOSS (R'000)

	Actual FY 2018	Actual FY 2017	Movement %
Revenue	70 216	74 518	(6)
Commissions and research	(3 982)	(6 513)	(39)
Operating expenses	(94 045)	(91 557)	3
<b>Net loss</b>	<b>(27 811)</b>	<b>(23 552)</b>	<b>18</b>
Other income	4 069	1 972	106
<b>Loss before interest, depreciation and amortisation</b>	<b>(23 742)</b>	<b>(21 580)</b>	<b>10</b>
Net interest expense	(4 316)	(3 456)	25
Depreciation and amortisation	(8 500)	(4 837)	76
<b>Loss before share of net profit of joint venture, fair value impairment and guarantee adjustments</b>	<b>(36 558)</b>	<b>(29 873)</b>	<b>22</b>
Fair value impairments and guarantee adjustments	(6 540)	(44 109)	(85)
Share of net loss of joint venture accounted for using the equity method	(483)	–	N/A
<b>Loss before tax</b>	<b>(43 581)</b>	<b>(73 982)</b>	<b>(41)</b>
Taxation	10 443	16 120	(35)
<b>Loss for the period</b>	<b>(33 138)</b>	<b>(57 862)</b>	<b>(43)</b>
<b>Loss attributable to:</b>			
Owners of the company	(26 667)	(57 862)	(54)
Non-controlling interests	(6 471)	–	N/A
<b>Loss per share</b>			
Basic loss per share (cents)	(2,94)	(6,42)	(54)
<b>Headline loss per share</b>			
Headline loss per share (cents)	(3,00)	(6,42)	(53)

The Group recorded a loss for the period of R26.7 million compared with R57.9 million in the prior year. The basic loss of 2.94 cents per share and headline loss of 3.00 cents per share compares with a loss of 6.42 cents per share on both a basic and headline basis in the prior year.

#### EASYEQUITIES

##### EASYEQUITIES PROFIT AND LOSS (R'000)

	Actual FY 2018	Actual FY 2017	Movement %
<b>Revenue</b>	<b>15 880</b>	<b>9 476</b>	<b>68</b>
Commissions and research	(884)	(1 229)	(28)
Operating expenses	(42 049)	(34 490)	22
<b>Net loss</b>	<b>(27 053)</b>	<b>(26 243)</b>	<b>3</b>
Other income	625	–	N/A
<b>Loss before interest, depreciation and amortisation</b>	<b>(26 428)</b>	<b>(26 243)</b>	<b>1</b>
Net interest (expense)/income	2 492	(2 419)	(203)
Depreciation and amortisation	(7 594)	(3 386)	124
<b>Loss before share of net profit of joint venture</b>	<b>(31 530)</b>	<b>(32 048)</b>	<b>(2)</b>
Share of net loss of joint venture accounted for using the equity method	(483)	–	N/A
<b>Loss before tax</b>	<b>(32 013)</b>	<b>(32 048)</b>	<b>0</b>

- EasyEquities revenue was up 68%.
- Total expenses increased by 20.2% primarily 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 generated by the business.
- Management has implemented various initiatives over the past 12 months that would result in containment of several expenses and in some cases a decrease over the next 12 months.

##### GT247.COM PROFIT AND LOSS (R'000)

	Actual FY 2018	Actual FY 2017	Movement %
Asset management execution	2 601	10 506	(75)
Trading revenue	47 969	42 116	14
<b>Revenue</b>	<b>50 570</b>	<b>52 622</b>	<b>(4)</b>
Commissions and research	(2 413)	(4 566)	(47)
Operating expenses	(37 007)	(41 624)	(11)
<b>Net income</b>	<b>11 150</b>	<b>6 432</b>	<b>73</b>
Other income	–	–	N/A
<b>Profit before interest, depreciation and amortisation</b>	<b>11 150</b>	<b>6 432</b>	<b>73</b>
Net interest expense	(113)	(830)	(86)
Depreciation and amortisation	(843)	(1 378)	(39)
<b>Profit before tax</b>	<b>10 194</b>	<b>4 224</b>	<b>141</b>

- Trading Revenue is up 13.9% compared to the prior year, driven by several specific market events and a general increase in market volatility, both of which drove trading revenue.
- The revenue generated from asset management execution revenue was down 75%, driven by a decrease in client funds invested in leveraged portfolios.
- Total expenses are 14.7% lower due to various cost saving initiatives implemented over the past 18 months. Compared to FY 2016, total costs in respect of this business have decreased by 26.1% (R13.9 million p.a.).
- With average monthly trading revenue of R4.0 million generated during FY 2018 and a projected monthly total cost base of R2.7 million (projected for FY 2019), the business is well positioned to generate a reasonable profit.

##### EMPEROR ASSET MANAGEMENT PROFIT AND LOSS (R'000)

	Actual FY 2018	Actual FY 2017	Movement %
<b>Revenue</b>	<b>3 707</b>	<b>12 420</b>	<b>(70)</b>
Commissions and research	(453)	(718)	(37)
Operating expenses	(5 995)	(5 775)	4
<b>Net income</b>	<b>(2 741)</b>	<b>5 927</b>	<b>(146)</b>
Other income	–	–	N/A
<b>(Loss)/profit before interest, depreciation and amortisation</b>	<b>(2 741)</b>	<b>5 927</b>	<b>(146)</b>
Net interest expense	–	–	N/A
Depreciation and amortisation	(26)	–	N/A
<b>Profit/(loss) before tax</b>	<b>(2 767)</b>	<b>5 927</b>	<b>(147)</b>

- Revenue has decreased by 70% during the period, primarily due to a decrease in client funds invested in its leveraged strategies, which have not performed well over the past 3 years.
- With a relatively stable expense base, the focus over the next 12 months will be 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.

**PURPLE GROUP LIMITED AND INVESTMENTS PROFIT AND LOSS (R'000)**

	Actual FY 2018	Actual FY 2017	Movement %
<b>Revenue</b>	<b>59</b>	<b>-</b>	<b>N/A</b>
Commissions and research	(232)	-	N/A
Operating expenses	(8 994)	(9 668)	(7,0)
<b>Net income</b>	<b>(9 167)</b>	<b>(9 668)</b>	<b>(5)</b>
Other income	3 444	1 972	75
<b>Profit before interest, depreciation and amortisation</b>	<b>(5 723)</b>	<b>(7 696)</b>	<b>(26)</b>
Net interest expense	(6 695)	(207)	3 134
Depreciation and amortisation	(37)	(73)	(49)
<b>Loss before fair value impairment and guarantee adjustments</b>	<b>(12 455)</b>	<b>(7 976)</b>	<b>56</b>
Fair value impairment and guarantee adjustments	(6 540)	(44 109)	(85)
<b>Loss before tax</b>	<b>(18 995)</b>	<b>(52 085)</b>	<b>(64)</b>

- Operating expenses have decreased by 7% primarily driven by additional costs being allocated to the operating subsidiaries, in line with services provided by Purple Group employed resources.
- Other income includes a profit of R3.4 million realised by Purple Group in respect of its investment in Misty Sea Trading, which was realised for a total consideration of R6.1 million during the year. This investment was carried at R2.7 million at 31 August 2017.
- At 31 August 2017, Purple Group provided for the estimated liability in respect of a joint and several guarantee to the Industrial Development Corporation of South Africa (IDC) in respect of the Group's indirect investment in Real People Investment Holdings Limited. During February 2018, Purple Group reached final agreement with the IDC in respect of the debt owed to the IDC. In the result, Purple Group was allocated a disproportionate share of this liability, an amount totalling R35 million (being an additional R8.1 million above the amount raised at 31 August 2017), for which Purple Group has reached payment terms. This write-down has been partially off-set by a slight upward valuation of the investment.

On behalf of the board

**Mark Barnes** (Non-Executive Chairman)

**Charles Savage** (Chief Executive Officer)

**Gary van Dyk** (Chief Financial and Operations Officer)

## GROUP OVERVIEW

The Group comprises the following lines of business:

### EasyEquities

- EasyEquities provides low cost, accessible and inclusive investing for everyone, through its proprietary investment platform and technology stack;
- EasyEquities is 70% owned by Purple Group and 30% by Sanlam Investment Holdings Proprietary Limited;
- The EasyEquities product offering is offered directly to retail and institutional clients and indirectly through various partnerships with like-minded institutions.

### RISE

- RISE is a pension/provident fund administration and investment management company founded in partnership with NBC Fund Administration Services Proprietary Limited ("NBC").
- EasyEquities owns 50% of the RISE joint venture.
- In addition, EasyEquities is the execution service provider for RISE in respect of investment management services.

### GT247.com (to be renamed Easy Trader)

- GT247.com provides a low-cost trading destination, with best of breed trading platform, for active derivative traders.

### Emperor Asset Management (to be renamed Easy Investment Managers)

- Emperor provides managed portfolios to retail clients directly and through the EasyEquities platform;
- Emperor has further developed its offering to target institutional asset management mandates.

## OPERATING SEGMENTS

The operating segments are distinguished by the type of business and the management team responsible for the business unit. The Group comprises the following operating segments:

- GT247.com, and Emperor Asset Management (EAM): represent the derivatives trading and asset management operations of the Group. These two businesses operate largely off the same centralised resource base of the Group and GT247.com generates a significant portion of its revenue for services performed for Emperor clients.
- EasyEquities is the web-based investment platform of the Group.
- Investments represent fees and dividends earned on investments and fair value adjustments made against them.

	GT247.com and EAM R'000	EasyEquities R'000	Purple Group Ltd and Investments R'000	Total R'000
<b>2018</b>				
<b>Segment asset</b>				
Non-current assets	13 178	45 190	267 939	326 307
Current assets	70 468	52 764	15 413	138 645
<b>Total assets</b>	<b>83 646</b>	<b>97 954</b>	<b>283 352</b>	<b>464 952</b>
<b>Segment liabilities</b>				
Non-current liabilities	-	-	40 284	40 284
Current liabilities	65 430	33 384	31 365	130 179
<b>Total liabilities</b>	<b>65 430</b>	<b>33 384</b>	<b>71 649</b>	<b>170 463</b>

	GT247.com and EAM R'000	EasyEquities R'000	Purple Group Ltd and Investments R'000	Total R'000
<b>2018</b>				
<b>Revenue</b>	<b>54 277</b>	<b>15 880</b>	<b>59</b>	<b>70 216</b>
Commissions and research expenses	(2 866)	(884)	(232)	(3 982)
Operating expenses	(43 002)	(42 049)	(8 994)	(94 045)
<b>Net profit/(loss)</b>	<b>8 409</b>	<b>(27 053)</b>	<b>(9 167)</b>	<b>(27 811)</b>
Other income	-	625	3 444	4 069
<b>Profit/(Loss) before interest, depreciation and amortisation</b>	<b>8 409</b>	<b>(26 428)</b>	<b>(5 723)</b>	<b>(23 742)</b>
Interest income	-	2 687	-	2 687
Finance costs	(113)	(195)	(6 695)	(7 003)
Depreciation and amortisation	(869)	(7 594)	(37)	(8 500)
<b>Profit/(Loss) before fair value, impairment adjustments and tax</b>	<b>7 427</b>	<b>(31 530)</b>	<b>(12 455)</b>	<b>(36 558)</b>

\* Share-based payment expense of R5 528 252 is included in operating expenses. The split per segment is as follows:

- GT247.com, EAM: R1 490 058.
- EasyEquities: R1 382 748.
- Purple Group Limited and Investments: R2 655 446.

	GT247.com and EAM R'000	EasyEquities R'000	Purple Group Ltd and Investments R'000	Total R'000
<b>2017</b>				
<b>Revenue</b>	<b>65 042</b>	<b>9 476</b>	<b>-</b>	<b>74 518</b>
Commissions and research expenses	(5 284)	(1 229)	-	(6 513)
Operating expenses	(47 399)	(34 490)	(9 668)	(91 557)
<b>Net profit/(loss)</b>	<b>12 359</b>	<b>(26 243)</b>	<b>(9 668)</b>	<b>(23 552)</b>
Other income	-	-	1 972	1 972
<b>Profit/(Loss) before interest, depreciation and amortisation</b>	<b>12 359</b>	<b>(26 243)</b>	<b>(7 696)</b>	<b>(21 580)</b>
Finance costs	(830)	(2 419)	(207)	(3 456)
Depreciation and amortisation	(1 378)	(3 386)	(73)	(4 837)
<b>Profit/(Loss) before fair value, impairment adjustments and tax</b>	<b>10 151</b>	<b>(32 048)</b>	<b>(7 976)</b>	<b>(29 873)</b>

\* Share-based payment expense of R5 703 650 is included in operating expenses. The split per segment is as follows:

- GT247.com and EAM: R2 439 909.
- EasyEquities: R2 483 263.
- Purple Group Limited and Investments: R780 478.

### EVENTS AFTER THE REPORTING DATE

The directors are not aware of any other matter or circumstance arising since the reporting date to the date of this report, not otherwise dealt with in this report.

### ANNUAL GENERAL MEETING

The Annual General Meeting of ordinary shareholders ("shareholders") of the Company will be held at 16th Floor, 25 Owl Street, Braamfontein Werf, 2092 on Monday, 7 January 2019 at 10:00.

### Basis of preparation of the summary consolidated results

The summary consolidated financial results are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements of the Companies Act of South Africa applicable to summary financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. This announcement does not include the information required pursuant to paragraph 16A(j) of IAS 34. The full report is available on the issuer's website, at the issuer's registered offices and upon request. The accounting policies applied in the preparation of the consolidated financial statements from which the summary financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, except for the adoption of new, improved and revised standards and interpretations, which had no material effect on the financial results. This report was compiled under the supervision of Gary van Dyk CA(SA), Chief Financial and Operations Officer.

The summary consolidated financial statements do not include all of the information required for full consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 August 2018. The directors take full responsibility for the preparation of the abridged report. This abridged report is extracted from audited information, but is not itself audited.

### Report of the independent auditors

The auditor, BDO South Africa Incorporated, expressed an unmodified audit opinion on the consolidated financial statements from which these summary consolidated financial results were derived. A copy of the auditor's unmodified report on the consolidated financial statements are available for inspection at the Company's registered office, together with the financial statements identified in the auditor's report.

The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the Company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Company's auditor.

On behalf of the board

**Mark Barnes** (Non-Executive Chairman)

**Gary van Dyk** (Chief Financial and Operations Officer)

Johannesburg

30 November 2018

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 August 2018

	2018 R'000	2017 R'000
<b>ASSETS</b>		
Equipment	3 944	3 168
Intangible assets	44 270	29 300
Goodwill	204 568	204 568
Investments	13 781	12 208
Investment in Joint Venture	631	-
Receivables	2 824	1 004
Deferred tax assets	56 289	45 845
<b>Total non-current assets</b>	<b>326 307</b>	<b>296 093</b>
Trade and other receivables	23 645	5 587
Current tax receivable	2 983	2 763
Investments	3 942	5 862
Receivables	742	1 886
Cash and cash equivalents	107 333	140 792
<b>Total current assets</b>	<b>138 645</b>	<b>156 890</b>
<b>Total assets</b>	<b>464 952</b>	<b>452 983</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital and premium	464 023	483 321
Accumulated loss	(232 717)	(273 506)
Equity component of a compound instrument	3 496	-
Other reserves	33 614	28 497
<b>Equity attributable to owners</b>	<b>268 416</b>	<b>238 312</b>
Non-controlling interest	26 073	-
<b>Total equity</b>	<b>294 489</b>	<b>238 312</b>
Borrowings	40 284	-
Financial guarantee	-	26 887
<b>Total non-current liabilities</b>	<b>40 284</b>	<b>26 887</b>
Bank overdraft	4 080	13 614
Trade and other payables	22 061	13 618
Client position liability	79 716	140 552
Borrowings	24 322	20 000
<b>Total current liabilities</b>	<b>130 179</b>	<b>187 784</b>
<b>Total equity and liabilities</b>	<b>464 952</b>	<b>452 983</b>
Net asset value per share (cents)	32.51	25.54

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 August 2018

	2018 R'000	2017 R'000
<b>Revenue</b>	<b>70 216</b>	<b>74 518</b>
Commissions and research expenses	(3 982)	(6 513)
Operating expenses	(94 045)	(91 557)
<b>Net loss</b>	<b>(27 811)</b>	<b>(23 552)</b>
Other income	4 069	1 972
<b>Deficit before interest, depreciation and amortisation</b>	<b>(23 742)</b>	<b>(21 580)</b>
Interest income	2 687	-
Finance costs	(7 003)	(3 456)
Depreciation and amortisation	(8 500)	(4 837)
<b>Loss before fair value, impairment adjustments and tax</b>	<b>(36 558)</b>	<b>(29 873)</b>
Fair value, impairments and guarantee adjustments	(6 540)	(44 109)
Share of net loss of equity-accounted investee	(483)	-
<b>Loss before tax</b>	<b>(43 581)</b>	<b>(73 982)</b>
Income tax benefit	10 443	16 120
<b>Loss for the period</b>	<b>(33 138)</b>	<b>(57 862)</b>
<b>Loss attributable to:</b>		
Owners of the Company	(26 667)	(57 862)
Non-controlling interest	(6 471)	-
	<b>(33 138)</b>	<b>(57 862)</b>
Weighted average number of ordinary shares in Issue at end of year ('000)	905 972	901 334
<b>Earnings per share</b>		
Basic loss per share (cents)	(2.94)	(6.42)
Headline loss per share (cents)	(3.00)	(6.42)

## SUMMARY GROUP CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 August 2018

	2018 R'000	2017 R'000
<b>Loss for the period</b>	<b>(33 138)</b>	<b>(57 862)</b>
<b>Other comprehensive (loss)/income</b>		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation reserve	(411)	507
<b>Total comprehensive loss</b>	<b>(33 549)</b>	<b>(57 355)</b>
<b>Total comprehensive loss attributable to:</b>		
Owners of the Company	(27 078)	(57 355)
Non-controlling interest	(6 471)	-
	<b>(33 549)</b>	<b>(57 355)</b>

## SUMMARY GROUP CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 August 2018

	2018 R'000	2017 R'000
Cash flows utilised in operating activities	(77 310)	(29 843)
Cash flows utilised in investing activities	(19 846)	(15 798)
Cash flows generated by financing activities	73 642	40 645
Net decrease in cash and cash equivalents	(23 514)	(4 996)
Effect of foreign exchange on cash	(411)	507
Cash and cash equivalents at beginning of year	127 178	131 667
<b>Cash and cash equivalents at 31 August</b>	<b>103 253</b>	<b>127 178</b>

## SUMMARY GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 August 2018

	2018 R'000	2017 R'000
<b>Balance at beginning of year</b>	<b>238 312</b>	<b>263 383</b>
Loss for the period	(26 667)	(57 862)
Foreign currency translation reserve	(411)	507
Shares issued	-	26 580
Share-based payment expense	5 528	5 704
Sale of non-controlling interest in subsidiary	67 456	-
Treasury shares acquired	(19 298)	-
Borrowings raised with option to convert to shares	3 496	-
<b>Equity attributable to owners</b>	<b>268 416</b>	<b>238 312</b>
Non-controlling interest	26 073	-
<b>Balance at end of year</b>	<b>294 489</b>	<b>238 312</b>

Readers are referred to the Letter from the Board for further notes and the full annual report posted on the Company's website: [www.purplegroup.co.za/four-financials](http://www.purplegroup.co.za/four-financials)

## PURPLE GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/013637/06) • Share code: PPE • ISIN: ZAE00185526 • ("Purple Group" or "the Company" or "the Group")

The audited results are available on the Company's website:

[www.purplegroup.co.za/our-financials](http://www.purplegroup.co.za/our-financials)

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  
4 Africa Exchange Registry Proprietary Limited  
Cedarwood House, Ballywoods Office Park, 33 Ballyclare Drive, Bryanston, 2121  
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  
Charles Savage  
Gary van Dyk  
Dennis Alter  
Craig Carter  
Ronnie Lubner

Non-Executive Chairman  
Chief Executive Officer  
Chief Financial and Operations Officer  
Independent Non-executive Director  
Independent Non-executive Director  
Non-executive Director