



7 May 2019

Purplebricks Group plc
("Purplebricks", the "Company" or the "Group")

Trading Update and Directorate Changes

Purplebricks Group Plc (AIM: PURP), a world leading hybrid real estate agency, provides an update in relation to current trading, its international strategy and changes to its management team.

Trading update

With the financial year now concluded, the Board confirms that it expects Group revenue to be within the £130-140 million range it guided to on 21 February 2019. Cash balances as at 30 April 2019 will be not less than £62 million.

UK

Whilst the UK property market remains challenging, the Company continues to outperform the market and the Board remains confident about the future of the business. Having established a market-leading position, there remain many opportunities for further profitable growth and this will be a key area of focus going forward.

Canada

The Group's Canadian business continues to perform well and trading is in line with management's expectations. The Board has a strong belief in the future opportunities in this market.

Australia

During the two and a half years that Purplebricks has been operating in Australia, market conditions have become increasingly challenging. This, combined with some execution errors, has resulted in the business not delivering the progress the Board expected.

The Board has therefore concluded that the prospective returns from Australia are not sufficient to justify continued investment. Accordingly, the Group has chosen to exit the Australian market and the business there has been put into an orderly run down with immediate effect, pending closure. The business remains committed to our current customers.

US

Whilst good progress has been made in launching our brand across the US, the Board has materially cut investment in marketing and other overheads to reduce expenditure to sustainable levels and begun a strategic review. As part of this review, management proposes to examine the options for delivering the next phase of growth in a more effective and cost-efficient way including more closely considering the opportunities and risks associated with a materially scaled back US business. A further announcement on this strategic review will be made in due course.

Management changes

Michael Bruce, the Group's Founder and Chief Executive Officer is stepping down from the business with immediate effect. In turn, the Board has appointed Vic Darvey, previously Purplebricks' Chief Operating Officer, to the role of Chief Executive Officer and to the Board of Purplebricks.

Vic joined Purplebricks in January 2019 following a successful career most recently as Managing Director of Moneysupermarket.com Group plc. Vic has extensive experience of leading strong technology-focused, customer-centric businesses and will play a key role in guiding Purplebricks through a period of greater focus and strong execution.

Paul Pindar, Non Executive Chairman, said: "Firstly, I would like to place on record our thanks to Michael for the truly remarkable contribution that he has made to the creation and development of Purplebricks. Michael's vision in creating the UK's leading hybrid estate agent has been deeply impressive, as has his relentless energy in developing the business both in the UK and internationally.

The Board is delighted to have an executive of Vic Darvey's calibre to take on the leadership of our business for its next important phase of development. We have a lot to do and Vic has a clear vision of the priorities we need to address.

Importantly, we are very conscious that the Group's performance has been disappointing over the last 12 months and we sincerely apologise to shareholders for that. With hindsight, our rate of geographic expansion was too rapid and as a result the quality of execution has suffered. We have also made sub-optimal decisions in allocating capital. We will learn from these errors and will not make them again."

Vic Darvey, Chief Executive Officer, commented: "Going forward, we have a very clear understanding of the levers available to us to achieve growth. We have two outstanding businesses in the UK and Canada, both of which enjoy market-leading

positions. We have also made significant progress in the US building a disruptive brand in the Real Estate market and our proposed strategic review will allow us to determine how we deliver the next phase of growth in a more effective and cost-efficient way. We look forward to reporting our results on 3 July 2019 for the year ended 30 April 2019.”

Other information

This announcement contains inside information within the meaning of the Market Abuse Regulation.

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AIM disclosures

Victor Marc Darvey is 46 years old and has held no other directorships or partnerships in the past five years.

There is no further information to be disclosed pursuant to Schedule Two Part (g) of the AIM Rules for Companies.

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The person arranging release of this announcement on behalf of the Company is James Davies, Chief Financial Officer.

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 world leading hybrid real estate agency. Based in the UK, it also operates in the US, Canada and is invested in Homeday.de in Germany. Purplebricks combines highly experienced and professional Local Property Experts (US: Local Real Estate 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.