PURPLE BRICKS

06 July 2021

Purplebricks Group plc
(“Purplebricks”, the “Company” or the “Group”)

Annual Results for the year ended 30 April 2021

Purplebricks delivers strong financial performance and announces launch of new pricing model and acceleration of strategy

Purplebricks Group plc (AIM: PURP), the UK’s leading tech-led estate agency business, announces its results for the year ended 30 April 2021 (“FY21”) and provides an update on its strategy execution.

Summary performance	**FY21** **£m**	FY20[1] restated £m	% change
Group – continuing operations			
Revenue	**90.9**	80.5	13%
Gross profit	**57.7**	51.6	12%
Gross profit margin %	**63.5%**	64.1%	(60)bps
Adjusted EBITDA[2]	**12.0**	2.9	314%
Operating profit /(loss)	**8.2**	(5.7)	
Group - total operations			
Profit/(loss) from total operations	**6.8**	(19.2)	
Cash at year end	**74.0**	31.0	139%
KPIs – UK[3]			
Total fee income[4]	**87.1**	71.4	22%
Instructions[5]	**58,043**	50,948	14%
Average revenue per instruction[6]	**£1,501**	£1,401	7%

Financial and operational performance
- Strong financial and operational performance, with revenue up 13% to £90.9m (FY20: £80.5m)
- Instructions increased by 14% to 58,043 (FY20: 50,948)
- 4.6%[7] market share of properties sold by volume, down from 5.1% last year
- Average revenue per instruction (‘ARPI’) increased by 7% to £1,501 (FY20: £1,401)
- Total fee income increased by 22% to £87.1m (FY20: £71.4m)
- Adjusted EBITDA of £12.0m (FY20: £2.9m), up 314%
- Repayment of £1.0m furlough monies received
- Operating profit of £8.2m (FY20: loss £5.7m), including a benefit of £4.3m from non-trading items[8]
- Group profit from total operations of £6.8m (FY20: loss of £19.2m)
- Strong trading and sale of the Canadian business contributed to cash at 30 April 2021 of £74.0m (30 April 2020: £31.0m)

Pricing trials concluded with high confidence in results, launch of new pricing model in July
- Recent pricing and proposition trials successfully concluded in the North West
- New Money Back Guarantee (MBG) and simplified two-tier proposition being rolled out nationally later this month following successful in field research and trials

Business in good health, launching refreshed strategy to deliver growth

- Strong foundations for further growth built during FY21 with investment in leadership, systems, and our people
- New leadership team in place and working at pace to deliver on our strategic initiatives
- Continued investment in technology to make it even easier for customers to do business with us
- Financial strength and refreshed strategy in place to support next phase of growth and to deliver on our medium-term target of 10% market share

Outlook & guidance

The Group has started the new financial year in a strong position, with a very clear understanding of its operational barriers to success, and with multiple strategic levers in place to drive its growth. The Group's new pricing structures, including a Money Back Guarantee and a simplified two-tier proposition, are launching in July 2021.

The market for sales is buoyant at the moment, with fall through rates at their lowest in a long time, but with the very healthy demand currently outstripping new supply volumes. We expect supply and demand to return to more of a balance post Summer.

As such, it is too early to quantify the benefit from the new pricing structures to the current financial year. Our current expectation is for FY22 EBITDA to be flat year-on-year, in line with market expectations[9], with these strategies expected to accelerate revenue growth and drive progress towards the Group's medium-term targets over the next few years. Once these initiatives have been successfully rolled out, the Group will accelerate its marketing strategy to grow instructions and share. As a result of these strategic changes, the Board expects Purplebricks to be able to deliver annual revenue growth in excess of 20% in the medium-term, with confidence in the Group's ability to deliver against its growth strategy.

Vic Darvey, CEO, commented:

"We are excited to be announcing the conclusion of our pricing review this morning, following a successful trial in the North West. The Group has responded to a changing market and we are delighted to offer customers an option of reimbursement of their upfront fee payment if they do not sell their home. This illustrates our commitment to giving customers the best service at the best price and we are very excited about the growth opportunity this new initiative will drive over the next few years.

"We've had a strong year and I am particularly pleased with our revenue growth and operating profit, as the Group continues to grow from strength to strength. This great performance has been achieved in the shadow of the Covid-19 pandemic, and it remains a great source of pride that Purplebricks has come through the year stronger than ever.

"Most importantly, today we present Purplebricks 2.0 and I believe that we now have the right management team, right strategy and right technology to continue to grow the business.

"With a simplified proposition and our new pricing structure in place, I am confident that Purplebricks is well placed to gain market share and to accelerate revenue growth and drive progress towards our medium-term targets. I would like to thank all colleagues for their efforts over the last year and look to the future with considerable optimism."

Notes:

[1] Continuing operations now represents the UK segment only, with FY 20 restated to present the results of our Canadian business up to its disposal on 15 July 2020 as discontinued. Our Australian and US operations for the prior period were already presented as discontinued. See notes 5 and 6.

[2] The underlying performance of the Group is monitored internally using a number of alternative performance measures ("APMs"), which are not defined within IFRS. Such measures should be considered alongside the equivalent IFRS measures. For full definitions and reconciliations of APMs, please refer to note 4. Adjusted EBITDA is defined as operating profit, adding back depreciation, amortisation, share-based payment charges / credits, results of associates / joint ventures and exceptional items.

[3] As detailed in the financial review, there have been changes to four KPIs (Instructions, ARPI, Total Fee Income and Cost Per Instruction) in the year, while the names of these KPIs remain the same. The current and previous definitions and year on year movements under both methods are set out in the financial review.

[4] Total fee income is a KPI used by management to track income from current activity levels. Total fee income is a non-IFRS measure and represents fees receivable for instructions and mortgage referrals; and conveyancing fees due in relation to completed transactions. This definition has been amended since last year.

[5] Instructions represents instructions net of refunds. This definition has been amended since last year.

[6] Average revenue per instruction (ARPI) equates to total fee income, divided by instructions. This definition has been amended since last year.

[7] Source: TwentyCi.

[8] These non-trading items are a share-based payment credit of £2.3m and gains of £2.0m on deemed disposal relating to the investment in Homeday and are discussed in the financial review.

[9] See Company compiled consensus on the investor website https://www.purplebricksplc.com/investors/analyst-and-consensus/

Results presentation and conference call

Vic Darvey, CEO and Andy Botha, CFO are streaming a pre-recorded video presentation of results via webcast at 9.00am today followed by a live Q&A session for analysts and investors.

The video webcast link is via the webcast registration page and on the website. A replay will also be available on the Purplebricks website following the Q&A session at http://www.purplebricksplc.com/investors/latest_results.

For further information, please contact

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Forward-looking statements

This announcement includes statements that are, or may be considered to be, "forward-looking statements". By their nature, such statements involve risk and uncertainty since they relate to future events and circumstances. Results may, and often do, differ materially from forward-looking statements previously made. Any forward-looking statements in this announcement reflect management’s view with respect to future events as at the date of this announcement. Except as required by law or by the AIM Rules of the London Stock Exchange, the Company undertakes no obligation to publicly revise any forward-looking statements in this announcement following any change in its expectations to reflect subsequent events or circumstances.

About Purplebricks

Purplebricks is a leading technology-led estate agency business, based in the UK. Purplebricks combines highly experienced and professional Local Property Experts and innovative technology to help make the process of selling, buying or letting more convenient, transparent and cost effective. Purplebricks shares are traded on the London Stock Exchange AIM market.

Chairman's statement

The new financial year started with the country still in lockdown, and our number one priority at Purplebricks was to ensure that we navigated our way through Covid-19 as securely as we could. That meant not only safeguarding the financial wellbeing of the Company through the pandemic, but also the wellbeing of our customers and our people across the organisation.

I am very proud of the resilience and adaptability shown by our teams, as they demonstrated we could still deliver a fantastic experience for customers, even when faced with unprecedented rules and restrictions to our normal ways of working. In fact, our technology-led proposition enabled us to act quickly as a business – providing great service to our customers, even when many of our high street competitors remained closed.

Strong set of results

Against this challenging backdrop, we achieved a strong set of results in FY21. Group revenue from continuing operations was up 13% to £90.9m (FY20: £80.5m), with an operating profit of £8.2m (FY20: loss of £5.7m). As a result of the strong trading results and the sale of the Canadian business we have built a substantial cash balance of £74.0m at the year end.

In 2020, we accepted government support through the furlough scheme, which helped Purplebricks to support our people during the early stages of the pandemic. However, having demonstrated the strength of the business this year, the Board was pleased to reimburse all of the £1.0m furlough support received and we now look to the future with confidence.

Purplebricks 2.0

The financial stability of the Group has provided immense confidence as we embark on something I like to call ''Purplebricks 2.0'', as we evolve into a more mature organisation, with the right ingredients in the mix to really scale up our business. One of those ingredients is having the right management team in the right positions leading the business. I feel we have strengthened the business and ended the year with a very well-balanced leadership team. The leadership team is a key part of the foundations we need to drive Purplebricks forward towards a 10% market share in the UK. We are taking the right actions towards this, including the introduction of a new pricing and proposition offering, supported by additional investment in our marketing.

Board priorities and changes

The Board is committed to managing the Group's ambitions against risks, and to running the business in a responsible way – ensuring that we have a positive effect wherever we operate. We are focused on what we can do to make Purplebricks a strong, successful company that we can all be proud of.

As mentioned in last year's report, Dr Stephanie Caspar joined the Board in July 2020 as the Axel Springer Board representative, and Andy Botha joined Purplebricks in May 2020, having previously been CFO at ZPG plc, taking on the role of Chief Financial Officer. I was also delighted to welcome Elona Mortimer-Zhika to the Board as a new Non-Executive Director and Chair of the Audit Committee in September 2020. Elona brings us tremendous experience of leading businesses through growth and transformation, as Chief Executive Officer of IRIS Software Group.

Maintaining our governance standards

The Board remains committed to achieving high standards in our governance infrastructure, and we are consistently increasing our levels of professionalism. The Company continues to adopt the Quoted Companies Alliance Corporate Governance Code ("the QCA Code") and is committed to complying with the QCA Code or providing a clear explanation of any areas where we do not.

Distribution policy

Our distribution policy is a regular subject for discussion at the Board, especially considering the healthy cash balance we have built up over the course of the last year. We continue to look cautiously for merger and acquisition opportunities that would add value to the Group. However, we may still introduce initiatives that would absorb more working capital in the future, so a more prudent approach may be justified. With so many organic growth opportunities available to us, the Board has agreed that it remains too early to return capital to investors.

The year ahead

As a team, we are planning to do much more with the business – such as investing more in marketing to drive growth, investing at pace in our technology offering and taking other tangible measures that will move us towards our target of 10% market share. I like to be involved in businesses where you are in control of your own destiny. For some businesses over this past year, that has not been the case. One of the reasons I am optimistic is that at Purplebricks we have that opportunity and can shape our own future. We are confident that the supply constraints we are currently seeing in the market will be shortlived, and market volumes will return to meet the high levels of demand we are seeing across all segments. We will continue to focus most of our time and attention on rolling out our revised pricing strategy and supporting our agents in the field to make sure we continue to give the best customer service.

As the strategy rolls out, we have the opportunity to build Purplebricks to become the UK market's leading tech-led estate agency, known for being excellent at selling houses and customer service. As we build towards our target of a 10% market share, with the scalable cost base that we have, we will have a business that will also be extremely profitable. It is about doing a few things well, being clear about our priorities and executing them.

The business has performed ahead of our expectations, despite the Covid-19 headwinds and the challenges felt by the industry. It is to the great credit of Vic Darvey, his leadership team, and all of our people that we have hit these positive numbers. I'd like to take this opportunity to express my personal thanks to everyone who has played their part in an extraordinarily challenging year.

Paul Pindar
Chairman
5 July 2021

Chief Executive's statement

Like so many businesses, Purplebricks has faced a number of disruptions in the year due to Covid-19. The market recovered strongly since it opened up in May of last year and our performance has been ahead of market expectations, delivering an 8% increase in instructions[1] in the first half, and a 14% increase in instructions for the year. This demonstrated the strength of our technology-led business model, as we moved quickly to serve customers in the difficult circumstances of the pandemic.

Our model is now more relevant than ever, as customers continue to be more comfortable buying and selling their homes digitally. That's been a big part of our success this year, and is one of the reasons we are emerging from the pandemic in a strong position. We have improved our virtual capabilities, we have adapted quickly to new ways of working, and we have enhanced our technology to make it easier for customers to buy and sell their homes with us.

Strong foundations built for further growth

As a result of continued financial discipline and operational excellence across the business we saw strong growth in Group Adjusted EBITDA, up over 300% vs last year, and a significant improvement in cash generation compared to last year. Our average revenue per instruction (ARPI)[2] continued to increase, at £1,501, up 7% from £1,401 last year, while our overall share of the market is 4.6% of properties sold by volume. We have also maintained our clear brand leadership in the UK, with prompted brand awareness at 97%, its highest ever level.

We have continued to simplify the business, including the disposal of our Canadian business, which has considerably strengthened our cash position and allowed us to focus fully on the growth opportunities in the UK once more.

We have also strengthened our leadership team to ensure we have the right capabilities to deliver our digital transformation programme. We are delighted to have made a series of key appointments – Andy Botha as Chief Financial Officer, Helena Marston as Chief People Officer, Ben Carter as Chief Marketing Officer, and Andy Britcliffe as Chief Digital Officer. We have also promoted new Managing Directors of Sales (North and South) and recruited a new Head of Lettings.

Navigating the business through Covid-19

This great performance has been achieved in the shadow of the Covid-19 pandemic, and it remains a great source of pride that Purplebricks has come through the year stronger than ever. Most importantly, we put the health and wellbeing of our people and our customers first at all times, but we have also successfully pivoted to new ways of working that have ensured we continue to deliver a great service to our customers.

I am very proud of the resilience shown by the Purplebricks team over the last year, as our people demonstrated their agility in adapting and evolving to the ever-changing market dynamics during the pandemic and I was delighted to see this reflected in the Platinum Service Award we received from our review provider Feefo.

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[1] Instructions represents instructions net of refunds. This definition has been amended since last year.

[2] Average revenue per instruction (ARPI) equates to total fee income, divided by instructions. This definition has been amended since last year

Healthy and buoyant property market

Despite a number of disruptions due to lockdown restrictions, which resulted in a stop/start property market, overall we have seen a healthy and buoyant market this year, with demand now outstripping supply at the year end. Consumers have shown they have a real appetite to move home if the conditions are right. There is also clear evidence that they are shifting towards tech-based alternatives and apps and are starting to embrace technology when buying and selling a home in the UK.

The stamp duty holiday (now extended until the end of September, albeit tapered from June) has had a clear impact on the market, fuelling new calls for stamp duty reform. While a great deal of uncertainty remains in the UK due to the Covid-19 economic slowdown, this has not had a major influence on the property market, and long-time concerns around Brexit are largely behind us.

What I think we can say with real confidence is that our tech-led operating model is a clear competitive advantage and has proven we are more agile than a typical high street estate agent. Looking ahead, I expect the mortgage guarantee scheme, coupled with low interest rates, will help maintain the momentum we see in the market, although it is likely that an imbalance between supply and demand will continue for a short period of time.

Making every home move amazing

I believe that it's our strong sense of purpose that sets Purplebricks apart in the category, and it is very much the driving force in our House Strategy, announced at HY20. We continue to refine our strategy, though our mission remains the same – "to achieve 10% market share by being the go-to place to buy, sell or let your home". To help us get there, the initiatives under our House Strategy continue to be executed at pace:

- Win more customers by evolving our pricing and proposition
- Create the best home moving experience by redefining the end-to end customer journey
- Empower our people by enabling them to be their best every day

Win more customers

Our model remains unrivalled in the marketplace, offering consumers the opportunity to sell their homes for a fair, fixed fee and we have saved our customers hundreds of millions of pounds over the last seven years.

As we look to increase our market share, over the past year we have continued to look at ways to evolve our proposition, exploring new pricing models and introducing new proposition bundles that will help us to expand our target market.

Whilst the model remains very relevant in today's marketplace, the unprecedented dynamics of the past year have highlighted some barriers to greater adoption that we will need to overcome in order to further extend our target audience and achieve our market share ambitions. Following a significant piece of consumer research with Simon Kucher & Partners, we are now very clear what these are:

- Firstly, some customers believe the unconditional fee means that our agents aren't always incentivised in the right way

- Secondly, some target customers do not fully understand the Purplebricks offering and often see it as a DIY alternative to the high street
- Lastly, with the absence of a high street presence, there is sometimes a misconception that we lack local expertise

So, what does this mean for Purplebricks? In order to achieve growth, our future pricing and proposition must:

- Ensure that there is a clear sense of accountability beyond the initial listing
- Drive overall consideration by educating the seller on the full service that Purplebricks offers and the results it achieves vs the high-street
- Simplify our offering to allow ease of comparison vs the simple "one-size-fits-all" approach taken by the high street
- Promote and emphasise local expertise and the role of the local property expert (LPE) in facilitating the end-to-end process

To test our customer research findings, we launched two 6-week trials in a number of fiercely competitive territories in the North West in May and June 2021. These trials have now concluded successfully and we are very encouraged by their findings.

Key findings – pricing trial:

- A Money Back Guarantee had a similar effect on consideration[3] to a fixed fee on completion:
    - Consideration increased 44% vs current proposition
- Introducing a Money Back Guarantee significantly increased conversion[4] in the living room:
    - Conversion in the living room increased 18% during the trial, improving across all territories
- A Money Back Guarantee also increased instructions[5] won:
    - Compared to pre-trial, MBG region daily run-rate instruction growth was 14% higher than non-MBG national average.

Key findings – proposition trial:

- Using a two-tier proposition line-up optimises choice and significantly increases consideration[6]:
    - Streamlining and simplifying our proposition delivers an uplift in priced consideration of +11%
- £999 remains a key price threshold
- There is appetite from customers to tailor their own propositions with added ancillary products such as 3D tours, premium listings, energy certificates and home reports.

In response to these findings, we are launching a Money Back Guarantee and a simplified two-tier proposition, as detailed above, both of which will be rolled out nationally in July. The terms of the Money Back Guarantee apply to properties marketed at the agreed valuation, allowing customers a refund on their full fee if they have not received a proceedable offer within 10% of their valuation. We

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[3] Simon-Kucher & Partners | Market research February 2021 Q: Now imagine the same Purplebricks offer came with a money back guarantee. How likely would you be to sell your home with this Purplebricks offer?
[4] Purplebricks | In-market trial North West region | Booked conversion pre-trial: (1st April to 9th May) to trial period (10th May to 20th June)
[5] Purplebricks | In-market trial North West region | Daily instructions run-rate: (1st April to 9th May) to trial period (10th May to 20th June)
[6] Simon-Kucher & Partners | Market research February 2021 | Based on conjoint analysis (indirect purchase simulation exercise)

have a high level of confidence in the data originating from these pricing and proposition trials and are very excited about the growth opportunities these new initiatives will drive over the next few years.

The launch of our new pricing and proposition will be supported by a step change in our marketing investment later in the year. There will be a re-emphasis of our marketing mix to upweight our credentials as a famous local brand and we will be focusing heavily on promoting and emphasising our local expertise and the role of the LPE in facilitating the end-to-end process.

We will do this through the implementation of hyper-local national media with targeted and relevant local messaging. We will increase brand visibility in towns and cities across the country through local partnerships and sponsorships – and more local marketing. We will also champion and equip our agents as true local heroes, emphasising and amplifying their credentials within the local property market.

Create the best home moving experience
In many areas, the pandemic has accelerated trends already present in the market, but by stepping up our investments in technology we have made it easier and safer for customers to do business with us. For example, we've greatly improved our virtual capabilities, enhancing our visual content by using 3D virtual tours and video trailers in our listings. We've redesigned our search and listings functionality, improved the customer portal experience, and redesigned our web and mobile apps to deliver a smarter, faster and simpler experience giving customers richer "in control" features. The app has now achieved an impressive 4.5-star App Store rating, based on more than 37,000 reviews.

We have also begun the task of improving personalisation in our end-to-end customer journey including deployment of a new customer data platform and CRM platform which will help us deliver a much more consistent experience for customers from valuation to move-in.

Integration of a new ecommerce platform will see us drive more innovation and agility around product bundles and ancillaries, making it easier for us to add new products to the existing proposition where relevant.

Digital enhancements over the year have started to significantly improve the agent experience with enhanced diary management, advert creation and automated contact management. In addition to this, we are building a new smart mobile app for our agents to enable on-the-go, instant communication with customers and to optimise the customer lifecycle, keeping them in control.

We have also delivered more automation in other areas of the business, such as the integration of Teclet, to automate the end-to-end lettings process for tenants and landlords, and the implementation of a new solution to improve the automation of anti-money laundering checks using Credas, which offers real-time identity verification using facial recognition.

Empower our people
With the whole world in the grip of a pandemic, supporting our people has extended into whole new areas this year. We stepped up by launching a multi-million-pound support fund to help our self-employed Local Property Experts, many of whom were unable to access any government support. Throughout the organisation, we also allowed people to adjust their working arrangements, especially those who were home-schooling.

We have continued to focus on delivering a more consistent and improved performance across all areas in the field with the introduction of a new value proposition to bring to life our culture and values in the living room – the PB Way. We have also now completed an overhaul of our recruitment, training and onboarding processes with over 200 people having gone through our talent assessment and development program. Alongside that, we have created and launched our first ever online learning platform.

As we continue to evolve our culture, we launched a new initiative, ONE PB, a cross-functional employee group focused on creating a sense of inclusion and belonging at Purplebricks. This is all supported by our new values which were launched this year:

- Embrace the move(ment)
- Fearlessly progressive
- Play together, win together

Promoting diversity at Purplebricks
Diversity has been a major focus this year, and a key focus for the organisation. We committed to improving the equality of opportunity at Purplebricks by signing the Business in the Community's Race at Work Charter. We followed this by setting two strategic priorities around cognitive and racial diversity, encouraging people to share their own diverse stories.

Looking to the future
Exceptional market conditions and lessons learned from the pandemic have reconfirmed the opportunities in the market and we strongly believe that there are multiple levers for growth within our control.

With technology at the heart of our business, and even more central to people's lives in a post-Covid-19 world, there is a significant opportunity for further innovation with a continued focus on delivering our strategic initiatives at pace.

We'll extend our total addressable market through the introduction of a unique Money Back Guarantee which has tested incredibly well in pricing trials. Over the last five years, we have tried a number of new initiatives to increase conversion in the living room, but none have shown the conversion impact of these trials, so we are very excited about the growth opportunity this new initiative will drive over the next few years. We will also introduce a simplified two-tier proposition, making it easier for customers to see the strength of our proposition compared to our high street competitors.

To achieve our growth ambitions, we'll need to make sure sellers understand the full service we offer. We'll also need to promote our local expertise through increased local marketing – our customers need to be confident that no one knows their local property market better than us, while our offer still represents good value for money.

In addition to this, we will continue to look at ways to evolve our operating model to produce an improved field performance alongside delivering a more consistent customer experience in the living room.

We are in a strong position to take advantage of the opportunities ahead. Our priorities for building our business for the future are clear. We have the market headroom, we have a focused strategy, and we have the leadership team in place to deliver on our plans. That's why I am extremely confident we can meet our ambitious targets in the years to come.

Vic Darvey
Chief Executive Officer
5 July 2021

Financial review

The UK business has performed strongly, despite challenges in the early weeks of the year caused by the housing market shutdown arising from Covid-19 restrictions. Trading recovered quickly, and instructions growth, together with our continued focus on optimising performance and financial discipline, combined to deliver a strong set of results. The UK trading performance, together with the disposal of our Canadian business, has strengthened our cash position, creating a strong balance sheet to support our plans for growth.

Continuing operations	Group			UK		
FY20 restated – see note 2.2	**FY21**	FY20	Change	**FY21**	FY20	Change
Revenue	**90.9**	80.5	13%	**90.9**	80.5	13%
Cost of sales	**(33.2)**	(28.9)	15%	**(33.2)**	(28.9)	15%
Gross profit	**57.7**	51.6	12%	**57.7**	51.6	12%
Gross profit margin	**63.5%**	64.1%	(60)bps	**63.5%**	64.1%	(60)bps
Adjusted operating costs	**(26.5)**	(28.1)	(6)%	**(26.5)**	(26.2)	1%
Marketing costs	**(18.9)**	(20.6)	(8)%	**(18.9)**	(20.6)	(8)%
Net other income and expenditure	**(0.3)**	—	—	**(0.3)**	—	—
Adjusted EBITDA	**12.0**	2.9	314%	**12.0**	4.8	150%
Depreciation and amortisation	**(3.0)**	(3.7)	(19)%	**(2.8)**	(3.5)	(20)%
Adjusted operating profit/(loss)	**9.0**	(0.8)	—	**9.2**	1.3	—
Share-based payment credit/(charge)	**2.3**	(0.5)	—	**2.3**	0.1	—
Exceptional operating costs	**(2.1)**	(1.6)	31%	**(2.1)**	(1.6)	31%
Share of results of associate/joint venture	**(1.0)**	(2.8)	(64)%	**—**	—	—
Operating profit/(loss)	**8.2**	(5.7)	—	**9.4**	(0.2)	—

Key Performance Indicators (KPIs)

Having spent some time getting to know the business in more detail, for FY21 we are taking the opportunity to redefine four of our KPIs in order to present a view of the results of the Group which is more transparent and closely related to current levels of activity, and which will assist users with their understanding of the underlying performance of the business.

Moving forwards, we will use “instructions” to refer to instructions net of refunds pre-publication, that is, those instructions which generate revenue. The definition of “total fee income” was amended this year and includes fees receivable in respect of instructions and ancillary products, rather than only including these amounts at publication. These changes connect the three KPI’s together for the first time by allowing “total fee income” to be divided by “instructions” in order to derive average revenue per instruction (“ARPI”). Cost per instruction (“CPI”) is now calculated as marketing costs divided by “instructions”. Previously, this metric was calculated as marketing costs divided by instructions won, gross of refunds. The change in definition is to show the effectiveness of marketing spend in leading to revenue-generating instructions.

The tables below set out these changes in more detail, together with FY21 and FY20 amounts for both the new and redefined measures:

KPIs introduced for FY21 and going forward – not previously reported

KPI	Definition	**FY21**	FY20	Change
Instructions	Number of instructions won in the year, net of the number of instructions refunded in the year.	**58,043**	50,948	14%
Total fee income	Fees receivable in respect of instructions (as defined above) and mortgage referrals, and conveyancing fees due in respect of completed transactions.	**£87.1m**	£71.4m	22%
ARPI	Total fee income divided by the numberof instructions in the year.	**£1,501**	£1,401	7%
CPI	Marketing costs divided by the number of instructions in the year	**£326**	£404	(19)%

KPIs in use at FY20 and previously reported

KPI	Definition	**FY21**	FY20	Change
Instructions	Gross number of instructions won in the year.	**60,238**	53,680	12%
Total fee income	Fees receivable for published instructions, lettings and mortgage referrals, and conveyancing fees due in respect of completed transactions.	**£91.5m**	£79.4m	15%
ARPI	Total fee income excluding lettings, divided by the number of published instructions in the year.	**£1,479**	£1,394	6%
CPI	Marketing costs divided by the number of instructions won in the year	**£314**	£383	(18)%

Revenue

As a result of the buoyant market we saw a 14% increase in the number of instructions to 58,043, picking up significantly once the market re-opened in mid-May 2020. Alongside this, we delivered a 7% increase in the average revenue per instruction (ARPI) to £1,501 (FY20: £1,401) (see definition above), primarily driven by last year's price increases being in effect for the full year, alongside a healthy take-up of additional products.

Total fee income - the fees receivable in respect of instructions and mortgage referrals, and conveyancing fees due in respect of completed transactions - were up 22% year on year at £87.1m (FY20: £71.4m). This measure does not include lettings revenue, which was steady year on year at £6.6m.

Overall, and net of an increase in deferred revenue year on year of £2.8m, revenue of £90.9m was up 13% in the year (FY20: £80.5m).

We recognise our instruction revenues over the expected service period during which we provide services to customers. In a market where instructions are increasing, as we saw in FY21, we would expect to defer a greater amount of revenue into future service periods than we are releasing from previous months.

Looking back to this time last year, in the early stages of the impact of Covid-19 on the market, there was higher than usual uncertainty regarding the timing and profile of recovery of the UK housing market at 30 April 2020. As a result, the service period at 30 April 2020 was forecast to be significantly higher than usual.

Based on information available now, we have estimated the future service period in respect of instructions on hand at 30 April 2021 to be approximately 26% shorter than at the prior year end.

However, increased activity levels have more than offset the shorter service period, leading overall to a higher deferred income balance at 30 April 2021 than at 30 April 2020.

Gross profit margin

Our gross profit margin was down 60bps at 63.5% (FY20: 64.1%), with gross profit of £57.7m, up 12% (FY20: £51.6m).

The majority of cost of sales is represented by commissions paid to self-employed Local Property Experts (LPEs).

Timing impacts of accrued and deferred income carried into FY21 had a positive impact on FY20 gross margin, with FY21 seeing a return to historical average gross margin levels.

Adjusted operating costs

UK adjusted operating costs (see definition in note 4) increased by 1% to £26.5m (FY20: £26.2m).
A key focus for the year was cost optimisation across all operational and support areas, whilst looking to support and retain our teams during the uncertainty of the housing market shut down.

In April, we notified HMRC of our intention to repay all receipts from the UK Government's Coronavirus Job Retention Scheme (CJRS) in respect of staff on furlough and therefore not working in the business during the period. This amount was repaid after the year end and the cost of repayment was accrued at 30 April 2021. Overall, CJRS therefore has a net cost impact of £0.3m on FY21, being the repayment of both FY20 and FY21 receipts.

Marketing

Marketing costs reduced by 8% to £18.9m (FY20: £20.6m), reflecting our ability to manage our variable costs quickly, and dial up and down in response to the market. Reduced costs in FY21 also reflect lower activity in the pandemic-affected first half, and reduced costs from the portals during the shutdown, together with a more targeted approach to investment in UK brand and customer acquisition during the heightened activity in the second half.

Marketing cost per instruction (CPI) was £326, significantly down from £404 in FY20, and marketing costs as a percentage of revenue fell 480bps year on year.

Whilst we do still expect marketing to fall as a % of revenue over time, we would expect the coming period to see further investment in marketing to support growth.

Adjusted EBITDA

Adjusted EBITDA (see definition in note 4) was £12.0m, up 314% (FY20: £2.9m), with UK margins developing to 13.2% from 6% last year. Given the challenges experienced throughout this year, we are pleased with these results which reflect the improvement in gross profit and cost management set out above.

Depreciation and amortisation

Depreciation and amortisation was £3.0m, down from £3.7m in FY20, mainly reflecting the impairment of US and Australia website costs in the prior year.

Share-based payment charges
Share-based payment arrangements gave rise to a credit in the year of £2.3m, compared to a charge of £0.5m in the prior year. FY21 has seen a significant credit arising from the reversal of charges taken in previous years as options held by leavers lapsed on their leaving the business.

Exceptional items
Exceptional items include amounts that management believes are necessary to present separately in order to show a more comparable view of the underlying performance of the business. Total exceptional items this year were costs of £2.1m (FY20: £1.6m), and comprised:

- Costs of supporting the network of independent LPEs in response to the Covid-19 pandemic of £0.9m (FY20: £0.4m); and
- Costs of a fundamental restructure of certain support functions of £1.2m (FY20: £1.2m) arising from restructuring of the customer service and sales functions).

The aggregate costs of each of these items is significant across the current and prior year.

Operating profit and profit for the year
Overall, the Group made an operating profit of £8.2m (FY20: loss of £5.7m), including our share of losses of an associate.

Including the results of the Canadian business which was sold in July 2020 and which is presented within the discontinued operations line in the income statement, the Group's total profit for the year was £6.8m (FY20: loss of £19.2m).

Taxation
The net tax credit of £0.3m arises primarily in respect of deferred tax movements in the UK. Although the UK utilised tax losses brought forward against taxable profits in FY21, increases in assets relating to potential future deductions in respect of share-based payment schemes more than offset this reduction in carried forward losses. Deferred tax assets continue to be recognised in full in the UK, based on expectations of sufficient taxable profits to utilise these assets in future.

Sale of Canadian business
We disposed of our Canadian business in July 2020 for a cash consideration of CAD$60.5m (£35.9m). After a subsequent working capital adjustment of £0.5m in favour of Purplebricks was agreed in November 2020, final consideration amounted to £36.4m. After taking account of cash disposed of with the Canadian business of £3.5m, the final net cash receipts were £32.9m.

A gain of £2.3m arose on disposal of the net assets and liabilities of the Canadian business. The Canadian business made an operating profit of £1.5m up to the date of disposal (including receipts of £1.4m from the Canada Emergency Wage Subsidy).

Inclusive of foreign exchange losses recycled to the income statement on disposal of £0.9m, the total result from discontinued operations for the period was a profit of £2.9m. The trading of the Canadian business up to disposal and for the prior period has been reflected within discontinued operations on the face of the income statement. See note 6 for further detail.

Investment in Homeday

During the year, the Group reassessed the nature of its investment in Homeday and reclassified its holding from a joint venture to an associate. This reassessment led to a gain on reclassification of £1.4m. A further gain of £0.6m on step-down of shareholding occurred in H2 relating to the investment in Homeday which we chose not to match. These gains were offset by our share of Homeday losses for FY21 of £3.0m. See notes 3 and 11 for further detail, including of the rationale for reassessment of classification.

No further investment in Homeday was made during the year and no further investment is currently anticipated.

Statement of financial position

The Group has a strong financial position to support its current activities and future growth, including a cash balance of £74.0m (30 April 2020: £31.0m). Net assets of £87.8m were £5.7m higher than the comparable figure (30 April 2020: £82.1m) mostly as a result of the total comprehensive profit for the year of £7.7m, which includes the gain on disposal of the Canadian business.

Working capital balances at 30 April 2021 now represent the UK only, however, due to significantly higher UK activity levels at 30 April 2021 compared with 30 April 2020, both deferred and accrued income are up year on year overall. As set out above, deferred income in the UK has increased due to higher year-on-year transaction volumes, particularly following the closure of the housing market in March 2020, partly offset by a shorter service period at 30 April 2021.

Cash flow

Operating cash flow was an inflow of £13.0m (FY20: outflow of £24.0m). Within this, continuing operations accounted for an inflow of £12.0m (FY20: outflow of £8.9m) and discontinued operations accounted for an inflow of £1.0m (FY20: outflow of £15.1m).

The FY21 inflow from continuing operations arises from profitable trading of the UK business and working capital timing effects in the UK, linked to the growth in instructions, which are paid up-front.

Investing activities, not including the sale of the Canadian business for net cash receipts of £32.9m, led to an outflow in FY21 of £2.5m (FY20: outflow of £7.1m), of which continuing operations represented £2.5m (FY20: £5.8m). The reduction year on year results from investment in Homeday in the prior year of £4.6m, with UK capital investment relatively consistent year on year.

Financing activities represented an outflow of £0.4m (FY20: £0.7m), mainly relating to leases.

Total cash inflows for the period were £43.0m (FY20: outflows of £31.8m), of which continuing operations comprised £9.1m and discontinued operations comprised £33.9m.

Andy Botha
Chief Financial Officer
5 July 2021

Consolidated statement of comprehensive income

For the year ended 30 April 2021

	Note	2021 £m	2020 Restated[1] £m
Revenue	5	**90.9**	80.5
Cost of Sales		**(33.2)**	(28.9)
Gross profit		**57.7**	51.6
Net other income and expenditure	9	**(0.3)**	—
Administrative expenses		**(29.3)**	(33.9)
Marketing costs		**(18.9)**	(20.6)
Share of results of joint venture	11	**—**	(2.8)
Share of results of associate	11	**(1.0)**	—
Operating profit/(loss)		**8.2**	(5.7)
Finance income		**0.1**	0.5
Finance expense		**(4.7)**	(4.0)
Profit/(loss) before taxation		**3.6**	(9.2)
Taxation on profit/(loss)		**0.3**	1.0
Profit/(loss) from continuing operations		**3.9**	(8.2)
Profit/(loss) from discontinued operations	7	**2.9**	(11.0)
Profit/(loss) for the year		**6.8**	(19.2)
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations		**0.9**	(0.1)
Total other comprehensive income		**0.9**	(0.1)
Total comprehensive profit/(loss)		**7.7**	(19.3)
Earnings/(loss) per share			
From continuing operations:			
Basic and diluted profit/(loss) per share	10	**1p**	(3)p
Total including discontinued operations:			
Basic and diluted profit/(loss) per share	10	**2p**	(6)p

The accompanying accounting policies and notes form an integral part of these financial statements.

[1]Comparatives have been restated to show separately the results of continuing and discontinued operations including the reclassification of Canadian activities as discontinued – see note 2.2.

All profits, losses and other comprehensive income are attributable to equity shareholders of the parent.

Consolidated statement of financial position

At 30 April 2021

	Note	2021 £m	2020 £m
Non-current assets			
Goodwill	12	**2.6**	19.5
Intangible assets	13	**4.0**	19.2
Property, plant and equipment		**1.3**	3.5
Investment in joint venture	11	**—**	12.5
Investment in associate	11	**11.5**	—
Deferred tax asset		**7.4**	9.0
		26.8	63.7
Current assets			
Tax receivable		**—**	0.1
Trade and other receivables		**3.9**	10.2
Contract assets – accrued income		**7.2**	5.3
Contract assets – prepaid cost of sales		**4.9**	5.3
Cash and cash equivalents		**74.0**	31.0
		90.0	51.9
Total assets		**116.8**	115.6
Current liabilities			
Trade and other payables		**(12.1)**	(11.8)
Contract liabilities – deferred income		**(14.8)**	(14.6)
Provisions		**(1.2)**	(0.4)
Borrowings		**—**	(0.1)
Lease liabilities		**(0.4)**	(0.7)
		(28.5)	(27.6)
Net current assets		**61.5**	24.3
Total assets less current liabilities		**88.3**	88.0
Non-current liabilities			
Borrowings		**—**	(0.1)
Deferred tax liabilities		**(0.2)**	(4.4)
Lease liabilities		**(0.3)**	(1.4)
		(0.5)	(5.9)
Net assets		**87.8**	82.1
Equity			
Share capital		**3.1**	3.1
Share premium		**177.4**	177.4
Share-based payments reserve		**4.0**	6.9
Foreign exchange reserve		**—**	(1.8)
Retained earnings		**(96.7)**	(103.5)
Total equity		**87.8**	82.1

Consolidated statement of changes in equity

For the year ended 30 April 2021

	Share Capital £m	Share Premium £m	Share-based payment reserve £m	Foreign exchange reserve £m	Retained Earnings £m	Total Equity £m
At 1 May 2020	3.1	177.4	6.9	(1.8)	(103.5)	82.1
Share-based payment credit	-	-	(2.9)	-	-	(2.9)
Transactions with owners	**-**	**-**	**(2.9)**	-	**-**	**(2.9)**
Profit for the year (including exchange differences recycled on disposal of Canadian business)	-	-	-	0.9	6.8	7.7
Exchange differences on translation of foreign operations	-	-	-	0.9	-	0.9
Total comprehensive profit	-	-	-	1.8	6.8	8.6
At 30 April 2021	**3.1**	**177.4**	**4.0**	**-**	**(96.7)**	**87.8**

For the year ended 30 April 2020

	Share Capital £m	Share Premium £m	Share-based payment reserve £m	Foreign exchange reserve £m	Retained Earnings £m	Total Equity £m
At 1 May 2019	3.0	177.4	8.6	(0.5)	(84.8)	103.7
Exercise of options	0.1	-	(0.4)	-	0.4	0.1
Tax in respect of share options	-	-	-	-	0.2	0.2
Share-based payment credit	-	-	(1.3)	-	-	(1.3)
Transactions with owners	0.1	-	(1.7)	-	0.6	(1.0)
Loss for the year	-	-	-	-	(19.3)	(19.3)
Exchange differences on translation of foreign operations	-	-	-	(1.3)	-	(1.3)
Total comprehensive loss	-	-	-	(1.3)	(19.3)	(20.6)
At 30 April 2020	3.1	177.4	6.9	(1.8)	(103.5)	82.1

Consolidated statement of cash flows

For the year ended 30 April 2021

	Note	2021 £m	2020 £m
Profit/(loss) for the year after taxation		**6.8**	(19.2)
Adjustments for:			
Amortisation of intangible assets	13	**2.5**	4.1
Depreciation of tangible fixed assets		**0.8**	1.7
Impairment of intangible assets	13	**—**	0.5
Impairment of tangible fixed assets		**—**	0.6
Gain on disposal of Canadian business	7	**(2.3)**	—
Share-based payment credit		**(2.9)**	(1.3)
Gain on lease modification		**—**	(0.1)
Charge/(credit) to loss provision		**0.1**	(0.4)
Increase in provisions		**0.8**	0.4
Interest income		**(0.1)**	(0.5)
Interest expense		**0.1**	0.2
Share of result of joint venture	11	**—**	2.8
Share of result of associate	11	**1.0**	—
Taxation credit		**(0.3)**	(1.7)
Operating cash inflow/(outflow) before changes in working capital		**6.5**	(12.9)
Movement in trade and other receivables		**0.2**	7.0
Movement in trade and other payables		**4.9**	(14.2)
Movement in deferred income		**1.4**	(4.8)
Cash generated by/(utilised) in operations		**13.0**	(24.9)
Taxation received		**—**	1.0
Interest paid		**—**	(0.1)
Net cash inflow/(outflow) from operating activities		**13.0**	(24.0)
Investing activities			
Purchase of property, plant and equipment		**(0.3)**	(0.8)
Development expenditure capitalised	13	**(2.1)**	(2.1)
Purchase of intangible assets	13	**(0.2)**	(0.1)
Interest income		**0.1**	0.5
Investment in joint venture	11	**—**	(4.6)
Proceeds from disposal of Canadian business	7	**36.4**	—
Cash disposed of with Canadian business	7	**(3.5)**	—
Net cash inflow/(outflow) from investing activities		**30.4**	(7.1)
Financing activities			
Lease interest payments		**(0.1)**	(0.1)
Payments against lease liabilities		**(0.3)**	(0.9)
Proceeds from external borrowings		**—**	0.3
Repayments of external borrowings		**—**	(0.1)
Proceeds from issue of shares		**—**	0.1
Net cash outflow from financing activities		**(0.4)**	(0.7)
Net increase/(decrease) in cash and cash equivalents		**43.0**	(31.8)
Cash and cash equivalents at the beginning of the year		**31.0**	62.8
Cash and cash equivalents at the end of the year		**74.0**	31.0

Cash flows relating to discontinued operations are presented within note 6.

1. General information

Purplebricks Group plc (the Company) is a public company limited by shares which is listed on the Alternative Investment Market of the London Stock Exchange. The company is incorporated in the United Kingdom and registered in England and Wales. The address of the Company's registered office is Suite 7, First Floor, Cranmore Place, Cranmore Drive, Shirley, Solihull, West Midlands, B90 4RZ. The Company is primarily involved in the estate agency business.

These condensed financial statements are presented in British Pounds, which is the currency of the primary economic environment in which the Company operates and are presented in £ million.

2. Summary of significant accounting policies

2.1 Basis of preparation and consolidation

These condensed financial statements have been prepared on the going concern basis under the historical cost convention as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value.

The financial information set out in this announcement does not constitute the Company's statutory accounts, within the meaning of section 430 of the Companies Act 2006, for the years ended 30 April 2021 or 2020, but is derived from those accounts. While the financial information included within this announcement has been prepared in accordance with the recognition and measurement criteria of IFRS, it does not comply with the disclosure requirements of IFRS. Statutory accounts for 2020 have been delivered to the Registrar of Companies and those for2021 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified and did not contain statements under section 498(2) or (3) of theCompanies Act 2006. The auditors have consented to the publication of the Preliminary Announcement.

2.2 Restatement

Discontinued operations

A discontinued operation is a component of the entity which the Group has decided to close, or which has been disposed of or which is classified as held for sale and which represents a separate major line of business or geographical area of operations. The results of discontinued operations are presented separately in the statementof comprehensive income and statement of cash flows. In 2021, the results of the Canadian operations have been classified as discontinued operations. The comparative figures included in the statement of comprehensive income and statement of cash flows in respect of the year ended 30 April 2020 have been restated accordingly.

2.3 Government assistance

During the year, the Group received amounts from the UK and Canadian governments in relation to staff on furlough not working in the business. These receipts have been presented within net other income and expenditure in respect of the UK and are within the overall profit from discontinued activities in respect of the Canadian business.

The financial impact of government assistance in the period is described in note 9.

2.4 Going concern

In adopting a going concern basis for the preparation of the financial statements, the directors have made appropriate enquiries and have considered the Group's business activities, cash flows and liquidity position, and the Group's principal risks and uncertainties.

The Directors have taken into account reasonably possible future economic factors in preparing trading and cash flow forecasts covering the period to 31 July 2022. This assessment has taken into consideration sensitivity analysis with regard to the forecast volume of instructions, the variable nature of significant elements of the Group's cost base and steps which could be taken to further mitigate costs if required. Mitigations available are consistent with cost control and cash preservation actions taken in FY21 in response to Covid-19 and include a reduction in marketing expenditure and reductions in expenditure on the Group's contact centre and support functions to match demand levels.

In satisfying themselves that the going concern basis is appropriate, the Directors have considered a number of scenarios, including the situation of a severe downside sensitised fall in revenues that is in excess of the directors' realistic expectations. Even in these extreme scenarios, and before taking any mitigating actions, given the Group's year end cash position of £74m, the Group expects to maintain a position of significant liquidity throughout the forecast period to 31 July 2022.

In light of the Group's current liquidity and the results of the sensitivity testing conducted, the directors are satisfied that the Company, and the Group as a whole, have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

3. Critical accounting estimates and judgements

In the application of the Group's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised in the financial statements and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates

In the view of the Directors, the areas of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are detailed below:

3.1 Measurement of intangible assets

The Group recognises an intangible asset in respect of software developed in house. This software is a key part of the Group's operating model and value proposition. Management is required to estimate the time and related value attributable to the element of the development team that relates to the creation and build of intangible assets which meet the criteria for capitalisation in IAS 38. The cost of this team is material and a significant change in this estimate could have a significant effect on the value of costs capitalised. The impact of a change to this estimate could result, at the most extreme, i.e. in a scenario where either no development team costs are capitalised, or where they are capitalised in full, in a decrease of £2.9m or increase of £2.1m in administrative expenses in the current year. Further details of the amounts capitalised are included in note 13.

3.2 Measurement of deferred tax assets

The Group has potential deferred tax assets, principally in the form of tax losses and possible tax deductions relating to the exercise of share-based payments. Deferred tax assets are only recognised to the extent it is probable that sufficient future taxable income will be available against which the losses and deductions can be utilised.

The recognition of deferred tax assets is dependent upon the estimation of future taxable profits in the territories that the Group operates within. The decision to recognise deferred tax assets is made after taking into account forecasts of future taxable profits, sensitised for downside risk. If the estimated future taxable profits were to change materially, either positively or negatively, this could have a material impact on the tax charge or credit recognised in the income statement. Depending on the length of the forecast period and the scale of the downside reduction applied, the value of the recognised deferred tax asset could range from 0% to 100% of the amount recognised, being £7.4m at 30 April 2021. Taxable profits have been generated in FY21 and the Group forecasts to continue to make taxable profits, which we expect will utilise in full the losses remaining at 30 April 2021.

3.3 Revenue recognition

Instruction revenue is recognised over the estimated period between instruction and completion or withdrawal of the property from sale ("service period") and the Directors are, therefore, required to estimate the average total service period, taking into account historical experience in addition to current and possible future economic conditions and factors. At each reporting date, this estimation includes an assessment of the future service period in respect of instructions on hand at the year end.

As at 30 April 2021, the Directors have taken account of two key factors in developing their view of the likely future service period, being (i) the impact of the Covid-19 pandemic on the housing market in the UK and (ii) the likely potential impact of the end of the stamp duty land tax (SDLT) holiday period. In the lead up to year end, the housing market was experiencing a significant push to complete transactions ahead of the SDLT holiday deadline, which led to an average shortening of the time between instruction and sale agreed. The Directors expect that this effect will reverse on expiry of the SDLT holiday. Thereafter, the Directors assess for a certain period, time to completion for properties where sale is agreed may well be longer than has recently been the case.

On balance, at 30 April 2021, the Directors have assessed that these two factors are likely to offset over the coming months, and thereafter expect a return to a business-as-usual marketplace with a corresponding long-term average service period. The period used in calculating contract liabilities in respect of deferred income as at 30 April 2021 is therefore 26% shorter than at 30 April 2020.

Given the continuing uncertainty caused by the impact of Covid-19 on the UK economy, as well as unusual behaviour driven by the SDLT holiday, there is a greater degree of subjectivity in estimating the future service period than would be the case in a "steady state" scenario and the Directors have adopted a best estimate approach, taking into account available evidence. An increase of 4% or decrease of 8% in the service period has been assessed as reasonably possible boundaries for this assumption. Such changes in the assumption would have resulted in an increase of £0.6m or decrease in deferred income of approximately £0.9m respectively.

Judgements

The following are the critical judgements, apart from those involving estimations (which are presented separately above), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

3.4 Revenue recognition

The Group provides services for instruction fees, including fees receivable up-front and fees receivable at completion of sale. The Group has taken a judgement that under IFRS 15 the Performance Obligation relating to these fees is discharged over time (between instruction and completion) rather than at a point in time. An alternative judgement that fees should be recognised at a point in time would have a material impact on both deferred income and revenue for the current year.

3.5 Assessment of the status of the Group's investment in Homeday

In assessing the status of the Group's investment in Homeday, which is held through a joint venture (JV HoldCo) with Axel Springer, the Group has to consider the effect of convertible loans which exist between Axel Springer and JV HoldCo, and put and call options which exist between the shareholders of Homeday, as set out in note 11.

Options which may in the future confer substantive rights must be considered as exercised if there are no substantial barriers to exercise. Whether substantial barriers exist is subjective and is a matter of judgement.

At 30 April 2020, the Group took the view that there were substantial barriers to the exercise of the convertible loans between Axel Springer and JV HoldCo, and therefore the Group's investment in JV HoldCo was accounted for as a joint venture.

At 30 April 2021, the Group has reassessed this judgement and has concluded that there are no substantive barriers to the exercise of the convertible loans between Axel Springer and JV HoldCo. Therefore, at 30 April 2021, the Group's investment in JV HoldCo has been determined to meet the definition of an associate rather than a joint venture based on the guidance in IAS 28 and IFRS 11, and its presentation has been amended on the Group balance sheet.

Details of the investment and the gain on deemed dilution in shareholding at the point of reassessment is set out in note 11.

4. Alternative performance measures

The Group makes use of a number of alternative performance measures in assessing the performance of the business. The definition and relevance of each of these is set out below. The Group believes that these measures, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with helpful additional information on the underlying performance of the Group.

Adjusted EBITDA

Definition

Profit or loss from operating activities, adding back depreciation, amortisation, share-based payment charges and exceptional items. At a Group level this measure also excludes results of joint ventures and associates.

Relevance to strategy

The adjusted measure is considered relevant to assessing the underlying performance of the Group against its strategy and plans. The rationale for excluding certain items is as follows:

- Depreciation: a non-cash item which fluctuates depending on the timing of capital investment. We believe that a measure which removes this volatility improves comparability of the Group's results period on period.
- Amortisation: a non-cash item which varies depending on the timing of and nature of acquisitions, and on the timing of and extent of investment in internally generated intangibles such as software. We believe that a measure which removes this volatility improves comparability of the Group's results period on period. Where applicable, impairment of intangible assets is also excluded as an exceptional item.
- Share-based payment charges: a non-cash item which varies significantly depending on the share price at the date of grants under the Group's share option schemes, and depending on the assumptions used in valuing these awards as they are granted. We believe that a measure which removes this volatility improves comparability of the Group's results period on period and also improves comparability with other companies which typically do not operate similar share-based payment schemes.
- Exceptional items: these items represent amounts which result from unusual transactions or circumstances and of a significance which warrants individual disclosure. We believe that adjusting for such exceptional items improves comparability period on period. See note 8 for further detail of amounts disclosed as exceptional in the year.

- Results of joint ventures and associates: while the Group exercises some influence over these results, it is unable to fully control them.

Reconciliation

See segmental reporting in note 6.

Adjusted operating costs

Definition

Adjusted operating costs are administrative expenses, adjusted by adding back depreciation, amortisation and share-based payment charges and exceptional items.

Relevance to strategy

The adjusted measure is considered relevant to assessing the underlying performance of the Group against its strategy and plans. The rationale for excluding depreciation, amortisation, share-based payment charges and exceptional costs from this measure is consistent with that set out above in the Adjusted EBITDA section.

Reconciliation

See segmental reporting in note 6.

Adjusted operating profit/loss

Definition

Profit or loss from operating activities, adding back share-based payment charges, the Group share of results of associates and joint ventures, and exceptional items.

Relevance to strategy

The adjusted measure is considered relevant to assessing the underlying performance of the Group against its strategy and plans. The rationale for excluding share-based payment charges and exceptional items from this measure is consistent with that set out above in the Adjusted EBITDA section.

Reconciliation

See segmental reporting in note 6.

5. Revenue

Revenue by contract type

	2021 £m	2020 Restated[1] £m
Continuing operations		
Instructions	**60.1**	52.2
Conveyancing	**17.9**	16.7
Lettings	**6.6**	6.6
Brokerage and other	**6.3**	5.0
	90.9	80.5
Discontinued operations		
Instructions	**3.6**	24.7
Conveyancing	**—**	1.8
Lettings	**—**	—
Brokerage and other	**2.9**	10.2
	6.5	36.7
Total revenue	**97.4**	117.2

1. Refer to note 2.2.

6. Segmental reporting

The Group's trade is managed as a single division, providing services relating to the sale and letting of properties; however, management reports to the Board (the Board being the Chief Operating Decision Maker (CODM)) using geographical segments. The financial information reviewed by the Board is materially the same as that reported under IFRS and in FY21 falls under two geographic locations: the UK and Canada. Australia and the US are former segments which were fully would down during FY20, and the results of these segments are presented within the FY20 comparatives. Following the sale of the Canadian business in July 2020, the results of the Canadian business are presented as discontinued. The operating losses of discontinued segments are reconciled to the net loss relating to discontinued activities within this note.

Adjusted EBITDA is a key profit measure used by the CODM in making strategic decisions. During the year, no customer contributed 10% or more of the Group's revenues (2020: none).

The following is an analysis of the Group's revenue and results by reporting segment:

Year ended 30 April 2021	UK £m	Arising on consolidation £m	Continuing operations £m	Discontinued operations (Canada only) £m	Total £m
Revenue	90.9	—	90.9	6.5	97.4
Cost of sales	(33.2)	—	(33.2)	(1.8)	(35.0)
Gross profit	57.7	—	57.7	4.7	62.4
Gross profit margin (%)	63.5%	—	63.5%	72.3%	64.1%
Net other income and expenditure	(0.3)	—	(0.3)	1.4	1.1
Administrative expenses	(29.1)	(0.2)	(29.3)	(4.0)	(33.3)
Marketing expenses	(18.9)	—	(18.9)	(0.6)	(19.5)
Share of results of associate	—	(1.0)	(1.0)	—	(1.0)
Operating profit	9.4	(1.2)	8.2	1.5	9.7
Reconciliation to adjusted EBITDA					
Operating profit	9.4	(1.2)	8.2	1.5	9.7
Depreciation and amortisation	2.8	0.2	3.0	0.3	3.3
Share-based payments	(2.3)	—	(2.3)	(0.6)	(2.9)
Share of results of associate	—	1.0	1.0	—	1.0
Exceptional items	2.1	—	2.1	—	2.1
Adjusted EBITDA	12.0	—	12.0	1.2	13.2
Reconciliation to adjusted operating profit					
Operating profit	9.4	(1.2)	8.2	1.5	9.7
Share-based payments	(2.3)	—	(2.3)	(0.6)	(2.9)
Share of results of associate	—	1.0	1.0	—	1.0
Exceptional items	2.1	—	2.1	—	2.1
Adjusted operating profit	9.2	(0.2)	9.0	0.9	9.9
Reconciliation of administrative expenses to adjusted operating costs					
Administrative expenses	(29.1)	(0.2)	(29.3)	(4.0)	(33.3)
Depreciation and amortisation	2.8	0.2	3.0	0.3	3.3
Share-based payments	(2.3)	—	(2.3)	(0.6)	(2.9)
Exceptional items	2.1	—	2.1	—	2.1
Adjusted operating costs	(26.5)	—	(26.5)	(4.3)	(30.8)

Year ended 30 April 2020 Restated – see note 2.2	UK £m	Arising on consolidation £m	Adjustment for recharges £m	**Continuing operations** **£m**	Canada £m	Australia £m	US £m	Arising on consolidation £m	Adjustment for recharges £m	Discontinued operations £m	Total £m
Revenue	80.5	—	—	**80.5**	30.6	1.5	4.6	—	—	36.7	117.2
Cost of sales	(28.9)	—	—	**(28.9)**	(14.5)	(2.2)	(2.2)	—	—	(18.9)	(47.8)
Gross profit/(loss)	51.6	—	—	**51.6**	16.1	(0.7)	2.4	—	—	17.8	69.4
Gross profit margin (%)	64.1%	—	—	**64.1%**	52.5%	(46.7)%	52.2%	—	—	48.5%	59.2%
Administrative expenses	(31.2)	(0.2)	(2.5)	**(33.9)**	(10.6)	(3.4)	(4.8)	(1.4)	2.5	(17.7)	(51.6)
Marketing expenses	(20.6)	—	—	**(20.6)**	(8.2)	(1.2)	(2.0)	—	—	(11.4)	(32.0)
Share of results of joint venture	—	(2.8)	—	**(2.8)**	—	—	—	—	—	—	(2.8)
Operating loss	(0.2)	(3.0)	(2.5)	**(5.7)**	(2.7)	(5.3)	(4.4)	(1.4)	2.5	(11.3)	(17.0)
Reconciliation to adjusted EBITDA											
Operating loss	(0.2)	(3.0)	(2.5)	**(5.7)**	(2.7)	(5.3)	(4.4)	(1.4)	2.5	(11.3)	(17.0)
Depreciation and amortisation	3.5	0.2	—	**3.7**	1.0	0.5	0.3	1.4	—	3.2	6.9
Share-based payments	(0.1)	—	0.6	**0.5**	0.3	(0.7)	(0.8)	—	(0.6)	(1.8)	(1.3)
Share of results of joint venture	—	2.8	—	**2.8**	—	—	—	—	—	—	2.8
Exceptional items	1.6	—	—	**1.6**	—	—	—	—	—	—	1.6
Adjusted EBITDA	4.8	—	(1.9)	**2.9**	(1.4)	(5.5)	(4.9)	—	1.9	(9.9)	(7.0)
Reconciliation to adjusted operating profit/(loss)											
Operating loss	(0.2)	(3.0)	(2.5)	**(5.7)**	(2.7)	(5.3)	(4.4)	(1.4)	2.5	(11.3)	(17.0)
Share-based payments	(0.1)	—	0.6	**0.5**	0.3	(0.7)	(0.8)	—	(0.6)	(1.8)	(1.3)
Share of results of joint venture	—	2.8	—	**2.8**	—	—	—	—	—	—	2.8
Exceptional items	1.6	—	—	**1.6**	—	—	—	—	—	—	1.6
Adjusted operating profit/(loss)	1.3	(0.2)	(1.9)	**(0.8)**	(2.4)	(6.0)	(5.2)	(1.4)	1.9	(13.1)	(13.9)
Reconciliation of administrative expenses to adjusted operating costs											
Administrative expenses	(31.2)	(0.2)	(2.5)	**(33.9)**	(10.6)	(3.4)	(4.8)	(1.4)	2.5	(17.7)	(51.6)
Depreciation and amortisation	3.5	0.2	—	**3.7**	1.0	0.5	0.3	1.4	—	3.2	6.9
Share-based payments	(0.1)	—	0.6	**0.5**	0.3	(0.7)	(0.8)	—	(0.6)	(1.8)	(1.3)
Exceptional items	1.6	—	—	**1.6**	—	—	—	—	—	—	1.6
Adjusted operating costs	(26.2)	—	(1.9)	**(28.1)**	(9.3)	(3.6)	(5.3)	—	1.9	(16.3)	(44.4)

	2021 £m	2020 £m
Non-current assets		
UK	**26.8**	69.0
Canada	**—**	5.7
Consolidation adjustments	**—**	(11.0)
Total	**26.8**	63.7

	2021 £m	2020 £m
Total assets		
UK	**116.8**	113.6
Canada	**—**	13.0
Consolidation adjustments	**—**	(11.0)
Total	**116.8**	115.6

	2021 £m	2020 £m
Total liabilities		
UK	**29.0**	22.0
Canada	**—**	13.1
Consolidation adjustments	**—**	(1.6)
Total	**29.0**	33.5

Cash flows relating to discontinued operations were as follows:

	2021 £m	202 Restated[1] £m
Operating cash inflow/(outflow) before changes in working capital		
Continuing operations	**5.2**	(0.5)
Discontinued operations	**1.3**	(12.4)
	6.5	(12.9)
Operating cash inflow/(outflow) after changes in working capital, interest and taxation paid		
Continuing operations	**12.0**	(8.9)
Discontinued operations	**1.0**	(15.1)
Net cash inflow/(outflow) from operating activities	**13.0**	(24.0)
Cash flow from investing activities		
Continuing operations	**(2.5)**	(5.8)
Discontinued operations	**32.9**	(1.3)
	30.4	(7.1)
Cash flow from financing activities		
Continuing operations	**(0.4)**	(0.5)
Discontinued operations	**—**	(0.2)
	(0.4)	(0.7)

1. see note 2.2.

7. Profit on disposal of the Canadian business

On 15 July 2020, the Group completed the disposal of its Canadian business, being all Canadian subsidiaries and the entire Canada segment, to the Desjardins Group, a Canadian co-operative financial group. Headline consideration was $60.5m Canadian Dollars (£36.1m), or £35.9m net of professional fees of £0.2m, to be adjusted for working capital and debt in line with completion accounts in due course. Part of the proceeds was allocated to the repayment of intra-group debt owed to Purplebricks Group plc.

In November 2020, working capital and debt adjustments were agreed at $1.0m Canadian Dollars (£0.5m), giving revised net proceeds due to the Group, net of advisor fees of £0.2m, of £36.4m. After accounting for the disposal of the Group's Canadian business at book value, including the book value of goodwill and other intangibles arising on the acquisition, and the derecognition of associated deferred tax assets and liabilities, the Group recorded a profit on disposal of £2.3m. Further detail is set out in the table below:

	2021 **£m**
Cash consideration received	**36.4**
Carrying amount of net assets disposed of	**(34.1)**
Gain on sale	**2.3**

The carrying amounts of assets and liabilities at the date of sale were:

	£m
Goodwill	**17.2**
Brand	**13.5**
Proprietary technology	**1.1**
Customer relationships	**1.1**
Cash	**3.5**
Working capital and other net liabilities	**(2.3)**
	34.1

The Australia, US and Canada operations represented in their entirety the segments as disclosed in note 6. The operating profits/(losses) of discontinued segments are reconciled to the net profit/(loss) relating to discontinued activities as follows:

	Year ended 30 April 2021 £m	Year ended 30 April 2020 Restated[1] £m
Operating profit/(loss) relating to discontinued segments	**1.5**	(11.3)
Gain on disposal of Canadian business	**2.3**	—
Net finance expense relating to discontinued segments	**—**	(0.4)
Tax credit relating to discontinued segments	**—**	0.7
Exchange differences recycled on disposal of Canadian business	**(0.9)**	—
Profit/(loss) from discontinued operations	**2.9**	(11.0)

1. see note 2.2.

8. Exceptional Items

	2021 £m	2020 £m
Exceptional items	2.1	1.6

Exceptional items comprise:

- costs of a fundamental restructuring programme which was started in FY20 focused on the customer services and sales functions and which in the year ended 2021 has shifted focus onto employed head office functions of £1.2m (2020: £1.2m); and
- costs continuing from FY20 of supporting the network of independent LPEs in response to the Covid-19 pandemic of £0.9m (2020: £0.4m).

These items were identified in the prior year as exceptional because they are: (i) the first instance of such costs being incurred in the Group's history; and (ii) of such significance that it is necessary to show them separately in order to give a complete view of the performance of the Group in the year.

Support to the LPE network during the Covid-19 pandemic is not expected to continue in FY22, as we currently do not anticipate a full shutdown of the housing market to recur.

The aggregate amounts accrued but not yet paid in respect of exceptional charges total £nil (FY20: £0.5m). All amounts disclosed as exceptional are deductible to tax.

All exceptional items are presented within administration expenses in the consolidated income statement.

9. Government assistance

Government grants of £0.7m were received in the year to 30 April 2021 (FY20: £0.3m) under the UK government's Coronavirus Job Retention Scheme (CJRS) initiative to provide financial support to companies in order to allow them to retain on payroll certain employees who were not required in the business due to Covid-19-related activity reductions and therefore placed temporarily on furlough.

In April 2021, the Group informed HMRC of its intention to repay the grants received under the UK's CJRS initiative in both the current and prior year in full, i.e. total of £1.0m. The repayment was made post year end. The liability for this repayment was accrued for at year end. The net income statement impact of £0.3m in the current year is shown as net other income and expenditure.

Government grants of £1.4m were received in the year to 30 April 2021 (FY20: £0.7m) under the Canada Emergency Wage Subsidy (CEWS) relief programme to provide financial support to companies in order to allow them to retain on payroll certain employees who were not required in the business due to Covid-19-related activity reductions and therefore placed temporarily on furlough.

In the UK, the Group also took advantage of HMRC's VAT deferral scheme to defer payment of £0.9m of VAT, which had been repaid in full by 30 April 2021.

10. Earnings per share

	Basic and diluted	
	2021	2020
Total including discontinued operations		
Profit/(loss) (£m)	**6.8**	(19.2)
Weighted average number of shares ('000)	**306,806**	306,389
Basic profit/(loss) per share (£)	**0.02**	(0.06)
Potentially dilutive shares unissued at year end ('000)	**3,016**	9,738
Total potentially dilutive shares at reporting date ('000)	**309,822**	316,127
Profit/(loss) per share (£) – diluted	**0.02**	(0.06)

Where applicable, diluted loss per share from total operations is equal to the basic loss per share as a result of the Group recording a loss for the period, which cannot be diluted.

	Basic and diluted	
	2021	2020[1]
Continuing operations		
Profit/(loss) (£m)	**3.9**	(8.2)

Weighted average number of shares ('000)	**306,806**	306,389
Basic profit/(loss) per share (£)	**0.01**	(0.03)
Potentially dilutive shares unissued at year end ('000)	**3,016**	9,738
Total potentially dilutive shares at reporting date ('000)	**309,822**	316,127
Profit/(loss) per share (£) – diluted	**0.01**	(0.03)

1. Restated – see note 2.2

Where applicable, diluted loss per share from continuing operations is presented as equal to the basic loss per share as a loss cannot be diluted.

The number of shares in issue at both 30 April 2020 and 30 April 2021 was 306,806,039.

11. Investment in joint venture and investment in associate

	Investment in associate – Company £m	Investment in joint venture – Company £m	Investment in associate – Group £m	Investment in joint venture – Group £m
At 1 May 2019	—	11.2	—	10.7
Equity investments in the year	—	4.6	—	4.6
Share of result for the year	—	—	—	(2.8)
At 30 April 2020	—	15.8	—	12.5
Reclassification to associate	15.8	(15.8)	12.5	(12.5)
Gain on reclassification to associate	—	—	1.4	—
Gain on step-down in investment	—	—	0.6	—
Share of result for the year	—	—	(3.0)	—
At 30 April 2021	**15.8**	**—**	**11.5**	**—**

Purplebricks and the Axel Springer group operate Einhundertsiebte "Media" Vermogensverwaltungsgesellschaft mbH (JV HoldCo), a company incorporated in Germany, under a Joint Venture Agreement. Purplebricks and Axel Springer currently each hold a 50% shareholding in JV HoldCo.

JV HoldCo holds a controlling stake in Homeday GmbH (Homeday), another company incorporated in Germany.

Based in Berlin, Homeday operates homeday.de, a transaction-based digital real estate platform in Germany that brings customers together with experienced brokers and supports them in buying and selling property.

Axel Springer has the right once per year to choose to increase its investment in JV HoldCo beyond 50% by acquiring shares from Purplebricks at defined points up to 2023 for variable consideration which is based on the future performance of Homeday or a return on investment for Purplebricks.

In the current and preceding financial year, Axel Springer has made convertible loans to JV HoldCo, in order to allow JV HoldCo to make further investments in Homeday. These convertible loans also give Axel Springer the potential right in the future to take control of JV HoldCo.

JV HoldCo and the other shareholders of Homeday are parties to an Investment Agreement and a Shareholders' Agreement. Under the Shareholders' Agreement, put and call options exist between JV HoldCo and the other shareholders of Homeday which may require or allow JV HoldCo to acquire shares held by the other shareholders, for consideration to be determined with reference to the performance of Homeday in the calendar years 2022 and 2023.

Accounting judgements

In assessing the status of the Group's investment in Homeday, which is held through the joint venture with Axel Springer, the Group has to consider the effect of convertible loans which exist between Axel Springer and JV HoldCo, and put and call options which exist between the shareholders of Homeday.

Options which may in the future confer substantive rights must be considered as exercised if there are no substantial barriers to exercise. Whether substantial barriers exist is subjective and is a matter of judgement.

At 30 April 2020, the Group took the view that there were substantial barriers to the exercise of the convertible loans between Axel Springer and JV HoldCo, and therefore the Group's investment in JV HoldCo was accounted for as a joint venture.

During FY21, the Group reassessed this judgement and concluded that there were no substantive barriers to the exercise of the convertible loans between Axel Springer and JV HoldCo. Therefore, during FY21, the Group's investment in JV HoldCo was determined to meet the definition as an associate rather than a joint venture based on the guidance in IAS 28 and IFRS 11, and its presentation was amended on the Group balance sheet.

At the point of step down, the Group assessed the carrying value of its investment against the Group's revised share of the fair value of the underlying assets and liabilities of JV HoldCo, including JV HoldCo's investment in Homeday. A gain on deemed dilution in shareholding arising from this reassessment of accounting judgement of £1.4m arose and is reflected in the table of movements in investment above. In February 2021, Axel Springer provided further funding to JV HoldCo, which Purplebricks chose not to match. On re-assessment of the carrying value of the diluted investment following this funding, a further gain of £0.6m was recorded.

12. Goodwill

	Lettings CGU £m	Canada £m	Group £m
Cost and carrying amount			
At 1 May 2020	2.6	16.9	19.5
Foreign exchange	—	0.3	0.3
Disposals on sale of Canada (see note 7)	—	(17.2)	(17.2)
At 30 April 2021	**2.6**	**—**	**2.6**

13. Intangible assets

Group	Internally generated intangible £m	Capitalised software £m	Patents and trademark £m	Customer relationships £m	Proprietary technology £m	Brand £m	Other £m	Total £m
Cost								
At 1 May 2019	6.8	1.0	0.1	2.8	2.9	13.3	0.4	27.3
Additions	—	0.1	—	—	—	—	—	0.1
Internally developed	2.1	—	—	—	—	—	—	2.1
Transfers	—	—	—	—	—	—	(0.4)	(0.4)
Effects of foreign exchange	—	—	—	—	—	(0.1)	—	(0.1)
At 30 April 2020	8.9	1.1	0.1	2.8	2.9	13.2	—	29.0
Internally developed	2.1	—	—	—	—	—	—	2.1
Additions	—	0.2	—	—	—	—	—	0.2
Disposals on sale of Canada	—	(0.2)	—	(1.8)	(3.0)	(13.5)	—	(18.5)
Effects of foreign exchange	—	—	—	0.1	0.1	0.3	—	0.5
At 30 April 2021	**11.0**	**1.1**	**0.1**	**1.1**	**—**	**—**	**—**	**13.3**

Amortisation								
At 1 May 2019	(3.1)	(0.5)	(0.1)	(0.7)	(0.8)	—	(0.2)	(5.4)
Amortisation for the year	(2.2)	(0.3)	—	(0.6)	(1.0)	—	—	(4.1)
Impairment	(0.5)	—	—	—	—	—	—	(0.5)
Transfers	—	—	—	—	—	—	0.2	0.2
At 30 April 2020	(5.8)	(0.8)	(0.1)	(1.3)	(1.8)	—	—	(9.8)
Amortisation for the year	(1.9)	(0.2)	—	(0.3)	(0.1)	—	—	(2.5)
Transfer	—	0.2	—	—	—	—	—	0.2
Disposals on sale of Canada	—	0.2	—	0.7	1.9	—	—	2.8
At 30 April 2021	**(7.7)**	**(0.6)**	**(0.1)**	**(0.9)**	**—**	**—**	**—**	**(9.3)**
Net carrying value								
At 30 April 2021	**3.3**	**0.5**	**—**	**0.2**	**—**	**—**	**—**	**4.0**
At 30 April 2020	3.1	0.3	—	1.5	1.1	13.2	—	19.2

Internally generated intangible assets relate to the Group's software developed in-house.

14. Related party transactions

On 15 July 2020, the Group completed the sale of its Canadian business, being all Canadian subsidiaries and the entire Canadian segment, to the Desjardins Group, a Canadian co-operative financial group. Refer to note 7 for further details of the disposal.

On 14 August 2020, 2,500,000 awards were granted to Vic Darvey, CEO, and 1,700,000 awards were granted to Andy Botha, CFO, under the Purplebricks Performance Share Plan. The awards have an exercise price of 1p per share and become exercisable subject to continued employment and performance based on the Company's relative total shareholder return and EBITDA over a three-year performance period.

On 3 August 2020, Adrian Blair, Independent Non-Executive Director, purchased 97,088 shares in the Company at £0.52.

On 6 August 2020, Simon Downing, Senior Independent Non-Executive Director, purchased 500,000 shares in the Company at £0.58.

On 6 April 2021, Simon Downing, Senior Independent Non-Executive Director, purchased 257,884 shares in the Company at £0.97.