PURPLE GROUP LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

16TH FLOOR 25 OWL STREET | AUCKLAND PARK | JOHANNESBURG | 2092

WWW.PURPLEGROUP.CO.ZA

PURPLE GROUP
LIMITED

EasyEquities

EasyProperties

EasyCrypto

RISE
RETIREMENT INVESTMENTS AND SAVINGS FOR EVERYONE

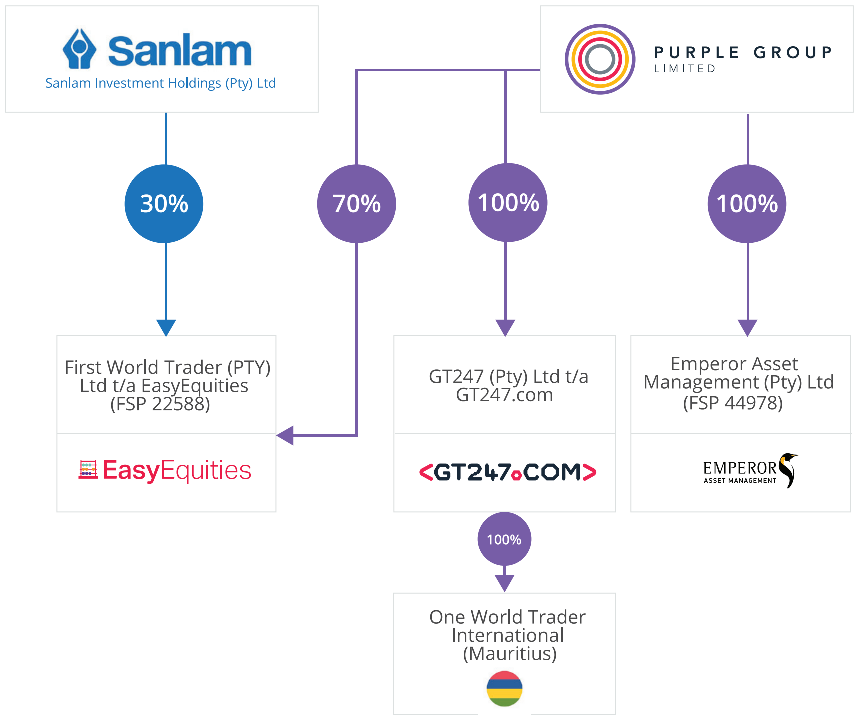
<GT247.COM>

EMPEROR
ASSET MANAGEMENT

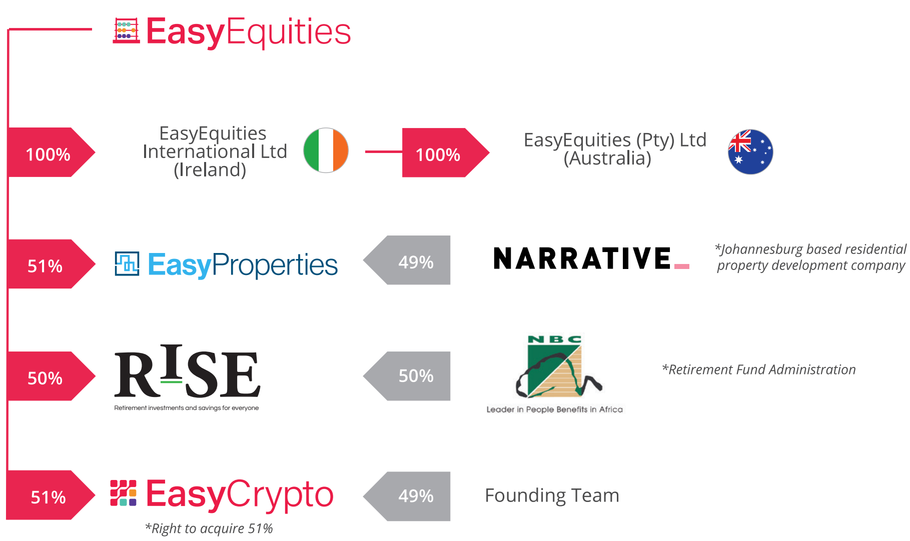
CONTENTS

PURPLE GROUP
LIMITED

OVERALL STRUCTURE



EASYEQUITIES



GROUP HIGHLIGHTS

PURPLE GROUP
LIMITED

GROUP REVENUE
INCREASED BY 26% TO

R205mn

(FY 2020: R163 MILLION)

GROUP COSTS
INCREASED BY 30% TO

R157mn

(FY 2020: TO R121 MILLION

GROUP BASIC EARNINGS
PER SHARE
INCREASED BY 190% TO

4.46cps

(FY 2020: 1.54 CENTS PER SHARE)

ATTRIBUTABLE EARNINGS
INCREASED BY 207% TO

R44.3mn

(FY 2020: R14.4 MILLION)

EASYEQUITIES HIGHLIGHTS

EasyEquities

EASYEQUITIES GROUP REVENUE INCREASED BY 79% TO

▲R172^{mn}

(FY 2020: R96 MILLION)

PLATFORM ASSETS INCREASED BY 46% TO

▲R31.5^{bn}

(FY 2020: R21.6 BILLION)

RISE MANDATES TOTALLING

▲R7.4^{bn}

(FY 2020: R6.7 BILLION)

FUNDED RETAIL INVESTMENT ACCOUNTS INCREASED BY 183% TO

▲737 969

(FY 2020: 260 885)

TOTAL RETAIL DEPOSITS INCREASED BY 48% TO

▲R8.5^{bn}

(FY 2020: R5.7 BILLION)

PROFIT BEFORE TAX INCREASED BY 691% TO

▲R98.1^{mn}

(FY2020: R12.4 MILLION)

VALUE OF PROPERTIES ACQUIRED BY EASYPROPERTIES CLIENTS

▲R125^{mn}

(FY 2020: R15.3 MILLION)

REGISTERED CLIENTS INCREASED BY 107% TO

▲1.172^{mn}

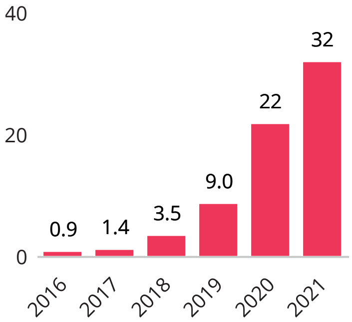
(FY 2020: 0.567^{MN})

PARTNERSHIPS CONCLUDED:

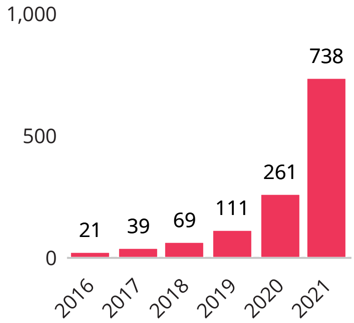
▲TELKOM

▲DISCOVERY BANK

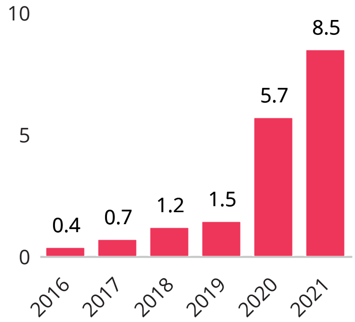
PLATFORM ASSETS (R'BN)



FUNDED INVESTMENT ACCOUNTS ('000)



RETAIL DEPOSITS (R'BN)



<GT247.COM> HIGHLIGHTS

GT247.COM REVENUE DECREASED BY 56.0% TO

▼R27.8mn

(FY 2020: R63.2 MILLION)

GT247.COM COSTS DECREASED BY 9.0% TO

▼R36.3mn

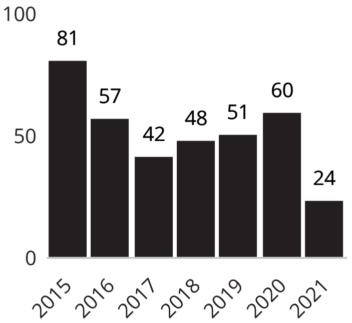
(FY 2020: R39.9 MILLION)

LOSS BEFORE TAX OF

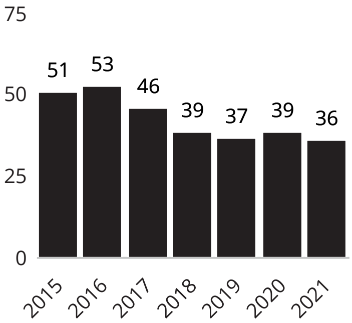
R8.7mn

COMPARED TO A PROFIT OF R22.5 MILLION IN 2020

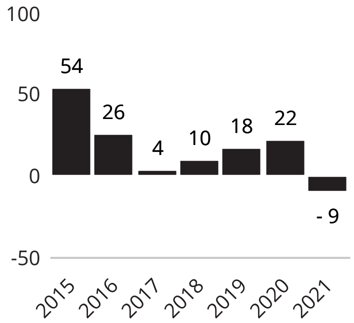
TRADING REVENUE (R'M)



TOTAL COSTS (R'M)



PROFIT/ (LOSS) BEFORE TAX (R'M)



LETTER FROM THE BOARD

INNOVATION CONTINUES TO DRIVE FINANCIAL ACCESS FOR ALL

Over recent years, our theme was one of building a strong foundation and delivering, daily, on our promise of making investing easy for everyone. At the start of that singular purpose, we had many detractors who believed that retail investors were not smart enough, were too few and ultimately that the business model would not succeed. That was then.

Covid and the ensuing challenges that this global pandemic and tragedy brought, challenged all of us. These financial results show that, thanks to our solid foundation, those challenges were met and a positive tipping point has been reached in many of our metrics. EasyEquities client registrations, for example, increased by 129% now totalling over +1.1 million and growing at around 60 000 new registrants a month. Perhaps most notable about this client acquisition rate is that it's being achieved at a cost of acquisition of around R50 (marketing spend per EasyEquities direct active client acquired) or around 2.5% of the financial services industry average.

The foundation has been built and the growth achieved via an incredible team and loyal shareholders (+25% of whom are Easy INVSTRs on the platform). It has been made possible by our clients and community referring and educating their friends and families and our phenomenal partners bringing their powerful brands and excellent relationship skills to the table. Satrix, Capitec Bank, Discovery Bank, Bidvest Bank and Telkom are just a few of our partners who deserve special mention.

Our South African focus is simple and clear – to leverage our strong base and to continue to scale our products and distribution opportunities. While celebrating over 1 million registered clients, we are at the start of our journey and we know that millions more can and will benefit from what we have to offer. Our research confirms that the largest friction point preventing more clients taking up investing remains education, we will invest heavily in education in the years ahead. The success achieved in scaling EasyCrypto and EasyProperties over the last 12 months, coupled with our confirmed clients' desire for new products and services will see us place more effort and investment behind ensuring we roll these new products out faster and more deliberately than ever before.

The Purple Group culture remains one of innovation and finding new growth opportunities. And so, we are most grateful to all our shareholders, clients, and our committed team for helping us achieve the milestones detailed in this report and know that they, like us, are determined to achieve this scaling. Together, we are excited about the multitude of opportunities that lie ahead.

In just two short years we have scaled EasyCrypto to over 100 000 customers, collectively owning over half a billion rand of Crypto assets. The partnership is a great example of what we can achieve when we marry shared purpose and culture across two superb teams. The year ahead will see extensive platform and product launches building on the success of EasyCrypto 10 Bundle and more recently the launch of the first helium token in partnership with Renergen and Argonon.

EasyProperties launched in the middle of the Covid crisis. Looking back, many may find it incredible that over 35000 EasyProperties retail investors have now invested in nearly 20 property developments accounting for more than 120 individual units. The portfolio is approaching R200 million in value, and the team is targeting growth of 100% year on year through a focus on acquisition, conversion, improved investor education and experiences, and broadening the investment offering to include international and commercial property opportunities. The team have done a wonderful job in a very short and demanding time frame and the business looks set to emulate EasyEquities' success in a shorter timeframe.

The Group's 50/50 JV with NBC Fund Administration Services, called RISE (Retirement Investments and Savings for Everyone) is an integrated institutional administration and investment fund management business. Not only does RISE provide members with real-time online access to view their retirement savings, they also have access to various other EasyEquities wallets such as USD. With increasing focus on this business from our leadership team coupled with an expanding investment in growing the RISE Executive team and platform capability, this business is an early stage development business operating in a huge market. The retirement fund administration and investment management industry is ripe for disruption and presents an incredible opportunity for RISE and in turn, the Purple Group.

LETTER FROM THE BOARD CONTINUED

Alignment of the Purple Group, its respective subsidiaries, shareholders and staff around a common brand and single-minded purpose is central to our future growth strategy. In this regard more focus will be placed on the rebranding, repositioning and strategic overhaul of GT247.com and Emperor Asset Management to meet the confirmed needs of our customers.

The brand equity, trust and reach of EasyEquities is a growing asset of the group and makes the "Easy" brand and culture the obvious choice in terms of driving group wide alignment. The incredible distribution already secured must now be leveraged to deliver to more of our clients' needs and wants, locking in additional revenue opportunities whilst delighting our customers and widening our competitive moat.

The case studies and lessons learnt in scaling EasyCrypto and more recently EasyProperties, through the EasyEquities platform, demonstrates our ability to rapidly scale fintechs that meet our customers' needs, whilst delivering on our purpose and promise to democratise all things investing.

In this regard we have extensively sought to understand our client needs and where we can deliver access, through our platforms, to additional products that assist them in creating or protecting wealth. These product opportunities will include EasyLending, EasyInsure, EasyTrader, EasyRetire and EasyAssetManagement, the names speak for themselves.

Our international aspirations, headed by our Australian business, were greatly impacted by Covid conditions in that we were unable to travel and dedicate the required team and resources to ensuring our success. That said, the time has been well spent researching the market and exploring additional partnerships and destinations to expand into. We have already identified key market entry points in Asia, East Africa and Europe and are already working to launch in these regions over the next 12 to 18 months.

In order to unlock these new product opportunities and our global ambitions we will need to scale the team, operations and capital base of the group. The time to accelerate these plans is now and every effort will be made to ensure our best team and efforts are put towards building out our products and success abroad.

The Purple Group, at its core, is a collection of extraordinary people. Our team and our shareholders deserve much credit for their daily passion and commitment. All of them are part of our over one million clients. It is to those millions of pioneers, INVSTRs – our community – that we say the biggest thank you. It is our privilege to work with and for you as we all continue on our journey towards delivering on our dream to democratise investing and empower financial dignity for all, by focusing on technical excellence, beautiful design and inspiring story telling that engages all dreamers and makes investing easy, educational and fun for everyone.

FINANCIAL REVIEW

PURPLE GROUP
LIMITED

Consolidated statement of profit or loss

	2021 R'000	2020 R'000	Movement %
Revenue	**204,778**	162,672	25.9
Commissions and research expenses	**(2,998)**	(3,016)	(0.6)
Operating expenses	**(153,903)**	(117,774)	30.7
Net income	**47,877**	41,882	14.3
Other income	**-**	47	(100.0)
Earnings before interest, depreciation & amortisation	**47,877**	41,929	14.2
Finance income	**4,294**	1,303	229.5
Finance costs	**(7,847)**	(9,016)	(13.0)
Depreciation and amortisation	**(19,776)**	(14,052)	40.7
Earnings before fair value, impairment adjustments and tax	**24,548**	20,164	21.7
Fair value adjustments	**55,919**	2,405	2,225.1
Share of profit of joint venture	**1,431**	1,183	21.0
Profit before tax	**81,898**	23,752	244.8
Income tax	**(9,253)**	(6,615)	39.9
Profit for the period	**72,645**	17,137	323.9
Profit attributable to:			
Owners of the Company	**44,332**	14,443	206.9
Non-controlling interest	**28,313**	2,694	951.0
	72,645	17,137	323.9
Earnings per share			
Basic earnings per share (cents)	**4.46**	1.54	189.6
Diluted earnings per share (cents)	**4.27**	1.47	190.7

The Group recorded an attributable profit for the period of R44.3 million compared to a profit of R14.4 million in the prior year. The basic earnings of 4.46 cents per share compares with earnings of 1.54 cents per share in the prior year, an increase of 189.6%.

EasyEquities

EasyEquities GROUP (INCLUDING EASYPROPERTIES AND RISE)

	2021 R'000	2020 R'000	Movement %
Revenue	**172,332**	96,308	78.9
Commissions and research expenses	**(1,730)**	(630)	174.6
Operating expenses	**(106,407)**	(70,135)	51.7
Net income	**64,195**	25,543	151.3
Other income	**-**	47	(100.0)
Earnings before interest, depreciation & amortisation	**64,195**	25,590	150.9
Finance income	**4,294**	1,303	229.5
Finance costs	**(2,381)**	(2,433)	(2.1)
Depreciation and amortisation	**(19,483)**	(13,242)	47.1
Earnings before fair value, impairment adjustments and tax	**46,625**	11,218	315.6
Fair value adjustments	**50,000**	-	N/A
Share of profit of joint venture	**1,431**	1,183	21.0
Profit before tax	**98,056**	12,401	690.7

- EasyEquities Group revenue was up 78.9% driven by a 182.9% increase in funded retail investment accounts to 737,969 accounts and a 45.7% increase in platform assets to R31.5 Billion. Investment activity during the year was still at elevated levels, compared to pre-covid comparisons.
- Operating expenses per active client for the year ended 31 August 2021 decreased by (47.9)% to R205 per active client, down from R393 in the prior comparative period.
- The marketing cost incurred, per new active client (EasyEquities Direct clients) acquired during the year, amounted to R50 per client, compared to R45 per client in the prior year.
- Costs incurred to onboard a new active client amounted to R9 per client, compared to R12 per client in the prior year.
- Management remains focused on reducing the operating cost per client as the business continues to scale.
- The EasyEquities Group has reported a profit before tax of R98.1 million for the year, compared with a profit of R12.4 million in the prior year.
- The current years profit from core operations (before fair value adjustments) increased by 315.6% to R46.6 million, compared to R11.2 million in the prior year.
- A fair value adjustment of R50.0 million was raised in relation to EasyEquities' option to acquire a 51% shareholding in Easy Crypto SA Proprietary Limited ("EasyCrypto") (Previously DCX Capital Proprietary Limited) for a nominal consideration, which value has increased significantly over the last six months due to increased investment activity in and client adoption of the EasyCrypto 10 product (over 100 000 EasyEquities clients are invested in the EasyCrypto 10 bundle, with an investment value in excess of R0.5 billion).

EASYPROPERTIES

	2021 R'000	2020 R'000	Movement %
Revenue	**5,169**	593	771.7
Commissions and research expenses	**(17)**	-	N/A
Operating expenses	**(6,711)**	(1,545)	334.4
Net loss	**(1,559)**	(952)	63.8
Other income	**-**	-	N/A
Earnings before interest, depreciation & amortisation	**(1,559)**	(952)	63.8
Finance income	**-**	-	N/A
Finance costs	**(21)**	-	N/A
Depreciation and amortisation	**(431)**	(48)	797.9
Profit before tax	**(2,011)**	(1,000)	101.1

- EasyProperties generated revenue of R5.2 million during the current year, successfully concluding property acquisitions, on behalf of its clients, to the value of R124.6 million during the 12 month period.

RISE

	2021 R'000	2020 R'000	Movement %
Revenue	**52,608**	45,021	16.9
Expenses	**(48,028)**	(41,735)	15.1
Profit before tax	**4,580**	3,286	39.4
Income tax	**(1,719)**	(920)	86.8
Profit for the period	**2,861**	2,366	20.9
EasyEquities share of profit for the period	**1,431**	1,183	21.0

- Revenue increased by 16.9%, primarily due to full year revenue earned in respect of new mandates awarded towards the end of the prior year. Mandated assets at 31 August 2021 totalled R7.4 billion (FY 2020: R6.7 billion).
- The current year expenses include various once-off costs, totalling circa. R4 million.
- The business is operating profitably, thanks to a concerted effort by management to streamline the business and its processes.
- It is envisaged that the business will be in a strong position to pursue new business within the next six months.

GT247.com

	2021 R'000	2020 R'000	Movement %
Revenue	**27,815**	63,153	(56.0)
Commissions and research expenses	**(1,234)**	(2,348)	(47.4)
Operating expenses	**(35,080)**	(37,563)	(6.6)
Net (loss)/ income	**(8,499)**	23,242	(136.6)
Other income	**-**	-	N/A
(Loss)/ earnings before interest, depreciation & amortisation	**(8,499)**	23,242	(136.6)
Finance costs	**-**	-	N/A
Depreciation and amortisation	**(242)**	(744)	(67.5)
(Loss)/ profit before tax	**(8,741)**	22,498	(138.9)

- GT247.com's revenue is down (56.0)%, compared to the prior comparative period. This result was largely driven by a decrease in trading activity during the current year. The Trading Revenue generated during the current year of R24.3 million is 53% below the average trading revenue of R51.6 million generated during the prior 5 years.
- Costs are (9.0)% lower than the prior year.
- The business generated a loss before tax of R(8.7) million for the current year, compared to a profit of R22.5 million in the prior year, a swing of R31.2 million. The current years loss should be seen in context of the average profit before tax for the previous 5 years of R16 million.

EMPEROR ASSET MANAGEMENT

Emperor Asset Management

	2021 R'000	2020 R'000	Movement %
Revenue	**4,404**	3,211	37.2
Commissions and research expenses	**(34)**	(38)	(10.5)
Operating expenses	**(4,881)**	(3,282)	48.7
Net loss	**(511)**	(109)	368.8
Other income	**-**	-	N/A
Loss before interest, depreciation & amortisation	**(511)**	(109)	368.8
Depreciation and amortisation	**(36)**	(36)	-
Loss before fair value, impairment adjustments and tax	**(547)**	(145)	277.2
Fair value adjustments	**1,476**	2,393	(38.3)
Profit before tax	**929**	2,248	(58.7)

- Revenue has increased by 37.2% during the period due to an increase in fees generated from its leveraged segregated portfolios, on the back of a solid performance delivered by these strategies during the year. Revenue generated from bundles offered on the EasyEquities platform also increased.
- The performance of Emperor's core strategies over the past two years stands it in good stead in securing retail clients through the EasyEquities platform and increasing its institutional funds under management.

PURPLE GROUP
LIMITED

HEAD OFFICE and Investments

	2021 R'000	2020 R'000	Movement %
Revenue	**227**	-	N/A
Commissions and research expenses	**-**	-	N/A
Operating expenses	**(7,535)**	(6,794)	10.9
Net loss	**(7,308)**	(6,794)	7.6
Other income	**-**	-	N/A
Loss before interest, depreciation & amortisation	**(7,308)**	(6,794)	7.6
Finance income	**-**	-	N/A
Finance costs	**(5,466)**	(6,583)	(17.0)
Depreciation and amortisation	**(15)**	(30)	(50.0)
Loss before fair value, impairment adjustments and tax	**(12,789)**	(13,407)	(4.6)
Fair value adjustments	**4,443**	12	36,925.0
Loss before tax	**(8,346)**	(13,395)	(37.7)

- Operating expenses have increased by 10.9% primarily due to an increase in audit fees expensed during the current year, due to part of the FY 2021 audit fee being incurred prior to year end, for the first time, as interim audit work was performed.
- The lower interest cost is primarily due to the decrease in the debt owing to the IDC and the drop in the REPO rate.
- The fair value adjustment of R4.4 million relates to a write-up in Purple Groups investment in Real People Investment Holdings, which was required due to the improvement in the performance of the business over the last 18 months.

EasyEquities

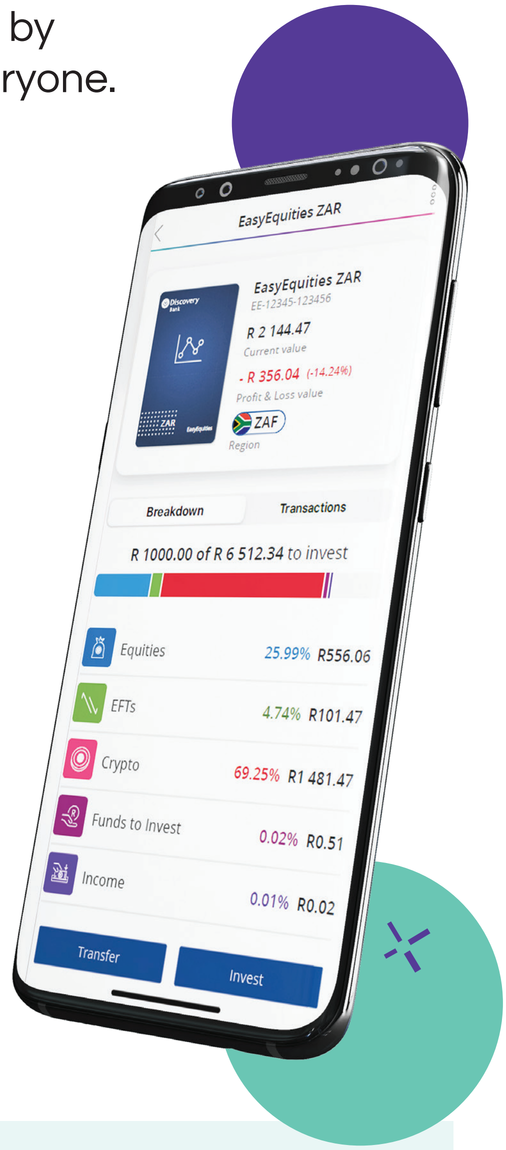
EasyEquities was built with the deep desire and purpose to democratize all things investing by making it easy, educational and fun for everyone.

Previously, investing was seen as an elite activity, and was, to a great extent, an intimidating (and often unaffordable) option for everyone.

Industry trends and global best practices has seen the move towards the global democratization of financial services through digitization.

EasyEquities' platform capability caters to the evolving needs of all customer types, recognizing that today's managed investor is tomorrow's day trader, the curious 20 something crypto trader, next decades advised passive parent.

Uniquely, the EasyEquities platform capability is built to partner and can be rapidly delivered onto partner rails to uplift client experiences and engage new audiences. This ability enables partners to enhance their offering, increase customer satisfaction and engage clients more regularly on their platform.



> *Our dream is to democratise investing and empower financial dignity for all. Our dreams will be delivered through technical excellence, beautiful design and inspiring story telling that engages all dreamers and makes investing easy, educational and fun for everyone.*

+60%
Of clients come from client referrals

+200%
Increase in retail stock broking in South Africa

+21 Million
Trades since inception

+6.5 Million
Trades in the last 6 months

+R50 Billion
National value of all transactions since inception

+R15 Billion
Notational value in the last 6 months

+1.2 Million
Total Registrations

+350 000
Registrations (6 Months)

+60 000
Registrations (Last Months)

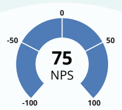
+500 000
Active Investors

+100 000
Active Investors (6 Months)

+500 000
Investment Accounts

60% Male | **40%** Female

Median Age
31



"EasyEquities has saved investors over R1 Billion in transaction fees alone when compared to our nearest competitor"

EasyProperties

EasyProperties enables fractional access to the most trusted global and local property investment opportunities delivering an easy, educational, engaging fun user experience.

Launched in July 2020, EasyProperties is a venture between EasyEquities & Narrative, a residential property development company, to launch a platform to crowd fund access to large scale residential & commercial property developments.

Combining EasyEquities' no minimum, fractional, frictionless approach to all things investing with Narratives deep property ownership, management & development experience is already proving in the result.

R158m
Total property value purchased

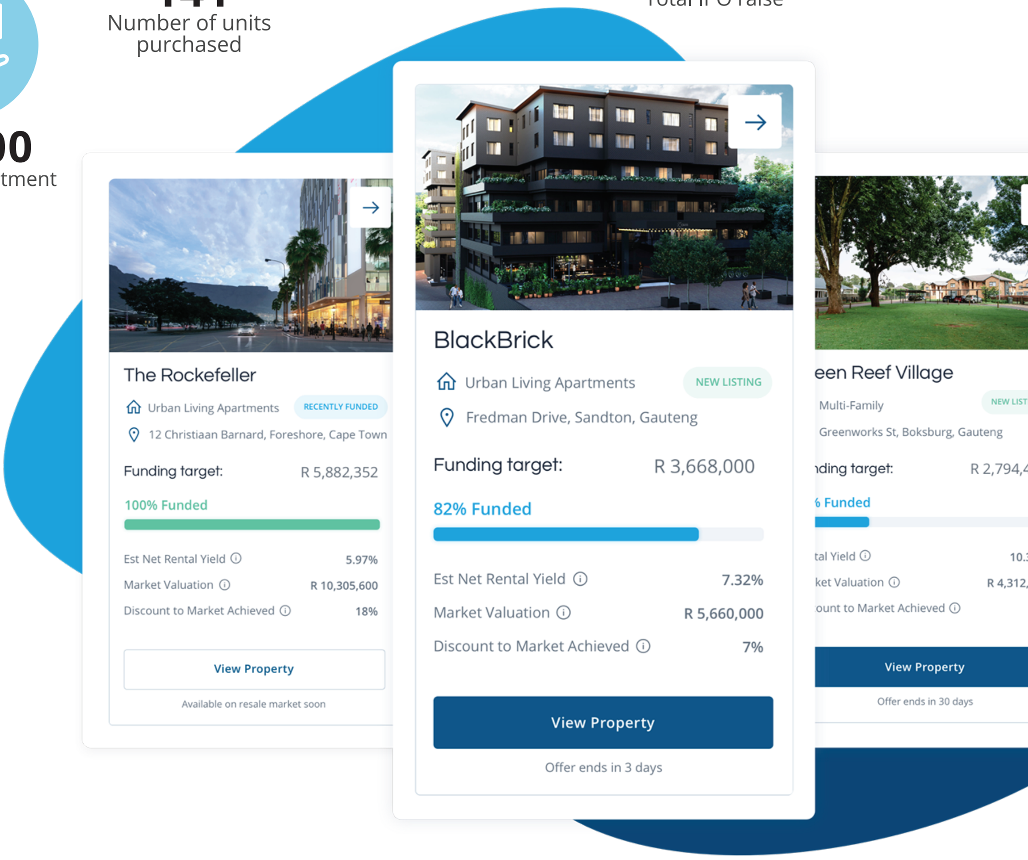
R115m
Total IPO raise

141
Number of units purchased

R1 300
Average Investment

39 200
Invested Customers

158 000
Registered Customers



RISE Retirement investments and savings for everyone

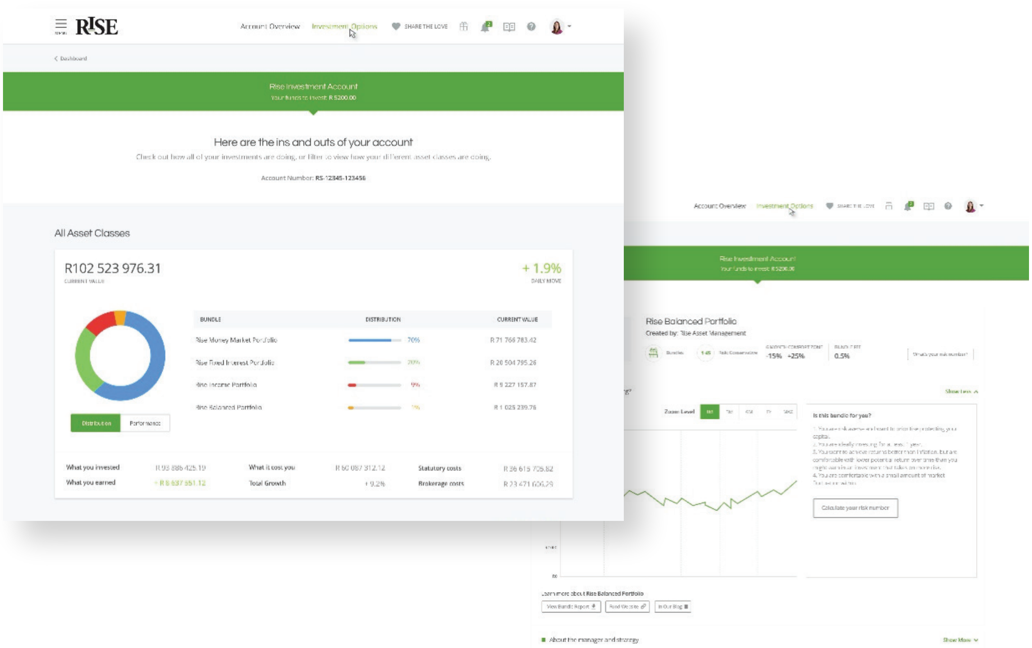
Democratizing corporate access to low cost, best in class, retirement administration, savings and investment solutions by leveraging the EasyEquities technology stack and client engagement approach to make saving for retirement an easy, enjoyable, rewarding and educational client activity.

Rise is a joint venture (50/50) with NBC Fund Administration Services, who bring with them the retirement industry experience, understanding and context to drive the offering which when combined with EasyEquities' technology capabilities deliver a fully integrated, highly differentiated, one-stop-shop corporate 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, ease of use whilst delivering unparalleled efficiency and transparency to all stakeholders.

Contributions are seamlessly invested into selected model portfolios and supporting administration functions are delivered in market leading turn around times.

Members are provided with real-time online access to view their retirement savings coupled with the ability to complement these through democratized access to the broadest range of local and global savings and investment solutions.



OUR BUSINESS CONTINUED

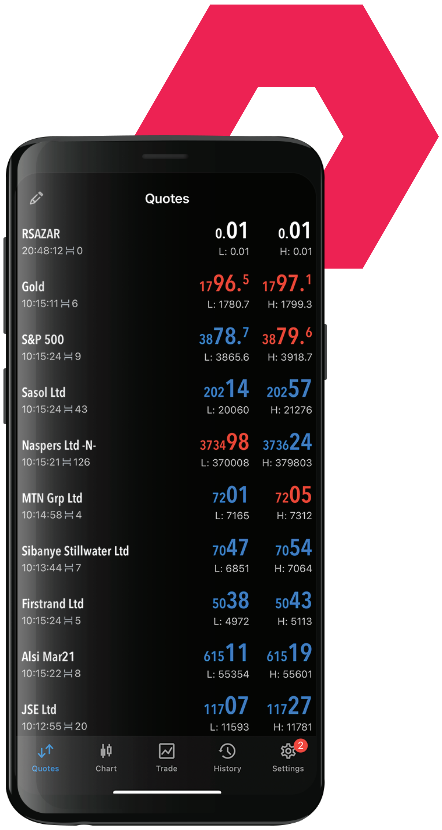
<GT247.COM>

GT247.com enables successful trading outcomes through easy access to world class trading platforms, tools and research. Delivering these through fast, secure and low-cost access into local and global markets that are packaged together through a single account structure that ensures traders the best chance of achieving trading success.

GT247.com pioneered Spread and CFD trading in South Africa over 20 years ago and continue to lead the way in the South African market having won SA's Top Online stockbroker twice in the last 5 years. Their + 100 years of trading experience has taught them much, but most importantly that delivering low-cost, fast mobile access to global markets is the most important enabler for trading success.

Lower fees deliver greater client profits whilst fast mobile access ensures that a world of trading opportunities are always just a swipe away.

Lessons from two decades of building out products and platforms to service day traders, coupled with the deep insights gained from analyzing client outcomes give GT247.com a distinct advantage in supporting their clients through the delivery of best in breed products and platforms and access to insights that inform traders to place more emphasis on trading approaches that enable successful investment outcomes.



No Monthly Fees

Low Cost Trading

Pioneers of CFD & Spread Trading

#1 Online Broker

Forex I Commodities I Indices I Equity CFDs I Crypto

EMPEROR
ASSET MANAGEMENT

Emperor delivers frictionless, transparent access to low-cost, world-class investment solutions that cater to everyone. These include thematic, quantitative, direct and self indexing asset management products that are uniquely constructed to meet their clients individual risk profile, investment interests, objectives, preferences, and time horizons. This is all delivered through the EasyEquities platform enabling easy, fractional, no minimum access to professionally managed investments.

As one of the pioneers of quantitative (algorithmic driven) asset management in South African over a decade ago, Emperor Asset Management has the team, track record and technology stack to deliver on its purpose.

The Emperor IP Global Momentum Equity Fund returned 82.44% in 2020, placing it at the top of the fund rankings in it's category over 1,2 and 3 years in the result recording a 3 year annual average return of 40.3% (ASISA).

Investing is personal and by combining man and machine, Emperor is able to ensure the best investment outcomes. Each portfolio is constructed with a particular risk profile in mind allowing you to easily match your unique goals, time frames and risk profile with the most suited portfolios.

To empower investors education, Emperor provides real time transparent access to the investment process and outcomes every step of the way.

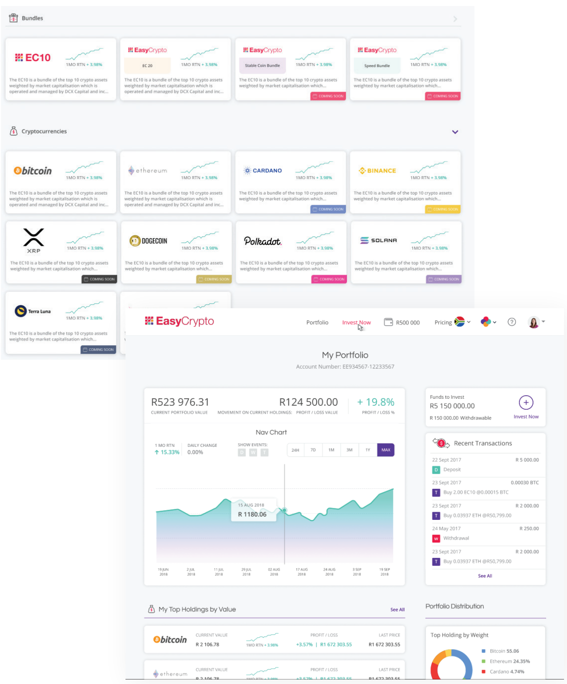
EasyCrypto

EasyCrypto is built to deliver the safest, easiest and most trusted platform to invest in and store all your crypto assets. Built on blockchain rails the platform enables the digitization of any asset class giving the business the capability to capitalize on this mega trend into the future.

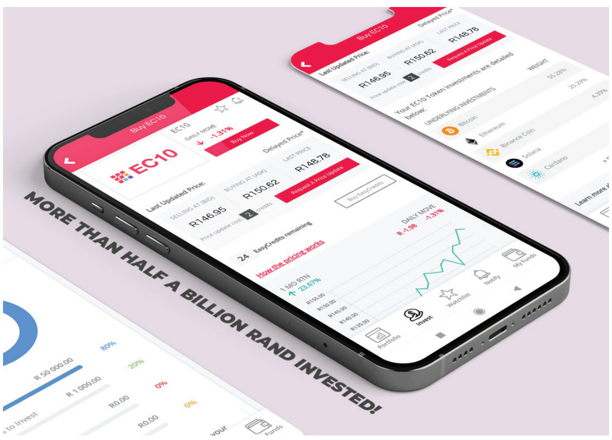
Easy Crypto Proprietary Limited ("EasyCrypto") (Previously DCX Capital Proprietary Limited) is the brainchild of entrepreneur Earle Loxton and banker, venture capitalist Michael Jordaan. The duo realized the potential of blockchain technology and crypto assets at an early stage in the sector's establishment. They were also aware of the difficulties in successfully predicting which cryptographic protocols would eventually prevail. Like the early days of the internet, it was hard to identify which companies would triumph.

The founders of EasyCrypto, accordingly, diversified their holdings instead of trying to pick the winners. The result was the creation of a platform that would extend this offering to the public and institutional investors in a secure, transparent, and affordable way. The EasyCrypto10 model has since led the way as South Africa's top "index tracking" instrument of the crypto asset sector and is functionally synonymous with exchange-traded funds (ETFs).

2022 will see the extension of the offering to launch access to coins and more customized indices enabling deeper access to easily invest in all things crypto.



OVER 100 000+
CRYPTO INVSTRS



OUR LEADERSHIP

HAPPY NTSHINGILA – 60

Independent non-executive Chairman

Happy Ntshingila is Chairman of Washirika 3 Oaks. He was previously Chief Executive Officer at SuperSport International. Prior to that he was Group Chief Marketing and Communications Officer at Barclays Africa. He is the former Deputy Chairman of Brand SA, sat on the Council of the University of Fort Hare and he is Chairman of the Eminent Persons Group (tasked with transformation in SA sport).

Former CEO and founder of the famed HerdBuoys Advertising.

Happy joined the Board in February 2019.

Happy is also a member of the Audit Committee, Remuneration Committee and Social and Ethics Committee.

MARK BARNES – 65

Non-executive director

Mark Barnes graduated from UCT with a Business Science degree in Actuarial Science and attended a Management Programme at Harvard Business School.

Mark is widely known as an investment banker in South Africa. He has 35 years of experience in financial services, holding positions of leadership at Standard Bank, Capital Alliance and Brait. Mark has had a wide exposure to financial markets previously as head of the biggest treasury operation in South Africa and as Chairman of the South African Futures Exchange. He is currently a significant shareholder in the Purple Group.

Mark is a frequent contributor in the South African media and was CEO of the South African Post Office, until September 2019.

Mark joined the Board in October 2004.

Mark is also a member of the Remuneration Committee and Risk Committee.

CHARLES SAVAGE – 48

Group CEO

Charles completed a BCom Accounting and Information Systems at the University of Cape Town in 1996. For nearly 20 years he has been active in financial markets with a strong focus on technology, business development and leadership. Charles was part of the team that pioneered CFD and spread trading in South Africa and in 2000 he led the development of the world's first fully automated online Spread Trading platform. He was elected to manage GT247.com's South African operations in 2003 where he was part of the Global Trader Executive.

Charles is now responsible for strategically leading the operating business units of the Group.

Charles joined the Board in July 2009.

Charles is also a member of the Risk Committee.

GARY VAN DYK – 44

Group CFOO

Gary completed his articles at KPMG at the end of 2002 at which time he qualified as a Chartered Accountant.

He then spent four years in the Transaction Advisory Division of KPMG prior to joining Purple Group in November 2006.

Gary was Head of Corporate Finance until April 2013 at which time he was appointed as the Group's Chief Financial and Operations Officer.

Gary joined the Board in April 2013.

Gary is also a member of the Social and Ethics Committee and Risk Committee.

OUR LEADERSHIP CONTINUED

ARNOLD FORMAN – 57

Independent non-executive director

Arnold Forman is a chartered accountant having completed articles at Arthur Young, and having worked at PWC locally and internationally.

He is currently Chief Executive Officer of The Lubner Group of Companies which portfolio includes Real Estate, Property Development, Retail, Sporting and Financial Services Interests. His 24 years of experience in strategy, operations, financial and marketing aspects of these businesses is valuable, broad and always seeking out of the box solutions to promote businesses.

His latest business passion is the landmark completion on The Houghton Residential and Hotel Development.

From a CSI perspective, he was one of the founders and the financial director of the NPO Afrika Tikkun which focuses on the education and career development of underprivileged township children and youth in South Africa. Today this NPO has 480 employees with more than 11 000 beneficiaries.

Arnold joined the Board in February 2019.

Arnold is also a member of the Audit Committee and Chairman of the Risk Committee.

CRAIG CARTER – 61

Independent non-executive director

Craig has over 30 years' experience, predominantly in technology and financial services, including treasury, corporate finance, venture capital, banking and mobile payments. Craig joined Purple Group at its inception as COO and was most recently COO for WIZZIT International, and CEO of Luminous Banking.

Craig joined the Board in February 2005.

Craig is also a member of the Risk Committee and Chairman of the Audit Committee and Remuneration Committee.

BONANG MOHALE – 59

Non-executive director

Bonang is the President of Business Unity South Africa (BUSA), Chancellor of the University of the Free State, Professor of Practice in the Johannesburg Business School (JBS) College of Business and Economics, Chairman of both The Bidvest Group Limited and SBV Services.

Bonang Mohale was the Chief Executive Officer of Business Leadership South Africa (BLSA) till June 2019. Prior to joining BLSA, Mr Mohale ended a distinguished term as Vice President Upstream and Chairman of Shell South Africa (Pty) Limited at the end of June 2017.

Mr Mohale has had a distinguished career at the helm and in leadership roles of several major South African and multinational companies;

Mr Mohale has an impressive track record of building successful companies, delivering results and making significant advances in transformation in the companies he has been privileged to lead. He has been a vocal, courageous and active proponent of transformation since the 1980s, and played a leadership role in the Black Management Forum (BMF) for over 33 years, where he was the president.

Bonang joined the Board in February 2019. Bonang is also Chairman of the Social & Ethics Committee.

PAUL RUTHERFORD – 43

Non-executive director

Paul is the founder and managing partner at Base Capital (formerly Nire Capital). Base Capital focuses on investing in technology enabled businesses. They invest globally and across the life cycle of a business from seed and growth stage through to secondary and listed investments. The objective is to identify durable market winners and to support management on their journey. While Base Capital invest globally there is a focus on developing markets. The business is operated from Cape Town, South Africa.

Paul brings 20 years experience of growing and scaling market winning businesses both as an investor and operator. This experience and global network provides support to management teams across strategy, product, expansion, access to talent and capital partners.

Paul joined the Board during October 2021 and is also a member of the Remuneration Committee and Risk Committee of Purple Group.

CORPORATE GOVERNANCE

The Group recognises that the shareholders own the business and that the Board is required to act in the best interests of the Company.

The Board subscribes to the highest level of professionalism and integrity in conducting its business and in dealing with all its stakeholders. In adhering to its code of ethics, the Board will be guided by the following broad principles:

- Businesses should operate and compete in accordance with the principles of free enterprise;
- Free enterprise will be constrained by the observance of relevant legislation and generally accepted principles regarding ethical behaviour in business;
- Ethical behaviour is predicated on the concept of utmost good faith and characterised by integrity, reliability and a commitment to avoid harm;
- Business activities will benefit all participants through a fair exchange of value or satisfaction of needs; and
- Equivalent standards of ethical behaviour are expected from individuals and companies with whom business is conducted.

ROLE AND FUNCTION OF THE BOARD

The Board is ultimately responsible for ensuring the effective management and control of the Group and participates in the determination of the strategic direction and policy of the Group, discussions regarding transactions and disposals, approval of major capital expenditure, diverse financial and administrative activities and any other matters that may materially impact on the business of the Group.

The Board has delegated authority of the day-to-day management of the Group to the CEO and the executive teams of the businesses themselves. Management will supply the Board in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.

The directors have unrestricted access to all Group information, records, documents and property, which they may require for the fulfilment of their duties.

Directors will furthermore have the ability to delegate certain functions, either internally or externally, in order to assist them in the performance of their duties and the decision making process.

THE BOARD OF DIRECTORS

COMPOSITION

At 31 August 2021, the Board comprised two executive and five non-executive directors (three of whom are independent). Paul Rutherford was appointed to the Board, as a non-executive director, effective 1 October 2021.

The Board is satisfied that it has the requisite number of directors with the skills, knowledge and resources to conduct the business of the Group. Details of the directors, together with a brief curriculum vitae of each director, can be found on pages 20 and 21.

Executive directors have standard employment contracts, requiring no more than three months' notice of termination.

Non-executive directors have standard letters of appointment and are subject to retirement by rotation and re-election by shareholders in accordance with the Memorandum of Incorporation.

CORPORATE GOVERNANCE CONTINUED

DIVERSITY POLICY

Purple Group recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A diverse Board will include and make good use of differences in the skills, experience, background, race, gender and other distinctions between members of the Board. These differences will be considered in determining the optimum composition of the Board and, wherever possible, should be balanced appropriately. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

In terms of Regulation 43 (5) of the Companies Act No. 71 of 2008 ("the Act"), the Purple Group Social and Ethics Committee ("the S & E Committee") is required to report on, among others, the promotion of equality, diversity and the prevention of unfair discrimination.

In reviewing the Board composition, the Board will consider the benefits of all aspects of diversity specifically including, but not limited to, gender and race diversity, in order to enable it to discharge its duties and responsibilities effectively.

In identifying suitable candidates for appointment to the Board, the Board will consider candidates on merit against objective criteria and with due regard to the benefits of diversity on the Board.

As part of the annual performance evaluation and assessment of the Board, Board committees and individual directors, the Board will consider the balance and mix of skills, experience, independence and knowledge and the diversity representation on the Board, including gender and race, how the Board works together as a unit, and any other factors relevant to its effectiveness.

The Chairman of the Board is a black non-executive director and a second black non-executive director is a member of the Board. The Group will target a majority representation of black non-executive directors of which, at least one, will be female.

CHAIRMAN

The Chairman of the Board, Happy Ntshingila, is an independent non-executive director.

The roles of Chairman and CEO are separate, each with clearly defined responsibilities.

INDEPENDENCE AND PERFORMANCE

It is the intention of the Board to maintain a majority of non-executive directors to provide independent and objective input into the decision-making process.

The Board reviews the independence of directors annually at a minimum, taking into consideration the principles as set out in the King IV code and the Companies Act.

Executive directors' performance is assessed in relation to key performance indicators as agreed annually in accordance with the Company's standard performance assessment process.

Due to the small size of the Board and the fact that all directors participate actively, the Board has not found it necessary to conduct formal assessments of the individual non-executive directors.

PROCESS FOR APPOINTMENT AND REMOVAL OF DIRECTORS

Due to the small size of the Group and the Board no Nominations Committee has been formed. As a result, directors are appointed and/or removed by the full Board directly, based on the suitability of available candidates and the requirements of the Group.

New directors will be inducted into the Group through interactions with various Exco members across the business, providing them with the necessary understanding of the Group structure and fiduciary responsibilities.

APPOINTMENT AND RE-ELECTION OF THE BOARD

One-third of all non-executive directors retire by rotation annually, and any director appointed by the Board is subject to election by the shareholders at the first AGM held after their initial appointment.

In accordance with the Company's Memorandum of Incorporation and the King code, Craig Carter and Happy Ntshingila will retire by rotation and will stand for re-election by shareholders at the next AGM.

BOARD COMMITTEES

The Board has established a number of statutory and other committees to assist it in fulfilling its duties and responsibilities more effectively.

Members of the Board are appointed to committees based on their areas of expertise and experience, and in such a way that there is a distribution of authority and decision-making. One of the members is appointed as chair of that committee.

Each committee operates within specific written terms of reference under which certain functions of the Board are delegated with defined purposes, duties and reporting procedures. These terms of reference are reviewed regularly.

	Board Meetings	Audit Committee	Social and Ethics Committee	Risk Committee	Remuneration Committee
Happy Ntshingila	(3/3) (Chairman)	(2/2)	(1/1)		(1/1)
Bonang Mohale	(3/3)		(1/1) (Chairman)		
Mark Barnes	(3/3)			(2/2)	(1/1)
Arnold Forman	(3/3)	(2/2)		(2/2) (Chairman)	
Craig Carter	(3/3)	(2/2) (Chairman)		(2/2)	(1/1) Chairman
Charles Savage	(3/3)			(2/2)	
Gary van Dyk	(3/3)		(1/1)	(2/2)	

Note: Paul Rutherford was appointed to the Board, Remuneration Committee and Risk Committee, effective 1 October 2021.

REMUNERATION COMMITTEE

The Board of Directors has established a Remuneration Committee which will make recommendations to the Board within agreed terms of reference, on the Group's framework of executive remuneration and its costs. The Remuneration Committee will ensure that levels of remuneration are sufficient to attract and retain directors and executives needed to run the Group successfully. The Remuneration Committee will meet as required and comprised of Craig Carter (who chairs the committee), Happy Ntshingila and Mark Barnes, as at 31 August 2021. Paul Rutherford was appointed as a member of the Remuneration Committee, effective 1 October 2021.

REMUNERATION POLICY

The Remuneration Committee has developed a performance-orientated remuneration philosophy which fairly rewards executives and employees for their respective contributions to achieving the Group's strategic, financial and operational objectives. The remuneration structures are to encourage sustainable, long-term wealth creation. The following factors regarding the remuneration structures are highlighted:

- The remuneration philosophy is supportive of the Group's strategy;
- The cost of employment is managed while, at the same time, employees are rewarded in order to retain and motivate talented, skilled and high-calibre executives and employees;
- The Group promotes a performance-based culture; and

- The Group strives to align executive rewards with the interests of stakeholders.

The Remuneration Committee acknowledges the importance of motivating individual and team performances and therefore applies the remuneration policy equitably, fairly and consistently in relation to job responsibilities, the markets in which the Group operates and personal performance.

The Group rewards executive directors and employees as follows:

- Market-related, fair annual packages (base salary and benefits), which are competitive owing to the portability of skills;
- Market information is sourced from industry and executive remuneration surveys to benchmark executive remuneration in comparable positions;
- Annual performance bonuses related to specific Company and personal objectives; and
- Participation in the employee share option scheme.

For non-executive directors' fees, the Remuneration Committee takes cognisance of market norms and practices as well as the additional responsibilities placed on Board members by new legislation and corporate governance rules. Non-executive director remuneration is fee-based and not linked to the share price of Purple Group. Purple Group non-executive directors do not receive bonuses or share options to ensure actual and perceived independence, except for Mark Barnes who has share options from his time as an executive. It was approved at a general meeting of shareholders that these could be retained by Mark Barnes.

AUDIT COMMITTEE

The Board of Directors has established an Audit Committee whose primary objective is to provide the Board with additional assurance regarding the efficiency and reliability of the financial information used by the directors, and assurance that the regulatory structures are maintained in compliance with the applicable legislative frameworks. The members of the Audit Committee are elected by ordinary resolution at each Annual General Meeting of the Company.

The Audit Committee will meet at least twice a year and comprises Craig Carter (who chairs the committee), Arnold Forman and Happy Ntshingila, all of whom are independent non-executive directors. The Chief Financial and Operations Officer and representatives of external audit attend Audit Committee meetings by invitation.

Other functions of the Audit Committee include:

- Nomination of the external auditor for appointment;
- Approval of the terms and remuneration of the external auditor;
- Approval of non-audit services by the external auditor;
- Communication with shareholders regarding the external auditors;
- Overseeing integrated reporting;
- Satisfying itself that the finance function is appropriately staffed; and
- Considering the competence and independence of the external auditor by, amongst others, receiving and reviewing the documentation as detailed in paragraph 22.15(h) of the Listings Requirements of the JSE.

As required by the JSE, the Company has a Financial Director. The position is currently held by Gary van Dyk, who is an executive director and is deemed competent by the committee.

The committee is satisfied that the external audit function and designated auditor are accredited and have acted with unimpaired independence and free from any scope restriction.

SOCIAL AND ETHICS COMMITTEE

The Group's Social and Ethics Committee functions in line with the requirements of the Companies Act (No. 71 of 2008). The members of the committee are Bonang Mohale (who chairs the committee), Happy Ntshingila, Bradley Leather, Beverley Ferreira, Justin Pearse, and Gary van Dyk (Committee Secretary). A formal charter has been adopted that governs the objectives of the committee and how its business shall be conducted.

RISK COMMITTEE

The Group has formed a Risk Management Committee that is responsible for the governance of risk and to set levels of risk tolerance and risk appetite. The committee comprised Arnold Forman (Chairman), Craig Carter, Mark Barnes, Charles Savage (CEO), Gary van Dyk (Chief Financial and Operations Officer) and Mark Wilkes (VP of Risk), as at 31 August 2021, and meets when the risk position of the various companies warrants it, but at a minimum two times a year, to review the risk policies. Paul Rutherford was appointed to the Risk Committee, effective 1 October 2021.

This committee has as its responsibility to:

- Design, implement and monitor the risk management plan;
- Ensure risk is assessed on a continual basis;
- Ensure that there are appropriate risk responses implemented; and
- Ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure.

The Board is of the view that the risk management process is effective in managing the risks that the business is faced with and in responding to unusual or abnormal risks.

The disclosure of material risks as required by JSE Listings Requirement 8.63(s) can be found on the Purple Group website: www. purplegroup.co.za

COMPANY SECRETARY

All directors have access to the advice and services of the Company Secretary.

The Company Secretary acts in a support capacity to the directors and Chairman and provides the Board with guidance and advice regarding the directors' responsibilities, duties and powers and to ensure that the Board is aware of all the legislation relevant to or affecting the affairs of the Group.

The Company Secretary is required to ensure that the Group complies with all applicable legislation regarding its affairs including the necessary recording of meetings of the Board or shareholders.

The Board was satisfied that the Company Secretary is suitably qualified, competent, experienced and independent. The Company Secretary is a third party entity in which none of the directors or Exco members have an interest, and as a result the Board believes that an arms-length relationship exists between the Group and the Company Secretary.

GOVERNANCE OF IT

IT forms an integral part of the three business units, namely EasyEquities Group, GT247.com and Emperor Asset Management.

IT governance, therefore, forms an integral part of the Group's risk management to ensure that the systems are able to support our clients' needs and our own internal control systems, whilst at the same time being aligned to the Group's strategic objectives.

While the Board is ultimately responsible for the governance of IT, this has been delegated to Paul Jansen van Vuuren (Group Chief Technology Officer), who is a member of Exco, and who is responsible for the implementation of an IT governance framework and for monitoring and evaluating significant IT expenditure.

As part of this framework the Group identifies any new and innovative technology that can be incorporated into its strategy and processes. Security, disaster recovery and data management are also essential focuses of the IT department.

COMPLIANCE WITH RELEVANT LAWS, RULES, CODES, STANDARDS AND THE MOI

The Board is responsible for ensuring the Group complies with all applicable laws that affect the different business units as well as with the Memorandum of Incorporation of the Company. This is achieved through effective delegation to management and the Group compliance and legal function that monitors the Group's compliance with the relevant rules and laws.

A Regulatory Committee was formed to monitor the Group's compliance with the acts relevant to its various businesses, most importantly FICA , FAIS , FMA, FSRA and POPIA. The committee comprises Charles Savage (CEO) and Gary van Dyk (Chief Financial and Operations Officer) and meetings are attended by the Group's VP of Compliance, VP of Legal, VP of Operations and VP of Risk.

GOVERNING STAKEHOLDER RELATIONSHIPS

The Board is responsible for ensuring that all the Group's stakeholders are dealt with in an equitable manner and that there is transparent and effective communication with them. The Board has identified the important stakeholders in the Group and strives to achieve a balance between their various expectations. There were no requests for information lodged with the Company in terms of the Promotion of Access to Information Act, No 2 of 2000 that were denied during the year.

The main stakeholders in Purple Group and the primary channels of communication with each of them, are as follows:

COMMUNICATION CHANNELS

Employees	HR function, performance management systems, management structures, team and staff meetings.
Customers	Website, emails, seminars, training, social media and client services team.
Shareholders	Integrated report, Annual General Meeting, one-on-one meetings, circulars and announcements.
Partners	Reporting and meetings.
Regulators	Submission of integrated annual reports and returns, audits and compliance with the rules and regulations of the individual regulatory bodies.
Media	Interviews, providing content to TV shows and magazines.

KING REPORTS ON CORPORATE GOVERNANCE

The Group remains committed to managing its operations in accordance with the highest ethical standards. It supports the values of corporate governance advocated in the King Reports on Corporate Governance and complies with the principles contained in the Code of Corporate Practices forming part of King IV.

A register in terms of King IV, can be found on the website at www.purplegroup.co.za.

FINANCIAL STATEMENTS

These consolidated annual financial statements have been internally prepared under the supervision of Gary van Dyk CA(SA).

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of Purple Group Limited, comprising the balance sheet at 31 August 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and the Directors' Report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

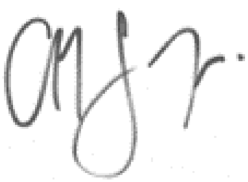
The directors have made an assessment of the Company and its subsidiaries' ability to continue as going concerns and have no reason to believe that they will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

CEO AND FINANCIAL DIRECTOR RESPONSIBILITY STATEMENT

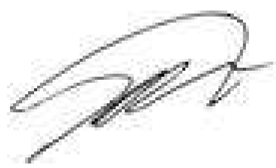
The directors, whose names are stated below, hereby confirm that -

1. The annual financial statements set out on pages 43 to 105, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of iFRS;
2. no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
3. internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
4. the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the Audit Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.



Charles Savage

Chief Executive Officer



Gary van Dyk

Chief Financial and Operations Officer

Extract from JSE Guidance letter on directors' responsibility on financial controls dated 17 July 2020 to note for information purposes:

Materiality

In terms of the JSE Listings Requirements ("the Requirements") financial information must be prepared in accordance with IFRS. The application of materiality is an important concept dealt with by IFRS. The reference to materiality in paragraph (1) of the CEO and FD sign off must be interpreted in the context of IFRS.

The second obligation under the CEO and FD sign off rule (as detailed in (2)) must be read in the context of paragraph (1). The term 'no' does not mean a one hundred percent factual correctness but rather that after due, careful and proper consideration the directors agree that no facts have been omitted or untrue statements made that would make the Annual Financial Statements ("AFS") materially false or materially misleading in terms of IFRS.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING CONTINUED

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The consolidated annual financial statements of Purple Group Limited, which appear on pages 43 to 105 were authorised for issue by the Board of directors on 10 November 2021 and are signed on their behalf.

Charles Savage	Happy Ntshingila
Chief Executive Officer	*Non-executive Chairman*

COMPANY SECRETARY'S REPORT

TO THE SHAREHOLDERS OF PURPLE GROUP LIMITED

We have conducted the duties of the Company Secretary for Purple Group Limited and its subsidiaries. The secretarial matters are the responsibility of the Group's directors. Our responsibility is providing the directors collectively and individually with guidance as to their duties, responsibilities and powers.

In terms of section 88(2)(e)/33(1) of the Companies Act of South Africa, I certify that to the best of my knowledge and belief the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act of South Africa, in respect of the reporting period ended 31 August 2021, and that all such returns are true, correct and up to date.

CTSE Registry Services Proprietary Limited
Company Secretary

Cape Town
10 November 2021

DIRECTORS' REPORT

The directors submit their annual report on the activities of Purple Group Limited (the Company) and its subsidiaries (Purple Group or the Group) for the year ended 31 August 2021.

BUSINESS OPERATIONS

Purple Group Limited, registered and incorporated in the Republic of South Africa, is a financial services company listed on the "Financials – General Financial" sector of the JSE. It has subsidiaries that operate in trading, investing and asset management.

FINANCIAL REVIEW

The Group recognised an attributable profit of R44.3 million (2020: R14.4 million) for the 2021 reporting period. Shareholders' funds have increased from R298.0 million in 2020 to R389.1million in 2021. The Segmental Analysis is shown from page 50 to 52.

SHARE CAPITAL

The total authorised share capital is 2 000 000 000 ordinary shares of no par value and the total number of ordinary shares in issue net of treasury shares is 1,153,616,918 (2020: 955 181 567).

At 31 August the directors' interests in the issued share capital of the Company were as follows:

	2021				2020			
	Beneficial		% Holding		Beneficial		% Holding	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Mark Barnes	**36,213,892**	**70,138,108**	**3.07**	**5.94**	34,112,718	166,080,851	3.47	16.90
Craig Carter	**1,932,366**	-	**0.16**	**0.00**	1,932,366	0	0.20	-
Charles Savage	**27,412,561**	**954,596**	**2.32**	**0.08**	20,412,561	378,200	2.07	0.04
Gary van Dyk	**19,702,197**	-	**1.67**	**0.00**	15,402,197	-	1.57	-
Bonang Mohale	**-**	**24,478,282**	-	**2.07**	-	-	-	-
	85,261,016	**95,570,986**	**7.23**	**8.10**	71,859,842	166,459,051	7.31	16.94

None of the directors of the Group have traded any of the shares held by them between 31 August 2021 and the date of this report.

During the year the movement in the shares held by the directors were as follows:

- Gary van Dyk acquired 7 000 000 shares by the exercising of some share options and sold 2 700 000 shares,
- Charles Savage acquired 7 000 000 shares by the exercising of some share options; and
- Mark Barnes acquired 6 000 000 shares by the exercising of some share options and sold 3 898 826 shares of his direct holdings. In addition, in order to facilitate investment into the Group by a strategic shareholder and seperate the interests of the the various shareholders in Business Venture Investments no 1847 Proprietary Limited ("BVI"), BVI sold 262 023 595 Purple Group shares (as announced on SENS. This series of transactions reduced Mark Barnes' indirect holdings by 95 942 743 shares.

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. Refer to note 25 on page 104 of the financial statements.

DIRECTORS' REPORT CONTINUED

DIRECTORS

The directors of the Group during the reporting period and up to the date of this report were as follows:

Happy Ntshingila (Chairman)*×
Arnold Forman*×
Bonang Mohale*
Charles Savage (CEO)
Mark Barnes*
Gary van Dyk (CFOO)
Craig Carter *×
Paul Rutherford*

* Non-executive × Independent

Paul Rutherford was appointed to the Board, effective 1 October 2021.

SHARE INCENTIVE SCHEME

The Company's Employee Share Option Scheme has 86.1 million (2020: 153.7 million) options in issue to the directors and staff of Purple Group. Details of the options in issue are disclosed in Note17 to the financial statements.

BORROWINGS

In terms of the Memorandum of Incorporation of the Company, the directors may exercise all powers of the Company to borrow money, as they consider appropriate.

SHAREHOLDER SPREAD

Details of the Company's shareholder spread are provided on page 106.

CORPORATE GOVERNANCE AND SUSTAINABILITY

The corporate governance and sustainability report is set out on pages 22 to 27.

GOING CONCERN

The consolidated financial statements have been prepared on a going-concern basis. Despite the Group having accumulated losses, the Group has net equity of R389.1 million and has generated profits for the last two years, and as such the directors are confident that the Group will continue trading as a going concern into the foreseeable future.

The directors have also reviewed any potential impact of the COVID-19 pandemic and have determined that there has been no negative impact on the Group from the pandemic during the current financial year and up to the date of this report. Additional details in this regard have been disclosed in note 27 to the financial statements.

COMPANY SECRETARY

The Company secretary during the period was CTSE Registry Services Proprietary Limited (previously named 4 Africa Exchange Registry), as represented by Estelle de Jager. Per the JSE Listings Requirements, the Board of Directors has, during the period under review, considered and satisfied itself of the competency, qualifications and experience of the Company Secretary. The Board of Directors confirms that there is an arm's length relationship with the Company Secretary.

Business and postal address of the Company Secretary: 5th Floor, Block B, The Woodstock Exchange Building, 66-68 Albert Road, Woodstock, 7925.

AUDITORS

BDO South Africa Incorporated (Designated audit partner: Vianca Pretorius).

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is appointed by the Shareholders. It assists the Board by advising and making recommendations on financial reporting, risk management and internal controls, external and internal audit functions and statutory and regulatory compliance of the Group, but retains no executive powers or responsibility. Arnold Forman and Happy Ntshingila are members of the Audit Committee and Craig Carter continued as Chairman of the committee.

The Audit Committee met twice during the period. The first meeting was on 24 November 2020 to approve the 2020 annual financial statements and again on 24 August 2021 to deal with the matters below and planning for the 31 August 2021 audit. The Chief Financial and Operating Officer of the Group and representatives from the external auditors attend the committee meetings by invitation.

The external auditors have unrestricted access to the Audit Committee and are able to meet separately with the Chairman of the Audit Committee during the period if considered necessary.

In execution of its duties during the past reporting period, the Audit Committee has:

- nominated for appointment as auditor of the Group a registered auditor who, in the opinion of the Audit Committee, was independent of the Group;
- determined the fees to be paid to the auditor and the auditor's terms of engagement;
- ensured that the appointment of the auditor complies with the Companies Act and any other legislation relating to the appointment of auditors;
- performed an assessment of the competence of the auditor to perform its duties by, amongst others, receiving and reviewing the documentation as detailed in paragraph 22.15(h) of the Listings Requirements of the JSE;
- determined the nature and extent of any non-audit services which the auditor may provide to the Group;
- received and dealt appropriately with any complaints relating to the accounting practices of the Group or to the content or auditing of its financial statements, or to any related matter;
- ensured that the Group has established appropriate financial reporting procedures and that those procedures are operating which includes consideration of all entities included in the consolidated Group financial statements;
- ensured that the committee has access to all the financial information of the Group to allow the Group to effectively prepare and report on the financial statements;
- considered the JSE Proactive Monitoring report of 2020 and has taken appropriate action to apply the findings where applicable; and
- performed other functions as determined by the Board.

The Audit Committee is of the view that the size of the Group does not warrant the formation of an internal audit department. This will be reviewed on an ongoing basis to determine whether one will be required in the future.

Per the Companies Act requirements, the committee has considered the independence of the external auditors and has concluded that the external auditor has been independent of the Group throughout the period taking into account all other non-audit services performed if applicable and circumstances known to the committee.

Per the JSE Listings Requirements, the committee must consider and be satisfied, on an annual basis, with the appropriateness of the expertise and experience of the Financial Director and the Group must confirm this by reporting to the shareholders in its annual report that the Audit Committee has executed this responsibility. In this respect, we believe that Gary van Dyk, the Chief Financial and Operating Officer, possesses the appropriate expertise and experience to meet his responsibilities in that position. In addition, the finance function is adequately staffed and resourced, is able to fulfil its function adequately and has in place appropriate financial reporting procedures that are applied and operational.

The Audit Committee have evaluated the underlying assessment performed by the CEO and financial director to support their declaration required in terms of section 3.84(k) of the JSE Listing Requirements and are satisfied that it supports the declaration made.

REPORT OF THE AUDIT COMMITTEE CONTINUED

FINANCIAL STATEMENTS

Following our review of the consolidated annual financial statements for the year ended 31 August 2021, we are of the opinion that, in all material respects, they comply with International Financial Reporting Standards and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in the manner required by the Companies Act of South Africa and the Listings Requirements of the JSE Limited, and that they fairly present the financial position at 31 August 2021 for Purple Group Limited and the results of operations and cash flows for the period then ended.

On behalf of the Audit Committee

Craig Carter

10 November 2021

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PURPLE GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of Purple Group Limited and its subsidiaries ("the group") set out on pages 43 to 105, which comprise the consolidated statement of financial position as at 31 August 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Purple Group Limited and its subsidiaries as at 31 August 2021, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Assessment of goodwill for impairment (Note 7)

Goodwill, recognised on the acquisition of the GT247 business in prior years, represents the most significant asset in the statement of financial position.

The goodwill is measured at cost less accumulated impairment losses and is not amortised in accordance with International Financial Reporting Standards ('IFRS').

The annual goodwill impairment testing in accordance with IAS 36: Impairment of Assets, involves value in use calculations utilising valuation techniques, including free cash flow models, growth and discount rates which are complex and require significant judgement from management.

In addition, the estimate of the recoverable amount of goodwill is sensitive to the discount rate applied to the cashflow forecast, and arriving at an appropriate discount rate in itself involves a high degree of estimation uncertainty. Therefore the impairment testing of goodwill was regarded as a matter of most significance in our audit of the consolidated financial statements in the current year.</td><td>Our audit procedures included, among others:
We assessed the design and implementation of key controls in the goodwill impairment process as performed by management;
We evaluated the 2022 financial budget against the budget approved by the board of directors and evaluated the validity of the budget preparation process and the reasonability of the 2022 forecasts. Furthermore, we evaluated management's 2023 -2031 outlook in particular to forecasted revenue;
We furthermore challenged management by comparing the key assumptions applied to the historical performance of the cash generating unit, local economic development and industry outlook, taking into account the sensitivity of the goodwill balance to changes in the respective assumptions;
We critically assessed the key inputs and assumptions used in the value in use and impairment model for reasonability, taking into account specifically the operating cash flow projections, discount rates, and long-term growth rates and comparing these to external sources where appropriate, taking into account our knowledge of the industry and business. The key assumptions used for estimating cash flow projections in the group's impairment testing are those relating to growth in revenue, driven by trading activity;
We made use of our internal valuation expertise to assess the valuation models and related key inputs and assumptions for reasonability, by comparing to external sources where appropriate, and to assess whether the methods applied are consistent with International Financial Reporting Standards and industry norms;
We tested the integrity and mathematical accuracy of the value in use impairment calculation by re-performing the calculation; and
We considered the adequacy of the group's disclosures in terms of IFRS in respect of its goodwill impairment testing.</td></tr>
</table>

Key audit matter	*How our audit addressed the key audit matter*

Acquisition of EasyCrypto (SA) Proprietary Limited "EasyCrypto" previously DCX Capital Proprietary Limited (Note 10)
 	
First World Trader (Pty) Ltd ("EasyEquities"), a subsidiary of Purple Group Limited, and EasyCrypto entered into a shareholders' and subscription agreement on 3 December 2018. In terms of this agreement EasyEquities has the right to subscribe for a maximum of 50.98% of the ordinary shares in EasyCrypto, provided certain distribution targets are achieved. The right to subscribe consist of 5 call options.
 	
On 13 August 2021, EasyEquities obtained approval from the significant minority shareholder to be able to exercise the options. Due to the approval, the potential voting rights became substantive, which in terms of IFRS 10: Consolidated Financial Statements has resulted in EasyEquitities having the ability to control EasyCrypto. Prior to this approval, the call options were treated as a level 3 Derivative Financial Instrument at fair value through profit and loss (refer note 4).
 	
The Group has therefore prepared consolidated financial statements, that included EasyCrypto from 13 August 2021, being the acquisition date, and has applied the acquisition method of IFRS 3 to the business combination.
 	
As disclosed in note 10, provisional accounting has been applied in the purchase price allocation "PPA" and the call options was accounted for as part of the consideration transferred as reflected in the PPA in terms of IFRS 3: Business combinations. This has resulted in a R50mn provisional goodwill being recognised as disclosed in note 7 to the financial statements.
 	
The accounting for the call options, control assessment of EasyCrypto including the potential voting rights, the resulting PPA and goodwill was a matter of most significance to the current year audit due to the following:
 	
• The significant judgement involved in the control assessment of EasyCrypto including the potential voting rights, and effective date of control;
• The significant judgement involved in the model applied by management to determine the fair value of the options reflected as consideration transferred;
• The significant judgement involved in the model applied by management to determine the provisional fair value of the identifiable assets and liabilities in terms of IFRS 3;
• The significance of the goodwill balance to the Statement of Financial Position;
	Our audit procedures included amongst others:
	
	• We assessed the design and implementation of key controls in the PPA and goodwill impairment test as performed by management;
	• We made use of our internal IFRS expertise to evaluate the:
	    ○ control assessment and date of effective control as performed by management relating to the options in EasyCrypto, and the resulting PPA performed by management;
	    ○ accounting treatment on group level in terms of IFRS 3; and
	    ○ accounting treatment for revenue recognition in terms of IFRS 15 for EasyCrypto;
	• We made use of our internal valuation expertise to assess the valuation model of the PPA reflecting the fair value of the assets and liabilities, the fair value of the consideration transferred as reflected by the options, and the resulting goodwill impairment test;
	• The related key inputs and assumptions in the PPA, options valuation, and goodwill impairment test were tested for reasonability, by comparing to external sources where appropriate, and substantively testing actual revenue of EasyCrypto. Furthermore, the development cost that was recognised from the underlying records of EasyCrypto as part of the PPA were substantively tested to supporting documentation and tested against the requirement for capitalisation of IAS 38;
	• Our internal valuation expertise also assessed whether the valuation methods applied are consistent with IFRS and industry norms;
	• We tested the integrity and mathematical accuracy of the value in use impairment calculation by re-performing the calculation; and
	• We considered the adequacy of the group's disclosures in terms of IFRS in respect of the PPA, as well as provisional accounting disclosure and the goodwill impairment testing.

Key audit matter	*How our audit addressed the key audit matter*
• The annual goodwill impairment testing in accordance with *IAS 36: Impairment of Assets*, involves value in use calculations utilising valuation techniques, including free cash flow models, which are complex and require significant judgement from management; • In addition, the estimate of the recoverable amount of goodwill is sensitive to the discount rate applied to the cashflow forecast, and arriving at an appropriate discount rate in itself involves a high degree of estimation uncertainty. Refer to further provisional accounting disclosure as set out in note 10 with regards to the business combination in EasyCrypto.	

Key audit matter	*How our audit addressed the key audit matter*
Revenue recognition – Complex IT Systems (Note 1) A significant part of the group's financial processes is reliant on Information Technology (IT) systems, with automated processes and controls over the capturing, valuing and recording of transactions. This is a key part of our audit due to the: • Complex IT environment supporting diverse business processes; • Mix of manual and automated controls, with the majority of the control environment within the revenue cycle being automated; • Complexity of the billing systems used to recognise revenue; • Revenue consisting of high volume, low value transactions which are generated automatically by the system when clients execute transactions; and • Revenue transactions that are electronically generated by the group's trading platforms, with limited physical supporting documents. These factors increase the risk relating to the existence and accuracy of revenue and obtaining the required assurance over revenue recognition, which results in significant audit time and focus being spent on this cycle and as a result is considered to be a matter of most significance in our audit of the consolidated financial statements of the current year.	Our audit procedures included, among others: • We made use of our internal IT expertise to test the design, implementation and operating effectiveness, where applicable, of relevant IT general controls for the audit period; • BDO IT assurance expert services tested the key automated controls in the system by means of test data; • The operational systems and databases were reconciled to the general ledger year end values; • We obtained access to the transactional data for the financial year and identified exceptions within the underlying data when compared to our expectations. These exceptions were identified using computer assisted auditing techniques and verified to supporting evidence; • In addition to the computer assisted auditing techniques, we also performed substantive detail testing to obtain assurance on the existence, completeness and accuracy of transactions within the system on a sample basis, by verifying transactions to supporting evidence and the requirements of IFRS 15; • Where counterparties were used, revenue transactions were confirmed on a sample basis to external supporting evidence; • Where the revenue stream is homogenous and recurring we used substantive analytical procedures to test the existence, completeness and accuracy of revenue; • We evaluated the adequacy of disclosures in terms of IFRS.

Key audit matter	*How our audit addressed the key audit matter*
Deferred tax asset recoverability assessment (Note 12) IAS 12 Income Taxes was considered. In terms of IAS 12:34, a deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Recoverability of the deferred tax asset assessment by management involves making significant judgements and estimates about the future and underpins the recognition of a deferred tax asset. In addition, the deferred tax asset is recognised in the financial statements to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilised. The assessment of the recognition of the deferred tax asset of R 58mn (2020: R 59mn) was therefore considered to be a matter of most significance in our audit of the consolidated financial statements of the current year.	Our audit procedures included, amongst others: • Discussed with management and assessed their forecasts prepared and considered whether all information that is reasonably available had been taken into account for purposes of assessing the probability of sufficient taxable profits and taxable capital profits that will be available against which the tax losses, and capital losses can be utilised; • Evaluated the reliability of underlying data used to prepare the budgeted forecasts by comparing the significant inputs to historical performance; • Inspected supporting evidence relating to the key assumptions underlying the forecasts for reasonability and where possible compared the assumptions used to external market factors; • Evaluated management's tax planning opportunities and ability of implementing chosen tax planning opportunities as support for the recognition of the deferred tax asset, by challenging assumptions and evaluating implementation of prior tax planning opportunities; • Evaluated the adequacy of disclosures in terms of International Financial Reporting Standards.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Purple Group Limited Annual Report 31 August 2021" and in the document titled "Purple Group Limited Separate Financial Statements for the year ended 31 August 2021", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT CONTINUED

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Purple Group Limited for 11 years.

BDO South Africa Inc.

BDO South Africa Incorporated
Registered Auditors

V Pretorius
Director
Registered Auditor

10 November 2021

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	2021 R'000	2020 R'000
Revenue	1	**204,778**	162,672
Commissions and research expenses	2	**(2,998)**	(3,016)
Operating expenses	2	**(153,903)**	(117,774)
Net income		**47,877**	41,882
Other income		**-**	47
Earnings before interest, depreciation & amortisation		**47,877**	41,929
Finance income	3	**4,294**	1,303
Finance costs	3	**(7,847)**	(9,016)
Depreciation and amortisation	2	**(19,776)**	(14,052)
Earnings before fair value, impairment adjustments and tax		**24,548**	20,164
Fair value adjustments	4	**55,919**	2,405
Share of profit of joint venture	9	**1,431**	1,183
Profit before tax		**81,898**	23,752
Income tax	5	**(9,253)**	(6,615)
Profit for the period		**72,645**	17,137
Profit attributable to:			
Owners of the Company		**44,332**	14,443
Non-controlling interests		**28,313**	2,694
		72,645	17,137
Earnings per share			
Basic earnings per share (cents)	16	**4.46**	1.54
Diluted earnings per share (cents)	16	**4.27**	1.47

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	2021 R'000	2020 R'000
Profit for the period		72,645	17,137
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Foreign currency translation reserve	15	(575)	76
Total comprehensive income		**72,070**	17,213
Total comprehensive income attributable to:			
Owners of the Company		43,757	14,519
Non-controlling interest		28,313	2,694
		72,070	17,213

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2021 R'000	2020 R'000
ASSETS			
Equipment	6	2,201	2,839
Intangible assets	7	101,262	76,719
Goodwill	7	254,568	204,568
Right of use asset	20	2,724	4,209
Investments	8	18,224	13,781
Investment in joint venture	9	5,604	4,832
Receivables	11	2,293	2,954
Deferred tax assets	12	58,053	59,396
Total non-current assets		**444,929**	369,298
Trade and other receivables	13	50,703	23,372
Current tax receivable		-	1,333
Investments	8	1,591	6,356
Cash and cash equivalents	14	258,316	225,104
Total current assets		**310,610**	256,165
Total assets		**755,539**	625,463
EQUITY AND LIABILITIES			
Share capital and premium	15	539,815	481,430
Accumulated loss		(182,535)	(226,867)
Equity component of compound financial instrument		-	3,496
Other reserves	15	31,832	39,915
Equity attributable to owners		**389,112**	297,974
Non-controlling interests		**59,019**	27,535
Total equity		**448,131**	325,509
Lease liability	20	1,562	3,368
Borrowings	19	7,872	39,131
Deferred tax liability	12	7,280	1474
Total non-current liabilities		**16,714**	43,973
Client open position liability	18	164,930	128,831
Borrowings	19	34,822	29,875
Lease liability	20	1,806	1,507
Current tax payable		2,415	-
Trade and other payables	18	82,855	85,921
Bank overdraft	14	3,866	9,847
Total current liabilities		**290,694**	255,981
Total equity and liabilities		**755,539**	625,463

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share Capital R'000	Share Premium R'000	Accumulated loss R'000	FCTR[1] R'000	Share-based payment reserve R'000	Equity component of derivative financial instrument R'000	Total R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 September 2019		9,396	464,627	(242,010)	(4,170)	42,207	3,496	273,546	23,561	297,107
Total comprehensive income for the period										
Profit for the period		-		14,443	-	-	-	14,443	2,694	17,137
Other comprehensive income										
Foreign currency translation reserve	15	-		-	76	-	-	76	-	76
Contributions by and distributions to owners										
Buy-back of Treasury shares	15	-		700	-	-	-	700	300	1,000
Sale of minority share in subsidiary		-		-	-	-	-	-	980	980
Shares issued	15	156	7,251	-	-	(683)	-	6,724	-	6,724
Share-based payment expense		-		-	-	2,485	-	2,485	-	2,485
Balance at 31 August 2020		**9,552**	**471,878**	**(226,867)**	**(4,094)**	**44,009**	**3,496**	**297,974**	**27,535**	**325,509**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED

	Notes	Share Capital R'000	Share Premium R'000	Accumulated loss R'000	FCTR[1] R'000	Share-based payment reserve R'000	Equity component of derivative financial instrument R'000	Total R'000	Non-controlling interest R'000	Total equity R'000
Balance at 31 August 2020		**9,552**	**471,878**	**(226,867)**	**(4,094)**	**44,009**	**3,496**	**297,974**	**27,535**	**325,509**
Conversion from par value to no par value shares	15	471,878	(471,878)	-	-	-	-	-	-	-
Total comprehensive income for the period										
Profit for the period		**-**	**-**	**44,332**	**-**	**-**	**-**	**44,332**	**28,313**	**72,645**
Other comprehensive income										
Foreign currency translation reserve	15	-	-	-	(575)	-	-	(575)	-	(575)
Contributions by and distributions to owners										
Debt converted to equity	15	30,929	-	-	-	-	(3,496)	27,433	-	27,433
Acquisition of subsidiary	10	-	-	-	-	-	-	-	4,171	4,171
Dividends declared and paid[2]		-	-	-	-	-	-	-	(1,000)	(1,000)
Shares issued	15	27,456	-	-	-	(9,188)	-	18,268	–	18,268
Share-based payment expense		-	-	-	-	1,680	-	1,680	–	1,680
Balance at 31 August 2021		**539,815**	**-**	**(182,535)**	**(4,669)**	**36,501**	**-**	**389,112**	**59,019**	**448,131**

1 Foreign currency translation reserve

2 A dividend of R1m was declared and paid to the non-controlling interests in EasyCrypto SA on 28 August 2021.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2021 R'000	2020 R'000
Cash flows generated by operating activities			
Cash generated by operations		**54,735**	182,125
Tax received/ (paid)		**1,643**	(3,182)
Finance income	3	**4,294**	1,303
Finance costs		**(3,371)**	(4,222)
Cash flows generated by operating activities		**57,301**	176,024
Cash flows from investing activities			
Acquisition of intangible assets	7	**(38,182)**	(34,993)
Acquisition of subsidiary - EasyCrypto SA (Pty) Ltd	10	**1,278**	-
Proceeds from disposal of ownership interest in EasyProperties (Pty) Ltd		**-**	980
Acquisition of equipment	6	**(593)**	(768)
Repayment from joint venture	9	**658**	229
Proceeds from sale of Investments	8	**6,241**	-
Rental deposit paid		**-**	(128)
Cash flows utilised in investing activities		**(30,598)**	(34,680)
Cash flows from financing activities			
Proceeds from the issue of share capital	15	**18,268**	6,724
Proceeds from disposal of treasury shares	15	**-**	1,000
Proceeds from borrowings raised		**-**	10,000
Repayment of staff loans relating to share options exercised		**661**	-
Dividend paid by EasyCrypto SA (Pty) Ltd		**(1,000)**	-
Repayments of borrowings		**(2,936)**	(4,020)
Repayments of lease liability	20	**(1,928)**	(1,169)
Cash flows generated by financing activities		**13,065**	12,535
Net increase in cash and cash equivalents		**39,768**	153,879
Effect of foreign exchange on cash held		**(575)**	77
Cash and cash equivalents at beginning of period		**215,257**	61,301
Cash and cash equivalents at the end of the period	14	**254,450**	215,257

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

RECONCILIATION OF CASH GENERATED BY OPERATIONS

	Notes	**2021 R'000**	2020 R'000
Profit before tax, finance income and finance costs		**85,451**	31,465
Adjustments for:			
– Depreciation and amortisation	2	**19,776**	14,052
– Fair value adjustments on investments	4	**(55,919)**	(2,312)
– Share of profit of joint venture	9	**(1,431)**	(1,183)
– Movement in expected credit loss allowance		**(569)**	-
– Share-based payment expense	2	**1,680**	2,485
		48,988	**44,507**
Movement in working capital			
(Increase)/ decrease in trade and other receivables		**(26,758)**	271
(Decrease)/ increase in trade and other payables		**(3,594)**	67,098
Increase in client open position liability		**36,098**	70,249
		54,735	182,125

Tax received / (paid)

Balance at beginning of period		**1,333**	2,097
Current tax	5	**(2,105)**	(3,946)
Balance at end of period		**2,415**	(1,333)
Tax received / (paid)		**1,643**	(3,182)

BORROWINGS RECONCILIATION

	19		
Balance at beginning of period		**69,006**	58,786
Loans raised		**-**	10,000
Capital portion of loans repaid		**(2,936)**	(4,020)
Capital portion of loan repaid with equity		**(27,433)**	-
Interest paid		**(1,214)**	(2,766)
Interest accrued		**5,271**	7,006
Balance at end of period		**42,694**	69,006

SEGMENTAL ANALYSIS

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 portion of its revenue for services performed for Emperor clients.
- EasyEquities is the web-based investment platform of the Group and includes EasyProperties.
- Head Office and Investments represent fees and dividends earned on investments and fair value adjustments made against them, as well as head office costs.

	GT247.com and EAM R'000	EasyEquities Group R'000	Head Office and Investments R'000	Total R'000
2021				
Segment assets				
Non-current assets	10,787	149,682	284,460	444,929
Current assets	85,985	223,025	1,600	310,610
Total assets	**96,772**	**372,707**	**286,060**	**755,539**
Segment liabilities				
Non-current liabilities	-	8,842	7,872	16,714
Current liabilities	74,101	203,733	12,860	290,694
Total liabilities	**74,101**	**212,575**	**20,732**	**307,408**

SEGMENTAL ANALYSIS CONTINUED

	GT247.com and EAM R'000	EasyEquities Group R'000	Head Office and Investments R'000	Total R'000
2021				
Revenue	**32,219**	**172,332**	**227**	**204,778**
Commissions and research expenses	(1,268)	(1,730)	-	(2,998)
Operating expenses	(39,961)	(106,407)	(7,535)	(153,903)
Earnings/ (loss) before interest, depreciation & amortisation	**(9,010)**	**64,195**	**(7,308)**	**47,877**
Finance income	-	4,294	-	4,294
Finance costs	-	(2,381)	(5,466)	(7,847)
Depreciation and amortisation	(278)	(19,483)	(15)	(19,776)
Earnings/ (loss) before fair value, impairment adjustments and tax	**(9,288)**	**46,625**	**(12,789)**	**24,548**
Fair value adjustments	1,476	50,000	4,443	55,919
Share of profit of joint venture	-	1,431	-	1,431
Profit/ (loss) before tax	**(7,812)**	**98,056**	**(8,346)**	**81,898**

SEGMENTAL ANALYSIS CONTINUED

	GT247.com and EAM R'000	EasyEquities R'000	Head Office and Investments R'000	Total R'000
2020				
Segment assets				
Non-current assets	9,543	88,065	271,690	369,298
Current assets	101,770	153,479	916	256,165
Total assets	111,313	241,544	272,606	625,463
Segment liabilities				
Non-current liabilities	1,474	3,368	39,131	43,973
Current liabilities	79,327	159,702	16,952	255,981
Total liabilities	80,801	163,070	56,083	299,954

	GT247.com and EAM R'000	EasyEquities R'000	Head Office and Investments R'000	Total R'000
2020				
Revenue	66,364	96,308	-	162,672
Commissions and research expenses	(2,386)	(630)	-	(3,016)
Operating expenses	(40,845)	(70,135)	(6,794)	(117,774)
Net income/ (loss)	23,133	25,543	(6,794)	41,882
Other income	-	47	-	47
Earnings/ (loss) before interest, depreciation & amortisation	23,133	25,590	(6,794)	41,929
Finance income	-	1,303	-	1,303
Finance costs	-	(2,433)	(6,583)	(9,016)
Depreciation and amortisation	(780)	(13,242)	(30)	(14,052)
Earnings/ (loss) before fair value, impairment adjustments and tax	22,353	11,218	(13,407)	20,164
Fair value adjustments	2,393	-	13	2,406
Share of profit of joint venture	-	1,183	-	1,183
Profit/ (loss) before tax	**24,746**	**12,401**	**(13,394)**	**23,753**

ACCOUNTING POLICIES

Reporting entity

Purple Group Limited (the Company) is a company domiciled in South Africa. The address of the Company's registered office is 16th Floor, 25 Owl Street, Braamfontein Werf, Johannesburg, 2092. The consolidated financial statements of the Group as at and for the year ended 31 August 2021 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities). The Group is primarily involved in financial services.

Basis of preparation

The consolidated financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS), and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act of South Africa and the Listing Requirements of the JSE Limited.

The consolidated financial statements were authorised for issue by the Board of Directors on 10 November 2021.

The separate annual financial statements of the issuer and parent of the Group, Purple Group Ltd, is available for inspection on the company's website www.purplegroup.co.za

The accounting policies set out below have been applied consistently to all the periods presented in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost-basis except for the following:
- Derivative financial instruments are measured at fair value; and
- Financial instruments at fair value through profit or loss.

The methods used to measure fair value are discussed further on page 65.

These consolidated financial statements are presented in South African Rand, which is the Group's functional currency. All financial information presented in South African Rand has been rounded to the nearest thousand, unless specified otherwise.

Use of judgement and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Information on significant areas of judgement can be found in the following sections/notes:

Use of judgement

Control or significant influence assessment of EasyProperties SPV's

EasyProperties is a 51% owned subsidiary of EasyEquities. The remaining 49% is owned by Narrative Properties Proprietary Limited (Narrative), an unrelated third party. EasyProperties permits investors to subscribe for fractional units (portions) in property. This is achieved by EasyProperties creating a property special purpose vehicle (SPV) for each property and inviting investors to purchase ordinary shares in the SPV.

The SPV purchases the property and funds any development using funds obtained from investors and loans from SA Home Loans. The aim is to fund the SPV via 70% investor equity funding (ordinary shares) and a maximum of 30% debt funding.

The SPV has two classes of shares:
- Class A shares – which are owned by EasyProperties; and

- Ordinary shares – which are owned by investors.

EasyProperties manages the SPV via the Class A shares which enable EasyProperties to:
- appoint the directors.
- manage the rental of the property.
- manager all other functions related to the property.
- administer the SPV. For example, investors will be given an opportunity to dispose of their ordinary shares via an auction process (as determined by the board of EasyProperties).
- decide when to sell the property in the SPV.
- have 25% vote on any matter to be decided on in any shareholder meetings.

Management considered whether EasyProperties controls the SPV. Management has determined that despite EasyProperties controlling the board of the SPV via the A shares, none of the entities in the Purple Group control the SPV. Therefore the SPVs are unconsolidated structured entities. The key reasons to support this judgement are:
1. Purple Group (and its related parties as defined in the JSE LR, the Companies Act and IFRS) is not exposed to gains or losses in the value of the property owned by the SPV. It also is not entitled to any rental income, dividends or other returns. The investors, as ordinary shareholders, are fully exposed to changes in the value of the property and to the related rental returns.
2. The only fees earned by EasyProperties [and therefore the Purple Group and its related parties] are market-related fees, and relate to rental management fees, bond origination fees and commissions earned on the sale of the property to the SPV.
3. Purple Group (and its related parties as defined in the JSE LR, the Companies Act and IFRS) has not provided any funding to the SPV for the purposes of purchasing or developing the property. It has also not provided any guarantees or sureties. As such, it is not exposed to any funding risk.
4. The directors and employees (and their related parties) of Purple Group (and its related parties as defined in the JSE LR, the Companies Act and IFRS) do not have any financial interest related to any of the transactions in the SPV.
5. None of the investors are related parties of any person or entity in Purple Group.
6. The properties purchased by the SPVs were not previously owned by any person, trust or entity that is a related party of any person or entity in Purple Group.

Business combination (note 10)

First World Trader (Pty) Ltd ("EasyEquities") and EasyCrypto SA (Pty) Ltd ("EasyCrypto") (previously DCX Capital (Pty) Ltd) entered into a shareholders' and subscription agreement on 3 December 2018. In terms of this agreement EasyEquities has the right to subscribe for a maximum of 50.98% of the ordinary shares in EasyCrypto, provided certain distribution targets are achieved.

The call options are potential voting rights and were assessed to determine whether they resulted in EasyEquities obtaining significant influence or control of EasyCrypto. As disclosed in note 4 the call options were treated as a level 3 Derivative Financial Instrument at fair value through profit and loss up until 13 August 2021.

On 13 August 2021 the potential voting rights became substantive and EasyEquitities has the ability to control EasyCrypto in terms of IFRS 10: Consolidated Financial Statements ("IFRS 10"), and all criteria of the definition of 'control' over EasyCrypto were met.

The board of EasyEquities, and specifically the significant minority shareholder in EasyEquities, authorised the company by way of ordinary resolution to exercise the options in full on 13 August 2021 entitling EasyEquities to subscribe for a 50.98% interest in the ordinary shares of EasyCrypto.. Prior to this date Management concluded that EasyEquities did not obtain significant influence or control of EasyCrypto even when distribution targets had been met because the significant minority shareholder in EasyEquities had not yet agreed to EasyEquities exercising any of the options.,

The Group has therefore prepared consolidated financial statements including EasyCrypto from 13 August 2021, being the acquisition date, and has applied the acquisition method of IFRS 3 to the business combination. Currently, the non-controlling interests are entitled to 100% of EasyCrypto as the option for the 50.98% interest in the ordinary shares of EasyCrypto has not yet been exercised.

ACCOUNTING POLICIES CONTINUED

Estimation uncertainty

Information on significant areas of estimation uncertainty can be found in the following sections/notes:

Useful life of intangibles (note 7)

The useful life of developed software is assessed at each reporting date based on information and data obtained from the Chief Technology Officer, Chief Financial Officer and Chief Executive Officer. Judgement is applied in determining the appropriate useful life based on previous technical experience with products of this nature and similar platforms in the industry.

Indefinite useful life intangible assets includes customer contracts related to proprietary trading algorithms and intellectual property (see note 7). A customer relationship intangible asset has been provisionally recognised as part of the EasyCrypto business combination (see note 10) which is estimated to have a useful life of 5 years.

Impairment of goodwill (note 7)

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss may arise.

Income taxes (note 12)

The Group recognises the future tax benefits related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make estimates related to expectations of future taxable income.

Estimates of future taxable income and future taxable capital gains are based on forecast cash flows which also incorporates tax planning opportunities from operations and the application of existing tax laws in South Africa. To the extent that future cash flows, future taxable income and taxable capital gains differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Share-based payments (note 17)

The Group issues equity-settled share-based payments to executive directors and certain employees. The fair value of these instruments is measured at grant date, using the Black-Scholes valuation model, which requires assumptions regarding the estimated term of the option, share price volatility and expected dividend yield. While the Group's management believes that these assumptions are appropriate, the use of different assumptions could have an impact on the fair value of the option granted and the related recognition of the share-based payments expense in the consolidated statement of profit or loss.

Going Concern (note 27)

The consolidated financial statements have been prepared on a going-concern basis. Despite the Group having accumulated losses, the Group has net equity of R389.1 million and has reported profit for two consequtive years, with an increase in attributable profit of R29.9m, an increase of 206.9%. The directors expect business growth to continue and are confident that the Group will continue trading as a going concern into the foreseeable future.

The directors have also reviewed any potential impact of the COVID-19 pandemic and have determined that there has been no negative impact on the Group from the pandemic during the current financial year and up to the date of this report. Additional details in this regard have been disclosed in note 27 to the financial statements.

Valuation of financial instruments (note 8)

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument;

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data; and

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

Fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using valuation techniques (see page 65).

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and over the counter derivatives. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values.

Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments such as investments in unlisted equities, the Group uses primarily the Discounted Cash Flow valuation model. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates such as comparable beta ratios, or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates, forecasted and terminal growth rates and other model inputs.

The table below analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Notes	**Level 1 R'000**	**Level 2 R'000**	**Level 3 R'000**	**Total R'000**
31 August 2021 Investments (at fair value through profit or loss)	**8**	**-**	**1,591**	**18,224**	**19,815**
31 August 2020 Investments (at fair value through profit or loss)	8	-	6,356	13,781	20,137

The options to acquire EasyCrypto has been accounted for as a derivative financial asset measured at fair value through profit or loss up until 13 August 2021, after which it has been accounted for as part of the consideration transferred in the business combination, refer note 10. In calculating the fair value of the options, management used significant judgement in estimating unobservable inputs, which contains elements of estimation uncertainty. The options fall into level 3 of the fair value hierachy.

ACCOUNTING POLICIES CONTINUED

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Non-controlling interest

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Provisional accounting

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the acquirer shall also recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

Investment in joint venture (note 9)

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the joint arrangement. The Group's interests in joint ventures are accounted for using the equity method. On initial recognition the investment in joint venture is recognised at cost (including transaction costs) and subsequently the carrying amount is increased or decreased to recognise the Group's share of the net assets of the joint venture after date of acquisition.

The Group's share of the joint venture's profit or loss is recognised in profit or loss, and represents profit or loss after tax of the joint venture. Where there has been a change recognised directly in other comprehensive income or equity of the joint venture, the Group recognises its share of any changes and discloses this, where applicable, in the Group statement of other comprehensive income or Group statement of changes in equity. Distributions received from the joint venture reduce the carrying amount of the investment.

Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture.

The Group and NBC Fund Administration Services have joint control of RISE as each party has equal representation on the management committee that governs the relevant activities of the arrangement. The joint venture transaction is structured as a separate vehicle and the Group has a residual interest in the net assets of RISE. Accordingly, the Group has classified its interest in RISE as a joint venture.

Foreign currency

Foreign currency transactions

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recognised at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised in profit or loss.

Foreign operations

On consolidation, the results of foreign operations are translated into South African Rand at rates approximating those ruling when the transactions took place. All assets and liabilities of foreign operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of foreign operations at actual rate are recognised in other comprehensive income and accumulated in the Foreign Currency Translation Reserve (FCTR).

Exchange differences recognised in profit or loss in Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in the FCTR on consolidation.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the FCTR, is reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal of the foreign operation is recognised.

Financial instruments

Non-derivative financial instruments

Recognition and initial measurement
Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets
On initial recognition, a financial asset is classified as measured at
- Amortised cost; or
- FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- It is held within a business model whose objective is to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Trade receivables are carried at amortised cost less ECLs (expected credit losses) using the Group's business model for managing its financial assets. Please refer to the accounting policy on Impairments for the treatment of expected credit losses on trade receivables.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL, if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value, and net gains and losses including any interest expense, are recognised in profit or loss. The Group does not have any liabilities at FVTPL. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Impairment

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. The general model applies to staff loans. In terms of the general model, a loss allowance for lifetime expected credit losses is recognised for a financial instrument if there has been a significant increase in credit risk since initial recognition of the financial asset. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Impairment provisions for current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

ACCOUNTING POLICIES CONTINUED

Derecognition of financial instruments

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

On conversion of a convertible instrument at maturity, the entity derecognises the liability component and recognises it as equity. The original equity component remains as equity (although it may be transferred from one line item within equity to another). There is no gain or loss on conversion at maturity. Refer to note 15 and 19, where a liability was extinguished within equity in the current period.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value and subsequently remeasured to their fair value with changes therein recognised in profit or loss under the 'fair value adjustments' line item.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Repurchase of share capital (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are cancelled until they are re-issued later. When treasury shares are sold or re-issued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Transfer between the share-based payment reserve and share capital

Share options exercised result in a transfer of reserves from the share-based payment reserve to retained income at the initial grant value. This transfer is recognised within the statement of changes in equity and does not affect profit or loss.

Equipment

Recognition and measurement

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis, over the estimated useful life of each asset to its residual value.

The estimated useful lives for the current and comparative periods are as follows:

Computer equipment	3 years (2020: 3 years)
Fixtures, fittings and improvements	5 years (2020: 5 years)
Office equipment	5 years (2020: 5 years)

Depreciation methods, useful lives and residual values are reviewed at each reporting date, and adjusted if required.

Goodwill

Goodwill that arises on the acquisition of a business is measured at cost less accumulated impairment losses. Goodwill is not amortised and is assessed for impairment at least annually and whenever there is an indication of impairment.

Intangible assets

Contracts

Contracts that arise from the acquisition of client contracts are measured at cost less accumulated impairment losses. Contracts have been assessed as having indefinite useful lives, as the rights to which the Group is entitled do not expire. These are assessed for impairment at least annually, and whenever there is an indication of impairment.

Customer relationships

Customer relationships (provisionally determined) acquired as part of the EasyCrypto business combination (see note 10) are measured at cost less accumulated amortisation and accumulated impairment losses. Customer relationships are assessed as having a definite useful life of 5 years.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities (specifically software development) involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of professional services and direct labour that are directly attributable to preparing the asset for its intended use. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Purchased software

Purchased software that is acquired by the Group, which has a finite useful life, is measured at cost less accumulated amortisation and accumulated impairment losses. Purchased software is only recognised when it meets the recognition criteria and the definition of an intangible asset in IAS 38. Purchased software which gives right of access to the software only over the contract term is accounted for as a service contract, and is expensed in profit or loss over the contract term. Any prepayments are recognised as an asset and expensed over the term of service.

Subsequent expenditure

Subsequent expenditure is capitalised only when it meets the definition of an intangible asset and when the recognition criteria is met. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis, over the estimated useful lives of intangible assets. Indefinite life intangible assets and goodwill are not amortised.

The estimated useful lives for the current and comparative periods are as follows:

Capitalised software development costs	7 years
Purchased software	3 years

The amortisation methods and useful lives are reviewed at each reporting date and adjusted if required.

Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually and whenever there is an indication of impairment.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

The share option programme (equity-settled share-based payment arrangement) allows selected Group employees to acquire shares of the Group. The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the vesting period that the employees become unconditionally entitled to the options and are not subsequently revalued. The fair value of the options granted is measured using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Revenue from contracts with customers

Revenue is recognised net of VAT (where applicable). The Group's revenue is derived from equity and property investing fees, derivatives trading, asset management brokerage and related fees. Revenue is measured based on the consideration specified in a contract with the customer.

Nature and timing of satisfaction of performance obligations

Customers pay a brokerage fee to transact (buy or sell shares) on the platform that they invest on. The brokerage fee is a certain percentage of the value of the customer's transaction. Derivatives trading revenue is recognised based on the value of the trades executed. This revenue is recognised on execution of the trades and at a point in time.

Customers are also charged management and performance fees for services provided to them, and this revenue is recognised over time.

The revenue described above is the only performance obligations and the contracts do not contain any further performance obligations.

As the period of time between customer payment and performance will always be one year or less, the group applies the practical expedient and does not adjust the promised amount of consideration for the effects of financing.

Other income

Other income includes net unrealised gains, dividends arising from investments, net profit on sale of investments, and proceeds from insurance claims received.

Finance income

Finance income comprises finance income on funds invested and are recognised in profit or loss using the effective interest method.

Leases

Leases recognition under IFRS 16

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Subsequent to initial recognition, the right-of-use asset is accounted for in accordance with the accounting policy applicable to that asset (cost less accumulated amortisation). Depreciation of the right-of-use asset is calculated using the straight-line method to allocate its cost over the estimated useful life, being the lesser of the remaining lease term and the life of the asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group uses its incremental borrowing rate as the discount rate. Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Low-value assets relate mainly to photocopiers and coffee machines.

Finance costs

Finance costs comprise finance costs on borrowings and are recognised in profit or loss using the effective interest method.

Income tax

Income tax expense/benefit comprises current and deferred tax. Current and deferred tax is recognised as income or an expense and included in profit or loss for the period.

Current tax is the expected tax payable/receivable on the estimated taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable/receivable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Detailed forecasts are prepared. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Earnings per share and headline earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Appropriate adjustments in terms of Circular 1/2021, issued by the South African Institute of Chartered Accountants, are made in calculating headline earnings per share.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares that comprise share options granted to employees and for convertible loans.

Operating segment reporting

Operating segments are distinguishable components of the Group that the Chief Executive Officer and the Chief Financial and Operating Officer, as the chief operating decision-makers in the Group, review on a regular basis to assess performance and to allocate resources.

Operating segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

ACCOUNTING POLICIES CONTINUED

Investments

Investments at fair value through profit/loss:

- Unlisted investments (note 8) are measured at their estimated fair value as determined by the Board at the reporting date.
- Derivative options to acquire EasyCrypto has been fair valued up until the business combination acquisition date (see note 10).

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values should be first calculated with reference to observable inputs where these are available in the market. Only where these are unavailable should fair value techniques be applied which employ less observable inputs. Unobservable inputs may only be used where observable inputs or less observable inputs are unavailable.

Fair Value Measurement does not mandate the use of a particular valuation technique but rather sets out a principle requiring an entity to determine a valuation technique that is appropriate in the circumstances for which sufficient data is available and for which the use of relevant observable inputs can be maximised. Where management is required to place greater reliance on unobservable inputs, the fair values may be more sensitive to assumption changes and different valuation methodologies that may be applied. For this reason, there is a direct correlation between the extent of disclosures required by IFRS and the degree to which data applied in the valuation is unobservable.

The principal methodologies applied in valuing unlisted investments are as follows:

- Discounted cash flow or earnings (of the underlying business); and
- Available market prices and multiples.

Where the discounted cash flow methodology is applied, the directors discount the projected cash flows of the underlying business at an appropriate weighted average cost of capital.

Trade and other receivables and payables

Due to the short-term nature of these receivables and payables the fair value approximates the carrying values.

Share-based payment transactions

The fair value of employee share options is measured using a Black-Scholes model at the grant date and is not remeasured. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments (see note 21):
- Credit risk;
- Liquidity risk; and
- Market risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and has delegated this responsibility to the Risk Management Committee. The management of the various Group companies are responsible for implementing the risk policies.

Different units of the business require different approaches to risk management to be developed.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and cash equivalents, trading counterparties and investments.

Trading counterparties
The Derivatives Business (GT247.com) has various trading counterparties and mitigates the risk of default through using multiple counterparties and evaluating the counterparty credit-worthiness on an ongoing basis. In addition, a certain percentage is held as margin for all trades.

Credit risk is dispersed through a wide range of individual investors from whom margin is withheld for every trade. The Group establishes an allowance for credit losses that represents its estimate of expected losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures. The expected credit loss is also based on the Group's understanding of the financial position of the counterparty, including the consideration of their credit risk grade.

Default has been defined as the customer's or counterparty's failure to meet its contractual obligations.

Other investments
The Group monitors the credit risk of its various investments on an ongoing basis and will liaise with management to resolve any problems that may arise before they cause credit problems.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity and access to facilities to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Derivatives Business and Asset Management Business (EAM) buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. The Equity Trading Business (EE) is also exposed to market risk through timing on transactions and the whole shares owned to cover fractional shares owned by clients. All such transactions are carried out within the guidelines set by the Board and the Risk Committee.

Currency risk

The Group is exposed to currency risk on expenses that are denominated in a currency other than the respective functional currencies of Group entities, primarily the South African Rand and USD.

Interest on bank overdrafts is denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily South African Rand.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Interest rate risk

The Group is exposed to interest rate risk on its cash and cash equivalents, bank overdraft and investments that are linked to prime interest rates. The Group does not hedge these presently but would do so if it felt that it was necessary.

The Group’s investments are subject to variable interest rates and are exposed to a risk of change in cash flows due to changes in interest rates. Equity investments and trade receivables and payables are not exposed to interest rate risks.

Other market price risk

Equity price risk has an impact on the fair value of the Group’s investments. Material investments are constantly monitored and buy and sell decisions approved by the Board.

The Derivatives Business operations are subject to equity, commodity, indices and currency price movements. Detailed value-at-risk analysis is performed on a continual basis to ensure the Derivatives Business limits are not breached and appropriate hedges are in place.

Exposure to these risks is also mitigated through the buying and selling of derivative instruments.

Capital management

The Board’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Board considers its equity as its capital and manages this to ensure the Group is adequately funded to continue its growth and fund its investments. There were no changes in the Group’s approach to capital management during the period.

In the Group's joint venture it is exposed to regulatory capital requirements which partially restricts the distribution of capital.

Standards and interpretations effective and adopted for the first time in the 2021 financial year

During the financial year, the following new and revised accounting standards, amendments to standards and new interpretations were adopted by the Group:

Standard(s) Interpretation(s) Amendment(s)	Nature of the change	Salient features of the changes	Impact on financial position or performance
IAS 1	Amendment	Presentation of Financial Statements • Definition of Material: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency In the application of that concept whenever it is used in IFRS Standards.	None
IAS 8	Amendment	Accounting Policies, Changes In Accounting Estimates and Errors • Definition of Material: The amendments clarify and align the definition of 'material' and provide guidance to help Improve consistency in the application of that concept whenever it is used in IFRS Standards.	None

IFRS 3 Business Combinations	Amendment	Definition of Business: The amendments:
		
		• confirm that a business must include inputs and a process, and clarify that:
		  ◦ the process must be substantive; and
		  ◦ the inputs and process must together significantly contribute to creating outputs.
		• narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
		• add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.
			None

IFRS 7 Financial Instruments: Disclosures
 	
&
 	
IFRS 9 Financial Instruments
	Amendment	• Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting.
		  ◦ The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform.
		  ◦ In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.
			None

New standards and interpretations issued but not yet effective

At the date of authorisation of the financial statements for the year ended 31 August 2021, the following Standards and Interpretations were in issue but not yet effective that are applicable to the activities of the Group:

Standard/ Interpretation	Salient features of the changes	Annual periods beginning on or after	Estimated impact on financial position or performance
IFRS 3 Business Combinations	Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.	1 January 2022	None
IFRS 7 Financial Instruments: Disclosures & IFRS 9 Financial Instruments	• Interest Rate Benchmark Reform Phase 2: The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. ◦ The amendment to IFRS 7 requires a company to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR reform on that company. ◦ The amendments to IFRS 9 enable a company to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform. o The amendments to IFRS 9 enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform, by requiring companies to amend their hedging relationships to reflect: ▪ designating an alternative benchmark rate as the hedged risk; or ▪ changing the description of the hedged item, including the designated portion, or of the hedging instrument.	1 January 2021	None
	• Annual Improvements to IFRS Standards 2018–2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.	1 January 2022	None

ACCOUNTING POLICIES CONTINUED

Standard/ Interpretation	**Salient features of the changes**	**Annual periods beginning on or after**	**Estimated impact on financial position or performance**
IFRS 10 Consolidated Financial Statements	• Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.	The effective date of this amendment has been deferred indefinitely until further notice	None
IAS 16 Property, Plant and Equipment	• Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	1 January 2022	None
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	• Onerous Contracts—Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.	1 January 2022	None

The Group does not intend to early adopt the standards or amendments.

The adoption of the other standards and amendments not specifically disclosed will not have a significant effect, other than additional disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Revenue

	Notes	2021 R'000	2020 R'000
Equity investing fees		**167,395**	95,716
Asset management execution revenue		**3,488**	3,257
Derivatives trading revenue		**14,800**	52,386
Funding income		**9,527**	7,509
Asset management fees		**4,399**	3,211
Property investing fees and commissions		**5,169**	593
Total revenue		**204,778**	162,672

The Group generates revenue primarily from equity and property investing fees, asset management execution revenue and revenue from its derivatives trading business (derivatives trading revenue and funding income).

2. Trading and operating expenses

	2021 R'000	2020 R'000
Commissions and research expenses	**2,998**	3,016
- Introducing broker commission	2,185	1,801
- Sales commission	321	972
- Research costs	492	243
Employee benefit expenses	**79,427**	64,510
- Short-term employee benefits	77,747	62,025
- Share-based payment expense	1,680	2,485
Marketing	**11,440**	6,116
IT Costs	**24,635**	17,121
Professional services	**19,638**	12,663
Legal Fees	**886**	814
Listing expenses	**422**	116
Office Costs	**3,040**	3,054
Depreciation and amortisation	**19,776**	14,052
- Computer equipment	405	361
- Furniture and fittings	650	637
- Office equipment	176	205
- Amortisation of intangible assets	17,059	11,363
- Depreciation of right of use asset (premises)	1,486	1486

3. Net finance costs

	2021 R'000	2020 R'000
Interest income on bank deposits	4,294	1,149
Interest income from Tax Receivable	-	154
Total interest income	**4,294**	1,303
Interest on borrowings	6,390	7,006
Interest on lease liability	421	557
Interest on bank overdraft	1,036	1,453
Total finance costs	**7,847**	9,016
Net finance costs	**3,553**	7,713

4. Fair value adjustments

	Notes	2021 R'000	2020 R'000
Investment accounts in Group's Asset Management Division	8	**1,476**	2,405
Revaluation of investment in Real People Investment Holdings Limited	8	**4,443**	-
Revaluation of options to acquire EasyCrypto (Pty) Ltd	10	**50,000**	-
		55,919	2,405

Please refer to note 8 for further information regarding the fair value adjustments of investments.

A R50m fair value adjustment was recognised on the Group's options to acquire a 50.98% interest in EasyCrypto (Pty) Ltd.

The options to acquire EasyCrypto has been accounted for as a derivative financial asset measured at fair value through profit or loss up until 13 August 2021, after which it has been accounted for as part of the consideration transferred in the business combination, refer note 10.

In calculating the fair value of the options, management used significant judgement in estimating unobservable inputs, which contains elements of estimation uncertainty. The options fall into level 3 of the fair value hierachy.

Since the strike price of the options are a nominal R5, the value of the options have been determined based on the fair value of the business and a corresponding 50.98% interest in equity, using a discounted cash flow valuation model. See note 7 for the assumptions used. The Black-Scholes option valuation model yields the same result.

The fair value of the option at the end of the prior reporting period (2020) was immaterial and was consequently not recognised.

The following assumptions were applied in valuing the options:

Key variables - Black-Scholes Option Valuation Model	2021
EasyCrypto SA Proprietary Limited	
Current underlying asset price (Rands)	**50,000,000**
Exercise price of the option (Rands)	**5**
Time to maturity of the option in years	**1.08**
Risk free rate	**4.89%**
Annual standard deviation of the rate of return on the stock (Volatility)	**40%**
Dividend yield (continuous dividend payout)	**0%**

5. Income tax

	Notes	2021 R'000	2020 R'000
Recognised in profit or loss			
Current tax expense		**2,105**	3,946
Deferred tax expense			
Payables and accruals		365	(1,003)
Prepayments		650	462
Investments at fair value		3,594	536
Intangible assets		1,710	2,592
Origination and reversal of temporary differences		**6,319**	2,587
Recognition of tax loss	12	829	82
Total deferred tax expense		**7,148**	2,669
Total current and deferred tax		**9,253**	6,615
Reconciliation of effective tax rate:			
Income tax recognised in profit or loss		**11.3**	27.9
Non-taxable share of profit of joint venture		**0.5**	2.0
FV adjustment on EasyCrypto Option not taxable		**17.1**	0.0
Assessed losses utilised		**(0.4)**	0.0
Capital gains/(losses) not recognised for tax[1]		**0.6**	2.3
Non-deductible expenses:		**(1.1)**	(4.2)
Legal fees		(0.3)	(0.9)
Share-based payments expense		(0.6)	(2.9)
Other[2]		(0.2)	(0.4)
Domestic tax rate		**28.0**	28.0

1 Deferred tax is only raised on 80% of taxable capital gains or losses (SARS CGT inclusion rate), and therefore the remianing 20% results in a non-taxable difference.

2 This includes SARS penalties, donations and depreciation on leasehold improvements.

6. Equipment

	Notes	Computer equipment R'000	Fixtures, fittings and improvements R'000	Office equipment R'000	Total R'000
Cost					
Balance at 31 August 2019		2,684	5,593	833	9,110
Additions		700	50	18	768
Disposals		(1246)	(1883)	(39)	(3168)
Balance at 31 August 2020		2,138	3,760	812	6,710
Additions		532	-	61	593
Disposals		-	-	-	-
Balance at 31 August 2021		**2,670**	**3,760**	**873**	**7,303**
Accumulated depreciation and impairment losses					
Balance at 31 August 2019		2,230	3,150	457	5,837
Depreciation for the period	2	361	637	205	1,203
Disposals		(1247)	(1883)	(39)	(3169)
Balance at 31 August 2020		1,344	1,904	623	3,871
Depreciation for the period	2	405	650	176	1231
Disposals		-	-	-	-
Balance at 31 August 2021		**1,749**	**2,554**	**799**	**5,102**
Carrying amounts					
At 31 August 2019		454	2,444	376	3,274
At 31 August 2020		794	1,857	189	2,840
At 31 August 2021		**921**	**1,206**	**74**	**2,201**

7. Intangible assets and goodwill

	Notes	Goodwill R'000	Contracts and customer relationships R'000	Software Development R'000	Purchased Software R'000	Total Intangible Assets R'000	Total R'000
Cost							
Balance at 31 August 2019		212,999	7,914	77,468	7,075	92,457	305,456
Additions		-	-	34,898	95	34,993	34,993
Disposals		-	-	(17,982)	(556)	(18,538)	(18,538)
Balance at 31 August 2020		212,999	7,914	94,384	6,614	108,912	321,911
Additions		-	-	38,182	-	38,182	38,182
Acquisition of EasyCrypto SA	10	50,000	1,530	1,890	-	3,420	53,420
Disposals		-	-	-	-	-	-
Balance at 31 August 2021		**262,999**	**9,444**	**134,456**	**6,614**	**150,514**	**413,513**
Accumulated amortisation and impairment losses							
Balance at 31 August 2019		8,431	-	33,566	5,802	39,368	47,799
Amortisation for the period	2	-	-	10,353	1,010	11,363	11,363
Disposals		-	-	(17,982)	(556)	(18,538)	(18,538)
Balance at 31 August 2020		8,431	-	25,937	6,256	32,193	40,624
Amortisation for the period	2	-	-	16,710	349	17,059	17,059
Disposals		-	-	-	-	-	-
Balance at 31 August 2021		**8,431**	**-**	**42,647**	**6,605**	**49,252**	**57,683**
Carrying amounts							
At 31 August 2019		204,568	7,914	43,903	1,273	53,090	257,658
At 31 August 2020		204,568	7,914	68,448	358	76,720	281,288
At 31 August 2021		**254,568**[1]	**9,444**	**91,809**	**9**	**101,262**	**355,830**

1 The opening balance of goodwill of R204.5m was acquired as part of the First World Trader (Pty) Ltd purchase in November 2007. A further R50m was recognised as provisional goodwill in the current year, due to the business combination of EasyCrypto SA (Pty) Ltd. Please refer to note 10 for detail on the business combination.

IMPAIRMENT TESTING FOR CASH-GENERATING UNITS CONTAINING GOODWILL AND CONTRACTS

The value-in-use method was used to assess the impairment of goodwill.

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	2021 R'000	2020 R'000
GT247.com	**204,568**	204,568
EasyCrypto SA (Pty) Ltd	**50,000**	-
	254,568	204,568

The values assigned to the key assumptions in the discounted cash flow model represent management's assessment of future trends in the online trading and asset management sectors and are based on both external sources and internal sources (historical data). The main drivers of the model are the assumptions around income growth and expenses that have been based on past trends and management's view of future prospects. The valuation technique is consistent with prior years.

Key variables	**2021**	2020
GT247 Proprietary Limited		
Discount period	**10 years**	10 years
Terminal growth rate (%)	**3**	3
Pre-tax discount rate	**21.9**	23.1

A discount period of 10 years was used to take into account the longer period that the cash-generating unit will contribute to the carrying amount. The higher discount rate applied during the current year reflects the higher levels of uncertainty with regards to market conditions at the date of valuation.

Key variables	**2021**	2020
EasyCrypto SA Proprietary Limited		
Discount period	**5 years**	n/a
Terminal growth rate (%)	**6**	n/a
Pre-tax discount rate	**27.1**	n/a

A discount period of 5 years was used and a pre-tax discount rate of 27.1%.

Contracts with an indefinite useful life

Key variables	2021	2020
Emperor Asset Management Proprietary Limited		
Discount period	**10 years**	10 years
Terminal growth rate (%)	**5**	5
Pre-tax discount rate	**22.1**	25.9

Contracts have been assessed as having indefinite useful lives as the rights to which the Group is entitled, are in respect of client contracts that are currently held and includes intellectual property rights, algorithms and developed systems related thereto.

The lower discount rate applied during the current year reflects the lower levels of uncertainty with regards to market conditions at the date of valuation.

Management has performed various sensitivity analysis by changing each of the key variables in the models for GT247.com, Emperor Asset Management and EasyCrypto by 3.5% which resulted in significant headroom and the recoverable amount exceeding the carrying amount in all instances.

8. Investments

	2021 R'000 Fair Value	2020 R'000 Fair Value
The Group has the following unlisted investments		
Investments – recognised at fair value through profit or loss:		
Real People Investment Holdings Limited	**18,224**	13,781
Investment accounts in Group's Asset Management Division[1]	**1,591**	6,356
Total investments	**19,815**	20,137

1 This relates to Unit Trust investments held through Emperor Asset Management (Pty) Ltd.

Fair values of investments are reassessed at the reporting date and adjusted accordingly.

	2021 R'000	2020 R'000
Non-current asset - investments :		
Real People Investment Holdings Limited	**18,224**	13,781
Current asset - investments:		
Investment accounts in Group's Asset Management Division	**1,591**	6,356
Total investments	**19,815**	20,137

	Notes	2021 R'000	2020 R'000
Balance 1 September		**20,137**	17,825
Fair value adjustments	4	**55,919**	2,312
Disposals		**(6,241)**	-
Derecognition of options to acquire EasyCrypto SA (Pty) Ltd[1]	10	**(50,000)**	-
Balance 31 August		**19,815**	20,137

1 As part of accounting for the business combination of EasyCrypto SA (Pty) Ltd, the options have been accounted for as part of the consideration transferred in the business combination. See note 10.

Investment in Real People Investment Holdings

The Group holds a direct investment in Real People Investment Holdings Limited ("RPIH") comprising the following instruments:

- 506 793 ordinary shares;
- 968 C2 preference shares; and
- 9 325 B preference shares.

In addition, the Group holds an indirect investment in RPIH through Blockbuster Trading 3 Proprietary Limited ("BBT"). Blockbuster Trading holds 1 128 741 ordinary shares in RPIH.

ASSUMPTIONS APPLIED IN DETERMINING FAIR VALUE

The fair value in respect of the Group's direct and indirect investment in RPIH was calculated by management using a discounted cash flow model in order to arrive at an indicative valuation for the business. The valuation arrived at was then allocated across the various instruments in issue, in accordance with the cash flow waterfall agreed with the RPIH creditors.

The values assigned to the key assumptions in the discounted cash flow model represent management's assessment of future trends and are based on both external sources and internal sources (historical data). The main drivers of the model are the assumptions around income growth and net yields that have been based on past trends and managements view of the future prospects. The fair value measurement technique results in Level 3 fair value in the fair value hierarchy (see page 56).

Key assumptions used – Real People Investment Holdings Limited/Blockbuster Trading 3 Proprietary Limited

	2021	2020
Discount period	**9.5 years**	9.5 years
Risk free rate (%)	**9.10**	9.5
Discount rate (%)	**16.8**	16.6
Terminal growth rate (%)	**3%**	3%

The value of the investment accounts held by the Group with its asset management division has been determined with reference to quoted market prices (unadjusted) in an active market for identical instruments, as these are Level 2 instruments.

9. Investment in joint venture

The Group entered into a joint venture, Retirement Investments and Savings for Everyone Proprietary Limited trading as RISE, with NBC Fund Administration Services. RISE provides retirement administration, savings and investment solutions to institutional and retail clients.

The Group's interest in RISE is accounted for using the equity method in the consolidated financial statements.

The following amounts represent the assets and liabilities, income and expenses of the joint venture:

	2021 R'000	2020 R'000
Effective rate of interest held in joint venture (%)	**50**	50
Reconciliation between proportionate investment and current investment value:		
Investment at cost	**-**	-
Loan to joint venture	**-**	658
Share of profit in prior periods	**4,173**	2,991
Investment in joint venture	**4,173**	3,649
Share of profits for the period	**1,431**	1,183
Carrying value in joint venture	**5,604**	4,832
Assets		
Non-current assets	**2,997**	3,437
Current assets	**19,547**	25,791
Liabilities		
Non-current liabilities	**(2,600)**	(3,823)
Current liabilities	**(5,189)**	(17,981)
Equity	**14,755**	(7,424)
Summarised statement of comprehensive income		
Income	**52,608**	45,021
Expenses	**(48,028)**	(41,735)
Profit before tax	**4,580**	3,286
Income tax expense	**(1,719)**	(920)
Profit for the period	**2,861**	2,366
Total comprehensive income for the period	**2,861**	2,366
Group's proportionate share of the income for the period	**1,431**	1,183

10. Business Combination - EasyCrypto SA (Pty) Ltd

First World Trader (Pty) Ltd ("EasyEquities") and EasyCrypto SA (Pty) Ltd ("EasyCrypto") (previously DCX Capital (Pty) Ltd) entered into a shareholders' and subscription agreement on 3 December 2018. In terms of this agreement EasyEquities has the right to subscribe for a maximum of 50.98% of the ordinary shares in EasyCrypto, provided certain distribution targets are achieved. The right to subscribe consist of 5 call options as below:

Tranche number	Number of shares	Percentage of shares	Strike price	Date distribution target achieved
Tranche 1	11	9.91%	R1	23 April 2020
Tranche 2	25	20%	R1	10 September 2020
Tranche 3	43	30.07%	R1	18 November 2020
Tranche 4	67	40.12%	R1	28 December 2020
Tranche 5	104	50.98%	R1	5 January 2021

If any tranche is not exercised, it accumulates.

The call options are potential voting rights and were assessed to determine whether they resulted in EasyEquities obtaining significant influence or control of EasyCrypto. As disclosed in note 4 the call options were treated as a level 3 derivative financial instrument at fair value through profit and loss up until 13 August 2021.

On 13 August 2021 the potential voting rights became substantive and EasyEquitities has the ability to control EasyCrypto in terms of IFRS 10: Consolidated Financial Statements ("IFRS 10"), and all criteria of the definition of 'control' over EasyCrypto were met.

The Board of EasyEquities, and specifically the significant minority shareholder in EasyEquities, authorised the company by way of ordinary resolution to exercise the options in full on 13 August 2021 entitling EasyEquities to subscribe for a 50.98% interest in the ordinary shares of EasyCrypto. Prior to this date, management concluded that EasyEquities did not obtain significant influence or control of EasyCrypto even when distribution targets had been met because the significant minority shareholder in EasyEquities had not yet agreed to EasyEquities exercising any of the options.

The Group has therefore prepared consolidated financial statements including EasyCrypto from 13 August 2021, being the acquisition date, and has applied the acquisition method of IFRS 3 to the business combination. Currently, the non-controlling interests are entitled to 100% of EasyCrypto as the options for the 50.98% interest in the ordinary shares of EasyCrypto has not yet been exercised.

The options expire on 1 September 2022 and the nominal consideration payable to exercise the options is R5.

We have used provisional accounting in the purchase price allocation of EasyCrypto.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Net assets acquired, liabilities assumed and non-controlling interest

	2021 R'000
Consideration transferred	**(50,000)**
Goodwill	**50,000**
Identifiable assets acquired, liabilities assumed and non-controlling interest:	
Assets	**4,698**
Non-current intangible assets:	**3,420**
- Software development	1,890
- Customer relationships	1,530
Current assets	**1,278**
- Cash and cash equivalents	1,278
Liabilities	**527**
Current liabilities	**527**
VAT payable	527
Net assets acquired	**4,171**
Non-controlling interest	**4,171**

Goodwill primarily consists of intangible assets that do not qualify for seperate recognition, and is provisional pending the finalisation of the purchase price allocation.

Had the results of EasyCrypto been included in the financial statements for the entire reporting period, the Group would have reported revenue of R218.2m (of which EasyCrypto's contribution is R13.4m), and profit for the period of R79.6m (of which EasyCrypto's contribution is R7m).

Provisional amounts

The accounting for the EasyCrypto business combination has been accounted for provisionally. Amounts recognised are subject to change in accordance with the requirements of IFRS 3 which permits the acquirer to use provisional amounts for the items for which the accounting is incomplete (i.e. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs). This is due to the circumstances under which control has been obtained and that is was less than a month before year end. The Group is working with EasyCrypto to finalise the accounting for items such as intangible assets.

11. Receivables

	2021 R'000	2020 R'000
Rental deposits - non-currrent receivable[1]	**898**	898
Loan receivable - non-currrent receivable	**1,395**	2,056
	2,293	2,954

1 The rental deposits are repayable upon termination of the leases. Refer to note 20.

Loans were provided to staff members, other than directors for the purchase of shares in the Purple Group.

Terms of the loan:
- loans were issued at Prime rate;
- there are no fixed terms of repayment; and
- shares purchased are held as security, together with a cession of the employee's salary to the value of the outstanding loan balance, in the event of default or non-payment of the amount due. IFRS 2 is therefore not applicable to these loans and they have been accounted for as receivables.

The Group has no intention or expectation to call on these loans in the next 12 months.

For more information regarding the Group's exposure to interest rate and credit risk please refer to note 21.

12. Deferred tax

	2021 R'000	2020 R'000
Recognised deferred tax assets and liabilities		
Balance at the beginning of the period	**57,922**	60,591
Investments at fair value	**(3,595)**	(536)
Payables and accruals	**(365)**	1,003
Prepayments	**(650)**	(462)
Tax loss recognised in current period	**(829)**	(82)
Intangible assets	**(1,710)**	(2,592)
Balance at the end of the period	**50,773**	57,922
Deferred tax comprises the following:		
Receivables and prepayments	**(1,480)**	(830)
Intangible assets	**(10,030)**	(8,320)
Deferred tax liability	**(11,510)**	(9,150)
Investments at fair value	**24,356**	27,951
Payables and accruals	**2,408**	2,773
Tax loss	**35,519**	36,348
Deferred tax asset	**62,283**	67,072
Net deferred tax assets	**50,773**	57,922

	2021 R'000	2020 R'000
As disclosed in terms of IAS 12:		
– Deferred tax asset	**58,053**	59,396
– Deferred tax liability	**(7,280)**	(1,474)
	50,773	57,922

The directors have assessed that the deferred tax asset will be recovered as the group will continue to:

1. Earn a share of the asset management fees in respect of the IP it owns; and
2. Generate risk advisory revenue from the GT247.com operations;
3. The Group will take advantage of the deferred tax assets as at 31 August 2021 over the next three to seven years. The Group has accumulated tax losses of R116.4 million (2020: R130.1 million) and capital losses of R13m.

13. Trade and other receivables

	2021 R'000	2020 R'000
Trade receivables	**19,744**	6,445
Prepayments	**5,373**	3,646
Vat	**8,813**	5,408
Accrued trade income[1]	**14,008**	6,870
Other receivables	**2,765**	1,003
	50,703	23,372

1 The increase in accrued trade income is due to the increase in revenue and the number of customers in the current year.

The reason for the increase in trade receivables is due to fees receivable from our partner Satrix, to the value of R17.9m. The outstanding amount has been settled after the reporting period and has not resulted in an increase in expected credit losses.

The Group's exposure to credit and currency risks and credit losses related to trade and other receivables is disclosed in note 21.

All of the above items fall under current assets.

Movement in allowance for credit losses - trade receivables

	2021 R'000	2020 R'000
Opening balance	**569**	569
Closing balance	**-**	569
Movement	**(569)**	-

Expected credit loss assessment for customers at 31 August 2021

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group also considers other factors that might impact the credit risk of its customer base including default risk and the economic conditions of the country in which the customer operates.

The Group is not exposed to significant credit risk due to the short dated nature of trade receivables.

Impairment of trade receivables, carried at amortised cost, has been determined using the simplified expected credit loss ("ECL") approach and reflects the short-term maturities of the exposures. The ECL for trade and other receivables was based on the Group's understanding of the financial position of the counterparty, including the consideration of their credit risk grade.

In performing the assessment to determine the expected credit loss, it was concluded that the credit loss recognised above is appropriate and sufficient.

14. Cash and cash equivalents

	2021 R'000	2020 R'000
Bank deposit	**83,809**	33,958
Trading margin with brokers	**174,507**	191,146
Cash and cash equivalents	**258,316**	225,104
Bank overdraft	**(3,866)**	(9,847)
Cash and cash equivalents in the statement of cash flows	**254,450**	215,257

The Group's exposure to interest rate risk, credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 21. The Group holds R1,256.2 million (2020: R834.6 million) of client funds which are not reflected on the statement of financial position. These are restricted funds held on trust and are not available for use by the Group. Included in Group cash and cash equivalents are client funds held to settle client trades and as margin for risk exposure. The related liability is included under current liabilities as client open position liability (see note 18.2).

R2.9 million (2020: R5.5 million) of the cash and cash equivalent balance is held in foreign currency bank and broker accounts and are denominated in US$, GBP and AUD.

The Group has an overdraft facility totalling R14.5 million with Mercantile Bank. The overdraft is secured by an unlimited pledge and cession over the Group's investment in Blockbuster Trading 3 Proprietary Limited, Real People Investment Holdings Limited and First World Trader Proprietary Limited. Refer to note 21 for ECL considerations.

15. Capital and reserves

	Number of shares	Number of shares
The number of shares in issue is as follows:		
Ordinary share capital[1]		
Ordinary share capital in issue at 1 September	**982,569,287**	977,013,382
New shares issued (27 August 2021)[2]	**135,239,128**	-
Share options exercised	**63,196,223**	5,555,905
In issue at 31 August – fully paid up	**1,181,004,638**	982,569,287

	Number of shares	Number of shares
Less: Treasury shares[3]	**(27,387,720)**	(27,387,720)
In issue at reporting date	**1,153,616,918**	955,181,567

1 Holders of the shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

2 Serialong Financial Investments (Pty) Ltd provided the Company with formal notice to convert the Loan Outstandings of R30 929 189, into Purple Group shares at a price per share of 22.87 cents. The number of Purple Group shares issued to Serialong is 135 239 128 shares, representing 11.46% of the issued capital of Purple Group, post the issue of the Conversion Shares. The shares were issued and listed on the JSE on 27 August 2021. The Conversion Shares were issued under the general authority which was granted to the Directors pursuant to an ordinary resolution of the Shareholders passed at the AGM held on 8 December 2017. Refer to note 19.

3 2 300 000 (2020: 2 300 000) shares (acquired at an average price of 16 cents) and 25 087 720 (2020: 25 087 720) shares (acquired at an average price of 55 cents) in Purple Group are held by GT247.com and First World Trader respectively and are eliminated on consolidation.

Group	Notes	Share Capital R'000	Share Premium R'000	Total R'000
Balance at 31 August 2019		9,396	464,627	474,023
Shares issued		156	7,251	7,407
Balance at 31 August 2020		**9,552**	**471,878**	**481,430**
Conversion of par value to no par value ordinary shares[1]		471,878	(471,878)	-
Sieralong debt converted to equity	15	30,929	-	30,929
Shares issued[2]		27,456	-	27,456
Balance at 31 August 2021		**539,815**	**-**	**539,815**

1 As approved by the requisite majority of shareholders following the issue of a circular to shareholders on 25 September 2020, and as published on SENS on 2 November 2020, the Authorised Ordinary Shares of the Company were converted from a par value of R0.01 (1 cent) to no par value, and the number of Authorised shares were increased from 1.2 billion to 2 billion shares. This increase and change in par value came into effect on 11 November 2020.

2 R18,3m of the increase in share capital is as a result of 63,196,223 share options exercised at an average strike price of 28.91 cents, with a related transfer of R9,2m from the share-based payment reserve.

At 31 August 2021 the authorised share capital comprised 2 000 000 000 ordinary shares (2020: 1 200 000 000 R0.01c par value shares).

The unissued shares were placed under the control and authority of the directors until the next Annual General Meeting, and they have been empowered to allot, issue or otherwise dispose of the shares as they may in their discretion deem fit, subject to the provisions of the Companies Act of South Africa and the Listings Requirements of the JSE Limited. The Group has also issued share options to key management and staff (see note 17).

OTHER RESERVES

	2021 R'000	2020 R'000
Foreign currency translation reserve	**(4,669)**	(4,094)
Share-based payment reserve	**36,501**	44,009
Balance 31 August	**31,832**	39,915
Reconciliation of foreign currency translation reserve		
Balance as at 31 August of prior year	**(4,094)**	(4,170)
Translation of foreign operations	**(575)**	76
Balance as at 31 August	**(4,669)**	(4,094)
Reconciliation of share-based payment reserves		
Balance as at 31 August of prior year	**44,009**	42,207
Share options exercised	**(9,188)**	(683)
Share-based payment expense	**1,680**	2,485
Balance as at 31 August	**36,501**	44,009

The above relates to share options granted by the Company to its employees under its employee share option scheme. For further information please refer to note 17.

16. Earnings per share

	2021 R'000	2020 R'000
Basic earnings per share The calculation of basic and headline earnings per share at 31 August 2021 was based on a Group profit attributable to ordinary shareholders of R44.3 million (2020: profit of R14.4 million), a headline profit of R44.3 million (2020: profit of R14.4 million) and a weighted average number of ordinary shares outstanding during the year ended 31 August 2021 of 993 936 749 (2020: 940 444 585), calculated as follows:		
Earnings attributable to ordinary shareholders	**44,332**	14,443
Headline earnings for the period	**44,332**	14,443
Weighted average number of ordinary shares		
Issued ordinary shares at 31 August[1]	**982,569,287**	977,013,382
Effect of treasury shares	**(27,387,720)**	(37,360,323)
Effect of shares issued for cash	**38,755,182**	791,526
Weighted average number of ordinary shares at 31 August	**993,936,749**	940,444,585
Basic earnings per share (cents)	**4.46**	1.54
Headline earnings per share (cents)	**4.46**	1.54
Headline earnings has been computed as follows: Profit attributable to ordinary shareholders	**44,332**	14,443
Headline earnings	**44,332**	14,443
Diluted earnings per share The calculation of diluted earnings and diluted headline earnings per share as at 31 August 2021 was based on a Group profit attributable to ordinary shareholders of R44.3 million (2020: profit of R14.4 million), a headline profit of R44.3 million (2020: profit of R14.4 million) and a diluted weighted average number of ordinary shares outstanding during the year ended 31 August 2021 of 1 037 437 895 (2020: 984 444 256), calculated as follows: **Profit attributable to ordinary shareholders (diluted)**	**44,332**	14,443
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares at 31 August	**993,936,749**	940,444,585
Effect of share options in issue	**43,501,146**	43,999,671
Weighted average number of ordinary shares (diluted) at 31 August	**1,037,437,895**	984,444,256
Diluted earnings per share (cents)	**4.27**	1.47
Diluted headline earnings per share (cents)	**4.27**	1.47

1 Number of ordinary shares is stated after taking into account treasury shares owned at the beginning of the reporting period.

There are currently 86.1 million (2020: 153.7 million) share options in issue in terms of the Group's share incentive scheme (see note 17) of which 55.3 million are exercisable.

17. Share-based payments

SHARE-BASED PAYMENT EXPENSES

On 1 February 2005, an employee share option scheme was introduced by approval at the general meeting of the Company. The terms and conditions of the options, as well as details of the options granted, are as follows:

Options granted to key management and staff	Number of options
Total at 31 August 2016	**124,196,829**
Issued 4 November 2016	22,692,868
Exercised 24 august 2017	(583,818)
Forfeiture 31 August 2016	(1,499,974)
Total at 31 August 2017	**144,805,905**
Expired 9 October 2017	(6,500,000)
Forfeiture 31 August 2018	(4,762,382)
Total at 31 August 2018	**133,543,523**
Expired February 2019	(13,120,000)
Forfeiture 31 August 2019	(6,199,603)
Total at 31 August 2019	**114,223,920**
Issued 6 December 2019	41,000,000
Issued 28 May 2020	2,000,000
Issued 9 July 2020	2,000,000
Exercised 7 July 2020	(5,555,905)
Total at 31 August 2020	**153,668,015**
Exercised 24 November 2020	(28,979,899)
Forfeited 31 December 2020	(1,312,500)
Exercised 25 January 2021	(20,481,321)
Forfeited 31 March 2021	(68,043)
Exercised 26 May 2021	(7,007,652)
Forfeited 30 June 2021	(3,000,000)
Exercised 2 July 2021	(5,744,331)
Exercised 30 August 2021	(983,020)
Total at 31 August 2021	**86,091,249**

The options granted to directors are:

	Number of options 2021				
	Closing balance average exercise price (cents)	Opening Balance	Exercised	Closing balance	Number of options 2020
Mark Barnes	65	12,660,000	(6,000,000)	**6,660,000**	12,660,000
Charles Savage	55	26,000,000	(7,000,000)	**19,000,000**	26,000,000
Gary van Dyk	57	24,500,000	(7,000,000)	**17,500,000**	24,500,000
		63,160,000	(20,000,000)	**43,160,000**	63,160,000

	2021		2020	
	Weighted average exercise price (cents)	**Number of options**	Weighted average exercise price (cents)	Number of options
Outstanding at the beginning of the period	**42**	**153,668,015**	44	114,223,920
Forfeited during the period	**36**	**(4,380,543)**	-	-
Granted during the period	**-**	**-**	32	45,000,000
Exercised during the period	**29**	**(63,196,223)**	22	(5,555,905)
Outstanding at the end of the period	**49**	**86,091,249**	42	153,668,015
Exercisable at the end of the period	**59**	**55,341,250**	42	105,611,801

The options outstanding at 31 August 2021 have been issued in a price range from 31 cents to 76 cents and have a weighted average exercise price of 59 cents (2020: 42 cents) and a weighted average contractual life of 2.65 years (2020: 3.28 years).

Share-based payment expenses of R1.68 million (2020: R2.5 million) were accounted for in profit or loss.

The vesting conditions of all the options granted to date are:
- Up to 25% on or after the first anniversary date of acceptance of the options;
- Up to 50% on or after the second anniversary of the acceptance date;
- Up to 75% on or after the third anniversary date; and
- Up to 100% on or after the fourth anniversary date.

The contractual life of all options is seven years from date of grant.

The aggregate number of share options granted under the scheme is limited to 164 million shares (2020: 164 million shares).

The aggregate number of share options to any one participant under the scheme shall not exceed 41 million shares.

Options were granted and accepted in the prior year. The estimate of the fair value of the options granted was measured on a Black-Scholes model.

		2020
Key management personnel		
Fair value at issue date	(R'000)	**6,424**
Assumptions		
Weighted average share price	(cents)	**32**
Weighted average exercise price	(cents)	**32**
Expected volatility		
(expressed as weighted average volatility used under the Black-Scholes model)	(%)	**40.0**
Option life	(years)	**7**
Risk-free rate	(%)	**7.39**
Expected dividends	(%)	**2.00**

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

18. Trade and other payables and client open position liability

18.1

	Notes	2021 R'000	2020 R'000
Trade payables		**16,632**	10,090
Trading account		**40,718**	56,762
Accrued expenses		**7,746**	3,651
Employee-related accruals		**17,759**	15,418
		82,855	85,921

18.2

	Notes	2021 R'000	2020 R'000
Client open position liability	14	**164,930**	128,831
		164,930	128,831

The Group's exposure to currency and liquidity risk related to trade and other payables and client open position liability is disclosed in note 21.

19. Borrowings

	Notes	2021 R'000	2020 R'000
Industrial Development Corporation of South Africa Limited[1]		**13,872**	16,808
Serialong Consortium[2]		**-**	25,323
Sanlam Investment Holdings Term Loan[3]		**28,822**	26,875
		42,694	69,006

1 The loan bears interest at prime +1% per annum, compounded monthly and is repayable in monthly instalments, with a final balloon payment of R2.2 million due on 31 August 2023. Total payments of R4.1 million were made during the year of which R2.9 million was for capital and R1.2 million was for interest.

2 Serialong Financial Investments (Pty) Ltd provided the Company with formal notice to convert the Loan Outstandings of R30 929 189, into Purple Group shares at a price per share of 22.87 cents (refer to Note 15). The number of Purple Group shares issued to Serialong is 135 239 128 shares, representing 11.46% of the issued capital of Purple Group, post the issue of the Conversion Shares. The shares were issued and listed on the JSE on 27 August 2021.

3 Interest is accrued daily at the prime rate and compounded monthly. The loan was repaid in full on 15 September 2021 with a final cash payment of R28,9m. Refer to events after the reporting period - note 25.

	Notes	2021 R'000	2020 R'000
Current payable		**34,822**	29,875
Non-current payable		**7,872**	39,131
		42,694	69,006

20. Lease assets and financial liabilities

The right-of-use asset and lease liability have been raised in relation to the lease signed for our offices, situated on the 16th and 17th floors at 25 Owl Street, Braamfontein Werf, 2092.

Right-of-use asset is comprised of the following:

	2021 R'000	2020 R'000
Cost	**7,428**	7,428
Accumulated depreciation	**(3,218)**	(1,732)
Net carrying amount at 1 September	**4,210**	5,696
Opening net carrying amount at 1 September	**4,210**	5,696
Depreciation	**(1,486)**	(1,486)
Closing net carrying amount at 31 August	**2,724**	4,210

Lease liability is comprised of the following:

	2021 R'000	2020 R'000
Balance at the beginning of the year	**4,875**	5,487
Interest expense	**421**	557
Repayments	**(1,928)**	(1,169)
Balance at the end of the year	**3,368**	4,875
Current portion of lease liability	**(1,806)**	(1,507)
Non-current portion of lease liability	**1,562**	3,368
Lease liabilities are payable as follows:		
Future lease payments		
– within one year	**2,064**	1,928
– later than one and not later than five years	**1,627**	3,691
– later than five years	**-**	-
Total	**3,691**	5,619
Interest		
– within one year	**257**	421
– later than one and note later than five years	**66**	323
– later than five years	**-**	-
Total	**323**	744
Present value of lease payments		
– within one year	**1,806**	1,507
– later than one and not later than five years	**1,562**	3,368
– later than five years	**-**	-
Total	**3,368**	4,875

21. Financial instruments

CREDIT RISK

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

	Notes	**2021 R'000**	2020 R'000
Receivables	11	**1,395**	2,056
Investments	8	**19,815**	20,137
Trade and other receivables	13	**36,517**	14,318
Cash and cash equivalents	14	**258,316**	225,104
		316,043	261,615

The exposure to credit risk for financial assets at the reporting date relates to financial assets that are based in South Africa, the United States of America and Australia. The Group's receivables are predominantly with a few large corporates and banks whom management deems to be credit worthy. In respect of the staff loans the collateral held as security exceeds the loan amount thereby reducing the credit risk on these receivables.

Financial assets which potentially subject the Group to concentrations of credit risk consist principally of amounts owing due to unsettled trades with broking counterparties and are limited to high credit quality financial institutions. The maximum credit risk exposure is represented by the carrying amount of the assets, except where otherwise stated. At reporting date no amounts are past due. All trades are settled daily through the mark-to-market process.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, the Group only holds accounts with major South African and international banks, with credit ratings ranging from Baa1 to Baa3, to reduce risk.

The expected credit loss was quantified at 0.1% and deemed insignificant due to the short dated nature of trade receivables, resulting from T + 3 settlement of trades that are committed to on a daily basis. All trade receivables have settled at reporting date.

The Group's credit policy is set by the Board on advice from the Risk Management Committee, which is responsible for:

- formulating the principles and guidelines on setting counterparty and product limits, approving transactions with credit risk, cash equity trading and prime broking exposures. The purpose of these policies is to articulate the minimum standard for credit across the firm and to define the roles and responsibilities necessary for the management of credit on a timely, accurate and complete basis; and
- setting cash equity trading policy, which addresses the risk of cash trading with a settlement cycle of T+3.

LIQUIDITY RISK

Liquidity risk is managed by ensuring the Group has sufficient liquid assets and stable sources of funding to cover the repayment of short-term liabilities as they fall due. This is monitored and managed on an ongoing basis, for both operatioal and regulatory purposes. Revenue is generally settled for cash immediately, whereas creditors are paid in arrears.

The following are the contractual undiscounted maturities of financial liabilities, including estimated interest payments as at 31 August 2021:

	Notes	Carrying amount R'000	Contractual cash flows R'000	Less than one year R'000	One to two years R'000	Two to five years R'000	Total R'000
Trade and other payables	18.1	**65,097**	**65,097**	**65,097**	**-**	**-**	**65,097**
Client open position liability	18.2	**164,930**	**164,930**	**164,930**	**-**	**-**	**164,930**
Borrowings	19	**42,694**	**44,040**	**35,998**	**8,041**	**-**	**44,039**
Overdraft	14	**3,866**	**3,866**	**3,866**	**-**	**-**	**3,866**
Lease liabilities	20	**3,368**	**3,691**	**2,064**	**1,627**	**-**	**3,691**
		279,955	**281,624**	**271,955**	**9,668**	**-**	**281,623**

The following were the contractual undiscounted maturities of financial liabilities including estimated interest payments as at 31 August 2020:

	Notes	Carrying amount R'000	Contractual cash flows R'000	Less than one year R'000	One to two years R'000	Two to five years R'000	Total R'000
Trade and other payables	18.1	85,921	85,921	85,921	-	-	85,921
Client open position liability	18.2	128,831	128,831	128,831	-	-	128,831
Borrowings	19	69,006	81,538	34,279	38,692	8,387	81,538
Overdraft	14	9,847	9,847	9,847	-	-	9,847
Lease liabilities	20	4,875	5,619	1,928	2,064	1,627	5,619
		298,480	311,756	260,806	40,756	10,014	311,756

CURRENCY RISK

Exposure to currency risk

All of the Group's products based on off-shore underlying instruments are Rand-settled. There is no foreign exchange risk on trading of foreign instruments.

The only currency risk for the Group relates to foreign currency held at its subsidiary One World Trader (OWT) in Mauritius, which is used for off-shore hedging purposes as well as foreign currency held by First World Trader. At the reporting date the amount of foreign currency held was R2.9 million (2020: R5.5 million). The closing rate used was R14.56.

For foreign currency held, the impact on profit or loss after tax of a 10% change in the exchange rate at the reporting date would have the following impact:

	2021 Profit or loss		2020 Profit or loss	
	10% increase R'000	**10% decrease R'000**	10% increase R'000	10% decrease R'000
Foreign currency held (in USD)	**83**	**(83)**	396	(396)

INTEREST RATE RISK

Interest rate risk is mitigated primarily by matching variable rate financial assets with variable rate financial liabilities, as far as possible. The Group reviews SARB MPC meeting minutes as part of assessing interest rate forecasts.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Notes	**Interest rates applicable**	**Carrying amount 2021 R'000**	Carrying amount 2020 R'000
Borrowings	19	Various[1]	**(42,694)**	(69,006)
Variable rate instruments				
Cash and cash equivalents	14	Daily call rate	**258,316**	225,104
Overdraft	14	Prime	**(3,866)**	(9,847)

1 Refer to note 19 for individual interest rates.

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss after tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	2021 Profit or loss		2020 Profit or loss	
	50bp increase R'000	**50bp decrease R'000**	50bp increase R'000	50bp decrease R'000
Variable rate instruments	**940**	**940**	823	823
Financial assets	**(168)**	**(168)**	(193)	(193)
Financial liabilities	**772**	**772**	630	630

PRICE RISK

First World Trader purchases and sells derivatives in the ordinary course of business and incurs financial liabilities in order to manage market risks. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Management of price risk

The principal tool used to measure and control market risk exposure within the Group's trading portfolios is value at risk (VaR).

The VaR of a portfolio is the maximum loss that could arise on a given confidence level. The VaR model used by the Group is based on a 95% confidence level and assumes a 21-day holding period. The VaR model is based on historical simulation using market data from the last 250 trading days with a maximum time lag of one month.

Although VaR is an important tool for measuring and managing the Group's exposure to market risk, there are certain limitations due to the assumptions on which the model is based.

This includes the use of historical data as a basis for determining the possible range of future outcomes that may not always cover all possible scenarios, especially those of an exceptional nature.

The Group uses VaR analysis for the measurement and management of market risk. The VaR limits are determined at a management level and are subject to review and approval by the Risk Management Committee. VaR limits are allocated to each trading portfolio.

Although VaR is a primary indicator of risk, the full intra-day exposure risk is monitored in real-time by the Risk Committee and the risk tolerance for the day is assessed and monitored, taking into account market conditions. All risk on our book is capable of being extinguished intra-day due to the liquidity available in the instruments that we offer our clients.

A summary of the VaR position of the Company's trading portfolio at 31 August and during the period is as follows:

	At 31 August R'000	Average R'000	Maximum R'000	Minimum R'000
2021 Other price risk	**8,509**	**3,503**	**10,357**	**379**
2020 Other price risk	379	2,783	7,276	379

Sensitivity analysis – equity price risk of unlisted investments shown at fair value through profit or loss.

For investments classified as fair value through profit or loss, the impact on profit or loss after tax of a 5% increase in the price of the equities at the reporting date of the Group's unlisted investments would be an increase of R0.8 million (2020: R0.8 million).

CLASSES OF FINANCIAL ASSETS AND LIABILITIES

The table below sets out the classification of each class of financial assets and liabilities, and their fair values:

	Notes	2021 R'000	2020 R'000
Financial assets at amortised cost			
– Trade and other receivables	13	**36,517**	14,318
– Other financial assets	11	**1,395**	2,056
– Cash and cash equivalents	14	**258,316**	225,104
		296,228	225,104
Investments at fair value through profit or loss – Investments	8	**19,815**	20,137
		19,815	20,137
Financial liabilities at amortised cost			
– Trade and other payables	18.1	**(65,097)**	(85,921)
– Client open position liability	18.2	**(164,930)**	(128,831)
– Borrowings	19	**(42,694)**	(69,006)
– Bank overdraft	14	**(3,866)**	(9,847)
		(276,587)	(293,605)

22. Contingencies

There are no contingencies at the reporting date.

23. Related parties

IDENTITY OF RELATED PARTIES

The Group has related party relationships as disclosed below.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The key management personnel compensation is as follows and is included in employee benefit expense (see note 2):

	2021 R'000	2020 R'000
Employee benefits		
Non-executive directors		
Mark Barnes		
– fees (Purple Group Ltd)	**197**	312
– fees (Subsidiary)	**500**	500
– share option expenses	**-**	116
Happy Ntshingila – fees (Chairman)	**546**	520
Craig Carter – fees	**318**	303
Bonang Mohale – fees	**153**	229
Arnold Forman – fees	**318**	303
	2,032	2,283
Employee benefits		
Executive directors		
Charles Savage		
– salary and benefits	**4,606**	4,400
– bonus paid*	**800**	630
– share option expenses	**242**	410
Gary van Dyk		
– salary and benefits	**3,581**	3,419
– bonus paid	**850**	640
– share option expenses	**190**	372
	10,269	9,871

'* A bonus of R1 000 000 was awarded to Charles Savage during the year. An amount of R800 000 was paid during FY 2021 and the remaining amount carried over.

The three highest paid employees other than directors earned salaries and bonuses of R3.5 million, R3.4 million and R3.2 million, respectively.

At 31 August the directors' interests in the issued share capital of the Company were as follows:

	2021				2020			
	Beneficial		% Holding		Beneficial		% Holding	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Mark Barnes	**36,213,892**	**70,138,108**	**3.07**	**5.94**	34,112,718	166,080,851	3.47	16.90
Craig Carter	**1,932,366**	-	**0.16**	**0.00**	1,932,366	0	0.20	-
Charles Savage	**27,412,561**	**954,596**	**2.32**	**0.08**	20,412,561	378,200	2.07	0.04
Gary van Dyk	**19,702,197**	-	**1.67**	**0.00**	15,402,197	-	1.57	-
Bonang Mohale	**-**	**24,478,282**	-	**2.07**	-	-	-	-
	85,261,016	**95,570,986**	**7.23**	**8.10**	71,859,842	166,459,051	7.31	16.94

	2021 R'000	2020 R'000
Loans from related parties:		
Bonang Mohale (Serialong Consortium)	**-**	25,323
Sanlam[1]	**28,822**	26,875

1 Please refer to note 19.

During the current year, revenue of R18.6m (2020: R7.5m) was earned from EasyEquities' partnership with Satrix. Satrix is part of the Sanlam Ltd group of companies and is a related party.

TRANSACTIONS WITH RISE

	2021 R'000	2020 R'000
Administration fee from RISE	**1,995**	1519
Brokerage costs paid to RISE	**(2,693)**	(2,813)
Asset management fees	**115**	1085

RISE is a related party as one of the Group's subsidiaries (First World Trader (Proprietary) Limited, has a 50% shareholding in RISE.

24. List of subsidiaries

Subsidiaries Name	Country	**2021 %**	2020 %
First World Trader Proprietary Limited[1]	South Africa	**70**	70
First World Trader Nominees (RF) Proprietary Limited (Subsidiary of First World Trader Proprietary Limited)[1]	South Africa	**100**	100
GT247 Proprietary Limited[2]	South Africa	**100**	100
One World Trader Proprietary Limited (Subsidiary of GT247 Proprietary Limited)	Mauritius	**100**	100
Emperor Asset Management Proprietary Limited	South Africa	**100**	100
Emperor Asset Management Nominees (RF) Proprietary Limited (Subsidiary of Emperor Asset Management Proprietary Limited)	South Africa	**100**	100
Emperor Asset Management GP 1 (RF) Proprietary Limited (Subsidiary of Emperor Asset Management Proprietary Limited)	South Africa	**100**	100
Global Trader Europe Limited[3]	United Kingdom	**100**	100
EasyEquities International Limited (Subsidiary of First World Trader Proprietary Limited)	Ireland	**100**	100
EasyEquities Proprietary Limited (Subsidiary EasyEquities International Limited)	Australia	**100**	100
EasyCrypto SA Proprietary Limited (Subsidiary of First World Trader Proprietary Limited)[4]	South Africa	**-**	n/a
EasyProperties Proprietary Limited (Subsidiary of First World Trader Proprietary Limited)	South Africa	**51**	51

1 Includes the operations of EasyEquities.

2 Includes the operations of GT247.com.

3 Placed into liquidation in 2008 and still ongoing.

4 Refer to note 10 for the disclosure of the business combination of EasyCrypto in 2021.

First World Trader, a 70% owned subsidiary of the Company, has material non-controlling interests (NCI). Summarised financial information in relation to First World Trader, before intra-group eliminations, is presented below together with amounts attributable to NCI:

	2021 R'000	2020 R'000
Statement of profit or loss and other comprehensive income:		
Revenue	**167,163**	97,632
Profit	**85,367**	8,557
Total comprehensive income	**85,367**	8,557
Statement of financial position:		
Non-current assets	**173,569**	93,397
Current assets	**234,737**	13,642
Non-current liabilities	**8,841**	31,750
Current liabilities	**203,769**	13,611
Allocations to NCI:		
Profit	**29,045**	2,694
Accumulated non-controlling interests	**56,029**	27,535
Dividends paid	**-**	-

25. Events after the reporting date

The Sanlam loan (refer note 19) of R28,8m was repaid in full on 15 September 2021.

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

26. Net asset value per share

The Group net asset value is 33.73 (2020: 31.20) cents per share and is based on the number of ordinary shares in issue net of treasury shares at reporting date of 1,153,616,918 (2020: 955 181 567) and net assets of R389.1 million (2020: 298.0 million).

27. Going concern

The consolidated financial statements have been prepared on a going-concern basis. Despite the Group having accumulated losses, the Group has net equity of R389.1 million and has generated profits for the last two years, and as such the directors are confident that the Group will continue trading as a going concern into the foreseeable future.

The directors have also reviewed any potential impact of the COVID-19 pandemic and have determined that there has been no negative impact on the Group from the pandemic during the current financial year and up to the date of this report.

Current assets exceed current liabilities by 6.9%, and the Group is satisfied that it has sufficient liquid assets and access to financing to cover short-term liabilities in the ordinary course of business.

COVID-19 pandemic

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.

The business has continued to deliver significant growth throughout the Covid pandemic and management do not expect this to change.

SHAREHOLDERS ANALYSIS

	Number of shareholders	% of total shareholders	Number of shares	% of total issued share capital
Analysis of shareholdings				
1-999	36,804	73.78%	6,581,127	0.56%
1 000-9 999	9,195	18.43%	30,057,016	2.55%
10 000-99 999	3,246	6.51%	90,112,041	7.63%
100 000-999 999	548	1.10%	127,434,466	10.79%
1 000 000 +	88	0.18%	926,819,988	78.47%
Total	49,881	100.00%	1,181,004,638	100.00%
Distribution of shareholders				
PRIVATE COMPANIES	146	0.29%	315644866	26.75%
INDIVIDUAL	49,516	99.27%	713,648,448	60.39%
BANKS	2	0.00%	102,404,000	8.68%
BROKER	6	0.01%	11,532,489	0.98%
NOMINEES AND TRUSTS	130	0.26%	30,964,175	2.62%
INVESTMENT COMPANIES	62	0.13%	6,106,211	0.52%
CLOSE CORPORATION	17	0.03%	703,998	0.06%
OTHER CORPORATIONS	2	0.01%	451	0.00%
Total	49,881	100.00%	1,181,004,638	100.00%
Shareholder spread				
Non-public	54	0.11%	609,511,897	51.61%
Employees	42	0.08%	55,013,548	4.66%
Directors	9	0.02%	88,461,016	7.49%
10% of issued capital or more	3	0.01%	466,037,333	39.46%
Public	49,827	99.89%	571,492,741	48.39%
Total	49,881	100.00%	1,181,004,638	100.00%

SHAREHOLDERS ANALYSIS CONTINUED

	Number of shareholders	% of total shareholders	Number of shares	% of total issued share capital
Beneficial shareholding of 3% or more				
BUSINESS VENTURE INVESTMENTS NO 184			182,161,841	15.44%
BASE SPV PARTNERSHIP A			148,636,364	12.60%
SERIALONG FINANCIAL INVESTMENTS PTY LTD			135,239,128	11.46%
Foreign Custodians Holding 3% or more				
JP Morgan Chase Bank Omnibus Clients Onshore			70,000,000	5.93%
Country				
United Arab Emirates	6	0.0%	3,543	0.00%
Austria	1	0.0%	38	0.00%
Australia	2	0.0%	10,093	0.00%
Botswana	2	0.0%	57,000	0.00%
Central African Republic	2	0.0%	16	0.00%
Switzerland	2	0.0%	32,711,970	2.77%
Chile	1	0.0%	551	0.00%
China	9	0.0%	5,883	0.00%
Cuba	1	0.0%	58	0.00%
Cape Verde	1	0.0%	222	0.00%
Germany	2	0.0%	1,148	0.00%
Ethiopia	1	0.0%	115,300	0.01%
Great Britain	16	0.0%	72,551,038	6.15%
South Georgia	8	0.0%	2,770	0.00%
Hungary	1	0.0%	317	0.00%
British Indian Territory	1	0.0%	47,334	0.00%
Japan	2	0.0%	8,928	0.00%
Kenya	3	0.0%	73,982	0.01%
Democratic People's Republic of Korea	1	0.0%	2,325	0.00%
Republic of Korea	7	0.0%	9,373	0.00%
Lesotho	118	0.2%	156,282	0.01%
Luxembourg	1	0.0%	15,251	0.00%
Macao	1	0.0%	6,666	0.00%
Mauritius	1	0.0%	4,514,940	0.38%

SHAREHOLDERS ANALYSIS CONTINUED

	Number of shareholders	% of total shareholders	Number of shares	% of total issued share capital
Mozambique	1	0.0%	1,000	0.00%
Namibia	248	0.5%	1158728	0.10%
Netherlands	3	0.0%	19,113	0.00%
New Zealand	1	0.0%	9,228	0.00%
Oman	2	0.0%	20,446	0.00%
Portugal	3	0.0%	597	0.00%
Qatar	3	0.0%	78,144	0.01%
Saudi Arabia	2	0.0%	4,394	0.00%
South Sudan	1	0.0%	12	0.00%
Swaziland	77	0.2%	187001	0.02%
French Southern Territories	8	0.0%	480	0.00%
Saint Vincent and the Grenadines	1	0.0%	215	0.00%
Taiwan	2	0.0%	1,613	0.00%
United States of America	5	0.0%	7,439,141	0.63%
South Africa	49326	98.9%	1,061,690,074	89.90%
Zimbabwe	8	0.0%	99,424	0.01%
Total	**49,881**	**100%**	**1,181,004,638**	**100.00%**
Dematerialised			1,174,907,649	99.48%
Certificated			6,096,989	0.52%
Total	**49,881**	**100%**	**1,181,004,638**	**100.00%**

NOTICE OF ANNUAL GENERAL MEETING

This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, please consult your stockbroker, accountant, attorney, banker or other independent professional adviser immediately.

Notice is hereby given that the Annual General Meeting of ordinary shareholders ("shareholders") of the Company will be held Virtually on Friday, 21 January 2022 at 10:00.

ATTENDANCE AND VOTING

In terms of section 59(1)(a) and (b) of the Companies Act, 2008 (Act 71 of 2008), as amended ("the Act"), the Board of Directors has set the record date for the purpose of determining which shareholders are entitled to:

- Receive the notice of the Annual General Meeting, i.e. the Notice Record Date (being the date on which a shareholder must be registered in the Company's share register in order to receive notice of Annual General Meeting) as Friday, 5 November 2021; and

- participate in and vote at the Annual General Meeting, i.e. the Meeting Record Date (being the date on which a shareholder must be registered in the Company's share register in order to participate in and vote at the Annual General Meeting) as Friday, 14 January 2022.

Should any shareholder (or representative or proxy for a shareholder) wish to participate in the Virtual AGM, that shareholder should apply in writing (including details on how the shareholder or representative (including proxy) can be contacted) to the Company and Transfer Secretaries via email at purple@4axregistry.co.za for the Company and Transfer Secretaries to arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification for the purposes of section 63(1) of the Companies Act 71 of 2008, as amended (Companies Act) and for the Company and Transfer Secretaries to provide the shareholder (or representative or proxy) with the link to the Online Registration and Voting Platform as well as the process to register and vote online.

Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

Shareholders are advised to ensure that they are identified and registered to attend the Virtual AGM by preferably no later than Thursday, 20 January 2022 at 12:00, to ensure that they do not experience any delays in accessing the Virtual AGM.

PURPOSE OF THE MEETING

The purpose of this meeting is for shareholders to consider and if deemed fit, pass the following ordinary resolutions.

1. To receive, consider and present the audited financial statements of the Company for the year ended 31 August 2021, together with the reports of the auditors and directors;

2. To authorise the directors to fix the remuneration of the auditors for the past audit;

3. To authorise the directors to confirm the appointment of the auditors, BDO South Africa Incorporated, as auditors and Vianca Pretorius, as the registered auditor responsible for the audit, until the conclusion of the next Annual General Meeting and to fix their remuneration;

4. To re-elect directors for positions to the Board:

   a. in terms of the Memorandum of Incorporation, the following directors retire by rotation, but being eligible, hereby offer themselves for re-election:

      - Happy Ntshingila; and
      - Craig Carter.

   b. Ordinary resolution number 4.1:

      "Resolved that Mr Happy Ntshingila is re-elected as a member of the Board of the Company."

   c. Ordinary resolution number 4.2:

      "Resolved that Mr Craig Carter is re-elected as a memberof the Board of the Company."

      (A brief curriculum vitae in respect of these directors is contained on page 20 of this integrated annual report).

5. Ratification of the election of a director to the Board

   a. Paul Rutherford was appointed to the Board, effective 1 October 2021. In terms of the Memorandum of incorporation, shareholders are required to ratify such appointment at a general meeting of shareholders.

   b. "Resolved that Paul Rutherford is elected as a member of the Board of the Company"

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

(A brief curriculum vitae in respect of the director is contained on page 20 of this integrated annual report).

6. **Special business**

Shareholders will be asked to consider and, if deemed fit, to pass the following resolutions with or without amendment:

a. **Ordinary resolution number 6 – Unissued shares to be placed under the control of the directors**

"Resolved that, all of the authorised but unissued ordinary shares of the Company be and are hereby placed under the control and authority of the directors of the Company and that the directors be and are hereby authorised and empowered to allot and issue all or any such ordinary shares to such person or persons on such terms and conditions and at such times as the directors may from time to time in their discretion deem fit, subject to the proviso that the aggregate number of shares allotted and issued in terms of this resolution shall be limited to 15% (fifteen percent) of the authorised share capital and subject to the provisions of the Act and the Listings Requirements of the JSE Limited ("JSE").

b. **Ordinary resolution number 7 – General authority to issue shares and to sell treasury shares for cash**

"Resolved that, subject to not less than 75% of the votes exercisable by ordinary shareholders in aggregate of the Company, present in person or by proxy or represented and entitled to vote at the Annual General Meeting at which this ordinary resolution is to be considered, being cast in favour thereof, the directors of the Company and/or any of its subsidiaries from time to time be and are hereby authorised by way of a general authority to allot and issue all or any of the authorised but unissued ordinary shares in the Company and/or sell or otherwise dispose of or transfer, or issue any options in respect of ordinary shares in the Company, for cash, to such person/s on such terms and conditions and at such times as the directors in their discretion deem fit, subject to the Act, the memorandum of incorporation of the Company and Listings Requirements of the JSE, which Listings Requirements currently provide, inter alia, that:

- the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- the equity securities must be issued to public shareholders, as defined by the Listings Requirements of the JSE, and not to related parties;
- this general authority is valid and will extend to the date of the next Annual General Meeting of the Company, provided that it will not extend beyond 15 (fifteen) months from the date of this Annual General Meeting;
- the number of ordinary shares issued for cash shall not in the aggregate in any one financial year of the Company exceed 15% (fifteen percent) or 177 150 695 shares of the Company's issued ordinary shares, including instruments which are convertible into ordinary shares. The number of ordinary shares which may be issued for cash shall be based on the number of ordinary shares in issue at the date of the application, less any ordinary shares issued by the Company during the current financial year, provided that any ordinary shares to be issued for cash pursuant to a rights issue (announced, irrevocable and fully underwritten) or acquisition (concluded up to the date of application) may be included as if they were ordinary shares in issue at the date of application;
- a press announcement giving full details, including the impact on net asset value, net tangible asset value, headline earnings and earnings per share, will be published at the time of any issue representing, on a cumulative basis within any 1 (one) financial year, 5% (five percent) or more of the number of ordinary shares in issue prior to such issue;
- in determining the price at which an issue of ordinary shares will be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of such ordinary shares, as determined over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the Company; and
- whenever the Company wishes to use ordinary shares, held as treasury stock by a subsidiary of the Company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares.

c. **Ordinary resolution number 8 – Authorised signatories**

"Resolved that, any director of the Company or the

Company Secretary be and is hereby authorised to do all such things and to sign all such documents issued by the Company to give effect to ordinary resolutions numbers 6 and 7 and special resolutions number 1, 2 and 3."

d. **Ordinary resolution number 9 – Non-binding advisory vote on remuneration policy**

"To endorse by way of a non-binding advisory vote, the Company's remuneration policy, as set out in the integrated annual report (page 24).

In order for this resolution to be approved, it must be supported by more than 50% of the voting rights exercised on the resolution."

Reason for and effect of ordinary resolution

The reason for ordinary resolution number 9 is that the King IV Report on Corporate Governance for South Africa, 2016 recommends and the JSE Listings Requirements in paragraph 3.84(j) stipulates that the Remuneration Policy of the Company be endorsed through separate nonbinding advisory votes by shareholders.

Should resolution number 9 be voted against by 25% or more of the voting rights exercised, the Board will enter into an engagement process to ascertain the reasons for the dissenting votes and appropriately address legitimate and reasonable objections and concerns raised. Details of such engagement will be provided in the Annual General Meeting results announcement as per the listings requirements, if necessary.

e. **Ordinary resolution number 10: Non-binding advisory vote on implementation report of the remuneration policy**

"Resolved that, by way of a non-binding advisory vote, the remuneration implementation report of the Company, as contained in the Remuneration Committee report set out below on pages 115 to 118, be, and is hereby, endorsed.

In order for this resolution to be approved, it must be supported by more than 50% of the voting rights exercised on the resolution."

To the extent that 25% or more votes are cast against this resolution 10, dissenting shareholders will be invited to engage with the Remuneration Committee to discuss their concerns. Details of such engagement will be provided in the Annual General Meeting results announcement as per the listings requirements, if necessary.

Reason for and effect of ordinary resolution

The reason for the ordinary resolution number 10 is that the King IV Report on Corporate Governance for South Africa, 2016 recommends, and the JSE Listings Requirements stipulate, that the Implementation Report of the Remuneration Policy be endorsed through separate non-binding advisory votes by shareholders.

f. **Ordinary resolution number 11: Appointment of the Audit Committee members**

"Resolved that the following Directors of the Company be, and are hereby, elected as members of the Company's Audit Committee until the conclusion of the next Annual General Meeting, being appointed in accordance with the Companies Act."

i. Ordinary resolution number 11.1

"Resolved that Mr Craig Carter is elected as a member and Chair of the Audit Committee of the Company, subject to the approval of ordinary resolution 4.2."

ii. Ordinary resolution number 11.2

"Resolved that Mr Happy Ntshingila is elected as a member of the Audit Committee of the Company, subject to the approval of ordinary resolution 4.1."

iii. Ordinary resolution number 11.3

"Resolved that Mr Arnold Forman is elected as a member of the Audit Committee of the Company."

Reason for and effect of ordinary resolution

The reason for, and effect of, ordinary resolutions number 11.1 – 11.3 are that the members of the Audit Committee of the Company are required, in terms of section 94(2) of the Companies Act, to be appointed by the shareholders.

g. **Special resolution number 1: Awarding of shares and provision of financial assistance in connection therewith**

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

"Resolved that the Company be and is hereby authorised to implement a reward programme which shall entail the following, and be on the following basis:

- The Company may issue investment vouchers to selected employees of the Company or of Group companies (excluding Directors), on a monthly basis or such other basis, all as may be determined from time to time by the Company, such vouchers shall be utilised by the recipients to acquire ordinary shares in the Company on the open market (collectively "Awards");
- The Company may grant Awards to selected clients or potential clients of the Company or of Group companies, for loyalty, retention and/or marketing purposes;
- Such Awards may be free of charge and for no consideration payable by the employees or clients or potential clients, as the case may be, and accordingly the Company shall be entitled to provide any necessary financial assistance in implementing such Awards;
- The authority contained in this resolution shall endure until the next Annual General Meeting of the Company;
- The aggregate of Awards which may be Awarded to employees is a maximum of R75 000; and
- The aggregate of Awards which may be Awarded to clients and potential clients is a maximum of R1 200 000.

and to the extent that the implementation of any Awards is to entail the provision of financial assistance by the Company as contemplated in section 45 of the Act (to directors or prescribed officers of the Company or of Group companies) and/or section 44 of the Act (for the purpose of or in connection with the acquisition of securities of the Company) and/or the relevant JSE Listings Requirements, such financial assistance be and is hereby authorised."

Reason for and effect of the special resolution

The Company's Board is desirous of implementing a share awards program for purposes of incentivising its staff and clientele. To the extent that "financial assistance" is given by the Company in connection with the Awards, as regulated by the Act, the Board is obliged by the Act to pass resolutions pertaining to the solvency and liquidity of the Company and the fairness and reasonableness of the terms of the financial assistance. The Company shall not proceed to provide any such financial assistance unless such requirements are complied with. The authority contained herein constitutes specific authority for the issuance of ordinary shares of the Company as contemplated in the JSE Listings Requirements and, to the extent applicable, section 41(1) of the Act (if shares are to be issued to directors or prescribed officers), as well as authority for the financial assistance.

h. **Special resolution no. 2 – Approval of non-executive directors' remuneration**

"Resolved that unless otherwise determined by the Company in general meeting, the fees payable to non-executive directors for their services as directors, until the next AGM, as set out below, be approved:

Non-executive Chairman
- Annual fee of – R596,072 per year

Independent non-executive directors
- Annual fee of – R347,196 per year

Non-executive directors
- Attendance fee per Board meeting – R47,739
- Attendance fee per sub-committee – R23,868"

The minimum percentage of voting rights that is required for this resolution to be adopted is 75% of the voting rights to be cast on the resolution.

i. **Special resolution no. 3 – Financial assistance to related and inter-related entities**

"Resolved that the directors of the Company may, subject to compliance with the requirements of the articles of association of the Company and the Act, authorise the provision by the Company, at any time and from time to time during the period of two (2) years commencing on the date of adoption of this special resolution, of direct or indirect financial assistance, by way of a loan, guarantee of a loan or other obligation or the securing of a debt or other obligation to any one or more related or interrelated companies or corporations of the Company and/ or to any one or more members of any such related or inter-related company or corporation related to any such company or corporation as outlined in section 2 of the Act, on such terms and conditions as the directors may deem fit".

Reasons for and effect of the special resolution

The reason for the passing of this special resolution is that, on a strict interpretation of section 45 of the Act, the Company may not provide the financial assistance contemplated in such section without a special resolution.

The above resolution gives the directors the authority to authorise the Company to provide direct or indirect financial assistance, by way of a loan, guaranteeing of a loan or other obligation or securing of a debt or other obligation, to the recipients contemplated in special resolution number 3. It is difficult to foresee the exact details of financial assistance that the Company may be required to provide over the next two (2) years. It is essential, however, that the Company is able to organise effectively its internal financial administration. For these reasons and because it would be impractical and difficult to obtain shareholder approval every time the Company wishes to provide financial assistance as contemplated above, it is necessary to obtain the approval of shareholders, as set out in special resolution number 3.

SALIENT DATES

See the section titled Salient Dates and Times situated below after the resolutions.

Record date to receive notice of AGM	Friday, 5 November 2021
Notice of AGM distributed to shareholders via email on	Wednesday, 10 November 2021
Notice of AGM distributed to shareholders by post by no later than	Friday, 12 November 2021
Last day to trade to be recorded in the register on the record date for participation in AGM	Tuesday, 11 January 2022
Record date to participate in and vote at the AGM	Friday, 14 January 2022
Last day for lodging forms of proxy at 10:00 on	Wednesday, 19 January 2022
AGM at 10:00 on	Friday, 21 January 2022

Note: Any changes to the above dates will be announced on SENS subject to JSE approval.

In compliance with section 62(3)(c) of the Act and/or the Listings Requirements it is confirmed that a voting majority of 50% is required for the approval of ordinary resolutions number 1 to 6 and 8 to 11. For the special resolutions and ordinary resolution number 7, a 75% voting majority is required by law and the JSE Listings Requirements.

VOTING AND PROXIES

VOTING AND PROXIES All shareholders will be entitled to attend and vote at the Annual General Meeting or any adjournment thereof, every shareholder of the Company who, being an individual, is present or is present by proxy at the Annual General Meeting or which, being a company or body corporate, is represented thereat by a representative appointed, shall have one vote only and on a poll every shareholder of the Company (whether an individual or a company or a body corporate) or represented by a proxy at the Annual General Meeting shall have one vote for every ordinary share held by such shareholder.

Holders of dematerialised shares, other than with “own-name” registration intending to attend the Annual General Meeting, must inform their Central Securities Depository Participant (“CSDP”) or broker of their intention and must obtain the necessary authorisation from their CSDP or broker to attend. Such authorisation must be submitted to the Company and Transfer Secretaries on submission of the required proof of identification before the link to the Online Registration and Voting Platform will be provided. If a Dematerialised Holder is unable to attend the Annual General Meeting in person, they should provide their CSDP or broker with their voting instructions in terms of their agreement with the CSDP or broker in the manner and time stipulated therein.

The necessary form of proxy is attached for the convenience of certificated shareholders and dematerialised shareholders with “own-name” registration who cannot attend the Annual General Meeting but who wish to be represented thereat, Any shareholder entitled to attend and vote at the Annual General Meeting may appoint one or more persons to attend, speak and vote in place of such shareholder. A proxy so appointed need not be a shareholder of the Company. In order to be valid, duly completed proxy forms must be received by hand at CTSE Registry Services, 5th Floor, Block B, The Woodstock Exchange Building, 66-68 Albert Road, Woodstock, 7925 or by email at purple@4axregistry.co.za by no later than 10:00 on Wednesday, 19 January 2022. A duly appointed proxy will be required to follow the Online Registration process to attend the Virtual AGM.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Shareholders who require more information about the Online Registration and Voting Process, can contact the Company and Transfer Secretaries telephonically at 011 100 8352 or by email at purple@4axregistry.co.za.

RECORD DATES

The posting record date, being the date that shareholders must be recorded in the register to be eligible to receive this notice of Annual General Meeting, is Friday, 5 November 2021.

The last day to trade in order to be eligible to vote at the Annual General Meeting is Tuesday, 11 January 2022.

The voting record date, being the date that shareholders must be recorded in the register to be eligible to speak and vote at the Annual General Meeting is Friday, 14 January 2022.

By order of the Board

CTSE Registry Services Proprietary Limited
Company Secretary
10 November 2021

IMPLEMENTATION REPORT OF THE REMUNERATION POLICY

REMUNERATION IMPLEMENTATION REPORT FOR THE YEAR ENDED 31 AUGUST 2021

We are pleased to present Purple Group's Remuneration Implementation Report for the financial year ended 31 August 2021. The report aligns to the reporting structure recommended in the fourth King Report on Corporate Governance for South Africa (King IV).

We believe this report provides stakeholders with improved clarity on how our remuneration policy informs the actual pay and awards received by Purple Group's executive directors, senior executives and prescribed officers as defined by the Companies Act, and how it supports our strategy to attract and retain talent.

At the Annual General Meeting (AGM) held on 22 January 2021, 99.83% of our shareholders voted in favour of our remuneration policy. Following the Remuneration Committee's review of its processes and the remuneration policy, to ensure alignment with shareholder expectations, the remuneration principles have not changed for this financial year.

We will continue to actively engage with shareholders on changes to our remuneration policy and its implementation as part of our commitment to enhance our reporting, meet shareholder expectations, where feasible, and maintain accurate, transparent and relevant disclosure on the performance measures used to determine the award of short- and long-term incentives.

The Remuneration Committee has developed a performanceorientated remuneration philosophy which fairly rewards executives and employees for their respective contributions to achieving the Group's strategic, financial and operational objectives. The remuneration structures are to encourage sustainable, long-term wealth creation. The following factors regarding the remuneration structures are highlighted:

- The remuneration philosophy is supportive of the Group's strategy;
- The cost of employment is managed while, at the same time, employees are rewarded in order to retain and motivate talented, skilled and high-calibre executives and employees;
- The Group promotes a performance-based culture; and
- The Group strives to align executive rewards with the interests of stakeholders.

The Remuneration Committee acknowledges the importance of motivating individual and team performances and therefore applies the remuneration policy equitably, fairly and consistently in relation to job responsibilities, the markets in which the Group operates and personal performance.

The Group rewards executive directors and employees as follows:

- Market-related, fair annual packages (base salary and benefits), which are competitive owing to the portability of skills;
- Market information is sourced from industry and executive remuneration surveys to benchmark executive remuneration in comparable positions;
- Annual performance bonuses related to specific Company and personal objectives; and
- Participation in the employee share option scheme.

For non-executive directors' fees, the Remuneration Committee takes cognisance of market norms and practices as well as the additional responsibilities placed on Board members by new legislation and corporate governance rules. Non-executive director remuneration is fee-based and not linked to the share price of Purple Group. Purple Group non-executive directors do not receive bonuses or share options to ensure actual and perceived independence, except for Mark Barnes, who has share options from his time as an executive. It was approved at a general meeting of shareholders that these could be retained.

IMPLEMENTATION REPORT OF THE REMUNERATION POLICY CONTINUED

EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT REMUNERATION

GUARANTEED PACKAGES

	2021 R'000	2020 R'000	Movement %
C Savage	**4,606**	4,400	4.7
G van Dyk	**3,581**	3,419	4.7
Senior Management (3 members)	**8,601**	8,032	7.1

The senior management members include the Group Chief Technology Officer, Chief Marketing & Communications Officer and Vice-President of Partnerships.

Annual increases were awarded to the above individuals during FY 2021.

INCENTIVES – SHORT-TERM

Short-term bonuses for Executives and Senior Management are currently awarded at the discretion of the Remuneration Committee. Although various metrics are taken into account in evaluating performance, the overriding criteria is Group profitability. As such, no bonuses were paid during FY 2017, FY 2018 and FY 2019 to the Executives and Senior Management.

Despite the Group generating a loss for the year ended 31 August 2019, the committee agreed that the performance of the executive team, along with their respective teams exceeded the expectations of the committee and the Group's budgeted performance. As such a bonus pool of R5.7 million was approved and awarded to the executive team and a large proportion (circa.80%) of the staff complement during FY 2020.

In respect of the Group's performance for FY 2020, which saw the Group return to profitability, and once again exceed budgeted metrics, a bonus pool of R8 million was approved and paid to the executive team and a large proportion (circa.85%) of the staff complement during FY 2021.

The bonuses awarded to the executives and senior management have been disclosed below.

	2021 R'000	2020 R'000	Movement %
C Savage	**1,000**	830	20.5
G van Dyk	**850**	640	32.8
Senior Management (3 members)	**1,486**	1,000	48.6

IMPLEMENTATION REPORT OF THE REMUNERATION POLICY CONTINUED

INCENTIVES – LONG-TERM

The Group rewards its staff through the Employee Share Option Scheme which translates into future value to the staff through increasing profits and in return, the share price of Purple Group.

On 1 February 2005, an employee share option scheme was introduced by approval at the general meeting of the Company. The movement in the options during the year and the terms and conditions of the options are detailed below.

	2021		2020	
	Weighted average exercise price (cents)	**Number of options**	Weighted average exercise price (cents)	Number of options
Outstanding at the beginning of the period	**42**	**153,668,015**	44	114,223,920
Forfeited during the period	**36**	**(4,380,543)**	-	-
Granted during the period	**-**	**-**	32	45,000,000
Exercised during the period	**29**	**(63,196,223)**	22	(5,555,905)
Outstanding at the end of the period	**49**	**86,091,249**	42	153,668,015
Exercisable at the end of the period	**59**	**55,341,250**	42	105,611,801

The vesting conditions of all the options granted to date are:

- Up to 25% on or after the first anniversary date of acceptance of the options;
- Up to 50% on or after the second anniversary of the acceptance date;
- Up to 75% on or after the third anniversary date; and
- Up to 100% on or after the fourth anniversary date.

The contractual life of all options is seven years from date of grant.

The options outstanding at 31 August 2021 have been issued in a price range from 31 cents to 76 cents and have a weighted average exercise price of 59 cents (2020: 42 cents) and a weighted average contractual life of 2.65 years (2020: 3.28 years).

The existing share option scheme has run its course, as such there are no further options available for issue under the current scheme.

The number of share options held by executive directors and senior management are:

	2020	Issued	Exercised	**2021**	Movement %
C Savage	26,000,000	-	(7,000,000)	**19,000,000**	(26.9)
G van Dyk	24,500,000	-	(7,000,000)	**17,500,000**	(28.6)
Senior Management (3 members)	32,900,000	-	(15,900,000)	**17,000,000**	(48.3)

IMPLEMENTATION REPORT OF THE REMUNERATION POLICY CONTINUED

NON-EXECUTIVE DIRECTORS' REMUNERATION

The remuneration of non-executive directors is reviewed annually by the Board and the Remuneration Committee. The Remuneration Committee proposed a 4.6% increase in non-executive director's fees.

Non-executive directors are paid a fixed fee for services rendered and fees are set at levels that will attract and retain the calibre of directors necessary to contribute to a highly productive board.

FEES PAID TO EACH NON-EXECUTIVE DIRECTOR FOR SERVICES PERFORMED AS DIRECTORS OF THE COMPANY

	2021 R'000	2020 R'000	Movement %
Mark Barnes			
- Board meetings attendance fee	**131**	250	(47.6)
- Sub-committee meetings attendance fee	**66**	62	6.5
Total director's fees	**197**	312	(36.9)
Happy Ntshingila			
- Chairman of the Board	**546**	520	5.0
Total director's fees	**546**	520	5.0
Craig Carter			
- Independent non-executive director's fees	**318**	303	5.0
Total director's fees	**318**	303	5.0
Arnold Forman			
- Independent non-executive director's fees	**318**	303	5.0
Total director's fees	**318**	303	5.0
Bonang Mohale			
- Board meetings attendance fee	**131**	208	(37.0)
- Sub-committee meetings attendance fee	**22**	21	4.8
Total director's fees	**153**	229	(33.2)

BRIEF CURRICULUM VITAE OF DIRECTORS STANDING FOR RE-ELECTION

HAPPY NTSHINGILA – 60

Independent non-executive director AND CHAIRMAN OF THE BOARD

Happy Ntshingila is Chairman of Washirika 3 Oaks. He was previously Chief Executive Officer at SuperSport International. Prior to that he was Group Chief Marketing and Communications Officer at Barclays Africa. He is the former Deputy Chairman of Brand SA, sat on the Council of the University of Fort Hare and he is Chairman of the Eminent Persons Group (tasked with transformation in SA sport). Former CEO and founder of the famed HerdBuoys Advertising.

Happy joined the Board in February 2019.

Happy is also a member of the Audit Committee, Remuneration Committee and Social and Ethics Committee.

CRAIG CARTER – 61

INDEPENDENT Non-executive director

Craig has over 30 years' experience, predominantly in technology and financial services, including treasury, corporate finance, venture capital, banking and mobile payments. Craig joined Purple Group at its inception as COO and was most recently COO for WIZZIT International, and CEO of Luminous Banking.

Craig joined the Board in February 2005.

Craig is also a member of the Risk Committee and Chairman of the Audit Committee and Remuneration Committee.

BRIEF CURRICULUM VITAE OF DIRECTORS STANDING FOR RE-ELECTION CONTINUED

PAUL RUTHERFORD – 43

Non-executive director

Paul is the founder and managing partner at Base Capital (formerly Nire Capital). Base Capital focuses on investing in technology enabled businesses. They invest globally and across the life cycle of a business from seed and growth stage through to secondary and listed investments. The objective is to identify durable market winners and to support management on their journey. While Base Capital invest globally there is a focus on developing markets. The business is operated from Cape Town, South Africa.Paul brings 20 years experience of growing and scaling market winning businesses both as an investor and operator. This experience and global network provides support to management teams across strategy, product, expansion, access to talent and capital partners.

Paul joined the Board during October 2021 and is also a member of the Remuneration Committee and Risk Committee of Purple Group.

PURPLE GROUP
LIMITED

(Incorporated in the Republic of South Africa) (Registration number 1998/013637/06)
Share code: PPE ISIN: ZAE 000185526
("Purple Group" or "the Company")

FORM OF PROXY

CERTIFCATED HOLDERS AND "OWN-NAME" REGISTRATION

For use at the Annual General Meeting of members to be held virtually on Friday, 21 January 2022 at 10:00 (the "Annual General Meeting")

I/We ______________________________ (Name in block letters)

of (Address) ______________________________

being a member/s of Purple Group Limited, holding [ ] ordinary shares hereby appoint:

1. ______________________________ or, failing him/her,
2. ______________________________ or, failing him/her,
3. ______________________________ or, failing him/her,
4. The Chairman of the Annual General Meeting, as my proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 10:00 on Friday, 21 January 2022 and at any adjournment thereof and to speak and act for me/us and, on a poll, vote on my/our behalf,

My/Our proxy shall vote as follows:

	Number of ordinary shares		
	In favour of	Against	Abstain
Ordinary resolution number 1: Adoption of annual financial statements for the year ended 31 August 2021			
Ordinary resolution number 2: Remuneration of auditors			
Ordinary resolution number 3: Appointment of auditors			
Ordinary resolution number 4.1: Ratification of re-election of Happy Ntshingila			
Ordinary resolution number 4.2: Ratification of re-election of Craig Carter			
Ordinary resolution number 5: Ratification of appointment of Paul Rutherford			
Ordinary resolution number 6: To place the unissued shares of the Company under the control of the directors			
Ordinary resolution number 7: To authorise the Company to issue shares and to sell treasury shares for cash under a general authority			
Ordinary resolution number 8: To authorise the directors as signatories			
Ordinary resolution number 9: Non-binding advisory note on remuneration policy			
Ordinary resolution number 10: Non-binding advisory note on implementation report of remuneration policy			
Ordinary resolution number 11.1: Election of Craig Carter as Chairman of the Audit Committee			
Ordinary resolution number 11.2: Election of Happy Ntshingila as a member of the Audit Committee			
Ordinary resolution number 11.3: Election of Arnold Forman as a member of the Audit Committee			
Special resolution number 1: Awarding of shares and provision of financial assistance in connection therewith			
Special resolution number 2: Non-executive directors' remuneration to next AGM			
Special resolution number 3: Financial assistance to related and inter-related entities			

(Indicate instruction to proxy by way of a cross in space provided above)

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this ______________ day of ______________________ 2022

Signature ______________________________

NOTES TO THE FORM OF PROXY

1. Purple Group shareholders who have dematerialised their shares through a CSDP or broker must not complete this form of proxy but must provide their CSDP or broker with their voting instructions, except for Purple Group shareholders who have elected "own-name" registration in the sub-register through a CSDP or broker, It is these shareholders who must complete this form of proxy and lodge it with the transfer secretaries.

2. Holders of dematerialised Purple Group shares wishing to attend the Annual General Meeting must inform their CSDP or broker of such intention and request their CSDP or broker to issue them with the relevant authorisation to attend.

3. A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, vote and speak in his/her/its stead at the Annual General Meeting, A proxy need not be a member of the Company.

4. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the Chairman of the Annual General Meeting", but any such deletion must be initialled by the member. The person whose name stands first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.

5. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast, However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/ she deems fit in respect of all the member's votes exercisable thereat. A member or his/her proxy is not obliged to use all the votes exercisable by the member or by his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the member or by his/her proxy. Holders of dematerialised shares, other than with "own-name" registration must inform their CSDP or broker of whether or not they intend to attend the Annual General Meeting and obtain the necessary authorisation from their CSDP or broker to attend the Annual General Meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the Annual General Meeting.

6. Forms of proxy must be received at the Company's Transfer Secretaries by hand at CTSE Registry Services, 5th Floor, Block B, The Woodstock Exchange Building, 66-68 Albert Road, Woodstock, 7925 or by email at purple@4axregistry.co.za by no later than 10:00 on Wednesday, 19 January 2022.

7. The completion and lodging of this form of proxy will not preclude the relevant member from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's Transfer Secretaries or waived by the Chairman of the Annual General Meeting.

9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

10. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.

11. The Chairman of the Annual General Meeting may reject or accept a form of proxy which is completed and/or received, other than in accordance with these notes, if the Chairman is satisfied as to the manner in which the member wishes to vote.

SHAREHOLDER RIGHTS

In terms of section 58 of the Companies Act, No. 71 of 2008 (as amended), shareholders have rights to be represented by proxy as herewith stated.

1. At any time, a shareholder of the Company may appoint any individual, including an individual who is not a shareholder of the Company, as a proxy to:

   a. participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder; or
   b. give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.

Provided that the shareholder may appoint more than one proxy to exercise voting rights attached to different shares held by the shareholder.

2. A proxy appointment:

   b. must be in writing, dated and signed by the shareholder; and
   c. remains valid for:
      ii. one year after the date on which it was signed; or
      iii. any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8) (d).

3. Except to the extent that the Memorandum of Incorporation of the Company provides otherwise:

   c. a shareholder of the Company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
   d. a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
   e. a copy of the instrument appointing a proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders meeting.

4. Irrespective of the form of instrument used to appoint a proxy:

   d. the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
   e. the appointment is revocable unless the proxy appointment expressly states otherwise; and
   f. if the appointment is revocable, a shareholder may revoke the proxy appointment by:
      iv. cancelling it in writing, or making a later inconsistent appointment of a proxy; and
      v. delivering a copy of the revocation instrument to the proxy, and to the Company.

5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:

   e. the date stated in the revocation instrument, if any; or
   f. the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).

6. If the instrument appointing a proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by this Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder must be delivered by the Company to:

   f. the shareholder; or
   g. the proxy or proxies, if the shareholder has
      vi. directed the Company to do so, in writing; and
      vii. paid any reasonable fee charged by the Company for doing so.

7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.

8. If the Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of instrument for appointing a proxy:

   h. the invitation must be sent to every shareholder which is entitled to notice of the meeting at which the proxy is intended to be exercised;
   i. the invitation, or form of instrument supplied by the Company for the purpose of appointing a proxy, must:
      viii. bear a reasonably prominent summary of the rights established by this section;
      ix. contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an

alternative name of a proxy chosen by the shareholder; and

x. provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;

j. the Company must not require that the proxy appointment be made irrevocable; and
k. the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).

9. Subsection (8)(b) and (d) do not apply if the Company merely supplies a generally available standard form of proxy appointment on request by a shareholder.

CORPORATE INFORMATION

NATURE OF BUSINESS

Purple Group Limited is a financial services company.

DIRECTORS

Happy Ntshingila	Independent non-executive Chairman
Mark Barnes	Non-executive director
Charles Savage	Group CEO
Gary van Dyk	Group CFO
Arnold Forman	Independent non-executive director
Craig Carter	Independent non-executive director
Bonang Mohale	Non-executive director
Paul Rutherford	Non-executive director

BUSINESS ADDRESS

16th Floor
25 Owl Street
Braamfontein Werf
2092

POSTAL ADDRESS

PO Box 411449
Craighall
2024

BANKERS

Mercantile Bank Limited

AUDITORS

BDO South Africa Incorporated
Registered Auditors

GROUP SECRETARY

CTSE Registry Services Proprietary Limited
(Previously known as 4 Africa Exchange Registry)
5th Floor, Block B
The Woodstock Exchange Building
66-68 Albert Road
Woodstock
7925

SHARE REGISTRARS

CTSE Registry Services Proprietary Limited
(Previously known as 4 Africa Exchange Registry)
5th Floor, Block B
The Woodstock Exchange Building
66-68 Albert Road
Woodstock
7925

COMPANY REGISTRATION NUMBER

1998/013637/06

ISIN

ZAE000185526

VAT REGISTRATION NUMBER

4640178168

TAX NUMBER

9552/065/64/2

PURPLE GROUP
LIMITED

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