



PURPLE GROUP
LIMITED



SUMMARY CONSOLIDATED RESULTS
FOR THE YEAR ENDED 31 AUGUST 2022

HIGHLIGHTS

GROUP HIGHLIGHTS

- Group revenue increased by 33.8% to R274 million, from R205 million in the prior year despite the headwinds faced by the business, including a significant pullback in Equity Markets and the impact of rising inflation on its clients;
- Group operating expenses increased by 38.1% to R213 million, compared to R154 million in the prior year driven by a 50.4% increase in new active clients and an investment of R37 million to build capacity for future client growth and deliver new products, enter new jurisdictions and deliver on new partnerships, with no corresponding revenue in the current year;
- Profit before fair value adjustments and tax increased by 55.2% to R40.3 million, from R26.0 million in the prior year;
- Group basic earnings per share decreased by 16.8% to 3.71 cents per share, compared to 4.46 cents per share in the prior year;
- Group headline earnings per share decreased by 74.3% to 1.14 cents per share, compared to 4.46 cents per share in the prior year;
- The Group's net asset value per share increased by 13.8% from 33.73 cents to 38.39 cents;
- Profit attributable to ordinary shareholders decreased by 0.8% to R44.0 million, from R44.3 million in the prior year;
- Purple Group acquired the remaining 49% shareholding interest in EasyCrypto for R61 million;
- EasyEquities acquired the remaining 49% shareholding interest in EasyProperties for R25 million; and
- EasyEquities acquired remaining 50% shareholding interest in RISE for R60 million.

EASYEQUITIES GROUP HIGHLIGHTS

- EasyEquities Group revenue increased by 24.2% to R214 million, from R172 million in the prior year;
- Registered clients increased by 41% to 1.65 million, compared to 1.17 million in the prior year;
- Active clients increased by 50.4% to 763,233, compared to 507,391 in the prior year;
- Platform assets increased by 18.3% to R37.3 billion, compared to R31.5 billion in the prior year;
- Retail inflows increased by 7.4% to R9 billion, compared to R8.5 billion in the prior year;
- Cost of service per active client decreased by 15.6% to R173, from R205 in the prior year;
- Share of profit in RISE joint venture increased by 267% to R5.2million, compared to R1.4 million in the prior year;
- Profit before fair value adjustments and tax decreased by 34.7% to R34.4 million, from R48.1 million in the prior year;
- Value of properties acquired by EasyProperties clients increased by 22.4% to R152 million, compared to R125 million in the prior year;
- Active EasyProperties clients increased by 83% to 74 360, from 40 636 in the prior year; and
- Active EasyCrypto clients increased by 39% to 152 968, from 110 328 in the prior year.

GT247.COM HIGHLIGHTS

- GT247.com revenue increased by 104.6% to R56.9 million, compared to R27.8 million in the prior year; and
- Profit before tax of R14.1 million, compared to a loss before tax of R8.7 million in the prior year.

LETTER FROM THE CEO

Purpose, resilience, persistence, community, growth, investment and partnership are the words that come to mind in reflecting on the Purple Group's progress over the last 12 months. It also strikes me that these words highlight our advantage and position us extremely well for the challenging market and economic times we find ourselves in today.

Purple Group has continued to make great progress across all key metrics in the reporting period and has successfully concluded the acquisition of EasyProperties, EasyCrypto and Rise. In the result, all stakeholders are aligned around a common purpose and goal, enabling greater diversity of income and levers for growth in the years ahead. All of these have made healthy contributions to the group revenue while posting very impressive growth year on year.

Focusing in on the EasyEquities key metrics builds on the growth story that continues to play out across the group.

- Client numbers and associated metrics have all continued to grow impressively with active clients up 50.4%, having added around 250 000 new first-time investors in the period.
- Our investment coverage was expanded to include South African Unit Trusts and UK and European Shares and ETFs, adding on our already extensive offering of US, Australian and South African Shares and ETFs.
- We continued to attract and retain top talent and have built a wonderful team in the Philippines, to augment and complement our incredible South African team, to serve partnerships in the region and provide the group with a truly 24-hour operating capability.

The board approved the Group Strategy in November 2021 and unlocked investment from our income statement to lay down new runways for growth to more clients, products, markets and partnerships.

Our EasyEquities client cohort data, now 8 years old, is revealing behavioural insights that confirms their resilience and commitment to their long-term investing goals. The discipline, consistency, and persistency in the way they are going about their investing activities is quite extraordinary and provides an engine for growth for the group that directly benefits from their loyalty to the platform, and their commitment to improve their investment behaviour and outcomes year on year. Key insights that come from observed client data and behaviour year on year includes:

- Clients deposit and invest more.
- Clients consume more products and services.
- Average revenue per client (ARPU) increases.
- Clients stay and are extremely loyal - on average they refer one new client per two existing clients.

Group Revenue was up 33.8% lifted by good results from almost all the Group companies and while market conditions were not supportive of growth, we still turned in a very satisfactory result.

Group Operating Expenses increasing by 38.1% need to be read in the context of:

- New Business Development cost incurred to enable and integrate into new partners, +-R20 million, were accounted for in the period with no resulting revenue. (Discovery Bank, Telkom, SE Asia Partner).
- Client cohorts onboarded over the period, circa 250k, are not yet profitable to the group and accounted for around R31 million of the operating costs.
- Increased KYC and associated onboarding costs of new clients plus the consolidation of EasyCrypto into the group accounted for around R9 million of the increase.

Despite these upward pressures on the operating cost base, the Group still managed to continue to reduce the cost to serve clients (COS) by 16% this year.

LETTER FROM THE CEO CONTINUED

Importantly, the continuing divergence in APRU, which is increasing year on year, versus COS, that keeps declining year on year, fundamentally means that existing client cohorts become more and more profitable as we add clients and launch new product verticals. Another enabling by-product of this intrinsic factor of the group is that in the outcome it means that new clients and new products become profitable in shorter and shorter periods as the business scales.

In the result, this gives us an increasing strategic advantage over our competitors while ensuring that our profit margin on client cohorts continues to improve.

However, where recently onboarded clients (+500k < two years on platform), outweigh older client cohorts (+250k > two years on platform), as they do in this period the operating cost base of the group will look on the face of it to be inefficient, hence why we focus on COS and ensuring that this improves year on year. While ARPU is unpredictable in the short term, due to market cycles, over the medium and long term it is highly predictable and trends back towards the levels evidenced by the older client cohorts. All client cohorts onboarded since launch in 2014 turned profitable in year two or three of being clients.

Purpose leads our strategy and focuses us acutely on delivering to the needs of our clients, in so doing enabling more and more opportunities for them to create wealth whilst balancing the growing need for them to protect wealth too, presenting the opportunity for us to continue to deliver more products and services in the years ahead. We have demonstrably evidenced our ability to build products that meet our clients' needs and scale and integrate these into the group in a relatively short period of time through EasyProperties and EasyCrypto. We will launch two new exciting product verticals within the next 6 months - securitised credit through EasyCredit and Life Insurance through EasyProtect. Both will greatly uplift ARPU.

We have built and continue to build a high growth group. A trusted and loved brand. All while delivering low cost, low margin, easy, fair and fun financial products and services that engage new audiences and grow the market. We remain profitable and frugal with our resources.

We are building something special, a category winner, that's rewriting and fundamentally changing the financial fabric of the countries we operate in.

Thank you to all our partners, shareholders, clients and teams for staying the course and continuing to commit yourselves to delivering on our purpose and building towards our goal of being the world's best investment platform.



Charles Savage

CEO Purple Group

FINANCIAL REVIEW BY THE CFO



PURPLE GROUP CONSOLIDATED

Consolidated statement of profit or loss

	2022 R'000	Restated 2021 R'000
Revenue	274,003	204,778
Commissions and research expenses	(5,135)	(2,998)
Operating expenses	(212,490)	(153,903)
Share of profit in joint venture ¹	5,249	1,431
Profit before fair value & impairment adjustments, interest, depreciation & amortisation	61,627	49,308
Depreciation and amortisation	(26,413)	(19,776)
Finance income	7,282	4,294
Finance costs	(2,168)	(7,847)
Profit before fair value & impairment adjustments and tax	40,328	25,979
Fair value and impairment adjustments	44,548	55,919
Profit before tax	84,876	81,898
Income tax	(13,926)	(9,253)
Profit for the period	70,950	72,645
Profit attributable to:		
Owners of the Company	43,968	44,332
Non-controlling interests	26,982	28,313
	70,950	72,645
<i>Earnings per share</i>		
Basic earnings per share (cents)	3.71	4.46
Diluted earnings per share (cents)	3.60	4.27

¹ The share of profit in joint venture line item has been reclassified to be taken into account in the profit before fair value and impairment adjustments, interest, depreciation and amortisation, as this better reflects the core earnings of the Group. In the prior year, the share of profit in joint venture was reported after profit before fair value and impairment adjustments and tax. The prior period amounts have been restated to reflect this change.

PURPLE GROUP HIGHLIGHTS

- Group Revenue increased by R69.2 million to R274.0 million, an increase of 33.8%, driven by:
 - a strong recovery in the GT247.com business, which increased its revenue by 104.6%; and
 - a 24.2% increase in the EasyEquities Group revenue, despite the the headwinds faced by the business, including a significant pullback in Equity Markets and the impact of rising inflation on its clients.

FINANCIAL REVIEW BY THE CFO CONTINUED

- The 38.1% increase in operating expenses can be attributed to additional costs incurred to service the 50.4% increase in Active Clients acquired by the EasyEquities business during FY 2022 and circa R19.5 million of expenses incurred in the development and delivery of new partnerships and new products and entering new jurisdictions.
- Profit before fair value, impairment adjustments and tax increased by 55.2% to R40.3 million.
- The profit attributable to ordinary shareholders decreased by 0.8% to R44.0 million (FY 2021: R44.3 million).
- The Group recorded an attributable profit for the period of R44.0 million (2021: R44.3 million). Basic earnings of 3.71 cents per share (2021: 4.46 cents per share), which is a decrease of 16.8%.

FAIR VALUE ADJUSTMENTS FY 2022

- The Company previously held a 50% shareholding in RISE and the investment was classified as a joint venture and was accounted for using the equity method in terms of *IAS 28: Investments in Associates and Joint Ventures*, refer Note 2.
- On 23 August 2022, the Group acquired the remaining 50% shareholding in RISE from NBC Fund Administration Services Proprietary Limited ("NBC"). The acquisition of the remaining 50% shareholding resulted in the Group obtaining control of RISE and has been accounted for as a business combination in terms of *IFRS 3: Business combinations* and *IFRS 10: Consolidated Financial Statements*. In compliance with IFRS 3, the Group revalued its previously held 50% equity interest in RISE to its acquisition date fair value of R60m, resulting in a positive fair value adjustment of R48.9m being recognised in profit or loss. The Group's effective percentage shareholding in RISE is 70%.
- EasyEquities paid consideration of R60 million for the 50% by disposing of and transferring ownership of 24,000,000 shares in Purple Group at a price of R2.50 per Purple Group share.

FAIR VALUE ADJUSTMENTS FY 2021

- 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.

FINANCIAL REVIEW BY THE CFO CONTINUED



EASYEQUITIES GROUP

EASYEQUITIES GROUP COMPOSITION

- The **EasyEquities Group** results include the consolidated results of the various entities operating within the group, including:
 - **EasyEquities** - the core EasyEquities business operations operated within First World Trader Proprietary Limited;
 - **EasyProperties** - consolidated on a line by line basis as a subsidiary;
 - **EasyCrypto** - consolidated on a line by line basis as a subsidiary; and
 - **RISE** - up to 22 August 2022, the RISE results were accounted for as an investment in joint venture and 50% of the RISE profits were shown under "Share of Profit in Joint Venture". From 23 August 2022 (being 9 days of results) RISE results have been consolidated on a line by line basis as a subsidiary.

KEY TERMINOLOGY

The following terms have been used in the ensuing analysis:

- **Active Client:** Is a client of the EasyEquities Group that has at least one funded investment account. Clients that hold numerous investment accounts across the platforms are only counted once.
- **Client Assets:** refers to the market value (in Rands) of Active Clients' investments, administered and serviced by the EasyEquities Group's various investment platforms.
- **Client Cohorts :** Clients have been grouped according to the year in which a client first registered an account on the EasyEquities platform i.e. If a client registered an account during 2014, they would form part of the "2014 Cohort", similarly a client that registered during 2018 would form part of the "2018 Cohort".
- **ARPU:** Average revenue per Active Client.
- **COS:** Cost of service refers to the annual cost to the business of servicing Active Clients. The cost to service a client is arrived at by dividing the operating expense base (excluding client acquisition and onboarding costs) of the business by the average number of active clients serviced by the business during the year.

EASYEQUITIES GROUP STATEMENT OF PROFIT OR LOSS

	2022 R'000	2021 R'000	Movement %
Revenue	214,042	172,332	24.2
Commissions and research expenses	(1,844)	(1,730)	6.6
Operating expenses	(166,579)	(106,407)	56.5
Share of profit of joint venture	5,249	1,431	266.9
Profit before fair value adjustments, interest, depreciation & amortisation	50,868	65,626	(22.5)
Finance income	7,282	4,294	69.6
Finance costs	(498)	(2,381)	(79.1)
Depreciation and amortisation	(26,275)	(19,483)	34.9
Profit before fair value adjustments and tax	31,377	48,056	(34.7)
Fair value adjustments	48,931	50,000	(2.1)
Profit before tax	80,308	98,056	(18.1)

FINANCIAL REVIEW BY THE CFO CONTINUED

EASYEQUITIES GROUP HIGHLIGHTS

- Unique Active Clients across the platforms increased by 50.4% to 763 233 Active Clients, adding 255 842 new Active Clients during FY 2022 (FY 2021: 261 257 new Active Clients).
 - Client retention is excellent, with no evidence of client attrition and all cohorts demonstrably evidencing their resilience and persistence in achieving their long term investment goals.
 - Active clients on average hold 1.44 investment accounts across the various platforms, which continues to increase as new investment accounts are added (EasyCrypto, GBP and Euro added during FY 2022) and penetration into the existing client base increases.
- EasyProperties revenue increased by 30.8% to R6.8 million with an 83% increase in Active Clients, to 74 360.
- EasyCrypto Active Clients increased by 39% to 152 968 clients during FY 2022, a significant increase in clients, especially in light of the significant decline in crypto assets over the last 12 months.
- Platform Assets increased by 18.3% to R37.3 billion.
 - Retail inflows increased by 7.4%, compared to the prior period despite the pressure placed on clients by rising inflation and the resultant increase in the cost of living.
 - Client outflows are consistent with prior years, relative to client assets, which is evidence of our clients' commitment to their long term investment objectives.
 - In the result, clients maintained a net inflow during the year, adding 15% to their investments, despite the pull back in markets from October 2021, which resulted in a modest return for clients, on average, of circa. 4% for the current year, compared to a return of 21% in the prior year.
- The cost to serve an Active Client decreased by 15.6% to R173 per Active Client, despite the group increasing its expense base significantly to build capacity for future client growth and deliver new products, enter new jurisdictions and deliver on new partnerships, which added circa. R37 million to the cost base, with no corresponding revenue in the current year.
- The EasyEquities Group acquired new Active Clients during FY 2022 at an average cost of R74 per client.
 - This low cost of acquisition is largely achieved through the companies referral program that has, on average, delivered circa. 57% of new Active Clients over the years.
 - Although EasyEquities shares a portion of its economics with Partnership Distribution Channels, it does not incur client acquisition costs in respect of new Active Clients secured through these channels.

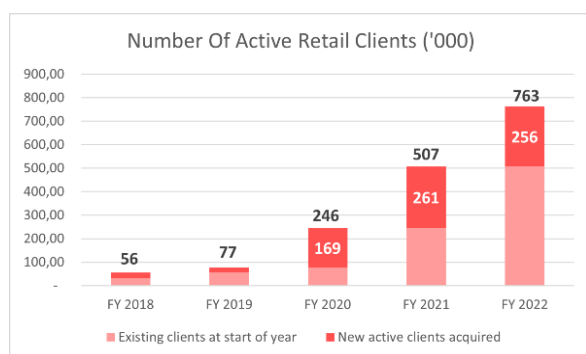
FINANCIAL REVIEW BY THE CFO CONTINUED

EASYEQUITIES GROUP REVENUE

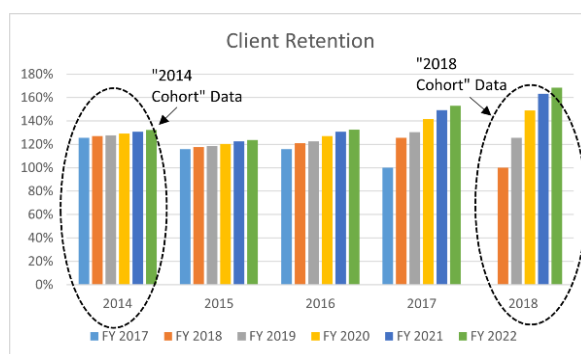
- The primary revenue drivers of the business include the following:
 - Number of Active Clients.
 - The value of client assets on the platform.
 - Average revenue per Active Client.

Active Clients

Active retail clients



Client retention



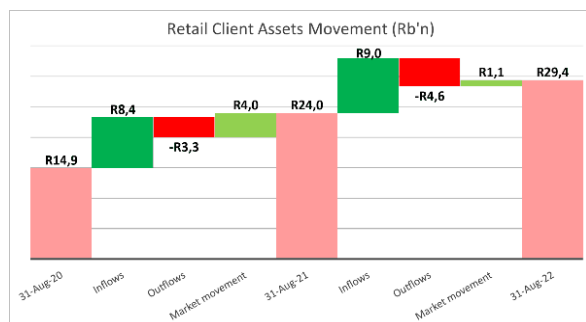
- The **number of Active Retail Clients** increased by 50.4% to 763 233 Active Clients at 31 August 2022, an increase of 255 842 Active Clients (FY 2021: 261 257 Active Clients).
 - Active Clients on average hold 1.44 investment accounts across the various platforms, which continues to increase as new investment accounts are added (EasyCrypto, GBP and Euro added during FY 2022) and penetration into the existing client base increases.
- **Client retention** is excellent, with no evidence of client attrition and all Client Cohorts demonstrably evidencing their resilience and persistence in achieving their long term investment goals.
 - The above graph indexes the number of Active Clients in a cohort each year to the number of Active Clients in that cohort at the end of the first year during which the cohort originates i.e. In respect of the 2014 Cohort, the number of Active Clients at the end of 2014 would be indexed at 100%; hence per the above graph, the number of Active Clients at the end of FY 2017, that registered in 2014, amounted to 126% of the 2014 Cohorts that were active at the end of FY 2014 and similarly, the number of Active Clients at the end of FY 2022, that registered in 2014, amounted to 132% of the 2014 Cohorts that were active at the end of FY 2014.

FINANCIAL REVIEW BY THE CFO CONTINUED

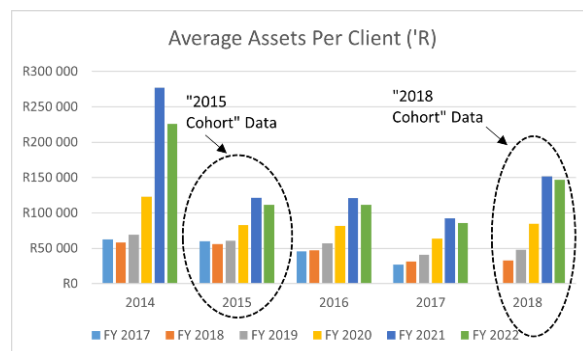
EASYEQUITIES GROUP REVENUE CONTINUED

Client Assets

Movement in retail client assets



Average assets per client cohort



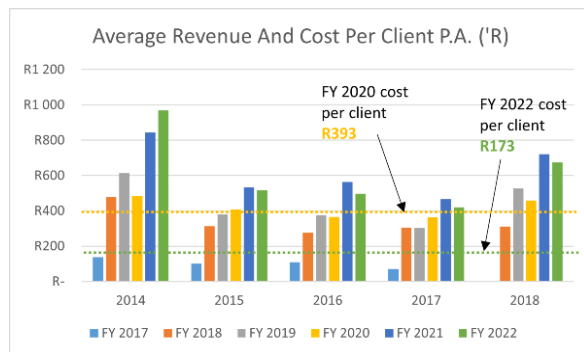
- Retail Client Assets** increased by 22.6% to R29.4 billion, driven by inflows of R9.0 billion, outflows of R4.6 billion and market movements totalling R1.1 billion.
 - Retail inflows increased by 7.4%, compared to the prior period despite the pressure placed on clients by rising inflation and the resultant increase in the cost of living.
 - Outflows during the year amounted to 17% of average Client Assets, compared to 18% in the prior year, again a positive indicator.
 - In the result, clients maintained a net inflow during the year, adding 15% to their investments, despite the pull back in markets from October 2021, which resulted in a modest return for clients, on average, of circa. 4% for the current year, compared to a return of 21% in the prior year.
- All cohorts show a year on year increase in **average assets per client** driven by net inflows.
 - Average cohort assets have decreased by between 3% to 10% during FY 2022 which can be ascribed to the market pull back experienced from October 2021.

FINANCIAL REVIEW BY THE CFO CONTINUED

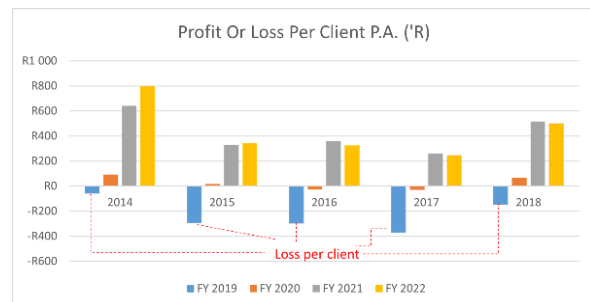
EASYEQUITIES GROUP REVENUE CONTINUED

Average Revenue per Active Client- ARPU

ARPU & COS per client cohort



Profit or loss per client cohort



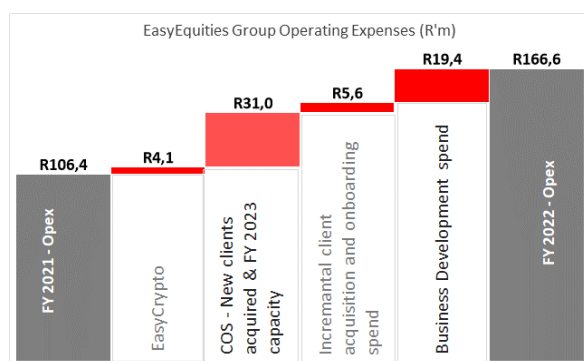
- While the business is focused on diversifying its revenue through the addition of new products and services, 78% of revenue generated is driven by client activity on the platform, which primarily drives execution revenue.
- Execution revenue is more specifically driven by the following 3 client behaviours:
 - Inflows - clients deposit funds and then invest the funds;
 - Outflows - clients disinvest from their holdings and then withdraw the funds; and
 - Portfolio turnover - clients implementing changes to their portfolios.
- All Client Cohorts show a year on year increase in **ARPU** upto FY 2021, which is highly correlated to the increase in average Client Assets over the years.
 - There has been a decrease in ARPU across most cohorts during FY 2022, compared to FY 2021, which is largely due to lower levels of client activity during FY 2022, however, as recessionary pressures, inflation and market conditions improve, so too will client inflows and associated client behaviours and economics.
- The ultimate profitability per client, is a factor of the ARPU, which would be expected to increase over time, and the cost of servicing ("COS") a client, which would be expected to decrease over time, as evidenced by the COS decreasing from R393 per active client in FY 2020 to R173 per client for FY 2022.
 - Based on the FY 2022 ARPU and the FY 2022 COS per client, all cohorts shown are profitable.
 - With revenue trending up and costs trending down, Client Cohorts would generally be expected to reach profitability over a two to three year period.

FINANCIAL REVIEW BY THE CFO CONTINUED

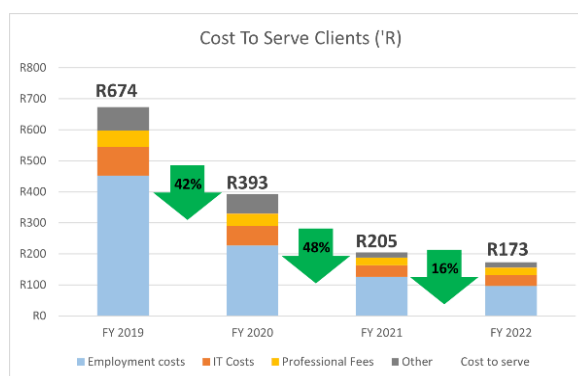
EASYEQUITIES GROUP OPERATING EXPENSES

- Operating expense can be divided into three main categories:
 - Cost to serve a client;
 - Cost to acquire a new active client; and
 - Cost to onboard a new active client.

Costs to serve a client



COS per client



- The EasyEquities Group's operating expenses increased by 56.5% to R166.6 million, an increase of R60.2 million. The increase comprised the following:
 - EasyCrypto was consolidated for the first time in FY 2022, adding R4.1 million to the cost base;
 - The increase in the expense base to service the 255 842 new Active Clients acquired during the year whilst maintaining excess capacity to service an additional 150 000 new Active Clients have cost the group circa. R31 million;
 - An incremental increase in the client acquisition and onboarding costs during FY 2022 compared to FY 2021 added R5.6 million to the cost base; and
 - Various teams and additional costs, across the board have been incurred in order to position the business to service new partnerships already secured, including Telkom, Discovery Bank and South East Asia Partnership. These costs include:
 - Replication of the businesses IT infrastructure in the Asian region, in order to reduce redundancies and improve performance, and establish an operational base in the region to service the region, currently comprising 16 staff members.
 - Additional Client engagement agents and trading and risk specialists have also been employed locally.
 - Costs have been incurred and additional resources employed to increase the security of the platforms across the board, whilst continuously improving the scalability of the platforms and supporting infrastructure.
 - Additional resources have been employed to facilitate the delivery of new products and various costs incurred in the development of these products.

FINANCIAL REVIEW BY THE CFO CONTINUED

- The business has also increased its executive and management team to ensure that capacity is available to service the rapid expansion of the groups geographies and product offering.
- In essence, circa. R20 million of expenses have been incurred during the current year that are geared towards new partnerships, new regions and new products, with revenues expected to flow during FY 2023.
- The costs associated with serving a client includes the majority of the operating expense base, including employment costs, IT Costs, Professional fees (which includes the cost of third party service providers) and other (which primarily includes bank charges incurred by the business in servicing client flows).
- The cost to service a client decreased by 42% and 48% in FY 2020 and FY 2021, respectively, despite total expenses increasing by 32% and 44%, respectively. The decrease in the cost per client is achieved through:
 - The leverage that the business achieves over its employment costs through ensuring that processes are continuously improved through automation.
 - Costs associated with the businesses IT infrastructure are also leveraged, which together with a constantly decreasing variable cost, continues to reduce the cost to serve per client.
 - The third lever available to the business is driven by the increasing scale of the operations, which enables the business to obtain improved pricing (on a per transaction/ client basis) from its third party service providers.
- As a result of the above expansion related expenditure incurred during FY 2022, the cost to service a client only showed a decrease of 16% .

Costs to acquire and onboard a new Active Client

- The EasyEquities business applies a two pronged approach to acquiring new Active Clients, being:
 - Direct to market, through its own marketing initiatives and referral program ("EasyEquities Direct"); and
 - Through partnering with institutions with a significant client base ("Partnership Distribution Channels").
- The cost to acquire a new client, includes the cost to acquire an EasyEquities Direct client. EasyEquities acquired new EasyEquities Direct clients during FY 2022 at an average cost of R74 per client. This low cost of acquisition is largely achieved through the companies referral program that has on average delivered circa. 57% of new active clients.
- Although EasyEquities shares a portion of its economics with Partnership Distribution Channels, it does not incur client acquisition costs in respect of new Active Clients secured through these channels.
- The cost to onboard a new Active Client during FY 2022 was R12 per client.

FINANCIAL REVIEW BY THE CFO CONTINUED

SHARE OF PROFIT IN JOINT VENTURE

- Upto 23 August 2022, EasyEquities accounted for its 50% share of the profits earned by RISE, included in "Share of profit in joint venture", which profit has increased by 267% to R5.2 million compared to the prior year.

EASYEQUITIES GROUP PROFITABILITY

- EasyEquities Profit before fair value, impairment adjustments and tax decreased by 34.7% to R31.4 million, a decrease of R16.7 million.
- This result was primarily driven by the following:
 - An increase in operating expenses of circa R19.5 million taken-on to deliver on new partnerships, develop new products and to enter new jurisdictions in support of future revenue growth;
 - 2021 and 2022 Cohorts have not yet reached profitability, which is expected considering these cohorts have been on the platform for less than three years, which is generally the period over which a Client Cohort is expected to reach profitability:
 - Although the 2021 Cohorts' loss per client (ARPU less COS) decreased by 53% in FY 2022, a cumulative loss of circa. R15.8 million was realised in respect of this Client Cohort. This Cohort would be expected to break even in the coming year, thereby a potential uplift of at least R15.8 million is expected in FY 2023.
 - The cumulative loss attributable to the 2022 Cohort is circa. R8.7 million in the current year. Similarly to the above, we would expect this Client Cohort to also deliver close to breakeven during FY 2023.

EASYPROPERTIES HIGHLIGHTS

- EasyProperties revenue increased by 30.8% to R6.8 million compared to the prior year, driven by:
 - an 83% increase in active clients to 74 360.
 - a 118% increase in client assets to R270.3 million.
 - Gross value of properties subscribed for by EasyProperties' clients totalled R152.4 million for FY 2022, an increase of 22.4%.
- Client net inflows totalled R138.1 million.

EASYCRYPTO HIGHLIGHTS

- EasyCrypto generated revenue of R18.8 million for FY 2022.
- EasyCrypto Active Clients increased by 39% to 152 968 clients during FY 2022, a significant increase in clients, especially in light of the significant decline in crypto assets over the last 12 months.
- Client Assets totalled R384.8 million at 31 August 2022.

FINANCIAL REVIEW BY THE CFO CONTINUED



RETIREMENT INVESTMENTS AND SAVINGS FOR EVERYONE

RISE STATEMENT OF PROFIT OR LOSS

	2022 R'000	2021 R'000	Movement %
Revenue	56,332	50,055	12.5
Commissions and payaways	(15,693)	(14,146)	10.9
Operating expenses	(28,950)	(32,727)	(11.5)
Net income	11,689	3,182	267.3
Other income	5,118	2,553	100.5
Profit before interest, depreciation & amortisation	16,807	5,735	193.1
Finance income	-	-	N/A
Finance costs	(142)	(223)	(36.3)
Depreciation and amortisation	(859)	(932)	(7.8)
Profit before tax	15,806	4,580	245.1

- RISE Revenue increased by 12.5% during FY 2022 primarily due to average assets under management being higher during FY 2022 than the prior year.
- The RISE Executive team has worked closely with the EasyEquities team over the last 12 months, working on its client offering and improving the efficiency and usability of its administration systems, and the team is now actively pursuing growth.
- Although the sales cycle is long in the retirement fund space, a few new mandates have been secured by RISE since year end, which places the business in good stead for FY 2023.
- The business has generated a profit before tax of R15.8 million for FY 2022 (an increase of 245.1%), which reflects a clean result, free of once-off expenses, as was the case in the prior year.

FINANCIAL REVIEW BY THE CFO CONTINUED



GT247.COM

GT247 STATEMENT OF PROFIT OR LOSS

	2022 R'000	2021 R'000	Movement %
Revenue	56,924	27,816	104.6
Commissions and research expenses	(3,253)	(1,234)	163.6
Operating expenses	(39,482)	(35,080)	12.5
Profit/ (loss) before interest, depreciation & amortisation	14,189	(8,498)	(267.0)
Finance (costs)/ income	(1)	1	(200.0)
Depreciation and amortisation	(93)	(242)	(61.6)
Profit/ (loss) before tax	14,095	(8,739)	(261.3)

- GT247.com's revenue has increased by 104.6%, compared to the prior period. Although volatility was present in the market, which drives revenue for this business, it is worth noting again (as mentioned in last years commentary) that the revenue result delivered during FY 2021 was out of the ordinary.
- The business generated a R14.1 million profit before tax for the current year, compared to a loss of R8.7 million in the prior year.

FINANCIAL REVIEW BY THE CFO CONTINUED



EMPEROR ASSET MANAGEMENT

EMPEROR ASSET MANAGEMENT STATEMENT OF PROFIT OR LOSS

	2022 R'000	2021 R'000	Movement %
Revenue	3,037	4,404	(31.0)
Commissions and research expenses	(38)	(34)	11.8
Operating expenses	(4,472)	(4,881)	(8.4)
Loss before fair value, impairment adjustments, depreciation & amortisation	(1,473)	(511)	188.2
Depreciation and amortisation	(31)	(36)	(13.9)
Loss before fair value, impairment adjustments and tax	(1,504)	(547)	174.9
Fair value & impairment adjustments	(4,383)	1,476	(397.0)
Loss before tax	(5,887)	929	(733.9)

- Revenue has decreased by 31% during the period, inline with a reduction in assets under management resulting from market movements and client redemptions to more conservative asset classes and investment strategies.
- In the year ahead, RISE Asset Management and Emperor Asset Management will be consolidated under a single brand, Easy Asset Management, and operating structure, driving greater distribution opportunities for both businesses and cost efficiencies too.
- Easy Asset Management will also launch Active ETFs in the year ahead, leveraging the acquisition of Cloud Atlas, made a few months ago, which is awaiting regulatory approval. This will further enhance the groups ability to attract assets under management in the years ahead.
- The fair value & impairment adjustments relate to the following:
 - Fair value losses of R0.54 million have been realised in respect of proprietary investments held by Emperor Asset Management in the units trusts managed by Emperor.
 - An impairment of R3.8 million has been raised against intellectual property rights, algorithms and developed systems relating thereto, utilised by Emperor Asset Management.

FINANCIAL REVIEW BY THE CFO CONTINUED



PURPLE GROUP
LIMITED

PURPLE GROUP HEAD OFFICE COSTS AND INVESTMENTS

HEAD OFFICE & INVESTMENTS STATEMENT OF PROFIT OR LOSS

	2022 R'000	2021 R'000	Movement %
Revenue	-	227	(100.0)
Operating expenses	(1,957)	(7,535)	(74.0)
Loss before fair value adjustments, interest, depreciation & amortisation	(1,957)	(7,308)	(73.2)
Finance income	-	-	N/A
Finance costs	(1,669)	(5,466)	(69.5)
Depreciation and amortisation	(14)	(15)	(6.7)
Loss before fair value adjustments and tax	(3,640)	(12,789)	(71.5)
Fair value adjustments	-	4,444	(100.0)
Loss before tax	(3,640)	(8,345)	(56.4)

- Operating expenses have decreased by 74% due to additional costs being charged to group companies for services performed by the staff employed at a head office level.
- The decrease in finance costs during the year was due to the Serialong Loan being converted into equity at the end of FY 2021 and a reduction in the debt owed to the Industrial Development Corporation.

SUMMARY CONSOLIDATED RESULTS

EVENTS AFTER THE REPORTING DATE

The directors are not aware of any other matters or circumstances arising since the end of the financial year, not otherwise dealt with in this report.

CLOUD ATLAS (RF) PROPRIETARY LIMITED

On 1 June 2022, First World Trader Proprietary Limited reached an agreement with Cloud Atlas (RF) Proprietary Limited ("Cloud Atlas") to acquire 100% shareholder interest in the Company for R2.25 million. Once the suspensive conditions are met, Cloud Atlas will become a wholly-owned subsidiary of First World Traders Proprietary Limited.

Up until the reporting date of these summary consolidated results, the suspensive condition for the application and management approval to make changes in shareholding by the Financial Sector Conduct Authority ("FSCA") is pending.

REDUCTION IN CORPORATE INCOME TAX RATE

The Group's tax liabilities and assets have been computed based on the corporate tax rate and tax laws prevailing at the reporting date. On 23 February 2022 the South African Minister for Finance announced changes to the corporate income tax from 28% to 27%. The effective date of the change being years of assessment ending on or after 31 March 2023.

REGULATION OF CRYPTO ASSETS

On 19 October 2022 and with effect, the Financial Sector Conduct Authority (FSCA) issued a declaration of a Crypto Asset as a financial product under the Financial Advisory and Intermediary Services Act. Crypto Assets means a digital representation of value that:

- is not issued by a central bank, but is capable of being traded, transferred or stored electronically by natural and legal persons for the purpose of payment, investment and other forms of utility;
- applies cryptographic techniques; and
- uses distributed ledger technology.

ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that the Annual General Meeting of ordinary shareholders ("shareholders") of the Company will be held Virtually on Friday, 20 January 2023 at 10:00.

BASIS OF PREPARATION OF THE SUMMARY CONSOLIDATED RESULTS

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

The summary consolidated financial statements do not include all of the information required for full consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 August 2022. The directors take full responsibility for the preparation of the abridged report. This abridged report is correctly extracted from audited information but is not itself audited.

SUMMARY CONSOLIDATED RESULTS CONTINUED

REPORT OF THE INDEPENDENT AUDITORS

The auditor, BDO South Africa Incorporated, expressed an unmodified audit opinion on the consolidated financial statements from which these summary consolidated financial results were derived. A copy of the auditor’s unmodified report, which includes Key Audit Matters on the consolidated financial statements is available for inspection at the Company’s registered office, together with the financial statements identified in the auditor’s report. The auditor’s report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor’s engagement they should obtain a copy of the auditor’s report together with the accompanying financial information from the Company’s registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Company’s auditor.

APPROVAL OF SUMMARY CONSOLIDATED RESULTS

These summary consolidated results of Purple Group Limited were authorised for issue by the Board of directors on 14 November 2022 and are signed on their behalf:



Charles Savage
Chief Executive Officer



Happy Ntshingila
Non-executive Chairman

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2022 R'000	Restated 2021 R'000
Revenue	274,003	204,778
Commissions and research expenses	(5,135)	(2,998)
Operating expenses	(212,490)	(153,903)
Share of profit in joint venture ¹	5,249	1,431
Profit before fair value & impairment adjustments, interest, depreciation & amortisation	61,627	49,308
Depreciation and amortisation	(26,413)	(19,776)
Finance income	7,282	4,294
Finance costs	(2,168)	(7,847)
Profit before fair value & impairment adjustments and tax	40,328	25,979
Fair value and impairment adjustments	44,548	55,919
Profit before tax	84,876	81,898
Income tax	(13,926)	(9,253)
Profit for the period	70,950	72,645
Profit attributable to:		
Owners of the Company	43,968	44,332
Non-controlling interests	26,982	28,313
	70,950	72,645
<i>Earnings per share</i>		
Basic earnings per share (cents)	3.71	4.46
Diluted earnings per share (cents)	3.60	4.27

¹ The share of profit in joint venture line item has been reclassified to be taken into account in the profit before fair value and impairment adjustments, interest, depreciation and amortisation, as this better reflects the core earnings of the Group. In the prior year, the share of profit in joint venture was reported after profit before fair value and impairment adjustments and tax. The prior period amounts have been restated to reflect this change.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	2022 R'000	2021 R'000
Profit for the period	70,950	72,645
Other comprehensive income		
Items that will subsequently be reclassified to profit or loss:		
Foreign currency translation reserve	134	(575)
Items that will not subsequently be reclassified to profit or loss:		
Crypto assets revaluation reserve	865	-
Tax effect	(242)	-
Total comprehensive income	71,707	72,070
Total comprehensive income attributable to:		
Owners of the Company	44,630	43,757
Non-controlling interest	27,077	28,313
	71,707	72,070

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2022	2021 -	2020 -
	R'000	Restated	Restated
		R'000	R'000
ASSETS			
Equipment	3,017	2,201	2,839
Intangible assets	162,298	101,262	76,719
Goodwill ¹	290,848	239,568	204,568
Right of use asset	2,277	2,724	4,209
Investments	18,224	18,224	13,781
Investment in joint venture	-	5,604	4,832
Receivables	2,314	2,293	2,954
Deferred tax assets	56,780	58,053	59,396
Total non-current assets	535,758	429,929	369,298
Current tax receivable	-	-	1,333
Trade and other receivables	52,988	50,703	23,372
Investments	2,616	1,591	6,356
Crypto assets	692	-	-
Financial assets ²	154,394	133,216	92,607
Cash and cash equivalents ²	94,554	125,100	132,497
Total current assets	305,244	310,610	256,165
Total assets	841,002	740,539	625,463
EQUITY AND LIABILITIES			
Share capital and premium	667,055	539,815	481,430
Accumulated loss	(96,192)	(182,375)	(226,867)
Other reserves	(91,787)	31,832	39,915
Equity component of compound financial instrument	-	-	3,496
Equity attributable to owners	479,076	389,272	297,974
Non-controlling interests	72,325	43,859	27,535
Total equity	551,401	433,131	325,509
Lease liability	617	1,562	3,368
Borrowings	-	7,872	39,131
Deferred tax liability	18,262	7280	1474
Total non-current liabilities	18,879	16,714	43,973
Client open position liability ²	169,345	164,930	128,831
Borrowings	8,438	34,822	29,875
Lease liability	2,281	1,806	1,507
Current tax payable	10,017	2,415	-
Trade and other payables	72,444	82,855	85,921
Bank overdraft	8,197	3,866	9,847
Total current liabilities	270,722	290,694	255,981
Total equity and liabilities	841,002	740,539	625,463

1 Restated due to finalisation of provisional accounting - refer Note 2.

2 Restated - refer Note 1.

Due to the correction of a prior period error, we have reclassified amounts from cash and cash equivalents to financial assets, and these line items have been restated accordingly. The restatement did not affect the consolidated statement of profit or loss, or earnings per share.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000
Balance at 31 August 2020	9,552
Conversion from par value to no par value shares	471,878
Total comprehensive income for the period	
Profit for the period	-
Other comprehensive income	
Foreign currency translation reserve	-
Contributions by and distributions to owners	
Debt converted to equity	30,929
Acquisition of subsidiary	-
Dividends declared and paid ¹	-
Shares issued	27,456
Share-based payment expense	-
Balance at 31 August 2021 - restated²	539,815
Total comprehensive income for the period	
Profit for the period	-
Other comprehensive income	
Foreign currency translation reserve	-
Crypto assets revaluation reserve	-
Contributions by and distributions to owners	
Change in ownership, EasyCrypto	61,275
Change in ownership - EasyProperties	-
Business combination - RISE	22,570
Shares issued to non-controlling interest	-
Dividends declared and paid to non-controlling interests	-
Treasury shares disposed of - EasyProperties	5,563
Treasury shares disposed of - RISE	8,235
Share options exercised - transfer from share-based payment reserve to share capital	9,229
Share options exercised - exercise price paid	20,785
Transfer to retained earnings	-
Reclassification of share-based payment reserve	(417)
Share-based payment expense	-
Balance at 31 August 2022	667,055

1 A dividend of R1 million was declared and paid to the non-controlling interests in EasyCrypto SA on 28 August 2021.

2 The prior period statement of changes in equity has been restated with the finalisation of the accounting for the EasyCrypto business combination. Refer Note 2.

Share premium R'000	Accumulated loss R'000	Foreign currency translation reserve R'000	Crypto assets revaluation surplus R'000	Share-based payment reserve R'000	Equity component of derivative financial instrument R'000	Change in ownership reserve R'000	Total R'000	Non-controlling interest R'000	Total equity R'000
471,878	(226,867)	(4,094)	-	44,009	3,496	-	297,974	27,535	325,509
(471,878)	-	-	-	-	-	-	-	-	-
-	44,332	-	-	-	-	-	44,332	28,313	72,645
-	-	(575)	-	-	-	-	(575)	-	(575)
-	-	-	-	-	(3,496)	-	27,433	-	27,433
-	160	-	-	-	-	-	160	(10,989)	(10,829)
-	-	-	-	-	-	-	-	(1,000)	(1,000)
-	-	-	-	(9,188)	-	-	18,268	-	18,268
-	-	-	-	1,680	-	-	1,680	-	1,680
-	(182,375)	(4,669)	-	36,501	-	-	389,272	43,859	433,131
-	43,968	-	-	-	-	-	43,968	26,982	70,950
-	-	134	-	-	-	-	134	-	134
-	-	-	528	-	-	-	528	94	622
-	-	-	-	-	-	(70,498)	(9,223)	9,271	48
-	980	-	-	-	-	(26,655)	(25,675)	1,360	(24,315)
-	-	-	-	-	-	-	22,570	(21,977)	593
-	-	-	-	-	-	-	-	9,673	9,673
-	-	-	-	-	-	-	-	(2,853)	(2,853)
-	11,605	-	-	-	-	-	17,168	3,400	20,568
-	8,610	-	-	-	-	-	16,845	2,516	19,361
-	-	-	-	(9,229)	-	-	-	-	-
-	-	-	-	-	-	-	20,785	-	20,785
-	21,020	-	-	(21,020)	-	-	-	-	-
-	-	-	-	417	-	-	-	-	-
-	-	-	-	2,704	-	-	2,704	-	2,704
-	(96,192)	(4,535)	528	9,373	-	(97,153)	479,076	72,325	551,401

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	2022 R'000	2021 - Restated R'000
Cash flows generated by operating activities		
Cash generated by operations	32,686	14,126
Tax (paid) / received	(14,553)	1,643
Finance income	7,282	4,294
Finance costs	(2,103)	(3,371)
Cash flows generated by operating activities	23,312	16,692
Cash flows from investing activities		
Acquisition of intangible assets	(63,935)	(38,182)
Business combination - acquisition of subsidiaries	20,442	1,278
Acquisition of equipment	(1,388)	(593)
Acquisition of crypto assets	(692)	-
Repayment from joint venture	-	658
Purchase of other financial assets - current	(1,000)	-
Proceeds from sale of Investments	-	6,241
Rental deposit paid	(22)	-
Cash flows utilised in investing activities	(46,595)	(30,598)
Cash flows from financing activities		
Proceeds from the exercise of share options	17,580	18,268
Proceeds from the issue of share capital to non-controlling interest	9,673	-
Repayment of staff loans relating to share options exercised	-	661
Dividend paid to non-controlling interests	(2,854)	(1,000)
Repayments of borrowings	(34,322)	(2,936)
Repayments of lease liability	(1,805)	(1,928)
Cash flows (utilised)/generated in financing activities	(11,728)	13,065
Net decrease in cash and cash equivalents	(35,011)	(841)
Effect of foreign exchange on cash held	134	(575)
Cash and cash equivalents at beginning of period	121,234	122,650
Cash and cash equivalents at the end of the period	86,357	121,234

SEGMENTAL ANALYSIS

OPERATING SEGMENTS

Operating segments are distinguishable components of the Group. The Chief Executive Officer and the Chief Financial Officer, as the chief operating decision-makers in the Group, review on a regular basis, 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.

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 Group is the web-based investment platform of the Group and includes EasyProperties, EasyCrypto, and RISE.
- 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	Intercompany Elimination R'000	Total R'000
2022					
Segment assets					
Non-current assets	8,404	212,521	324,836	(10,003)	535,758
Current assets	72,463	227,800	10,286	(5,305)	305,244
Total assets	80,867	440,321	335,122	(15,308)	841,002
Segment liabilities					
Non-current liabilities	11,577	17,304	-	(10,003)	18,879
Current liabilities	37,249	218,210	20,568	(5,305)	270,722
Total liabilities	48,826	235,514	20,568	(15,308)	289,600

	GT247.com and EAM R'000	EasyEquities Group R'000	Head Office and Investments R'000	Intercompany Elimination R'000	Total R'000
2021					
Segment assets					
Non-current assets	19,684	180,208	284,460	(54,423)	429,929
Current assets	102,526	240,387	1,599	(33,902)	310,610
Total assets	96,772	372,707	286,060	(88,325)	740,539
Segment liabilities					
Non-current liabilities	12,120	8,842	7,872	(12,120)	16,714
Current liabilities	75,282	214,940	12,860	(12,388)	290,694
Total liabilities	74,101	212,575	20,732	(24,508)	307,408

SEGMENTAL ANALYSIS CONTINUED

	GT247.com and EAM R'000	EasyEquities Group R'000	Head Office and Investments R'000	Total R'000
2022				
Equity investing fees	-	187,115	-	187,115
Property investing fees and commissions	-	5,937	-	5,937
Property management fees	-	824	-	824
Crypto asset investing fees	-	10,088	-	10,088
Crypto asset management fees	-	8,735	-	8,735
Asset management execution revenue	4,328	-	-	4,328
Derivatives trading revenue	35,997	-	-	35,997
Funding income	16,600	-	-	16,600
Asset management fees	3,037	-	-	3,037
Other revenue	-	1,342	-	1,342
Revenue	59,962	214,041	-	274,003
Commissions and research expenses	(3,291)	(1,844)	-	(5,135)
Operating expenses	(43,954)	(166,579)	(1,957)	(212,490)
Share of profit of joint venture	-	5,249	-	5,249
Profit before fair value & impairment adjustments, interest, depreciation & amortisation	12,717	50,867	(1,957)	61,627
Depreciation and amortisation	(124)	(26,275)	(14)	(26,413)
Finance income	-	7,282	-	7,282
Finance costs	(1)	(498)	(1,669)	(2,168)
Profit / (loss) before fair value, impairment adjustments and tax	12,592	31,376	(3,640)	40,328
Fair value adjustments	(4,383)	48,931	-	44,548
Profit/ (loss) before tax	8,209	80,307	(3,640)	84,876
Income tax	(2,318)	(8,363)	(3,245)	(13,926)
Profit for the period	5,891	71,945	(6,885)	70,951

SEGMENTAL ANALYSIS CONTINUED

	GT247.com and EAM R'000	EasyEquities R'000	Head Office and Investments R'000	Total R'000
2021				
Equity investing fees	-	167,163	-	167,163
Property investing fees and commissions	-	4,939	-	4,939
Property management fees	-	230	-	230
Asset management execution revenue	3,488	-	-	3,488
Derivatives trading revenue	14,800	-	-	14,800
Funding income	9,527	-	-	9,527
Asset management fees	4,404	-	-	4,404
Other	-	-	227	227
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)
Share of profit of joint venture	-	1,431	-	1,431
Profit before fair value & impairment adjustments, interest, depreciation & amortisation	(9,010)	65,626	(7,308)	49,308
Finance income	-	4,294	-	4,294
Finance costs	-	(2,381)	(5,466)	(7,847)
Depreciation and amortisation	(278)	(19,483)	(15)	(19,776)
Profit / (loss) before fair value, impairment adjustments and tax	(9,288)	48,056	(12,789)	25,979
Fair value adjustments	1,476	50,000	4,443	55,919
Profit/ (loss) before tax	(7,812)	98,056	(8,346)	81,898
Income tax	3,600	(14,184)	1,331	(9,253)
Profit for the period	(4,212)	83,872	(7,015)	72,645

NOTES TO THE SUMMARY CONSOLIDATED RESULTS

1. PRIOR PERIOD ERROR

During the current financial year, and to correct a prior period error identified in the current year, a portion of the cash and cash equivalents balance was reclassified to financial assets at fair value through profit or loss. Please refer to Note 9 and 17 respectively, in the full set of results, for disclosure of the financial assets and the restated cash and cash equivalents. The restatement did not affect the consolidated statement of profit or loss, earnings per share, or headline earnings per share.

The reclassified financial assets consist in part of listed equities and ETF's which are held by First World Trader to hedge the client open position liability (refer Note 22 in the full set of results) in relation to fractional shares held by EasyEquities' customers. The derivative contracts for difference (CFD) relates to GT247's hedged positions to cover the GT247 client open position liability (refer Note 22 in the full set of results).

Furthermore, the client open position liability was previously classified as a financial liability measured at amortised cost. The classification has been restated to derivative financial liability through profit or loss. Please refer to Note 22 in the full set of results for further disclosure of the client open position liability and how it impacts profit or loss. The restatement of this classification did not affect the consolidated statement of profit or loss, earnings per share, or headline earnings per share.

	2021 R'000	2020 R'000
Bank deposit	83,809	33,958
Trading margin with brokers	174,507	191,146
Cash and cash equivalents as reported in prior periods:	258,316	225,104
Reclassification of amounts to financial assets through profit or loss from cash and cash equivalents:		
- Listed equities and ETF's	(103,218)	(61,030)
- Derivative CFD contracts	(29,998)	(31,577)
Restated prior period cash and cash equivalents, consisting of bank balances:	125,100	132,497
Impact on cash flow statement:		
Cash generated by operations as previously disclosed	57,301	
Cash generated by operations - restated	16,692	
Difference	(40,609)	
Due to movement in financial assets - restated	40,609	

NOTES TO THE SUMMARY CONSOLIDATED RESULTS CONTINUED

2. BUSINESS COMBINATIONS

RETIREMENT INVESTMENTS AND SAVINGS FOR EVERYONE PROPRIETARY LIMITED ("RISE")

The Company previously held a 50% shareholding in RISE and the investment was classified as a joint venture and was accounted for using the equity method in terms of *IAS 28: Investments in Associates and Joint Ventures*, refer Note 12 in the full set of results.

On 23 August 2022, the Group acquired the remaining 50% shareholding in RISE from NBC Fund Administration Services Proprietary Limited ("NBC"). The acquisition of the remaining 50% shareholding resulted in the Group obtaining control of RISE and has been accounted for as a business combination in terms of *IFRS 3: Business combinations* and *IFRS 10: Consolidated Financial Statements*. In compliance with IFRS 3, the Group revalued its previously held 50% equity interest in RISE to its acquisition date fair value of R59.8m, resulting in a positive fair value adjustment of R48.9m being recognised in profit or loss. The Group's effective percentage shareholding in RISE is 70%.

FWT paid consideration of R50.1m for the 50% by disposing of and transferring ownership of 24,000,000 Purple Group shares at a price of R2.12 per share. At the time of the transaction, FWT owned 14,971,920 Purple Group shares, so a further 9,028,080 shares were issued by Purple Group to NBC, on behalf of FWT, bringing the total number of Purple Group shares disposed of and transferred to NBC to 24 million.

The shares issued by Purple Group, on behalf of FWT, resulted in a loan of R22.6 million being owed by FWT to Purple Group.

FWT extinguished its debt owed to Purple Group for the additional shares by issuing shares of its own to the value of R32.2 million. The non-controlling interests (Sanlam Investment Holdings Proprietary Limited) followed their rights to the value of R9.7 million and is reflected in the Statement of Changes in Equity.

NOTES TO THE SUMMARY CONSOLIDATED RESULTS CONTINUED

The fair value of the previously held equity interest in RISE at acquisition date was revalued through profit or loss in terms of IFRS 3: *Business Combinations*, paragraph 32(a)(iii), 41 and 42:

	2022 R'000	2021 R'000
Effective rate of interest held (%)	100	50
Reconciliation between proportionate investment and current investment value:		
Investment at cost	-	-
Share in profit in prior periods	5,604	4,173
Investment in joint venture	5,604	4,173
Share in profit for the period ¹	5,249	1,431
Carrying amount in joint venture²	10,853	5,604
Remeasurement recognised in profit or loss:	48,931	
Fair value of previously held equity interest	59,784	
Fair value of consideration transferred - 24 million shares at R2.12	50,880	
Non-controlling interest recognised	(21,977)	
Acquisition date fair value of assets acquired and liabilities assumed:	(37,408)	-
Goodwill	51,279	

1 RISE is accounted for as a joint venture up until 22 August 2022, at which point the investment in joint venture is derecognised.

2 This is the carrying amount as at 22 August 2022, which is remeasured to the acquisition date fair value of R59.8 million, and taken into account in the calculation of Goodwill in terms of IFRS 3.

Goodwill primarily consists of intangible assets that do not qualify for separate recognition, including workforce intangible assets, and synergies from combining operations.

PROVISIONAL AMOUNTS

The accounting for the RISE 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 different financial year end of RISE, being 31 March. The Group is working with RISE to finalise.

NOTES TO THE SUMMARY CONSOLIDATED RESULTS CONTINUED

NET ASSETS ACQUIRED, LIABILITIES ASSUMED AND NON-CONTROLLING INTEREST

	23 August 2022 R'000
Assets	46,632
Non current assets	19,717
Property and equipment	627
Right-of-use asset	1,039
Customer relationships	23,890
Deferred tax assets	(5,839)
Current assets	26,915
Trade and other receivables	6,473
Cash and cash equivalents	20,442
Liabilities	9,224
Non current liabilities	1,335
Lease liability	1,335
Current liabilities	7,889
Trade and other payables	6,050
Current tax payable	1,839
Net assets on 23 August 2022	37,408

NOTES TO THE SUMMARY CONSOLIDATED RESULTS CONTINUED

EASYCRYPTO SA PROPRIETARY LIMITED

First World Trader Proprietary Limited ("EasyEquities") and EasyCrypto SA Proprietary Limited ("EasyCrypto") entered into a shareholders' and subscription agreement on 3 December 2018. In terms of this agreement EasyEquities had the right to subscribe for a maximum of 50.98% of the ordinary shares in EasyCrypto, provided certain distribution targets were achieved. The call options were exercised on 1 September 2021, at an exercise price of R5.

On 1 March 2022, Purple Group Limited acquired the remaining 49.02% shareholding in EasyCrypto from the founding shareholders, increasing the Group's total effective shareholding to 84.706%. The consideration of R61.3 million was paid by Purple Group issuing 24,509,804 of its own shares at R2.50 per Purple Group share, to the sellers.

This increase in Purple Group's ownership percentage has been accounted for as an equity transaction i.e. a transaction with owners in their capacity as owners, and has been presented in the statement of changes in equity under the change in ownership reserve and non-controlling interests.

As disclosed in the prior reporting period ended 2021, the fair value of the identifiable net assets of EasyCrypto had been determined on a provisional basis as the accounting was incomplete at the time. Subsequently, the provisional amounts have been remeasured and the impact thereof is presented below:

NOTES TO THE SUMMARY CONSOLIDATED RESULTS CONTINUED

NET ASSETS ACQUIRED, LIABILITIES ASSUMED AND NON-CONTROLLING INTEREST

	2021 R'000		2021 R'000
	Provisional Amounts	Remeasurements	Restated fair value
Assets			
Intangible assets			
Software development	1,890	422	2,312
Customer relationships	1,530	-	1,530
Current assets			
Cash and cash equivalents	1,278	(236)	1,042
Crypto assets	-	382	382
Liabilities			
Current liabilities			
VAT payable	(527)	25	(502)
Accounts payable	-	(1,325)	(1,325)
Non-current liabilities			
Deferred tax	-	(428)	(428)
Acquisition date fair value of assets acquired and liabilities assumed	4,171	(1,160)	3,011
Non-controlling interest in net assets	4,171	(1,160)¹	3,011
Consideration transferred			50,000
Goodwill			50,000
Goodwill allocated to NCI			(15,000)
Goodwill recognised			35,000
Total non-controlling interest			(11,989)

¹ A R1 million dividend was paid to non-controlling interests on 28 August 2021, therefore the adjustment to the provisional amount of NCI recognised is negative R160k, being the difference between this amount (R1.16 million) and the R1 million dividend. Refer to prior year Statement of Changes in Equity.

Goodwill primarily consists of intangible assets that do not qualify for separate recognition, including workforce intangible assets, and synergies from combining operations.

NOTES TO THE SUMMARY CONSOLIDATED RESULTS CONTINUED

3. EARNINGS PER SHARE

	2022 R'000	2021 R'000
Basic earnings per share		
The calculation of basic and headline earnings per share at 31 August 2022 was based on a Group profit attributable to ordinary shareholders of R44 million (2021: R44.3 million), a headline profit of R13.6 million (2021: R44.3 million) and a weighted average number of ordinary shares outstanding during the year ended 31 August 2022 of 1 184 368 976 (2021: 993 936 749), calculated as follows:		
Earnings attributable to ordinary shareholders	43,968	44,332
Reconciliation of headline earnings (gross and net values are the same):		
Earnings attributable to ordinary shareholders	43,968	44,332
Remeasurement of previously held equity interest in RISE, net of tax	(48,931)	-
Effect of non-controlling interest	14,680	-
Total effect of remeasurement of previously held equity interest in RISE	(34,251)	-
Impairment of intangible assets, net of tax	3,843	-
Headline earnings for the period	13,560	44,332
Weighted average number of ordinary shares		
Issued ordinary shares at 31 August ¹	1,181,004,638	982,569,287
Effect of treasury shares	(24,565,261)	(27,387,720)
Effect of shares issued	27,929,599	38,755,182
Weighted average number of ordinary shares at 31 August	1,184,368,976	993,936,749
Basic earnings per share (cents)	3.71	4.46
Headline earnings per share (cents)	1.14	4.46
Diluted earnings per share		
The calculation of diluted earnings and diluted headline earnings per share as at 31 August 2022 was based on a Group profit attributable to ordinary shareholders of R44 million (2021: profit of R44.3 million), a headline profit of R13.6 million (2021: R44.3 million) and a diluted weighted average number of ordinary shares outstanding during the year ended 31 August 2022 of 1 222 121 955 (2021: 1 037 437 895), calculated as follows:		
Profit attributable to ordinary shareholders (diluted)	43,968	44,332
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares at 31 August	1,184,368,975	993,936,749
Effect of share options in issue	37,752,980	43,501,146
Weighted average number of ordinary shares (diluted) at 31 August	1,222,121,955	1,037,437,895
Diluted earnings per share (cents)	3.60	4.27
Diluted headline earnings per share (cents)	1.11	4.27

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

CORPORATE INFORMATION

NATURE OF BUSINESS

Purple Group Limited is a financial services company.

The Woodstock Exchange Building
66-68 Albert Road
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7925

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 (appointed 1 October 2021)
William Bassie Maisela	Independent non-executive director (appointed 31 August 2022)

COMPANY REGISTRATION NUMBER

1998/013637/06

ISIN

ZAE000185526

VAT REGISTRATION NUMBER

4640178168

TAX NUMBER

9552/065/64/2

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2024

BANKERS

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AUDITORS

BDO South Africa Incorporated
Registered Auditors

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SHARE REGISTRARS

CTSE Registry Services Proprietary Limited
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