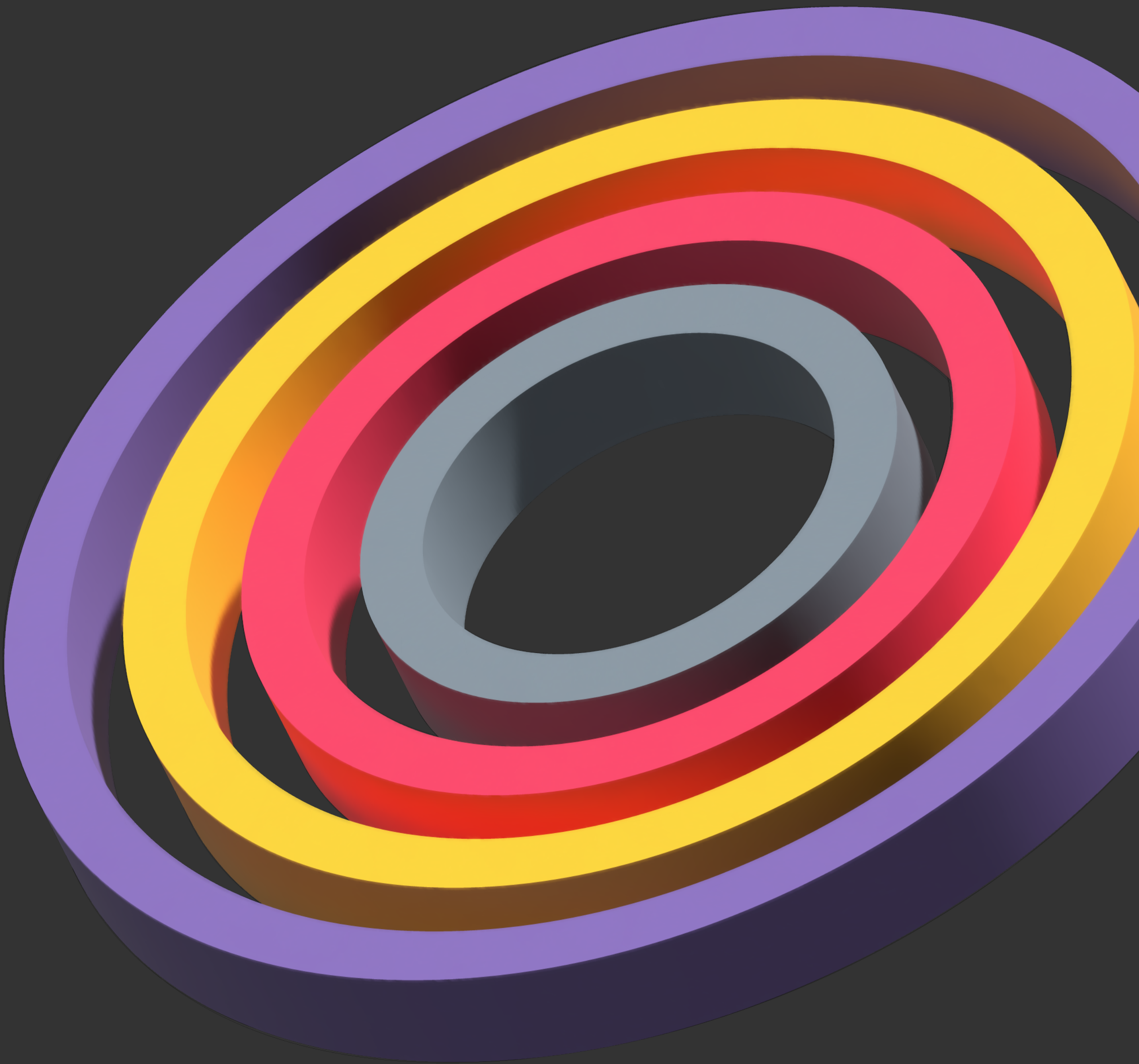
PURPLE GROUP
LIMITED



# 2024
# Annual Report

for the year ended
31 August 2024

WEWORK SHARED WORKING SPACE | ROSEBANK | JOHANNESBURG | 2092
www.purplegroup.co.za

PURPLE GROUP
LIMITED

EasyEquities

EasyCrypto

EasyProperties

EasyRetire

EasyAssetMgmt

EasyETFs

EasyTrader

EasyCredit

EasyProtect

EasyUmbrella

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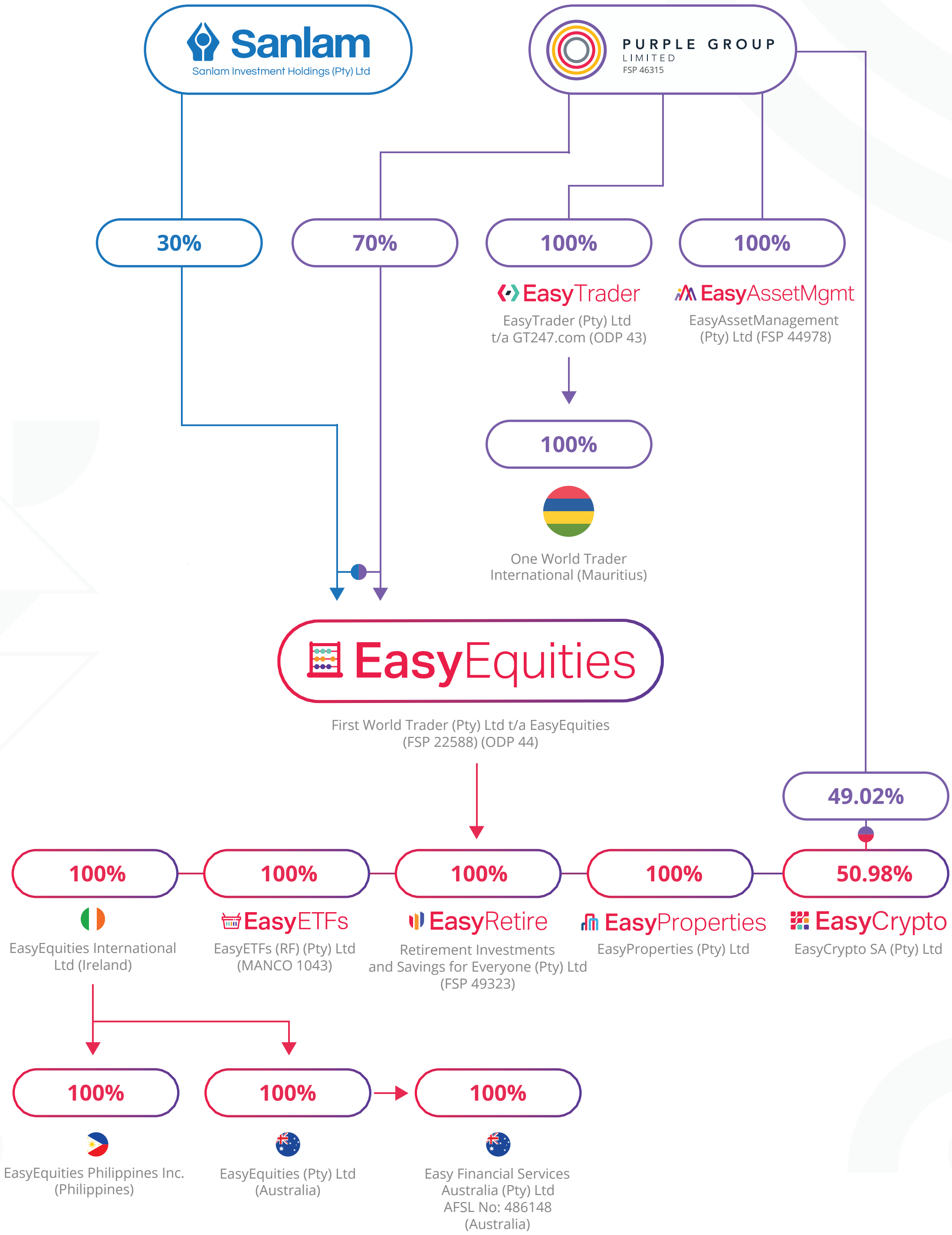
PURPLE GROUP
LIMITED

# Group Stucture



# KEY TERMINOLOGY

The following terms have been used throughout this report:

- **Active Client:** Is a client of the Easy Group that has at least one funded investment account. Clients that hold numerous investment accounts across the platforms are only counted once.
- **Client Assets**: refers to the market value (in Rands) of Active Clients' investments, administered and serviced by the Easy Group's various investment platforms.
- **Activity Based Revenue**: Activity Based revenue comprises revenue that is directly driven by the level of client activity on the platform and primarily includes execution revenue, foreign exchange transfer fees and early settlement fees. These revenue types would primarily be driven by the level of client deposits, withdrawals and portfolio turnover.
- **Non-activity Based Revenue**: Non-activity Based revenue includes revenue that is more closely linked to the value of Client Assets and number of clients on the platform, primarily including, asset management fees, administration revenue, cash management fees, Thrive fees and other asset based fees.
- **Client Cohorts** : Clients have been grouped according to the financial year in which a client first registered an account on the EasyEquities platform i.e. If a client registered an account during the period 1 September 2014 to 31 August 2015, they would form part of the "2015 Cohort", similarly a client that registered during the period 1 September 2017 to 31 August 2018 would form part of the "2018 Cohort".
- **ARPU**: Average revenue per Active Client.
- **COS**: Cost of service refers to the annual cost to the business of servicing Active Clients.
- **COA**: Costs to acquire and onboard a new Active Client.
- **FY 2023**: 12 months ended 31 August 2023.
- **FY 2024**: 12 months ended 31 August 2024.

# GROUP HIGHLIGHTS

PURPLE GROUP LIMITED

GROUP REVENUE INCREASED BY 45.1% TO

▲**R400mn**

(2023: R276 MILLION)

GROUP OPERATING EXPENSES INCREASED BY 7.6% TO

▲**R301mn**

(2023: R280 MILLION)

GROUP PROFIT BEFORE FAIR VALUE, IMPAIRMENT ADJUSTMENTS & TAX INCREASED BY 205% TO

▲**R51.8mn**

(2023: LOSS : R49.0 MILLION)

HEADLINE EARNINGS PER SHARE INCREASED BY 186% TO

▲**1.77cps**

(2023: LOSS : 2.05 CENTS PER SHARE)

BASIC EARNINGS PER SHARE INCREASED BY 193% TO

▲**1.77cps**

(2023: LOSS : 1.90 CENTS PER SHARE)

ATTRIBUTABLE PROFIT INCREASED BY 200% TO

▲**R24.8mn**

(2023: LOSS : R24.9 MILLION)

# EASY GROUP HIGHLIGHTS

EasyGroup

EASY GROUP'S REVENUE INCREASED BY 51.5% TO

▲R360mn

(2023: R238 MILLION)

EASY GROUP'S OPERATING EXPENSES INCREASED BY 10.6% TO

▲R267mn

(2023: R241 MILLION)

EASY GROUP'S PROFIT AFTER TAX INCREASED BY 235% TO

▲R45.0mn

(2023: LOSS OF R33.4 MILLION)

EASY GROUP'S ACTIVE CLIENTS INCREASED BY 10.4% TO

▲991 320

(2023: 897 940)

EASY GROUP'S CLIENT ASSETS INCREASED BY 24.8% TO

▲R58.2bn

(2022: R46.6 BILLION)

EASY GROUP'S RETAIL REVENUE INCREASED BY 67.2% TO

▲R241mn

(2023: R144 MILLION)

EASY GROUP'S INSTITUTIONAL REVENUE INCREASED BY 27.3% TO

▲R120mn

(2023: R94 MILLION)

EASY GROUP'S ACTIVITY BASED REVENUE INCREASED BY 35.8% TO

▲R154mn

(2023: R113 MILLION)

EASY GROUPS NON-ACTIVITY BASED REVENUE INCREASED BY 65.7% TO

▲R206mn

(2023: R125 MILLION)

EASY GROUP'S REGISTERED CLIENTS INCREASED BY 11% TO

▲2.29mn

(2023: 2.06MN )

# EASY GROUP HIGHLIGHTS CONTINUED

## EASY GROUP HIGHLIGHTS

EasyGroup

EASY GROUP'S RETAIL INFLOWS INCREASED BY 27.2% TO

▲R7.5bn

(2023: R5.9 BILLION)

EASY GROUP'S RETAIL OUTFLOWS AS A % OF AVERAGE CLIENT ASSETS

▼14.9%

(2023: 15.9%)

EASY GROUP'S RETAIL NET INFLOWS AS A % OF AVERAGE CLIENT ASSETS

▲6.62%

(2023: 3.88%)

EASYPROPERTIES' ACTIVE CLIENTS INCREASED BY 17.8% TO

▲122 462

(2023: 103 946)

EASYPROPERTIES' CLIENT ASSETS INCREASED BY 15.8% TO

▲R404mn

(2023: R349 MILLION)

EASYCRYPTO'S ACTIVE CLIENTS INCREASED BY 6.8% TO

▲108 939

(2023: 102 002)

EASYCRYPTO'S CLIENT ASSETS INCREASED BY 93.0% TO

▲R0.87bn

(2023: R0.45 BILLION)

RISE ASSETS UNDER MANAGEMENT INCREASED BY 19.8% TO

▲R12.9bn

(2023: R10.8 BILLION)

EASY GROUP'S COST OF SERVICE PER ACTIVE RETAIL CLIENT INCREASED BY 1.9% TO

R173

(2023: R170)

# LETTER FROM THE CEO

## Dear Shareholders, Partners, and Team

Reflecting on this past year fills me with immense pride and an enhanced sense of excitement. Purple Group has spent a decade breaking down barriers, opening doors, and reimagining what's possible for all investors. As we close out a transformative year, I'm reminded of how far we've come and of the bold path ahead. In 2024, Purple Group didn't just sustain growth; we unlocked new realms of opportunity, setting records and scaling the impact of our platform.

Our vision has always been to make investing easy, accessible, and empowering for everyone. This year, we've seen that vision come to life in ways that reaffirm our mission and deepen our commitment to democratizing finance for millions.

## A Decade of Defying Limits and Creating Value

Since the launch of EasyEquities in 2014, we have focused relentlessly on democratizing the financial system, making investing simple and accessible for everyone. Today, with over R58.2 billion in assets, a substantial increase from R46.6 billion last year, and a revenue climb of 45.1% to R400 million, we are seeing the full effect of the trust placed in us by our clients, partners, and investors. Over the past 10 years, our annual growth rates have consistently defied expectations, and these figures testify to the value we bring to our clients and shareholders alike.

These numbers are more than financial milestones; they represent real-world impact. We're enabling everyday South Africans and a growing international community to actively participate in the wealth-building process, and that's a legacy we are determined to expand.

| | Value | YoY Increase* | 5 Year CAGR |
|---|---|---|---|
| Client Assets | R58.2bn | 24.8% | 45.4% |
| Active Retail Clients | 991,320 | 10.4% | 66.4% |
| EasyGroup Revenue | R360mn | 51.5% | 54.6% |
| Cost of Service | R173 | 1.9% | -23.8% |
| Cost of Acquisition | R110 | 14.3% | R72** |

* YoY: August 2023 to August 2024
** 914k clients acquired in 5 years at R72 per client

## Record-Breaking Momentum and Sustained Growth

Our momentum throughout this year has been nothing short of extraordinary. Reflecting on our half-year results, we set ambitious goals, and I'm thrilled to say we've exceeded them. By year-end, we achieved a profit before tax and fair value adjustments of R51.8 million, a dramatic turnaround from last year's losses. Our client base has now surpassed the 1-million mark (as of October 2024), signaling that we're more than a platform; we're a trusted partner in our clients' financial journeys.

Our revenue-to-asset ratio climbed to 0.70% from 0.57%, indicating the efficiency with which we convert asset growth into sustainable income. This ratio speaks volumes about our scalable model, one that continues to perform as our assets under management grow.

## Deposit Growth as a Core Metric of Platform Health

Deposits have always been a powerful indicator of platform health, and this year, we've seen record-breaking numbers. Deposits grew over 25% year-on-year, a strong testament to client trust and engagement. From February through our August year-end, every month set a new record relative to the same month in previous years. This momentum has continued post-year-end, with August achieving an all-time record deposit level of over R1.3 billion. These deposits reflect the resilience of our client community and set us up for even more robust performance as interest rates begin to ease. We are committed to nurturing this growth by continuously optimizing the client experience and delivering value in every interaction.

## Innovation: The Lifeblood of Purple Group

Innovation is at the core of Purple Group, and in 2024, we took significant steps to elevate our offerings. This year, we launched EasyApp 3.0 and introduced EasyAI Baskets. These upgrades were designed to make investing more engaging, intuitive, and personalized, enhancing client satisfaction and experience.

Our loyalty program, Thrive, has also evolved, becoming a vital driver of engagement and retention. Thrive is more than a rewards program; it's a platform for learning, growth, and financial empowerment. By aligning rewards with client engagement, we're not just enhancing loyalty but actively promoting better financial habits. We're excited about the potential Thrive has to deepen our relationships with clients and increase long-term platform engagement.

658% Increase in number of clients receiving the thrive brokerage benefit FY23 - FY24

2536% Increase in value of thrive brokerage benefit received by clients FY23 - FY24

+496%
Education
Oct 2023 - Aug 2024

+60%
Donate for Good
Oct 2023 - Aug 2024

+63%
Product Commander
Oct 2023 - Aug 2024

Thrive Top 3 activities achieved
by number of clients FY24

Platform Evangelist

Deposit More Than You Withdraw

Product Commander

Level3
Most common level achieved

## Expanding Our Product Suite to Meet Evolving Client Needs

Our expanding product lineup is designed to meet the diverse needs of our clients, from new investors to seasoned traders. In 2024, we introduced EasyBonds and EasyTrader, both of which have broadened the paths our clients can take to build diversified, goal-driven portfolios.

- EasyBonds gives clients a reliable entry into South African Government Bond investing, providing stable options within our growing ecosystem. Uniquely available across all our Rand denominated accounts.
- EasyTrader, leveraging GT247's expertise, is designed for our most active clients who demand sophisticated trading tools. With more than 5% of our clients displaying advanced trading behaviors, EasyTrader meets their needs with a tailored experience.

By providing these products, we enable our clients to engage with a range of asset classes, seamlessly integrated into our platform. ETFs, for instance, now account for over 30% of platform assets, demonstrating the demand for accessible, managed investment options. The EasyETFs platform, fully integrated with Thrive for zero-brokerage investing, is gaining traction, and we anticipate even more engagement as our marketing efforts expand.

EasyBonds NAV R75.8mn Number of Investors 10,210 *In 9.5 months since launch to 31 Aug 2024

## Operational Excellence: Growth with Precision

One of our primary achievements this year has been our ability to grow while maintaining financial discipline. Despite rapid revenue growth, operating expenses rose by only 7.6%. Our cost-to-serve per client saw only a slight increase, demonstrating our focus on cost efficiency and smart resource allocation. This discipline has allowed us to reinvest in our platform, from technological upgrades to customer service enhancements, without compromising profitability.

We continued to further enhance operational efficiency through AI integration. AI offers transformative potential across our operations, from automating client support to enhancing data-driven decision-making. As these systems mature, we expect further improvements in efficiency, ultimately driving profitability and scalability.

## Strategic Partnerships: Fueling Growth and Global Reach

Partnerships have been a game-changer for Purple Group. Collaborations with industry leaders like Satrix, Capitec, Discovery, Telkom, and Ayoba have broadened our reach, integrating Purple Group's services into larger ecosystems where millions of clients can engage with investment opportunities seamlessly. Each partnership strengthens our platform's value, enhancing client experience and accelerating client acquisition.

Internationally, we're making strategic progress in Kenya and the Philippines, with regulatory processes advancing. While South Africa remains our core focus, we are committed to expanding Purple Group's footprint globally. These regions represent significant growth opportunities, and we're laying the groundwork to meet demand with the same client-centric approach that has driven our success domestically.

## Strategic Priorities for Growth in 2025

Looking forward, our core strategic focus remains centered on scaling and securing our platform, deepening partnerships, and refining client engagement. This focus necessitates attention in three key areas:

1. **Removing Friction in Growth Execution:** To keep pace with rapid growth, we're streamlining processes to improve execution speed and efficiency across all levels of the organization.
2. **Enhancing Client Engagement:** We're actively addressing client pain points to ensure a seamless experience across all interactions with our platforms, products, and services.
3. **Scaling Leadership Capacity:** As we look ahead to our next decade of growth, we're investing in leadership to support and sustain our growth trajectory.

## New Product Initiatives to Drive Future Growth

We're launching new products in 2025 to build on this year's achievements and meet client demand:

- **EasyRetire Retail:** Partnering with independent advisors, EasyRetire Retail will provide a simplified, scalable platform for advisors to grow their clients, assets, and revenue, removing regulatory and operational complexity.
- **EasySubscriptions:** By bundling products to fit different client profiles, EasySubscriptions will make it easier, more affordable, and more rewarding for clients to engage with multiple offerings on our platform.
- **EasyMortgages:** Designed to address property investment financing needs, EasyMortgages will expand our client service suite, positioning Purple Group as a comprehensive partner in wealth-building.

Additionally, two refined products - **EasyProtect Life 2.0** and **EasyCredit 2.0** - are poised to add further value. These products incorporate extensive client feedback and we anticipate strong engagement as we enhance benefits like premium affordability, broader age eligibility, and loyalty-based interest rate adjustments.

## A Promising Future, Powered by Economic Tailwinds

The economic backdrop for 2025 is set to support our growth. With interest rates beginning to ease and investment sentiment improving locally and globally, Purple Group is positioned to capture these tailwinds. Our platform's capacity to thrive in varying conditions demonstrates our resilience, and we're confident in our ability to expand impact, grow revenue and deliver value across every metric.

## With Boundless Gratitude

To our team, partners, and clients: thank you for your unwavering trust, commitment and shared vision. Together, we're building a legacy that goes beyond numbers - a legacy that's reshaping finance and uplifting the wealth of communities we serve. This first decade has shown us what's possible and as we look to the next, it's clear we're only just beginning.

Here's to the journey ahead, the next decade and the limitless potential that lies before us. Let's continue pushing forward with purpose, passion and the shared belief that we're transforming finance for the better, one investor at a time.

Take it easy,
**Charles Savage**
Chief Executive Officer, Purple Group

Charles Savage
CEO, Purple Group

**EasyProperties**

## Introduction and Strategic Purpose

As the CEO of EasyProperties, I'm proud to present our Annual Report for the financial year ending August 2024. As the property arm of the Easy Group, our mission is to bring the brand purpose and promise of EasyEquities to life by focusing on accessible and democratized property crowdfunding. In doing so, we're addressing many of the challenges and barriers associated with traditional property purchasing.

EasyProperties has become an impactful part of our community's wealth-building toolkit, with over 120,000 investors now creating diversified property portfolios. We're proud that anyone, regardless of background or investment experience, can take their first step onto the property ladder through our platform.

## Performance and Key Achievements

**Registered Clients** have grown by 14.9% to 436,005, underscoring a steady increase in interest and trust in EasyProperties.

**Active Clients** have seen a notable rise of 17.8% to 122,462, reflecting strong client engagement and recurring activity on the platform.

**Client Assets** have increased by 15.8% to R404 million. This increase underscores EasyProperties' ability to attract and retain investors, enhancing the scale and value of property investments on the platform.

We have successfully launched 40 IPOs, raising almost R350 million and investing in over 330 units across South Africa, representing a total property value of close to R500 million.

Our auction functionality continues to be a vital component of our platform, providing a unique, liquid secondary market for our clients.
At the half-year mark, we experienced a 21% increase in trading values within our auctions compared to the same period in 2023.

+14.9%
Registered Clients
436,005

+17.8%
Active Clients
122,462

+15.8%
Client Assets
R404mn

40 IPOs
R348mn raised

"a total property value of almost R500 million."

In May, we launched **monthly auctions** to enhance liquidity and offer clients more frequent opportunities to either invest in earlier properties or sell their existing assets. Although we only have three months of directly comparable results in this financial year, to date, the initial response has been promising. These monthly auctions have driven increased client participation, with volumes and values traded showing a robust upward trend. The value traded in these auctions to date reflects a **29% increase** (October 2024) compared to the same timeframe last year, positioning us well for continued growth into FY 2025.

This evolution in our auction model reinforces our commitment to creating a dynamic, responsive marketplace that aligns with our clients' needs and investment aspirations.

The introduction of monthly auctions and dividend payments represents a new level of engagement and liquidity, meeting investor demands for flexible and timely returns.

The platform continues to diversify its offerings with the launch of two industrial property investment opportunities, providing investors with a broader array of options.

## Market Dynamics and Our Approach

Despite navigating through challenging economic headwinds and a high-interest rate environment, EasyProperties has still demonstrated resilience, still achieving good growth numbers. Now, as conditions improve with potential further reductions in interest rates and a renewed wave of investor optimism both locally and globally, we're exceptionally well-positioned to seize this momentum. Not only to sustain our growth rate but to accelerate it, expanding our offerings and amplifying the value we create for our investors.

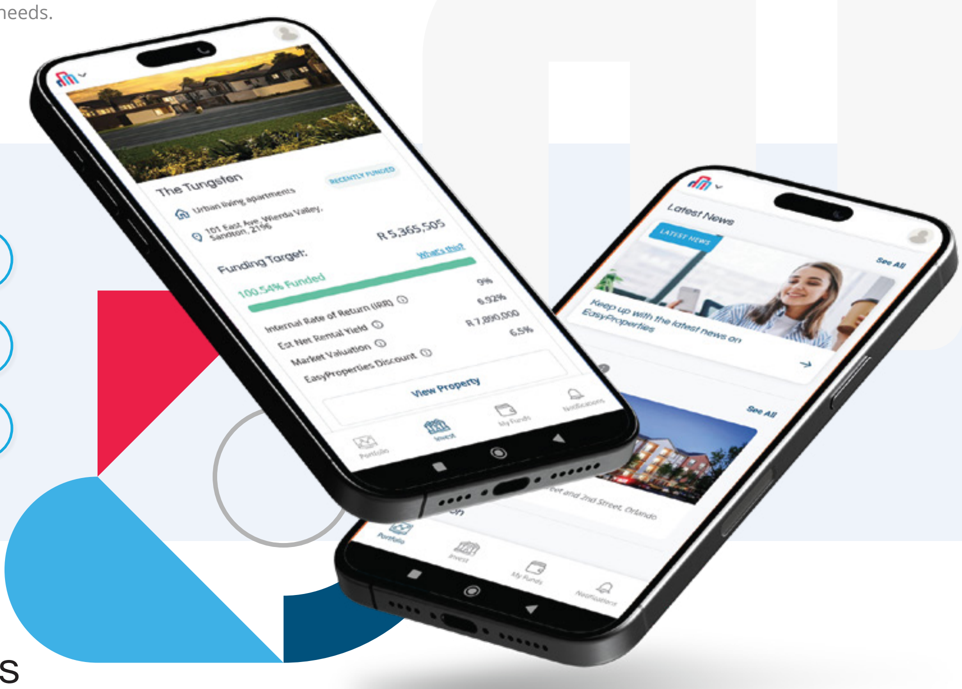
Our commitment to strategic partnerships and exploring new asset classes, such as development finance, retail shopping centres and international property, positions us to provide unique and high-quality opportunities in the coming year.

# LETTER FROM THE CEO CONTINUED

## Tech-Enabled Operational Efficiency

This year, EasyProperties' rental management division transitioned its CRM and listing capabilities to PropData, a powerful platform that centralizes property listings, leads and customer interactions in one digital environment. This integration allows for streamlined listings of rental properties, enhanced lead tracking and improved customer relationship management, making this aspect of our operations more efficient and responsive to client needs.

- Streamlined listings
- Enhanced Lead Tracking
- Improved CRM




## Strategic Goals

We're excited to keep raising the bar by bringing world-class, diverse property investments to EasyProperties! Early next year, we'll be introducing fantastic retail property opportunities and development financing options to the platform - expanding the ways you can grow your wealth with us.

In addition, we're exploring exciting partnerships with international property investment managers and platforms. These strategic collaborations will make it easier than ever for EasyProperties investors to access international markets, breaking down barriers and simplifying global property investment.

And that's not all - we're thrilled to announce a new property offering for the Easy community: EasyMortgages!
Soon, our million-strong active client base will be able to apply for mortgages with ease, access the best rates, and enjoy exclusive benefits, all at no cost. Keep an eye out for the big EasyMortgages launch announcement in early 2025!

## Thank You

I would like to express my gratitude to my team members, investors and partners. The team has made an enormous contribution to a successful year and reinforcing EasyProperties' commitment to innovation and making property investment easy, accessible, rewarding and profitable. We're just getting started, and we're excited to keep growing with you!

Rupert Finnemore
CEO, EasyProperties

EasyCrypto

## Introduction and Strategic Purpose

EasyCrypto continues to uphold EasyEquities' core mission of democratizing investment by providing accessible, secure, and cost-effective cryptocurrency investment solutions. As South Africa's premier cryptocurrency platform, EasyCrypto offers an intuitive user experience, bolstered by a state-of-the-art UI and UX. In addition to four index-tracking bundles, the platform now supports 41 unique cryptocurrencies, catering to a diverse range of investor profiles, from conservative to high-risk.

The past year has been monumental for both EasyCrypto and the broader cryptocurrency market. Key highlights included the groundbreaking launch of Bitcoin and Ethereum ETFs in the United States, which attracted unprecedented interest and set new records in ETF history, with Bitcoin ETFs becoming the most successful ETF launch to date. Additionally, April's Bitcoin halving event fueled renewed enthusiasm across the crypto ecosystem, significantly increasing platform activity and client engagement.

## Performance and Milestones

**Key Metrics:** EasyCrypto achieved record-breaking growth across core performance indicators this year. Client assets rose by 93%, nominal value traded increased by 252%, and revenue surged by an exceptional 223% year-over-year, marking a new all-time high for the platform. These results underscore EasyCrypto's resilience and adaptability in a highly dynamic market environment.

**Milestones:** This year, EasyCrypto broadened its coin offerings, enabling deposits and trading capabilities for Ethereum (ETH) and an expanded range of cryptocurrencies. Additionally, the integration with the enhanced EasyEquities 3.0 platform has made it significantly easier for clients to access and trade cryptocurrencies, representing a major breakthrough in user experience and platform cohesiveness.

"EasyEquities 3.0 platform has made it significantly easier for clients to access and trade cryptocurrencies"

ethereum

+93%
Client Assets

+252%
Nominal Value Traded

+223%
Revenue YoY

## Industry Trends and Strategic Response

**Industry Trends:** After a period of market volatility, the cryptocurrency sector experienced a robust rebound, with rising investor confidence and asset prices contributing to a resurgence in digital asset investment. This recovery, coupled with increased media attention and greater mainstream adoption, has driven substantial growth in platform activity and revenue for EasyCrypto.

**Response to Market Trends:** To meet evolving client preferences, EasyCrypto launched several popular memecoins, including BONK, FLOKI, BOME, and WIF. These additions resonated with our clients, leading to high trading volumes soon after their introduction. By quickly responding to market trends, EasyCrypto has reaffirmed its commitment to providing relevant and timely investment options for its users.

## New Technologies

EasyCrypto has made considerable progress in advancing its technological infrastructure, with the transition to a .NET 8 environment nearing completion. This upgrade is expected to enhance platform stability, accelerate processing speeds, and support the scalability needed to accommodate a growing user base. By investing in cutting-edge technology, EasyCrypto is positioning itself to deliver a smoother, faster and more reliable experience for all users.

# LETTER FROM THE CEO CONTINUED

## Client Engagement and Education

**Engagement Initiatives:** EasyCrypto has maintained an active client engagement strategy, leveraging educational webinars, newsletters, and social media to keep clients informed and empowered in their investment journeys. These initiatives have helped cultivate a robust community, boosting client loyalty and confidence in the platform.

**Educational Resources:** This year, EasyCrypto introduced a series of tutorials and in-depth market insights designed to educate users on cryptocurrency fundamentals, trading strategies, and risk management. By equipping clients with knowledge, we empower them to make well-informed decisions and navigate the complexities of cryptocurrency investing with greater confidence.

bitcoin tether SOLANA BINANCE

## Growth Plans and Strategic Partnerships

**Growth Plans:** Looking forward, EasyCrypto is committed to expanding its product suite to include a Bitcoin ETF listed on the Johannesburg Stock Exchange (JSE), a ZAR-backed stablecoin and a broader selection of thematic bundles. Additionally, exclusive token offerings are planned to further enhance the platform's appeal and drive revenue growth. These strategic additions are designed to strengthen EasyCrypto's position as the go-to platform for diversified cryptocurrency investment.

**Strategic Partnerships:** EasyCrypto is actively exploring partnerships with international fintech companies to enhance liquidity, broaden asset availability and potentially enter new markets. These collaborations are intended to expand EasyCrypto's reach, positioning it as a leading cryptocurrency platform in South Africa and beyond.

## Acknowledgments

EasyCrypto's accomplishments would not have been possible without the dedication of our exceptional team. Special thanks to Don Kruger, EasyCrypto's Product Owner, for his visionary leadership, and to our development teams across South Africa, India, and the Philippines for their relentless hard work and commitment to excellence. Their combined efforts have been pivotal in establishing a user-friendly, reliable and innovative platform for our clients.

Earle Loxton
CEO, EasyCrypto

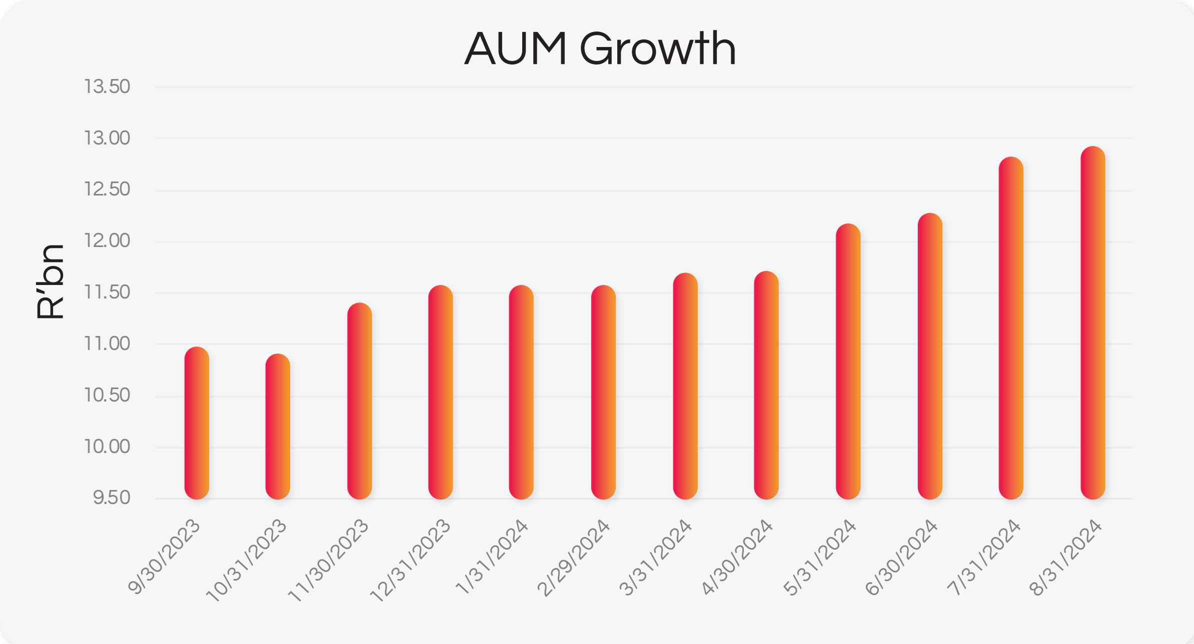
RISE EasyRetire

## Elevating Our Position within the Retirement Landscape

Over the past year, RISE EasyRetire has continued to strengthen its foundational role within EasyGroup, delivering on our mandate to provide transparent, cost-effective retirement solutions at scale. Guided by our principles of client-centred service and operational integrity, RISE is committed to fostering financial wellness through accessible, innovative retirement offerings.

## Financial Resilience and Growth

RISE's assets under management (AUM) reached R12.93 billion as of 31 August 2024, marking a 19.8% increase year-over-year . This growth is attributable to a combination of strong investment market performance and continued client acquisition. Despite industry-wide adjustments to the two-pot retirement system, the impact on fund flows was more muted than anticipated, underscoring the resilience of our client base and the efficacy of our service model. This performance reflects our team's disciplined approach to client service, operational rigor, and an unwavering focus on quality.




## Strategic Positioning and Market Adaptation

As regulatory changes and evolving client expectations reshape the retirement sector, RISE has positioned itself as a proactive leader. The EasyUmbrella Fund remains a key pillar of our strategy, offering a robust and adaptable solution for diverse client segments. Our capacity to integrate regulatory developments, such as the two-pot system, underscores RISE's commitment to delivering future-ready solutions while maintaining steady growth.

EasyUmbrella

# LETTER FROM THE CEO CONTINUED

## BEE Level 2 Certification: A Key Milestone

This fiscal year, RISE achieved a BEE Level 2 certification, advancing our goals of inclusivity and responsible growth. This milestone not only enhances our market competitiveness but also strengthens our alignment with the values of our clients and stakeholders. As we evolve, RISE remains committed to driving meaningful impact across the retirement landscape through a responsible, client-centred approach.

## Innovation and Enhanced Client Engagement

With a focus on enhancing the client experience, RISE introduced an AI-powered WhatsApp Member Portal. This new channel allows clients to access real-time support, increasing ease of access to retirement resources and reinforcing RISE's position as an accessible, tech-forward provider. Through continued investment in digital tools, we aim to elevate the quality and responsiveness of our client interactions, aligning with the modern expectations of our audience.

## Future Direction

Looking forward, RISE is well-positioned to build on its growth momentum. Our strategic focus remains on expanding AUM, optimizing our technology platforms, and further integrating within the EasyGroup ecosystem to broaden our reach. As we explore opportunities for innovation and operational efficiency, our commitment to disciplined growth and exceptional client service will guide us in navigating the path ahead.
With a solid foundation, a seasoned team, and a vision for sustainable growth, RISE EasyRetire is prepared to meet the evolving needs of our clients and deliver long-term value in a competitive and dynamic retirement landscape.

## Acknowledgments

I extend my thanks to our dedicated team, valued partners, and loyal clients. It is through your collective contributions that RISE continues to advance, reinforcing our standing as a trusted leader in the retirement space.

Deresh Lawangee
CEO, RISE EasyRetire

EasyETFs

## Introduction and Strategic Purpose

It is my pleasure and privilege to introduce EasyETFs in this year's annual report. EasyETFs is working to become an industry-leading provider of Actively Managed ETFs. Our purpose aligns with our philosophy of making investing in actively managed funds as easy, engaging, educational, transparent, rewarding, and affordable as possible for both retail and institutional investors.

## Notable Achievements

We have successfully embedded EasyETFs into the broader EasyEquities group infrastructure, completing our rebranding and aligning operational processes with our service providers. With this groundwork in place, our focus shifted to business development and growth as we prepared to bring our own EasyETFs products to market.

Our most significant achievement this year came just after Purple Group's financial year-end, as we listed our first Actively Managed ETF on the JSE on 25 October 2024. Our first AMETF launched with R10 million in seed capital and grew to approximately R88 million in AUM by month-end, highlighting the strong demand for AMETFs.

Looking ahead, we plan to list two more AMETFs in 2024, after which we will expand our fund offerings and manager services.

EasyAI AMETF

Approximately R78 million
Increase in AUM by month-end for first AMETF launched
Listed 25 Oct 2024

## Market Dynamics

The AMETF sector on the JSE experienced rapid growth over the last 18 months, driven by demand from both investors and fund managers. Investors are drawn to the familiarity and benefits of ETFs, while fund managers see increased distribution potential in listed instruments. The positive market momentum is evident, with 21 AMETFs listed on the JSE by the end of October 2024, 11 of which were listed since August 2024. We expect the strong growth trajectory in AMETFs to continue.

## Strategic Focus and Advantage

EasyETFs is backed by Purple Group Limited – the pioneers behind EasyEquities. EasyETFs strategic focus is to partner with best-of-breed managers to drive sustainable, transformative growth in the financial services industry and promote democratised access to capital markets for all participants - investors and fund managers.

## Compliance and Governance

At EasyETFs, we understand that investor confidence and trust are essential to the success of our AMETFs. As such, we have taken proactive steps to ensure our operations, along with those of our partners and service providers, meet or exceed industry regulations and best practices.

## Recognising our Stakeholders

The listing of our AMETF has been a collaborative journey, reminding me that growth is a collective endeavour. I want to acknowledge the dedication and commitment of our team members, service providers, and all our stakeholders. We extend our deepest appreciation to every investor in EasyETFs' AMETFs. Your trust and engagement have been essential to our success and continue to inspire our growth. None of our achievements would be possible without you – thank you for being part of our journey!

Dave Oberholzer
Business Manager, EasyETFs

EasyAssetMgmt

## Introduction and Company Overview

Easy Asset Management, formerly Emperor Asset Management, is a core part of the Purple Group's financial services ecosystem, dedicated to offering affordable and superior investment solutions.

We align with EasyGroup's mission of democratizing access to financial tools, our approach is centred on making wealth management accessible, transparent, and customizable. We're positioned uniquely to simplify the investing process, leveraging technology to empower investors of all backgrounds to reach their financial goals confidently and cost-effectively.

## Highlights from the Year

We have launched our first actively managed ETF, the Easy AI AMETF, and are on course to launch two more before year end. Our strategies continue to perform in the top quartile of their peer benchmarks.

## Market Dynamics and Strategic Positioning

The markets have continued to be impacted by the rollout of AI, specifically the emergence of Large Language Models, with AI leaders taking market share and seeing best returns. We launched our Easy AI AMETF which invests in leading companies that are building, deploying and implementing AI through their ecosystem.

EasyEquities has offered a financial incentive to all retirement savers to move their money to the EasyEquities Retirement Annuity. EAM has one of the highest returning balanced funds in the country and as such can benefit from those flows.

**EasyAssetManagement Balanced Fund**
One of the highest returning balanced funds in the country

**Launch of EasyAI AMETF**
Investing in companies building, deploying and implementing AI

**AUM R0.63bn**
18.8% growth from R0.53bn FY 2023

## Technology and Innovation

Innovation remains at the heart of EasyAssetManagement. We continue to enhance our investment proprietary algorithms, allowing for data dependant risk-based portfolios that respond dynamically to market conditions. We have incorporated AI tools into our research approach and expect this to only expand as we progress.

## Supporting Investors Through Education

We prioritize client engagement and education to empower investors in their financial journeys. We actively contribute to this mission through insightful articles and analyses on the EasyEquities Blogs where you can find articles with our macro views on the South African and global economy, our thoughts on themes driving the markets and our individual share insights.

## Positioning for Future Growth

Looking forward, EasyAssetManagement is poised for further expansion and product development.

Our actively managed ETFs provide a leading product that is best aligned to investors on the EasyEquities platform. We will continue to work with the EasyEquities platform team to drive engagement of those solutions.

## Acknowledgments

We extend our gratitude to our dedicated team, loyal clients, and supportive partners. The successful launch of the Easy Actively Managed ETF products could not have happened if it weren't for the help of all group resources from legal to trading, Manco and compliance to name only a few. Most of all though we extend our gratitude to our clients who have invested their hard-earned money with us.

Shaun Krom
CIO, EasyAssetManagement Retail

## Outlook on Purple Group Investment cluster of businesses

This past year we have consolidated our efforts and leveraged synergies and capabilities across our Purple Group Investments cluster of businesses, which are EasyRetire RISE, EasyETFs, and EasyAssetManagement. This cluster of businesses continues to grow and strengthen the investment management proposition of Purple Group and we can proudly reflect on a number of achievements which the leaders of those businesses have reflected on in their respective sections of our annual report.

## Expansive investment management offering

Our investment management offering at Purple Group now spans across retirement savings and investments including a fast growing disruptive multi-management investments and administration business, Actively Managed Exchange Traded Funds (AMETFs) and a highly innovative digitally enabled asset management business. This breadth of capabilities lead by highly competent investment industry professionals positions us as a formidable force to be reckoned with in the investment management industry. Rooted in innovation and disruption, as part of a pioneering fintech group, we continue to challenge the status quo and take this offering to the next level in the coming year.

The past financial year laid a solid foundation, characterised by remarkable milestones, including new business acquisition, groundbreaking product innovations such as our AMETFs, and the adoption of advanced technology to enhance our asset management processes and remain at the cutting edge of leading thinking in the investment management industry. These efforts set us apart from traditional providers.

## Set for growth and disruption

As we move into the next financial year, our focus remains steadfast: continue to position our differentiated offering through focussed business development activities, expanding our product suite informed by client needs, driving process innovation, leveraging leading technologies such as Artificial Intelligence to enhance our investment decision making processes, further build on our investment governance processes given integrity is an integral part of our value proposition, and perpetuating our legacy of disruption into the investment management space. Together, we will continue to redefine what's possible and deliver unparalleled value to our clients and stakeholders.

## Word of thanks

I want to take this opportunity to commend the team for their consolidated efforts in growing and strengthening the investment management offering of Purple Group.

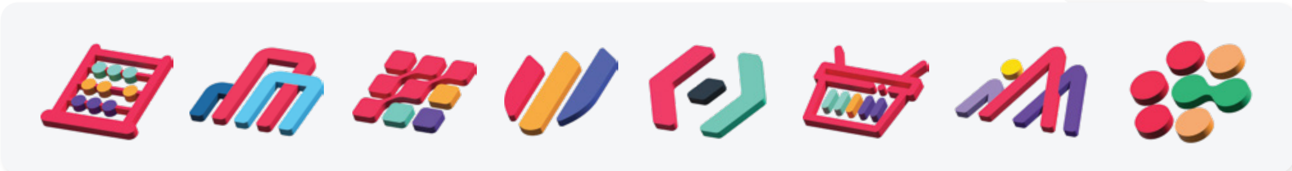
Nicola Comninos
Group Executive: Investments & Chief Risk Officer

## Product Highlights 2024

As Chief Product Officer, I am proud to present the 2024 Product Highlights, a testament to the boundless innovation, customer focus, and market leadership that define EasyEquities. This year, we further cemented our role as a trailblazer in democratizing investments, making financial freedom an achievable reality for individuals across diverse markets. Every milestone we celebrate, and every challenge we overcome is driven by our unwavering commitment to designing products that empower, inspire, and deliver unparalleled value to our clients.

## Market Context and Strategic Positioning

In 2024, we leaned into our mission of accessibility, creating a product ecosystem that is both intuitive and transformative. From fractional access to government bonds with EasyBonds to a new EasyApp 3.0 user interface, highlighting our comprehensive product universe and wealth creation tools. Our portfolio continued to expand in ways that meet the evolving needs of our users. The reimagined Thrive loyalty program and the launch of EasyAI further demonstrate our commitment to user-centric innovation, blending cutting-edge technology with the behaviors and aspirations of our investors.



## Innovative Solutions

Technological advancements were the backbone of our growth. From improving platform scalability and security to deploying intelligent insights that guide client decisions, we invested deeply in our infrastructure to ensure a seamless, future-ready experience. This investment not only enhances operational excellence but also strengthens our ability to innovate at an "uncomfortable pace," as we strive to set new benchmarks in the investment landscape.

## Engaging and Empowering Our Clients

Notable achievements include a 10.4% growth in active retail clients, the successful launch of new products tailored to investor archetypes, and record-breaking engagement across our educational platforms. These successes are a direct reflection of the trust our clients place in us and the tireless efforts of our team to foster a community of financially empowered individuals.

## Looking Ahead

Looking ahead, the horizon is bright with opportunity. We prepare to introduce groundbreaking solutions such as EasyProtect Life 2.0, subscription-based investment bundles, and EasyRetire Retail, enabling wealth and financial planning solutions for financial advisors on the platform. We remain steadfast in making investing easy, accessible, and life-changing for everyone. The year 2024 has positioned us as not just a platform but a movement - one that champions financial dignity and inclusivity at every turn.

## Thank You for Joining Us

To our clients, partners, and stakeholders, thank you for joining us on this transformative journey. Together, we are reshaping the world of investing, one innovation at a time. The best is yet to come.

Almero Oosthuizen
Chief Product Officer

## EasyBonds

EasyEquities, is committed to democratizing access to financial and investment products through innovation, empowering individuals to invest seamlessly in diverse asset classes. Recently, we expanded our offering by introducing South African government bonds to the EasyEquities platform, marking a step towards inclusive investment opportunities. The EasyBonds offering aligns with EasyEquities' mission by simplifying access and ownership in traditionally exclusive markets.

The introduction of government bonds has seen notable client engagement and participation, particularly in ZAR and TFSA wallets and more recently in RA wallets. Working with Rand Merchant Bank (RMB) as our liquidity provider, we have solved one of the big barriers to entry for government bonds and as a result we have enhanced transparency and accessibility for our users.

## Market Context and Strategic Positioning

The South African bond market was notably topical recently, influenced by rising interest rates since the beginning of 2022 and this presented unique buying opportunities due to lower bond prices and higher yields. By providing access to government bonds at various points on the yield curve (3, 7, 12, 17, and 25 years), EasyEquities has strategically positioned itself to cater to clients seeking more predictable cash flows through coupon distribution and portfolio diversification amid equity market uncertainty. Since being available on the platform, clients have bought just under R100 million worth of bonds (as of October 2024), with the average age of buyers being just 32. This further confirms the disruption and accessibility that we strive for as many of these clients, are first time buyers of government bonds.

## Innovative Solutions

We developed and integrated a mechanism to quote the dirty (all-in) price of bonds, encompassing accrued interest and coupon payments, making it simpler for clients to understand bond pricing. Additionally, our collaboration with RMB enabled a streaming (all-in) pricing system, a first in the local retail market, ensuring clients can transact with precision and transparency with no minimums. Thus far we've facilitated more than 42,000 transactions across 5 bonds available on the platform.

## Engaging and Empowering Our Clients

Our platform emphasizes client education through detailed FAQs and accessible resources, explaining bond investment basics, yield calculations, and coupon distribution. We've also streamlined client engagement by offering a user-friendly experience on our platform, allowing clients to transact in government bonds as easily as they would with equities due to the streaming all-in price displayed. There are also no predefined lock in periods and clients can sell as easily as they can buy.

## Suitability

Basic portfolio construction theory suggests an allocation to fixed income assets, which include bonds, for diversity and stability. Bonds are often considered less volatile and more stable than equities and sit in the middle of the spectrum between equities and cash thereby complimenting portfolios. It is important to note though, that bond prices can and do move, as influenced by interest rate movements and expectations, and other economic factors, allowing one the opportunity to also trade bonds from time to time.

## Looking Ahead

We aim to expand our bond offering, enabling further portfolio diversification for our clients. Future goals include enhancing features such as auto-reinvestment for coupons. These developments will provide clients with innovative ways to manage their investments effectively.
Thank You for Your Trust and Commitment

## Thank You for Your Trust and Commitment

We extend our sincere thanks to our dedicated team, partners, and our most importantly our clients for their trust and engagement. Their contributions have been instrumental in making this product a success, and we look forward to building on these accomplishments in the coming year.

Nilan Morar
VP of Trading Operations

## THRIVE EasyEquities Loyalty Program

Thrive, recently relaunched to drive deeper user engagement, has become a cornerstone in EasyEquities' mission to foster an active and informed investor community. The program now emphasizes building investor networks through referrals and expanding knowledge through monthly, market-related educational content. Thrive has also played a pivotal role in supporting the brand team by featuring targeted product promotions through monthly activities, aligning closely with the Purple Group's values of accessibility, education, and community-building.

## Accomplishments

Thrive has achieved substantial growth in user engagement over the past fiscal year, with a 5,152% increase in the number of clients reaching Level 3 and higher. This upward movement reflects the success of our re-engagement initiatives, and the value clients find in advancing through the program. High-level participation, specifically at Levels 8, 9, and 10, saw remarkable growth 22,451% compared to last year, underscoring strong loyalty and active involvement among top-tier users. This rise at the highest levels indicates that more clients are consistently engaging with Thrive's activities and incentives, progressing through the loyalty tiers as they deepen their investment journeys.

## Innovations and Technology Integration

This year, Thrive expanded significantly, integrating several new features to enhance client engagement and product value. Alongside the EasyAI insights tool, which, once out of beta and initial launch offering will offer personalized, AI-driven insights for higher-level members, Thrive introduced monthly product promotions and additional standard activities that clients can complete to earn benefits. These monthly Thrive activities have become central to engaging clients, with successful ad-hoc product benefits - validated by strong product growth and positive customer feedback - added as recurring, default activities.

## Investor Education

Thrive has been designed with education at its core, delivering fresh, targeted educational content every month to drive user growth and enhance clients' market, product, and investment knowledge. Each module is crafted to build financial literacy, encouraging clients to engage meaningfully with investment concepts. As clients complete these monthly training modules, they are rewarded with Thrive level benefits, reinforcing the value of continuous learning.

Looking ahead, we plan to integrate a comprehensive learning management system across EasyEquities, our product platforms, and Thrive itself. This will create a cohesive educational ecosystem, enriching the Thrive experience and further empowering our clients on their financial journeys.

## Social Responsibility

The Thrive program encourages clients to contribute to causes through our "Donate for Good" initiative, fostering a socially conscious investor community. This initiative reflects our commitment to sustainable and responsible investing, aligning Thrive's values with those of our socially aware clients.

## Our Roadmap

This year, Thrive saw significant growth with new features enhancing client engagement and value. The EasyAI insights tool, currently in beta, will soon deliver personalised insights for higher-tier members. Monthly product promotions and standard activities were introduced, becoming key to client engagement. Successful ad-hoc benefits, supported by strong product growth and positive feedback, have been integrated as recurring activities.

## Acknowledgments

We extend our sincere gratitude to our clients, dedicated team, and valued partners, whose support and engagement have been instrumental in Thrive's success. Thrive has been pivotal in driving Purple Group's growth aspirations, acting as a cornerstone in our mission to create a more accessible, engaged investment community. Our achievements reflect a shared commitment to delivering on our objectives through expanding our customer base, strengthening partnerships, and advancing on the Thrive platform. We look forward to continued collaboration as we build on this momentum, creating meaningful value and sustainable growth for all.

Tristan Finnemore
VP of Product

# LETTER FROM THE CEO CONTINUED

EasyTrader

EasyTrader, one of our latest products, is a dynamic extension of EasyEquities' commitment to democratizing access to investments and empowering individuals in their financial journey. Built on the legacy of GT247.com, the pioneers of CFD trading in South Africa, EasyTrader aims to simplify and enhance the trading experience, embodying our mission to break down barriers in investment accessibility.

## Achievements

Although in its early days, EasyTrader's launch marks a milestone achievement in expanding our product ecosystem and bringing the GT247.com brand under the Easy umbrella. We have laid foundational technology, established initial marketing campaigns, and generated positive preliminary feedback from our initial Early Access users excited about the trading experience enhancements.

## Innovations and Technology Integration

EasyTrader is deeply integrated into the EasyEquities ecosystem, offering clients a unified and enhanced experience. With seamless money management between EasyEquities and EasyTrader, users can capitalize on trading opportunities with speed and efficiency. Additionally, EasyTrader account values are now consolidated into clients' total portfolio values, providing a holistic view of all investments and trades within a single platform. This integration reinforces our commitment to creating a streamlined, user-friendly environment that supports informed decision-making and an optimal trading experience.

## Client Engagement and Education

Client engagement and education are foundational to EasyTrader's mission. Through our integrated EasyAcademy, we will offer a comprehensive range of educational content covering both platform navigation and trading essentials. As part of the EasyEquities ecosystem, EasyAcademy allows us to seamlessly align the EasyEquities client onboarding and conversion journeys with EasyTrader, providing a cohesive experience that empowers clients with the knowledge and confidence to navigate the trading landscape effectively.

## Ambitions for the Future

Looking ahead, EasyTrader is set to build on its early momentum with targeted platform enhancements that provide users with more frequent data access and additional tools to elevate their trading experience. Our roadmap includes introducing expanded options for seamless money transfers and broadening our offering to support USD accounts, catering to a more diverse trading audience. By continuing to innovate and expand our service offerings, we aim to position EasyTrader as a significant growth driver within the EasyEquities ecosystem, delivering exceptional value and opportunities for our clients.

## Thank You

I want to extend my deepest gratitude to our dedicated team members, investors, clients, and partners. Your support, collaboration, and vision have been crucial in laying the foundations to making this product a success. Thank you for your contributions and continued commitment to our shared goals.

Paul Chakaduka
Head of Trading

# LETTER FROM THE CEO CONTINUED

## EasyPartnerships

I am proud to present our partnership update for the 2024 financial year.

EasyEquities' strategic partnerships with Satrix, Capitec, Discovery, Telkom, and Ayoba are pivotal in advancing our mission to democratise investing and expand financial access.

These partnerships enable us to integrate our investment solutions directly into our partners' ecosystems, enhancing their value proposition by offering clients seamless access to investment opportunities within familiar platforms. Together, we are transforming the financial landscape, creating lasting value for our clients, our partners, and the broader market.

## Performance

- **Revenue:** Grew by 45.2%, driven by increased platform engagement, and expanded product offerings.
- **Active Clients:** Rose by 11.7%, demonstrating robust client engagement and confidence in EasyEquities' platform, despite current economic headwinds.
- **Value Traded:** Increased by 25.4%, signalling heightened client activity and confidence in the platform's investment offerings.
- **Client Assets:** Grew by 18.5%, indicating strong asset retention and growth.
- **Deposit Values:** Up by 27.7%, highlighting clients' commitment to investing despite a challenging economic environment.

## Technology Integration

EasyEquities integrates partner apps to offer clients innovative investment products and educational resources. Through a white-label collaboration, Satrix provides seamless ETF access with fractional investing. The Capitec partnership connects EasyEquities to over 13 million digital users via Capitec's banking app. Collaborating with Discovery aligns EasyEquities with wellness-focused financial services, reaching 1 million clients. Telkom expands investment literacy and digital access, especially in underserved areas. Lastly, the partnership with Ayoba brings EasyEquities to diverse African audiences, offering investment tools through Ayoba's messaging platform.

## Client Engagement Initiatives

The introduction of AI and an AI-driven chatbot has significantly enhanced EasyEquities' Client Engagement services, streamlining service delivery and accelerating query resolution. By offering timely updates, efficient query management, and personalised support, EasyEquities has boosted client satisfaction, reinforcing trust and loyalty within our partnerships and elevating EasyEquities and our partners' reputations as reliable, innovative service providers.

## Looking Forward

EasyEquities' innovative financial offerings are furthered by close collaboration with partners, allowing aligned strategies within their expansive networks to boost engagement and mutual growth. Our partners' growth goals align with our mission, helping us leverage their reach to offer accessible, diverse investments to a wider audience. Looking ahead, we are expanding our partnership strategy across Africa, focusing on strategic alliances in East Africa, with Kenya as a priority due to its dynamic fintech sector and demand for accessible financial solutions. This regional growth will extend our collaborative model, enhancing financial literacy and engagement across new markets in Africa.

## With Heartfelt Thanks and Gratitude

We extend our sincere thanks and appreciation to our valued partners and their clients for their unwavering trust, loyalty, and ongoing support. Thank you for being an integral part of the EasyEquities journey.

The achievements of EasyEquities' partnerships reflect the dedication and expertise of our exceptional teams, who are committed to our mission of democratising investing for all.

Bradley Leather
VP of Partnerships

EasyCredit

EasyCredit, EasyEquities' asset-backed lending solution, exemplifies our mission to democratise access to financial opportunities. Inspired by client feedback and data-driven insights, EasyCredit enables clients to unlock liquidity from their investment portfolios without the need to liquidate assets. This allows clients to meet short-term financial requirements, the primary reason for client withdrawals, while preserving their long-term investment strategies.

EasyCredit also enables clients to leverage their portfolios to capitalise on market opportunities by purchasing additional securities. This solution positions EasyCredit as a key enabler in achieving both current financial goals and long-term growth.

## Market Environment and Strategic Positioning

The macroeconomic environment for securities-backed lending faced challenges this year, particularly with persistently high interest rates. Despite these headwinds, EasyCredit demonstrated resilience and strong client adoption, achieving a 30% increase in value loaned in the six months post-February relative to the prior six months.

Securities-backed lending is a well-established practice; however, until now it has not been widely accessible. EasyCredit's innovation lies in its accessibility with a comparatively low entry point of R758 portfolio value. Unlike traditional securities-backed lending solutions, often restricted to high-net-worth individuals or institutional investors, EasyCredit is tailored to retail investors, making liquidity solutions more inclusive and widely available. While the cost of credit at prime +3% is higher than loans secured by physical assets such as property, it is significantly more competitive than unsecured credit options. In the coming months, we will introduce variable interest rates linked to clients' Thrive status. These rates will cap at prime +3% but can be reduced to as low as prime, offering clients enhanced value and flexibility.

## Key Milestones and Achievements

In its inaugural year, EasyCredit has achieved notable milestones:

- R5.8m advanced through 528 loans.
- The first loans to reach maturity were repaid.
- 99.7% of closed loans were repaid early, with a 0% default rate, highlighting strong credit quality.
- Delivered significant platform improvements to enhance client experience and streamline loan processes.

## Future Growth and Strategic Vision

Looking ahead, our growth strategy is rooted in responding to client feedback and leveraging data-informed decision-making.

EasyCredit's strategic focus and product enhancements include:

- Thrive-Linked Variable Interest Rates: Clients with higher Thrive status will enjoy reduced interest rates, potentially as low as prime.
- 30-Day Interest Free Period: Qualifying clients will benefit from interest-free loans for the first 30 days, enhancing short-term affordability.
- Operational Enhancements: Improvements to functionality and processes will drive better client experiences and higher credit utilisation.
- Loyalty Rewards: Lower initiation fees for returning clients, rewarding loyalty and utilisation.

## With Gratitude and Thanks

To the EasyCredit and the entire EasyEquities team for their unwavering dedication and significant contributions, to our clients for their trust, engagement and loyalty, and to our partners for their collaboration in bringing this product to market and making the first year a success. Together, we have established a strong foundation for even greater achievements in the year ahead.

Andrea Copland
Head of Business Intelligence

## EasyProtect

It gives me great pleasure to share the progress we've made with EasyProtect during the year. Since launching EasyProtect, we have been focused and undergoing an iterative process to improve the product and platform using insights from our clients, research, and internal data. Over the year we have delivered significant product enhancements to differentiate and tailor the product for our target client group, investors.

EasyProtect is aligned with the group's mission to empower our clients to help grow and (especially) protect their wealth. Partnering with Sanlam, a significant shareholder and one of Africa's premier life insurance providers, EasyProtect leverages a digital-first approach to make life insurance simple, accessible, personalised, and investor-focused. We are making it easy for our clients to protect their financial futures and that of their loved ones, complementing their wealth-building journey with comprehensive protection.

We are committed to constant improvement and innovation. We are still at an early stage of pursuing a significant opportunity that, if we execute well, will create enduring value. Through personalisation and focus on creating an ideal product and insurance experience for our retail investor community.

Average monthly premium per policy **R243 FY24**

ARPU **R167**

## Market Dynamics and Strategic Positioning

The overall operating environment was not conducive to insurance growth, with weak economic growth persisting throughout the year. Consumer disposable income remained under pressure due to relatively high inflation. Inflation has begun to ease, creating conditions for interest rate cuts, which we have recently seen effected in the first reduction of 25 basis points in September. Despite these headwinds, many life insurers delivered double-digit improvements in profitability in 2024. With inflation moderating, further rate cuts expected and an improved outlook for economic growth, I expect accelerated growth for the industry. Underwriting risk is largely seen to have stabilised to pre-pandemic levels with mortality experience broadly within expectation.

The South African life insurance industry is large, well-developed, and competitive. EasyProtect enters the market at a time when many of the large players have introduced their own digital offerings. However, we are convinced that there is an exciting opportunity to disrupt this large industry with our focus being on retail investors. We are creating a unique and attractive value proposition for investors, that is very hard for other players to replicate. EasyProtect is leveraging the reach, data, and client demographics EasyEquities has, a product that aligns with our client's long-term wealth creation goals and an intuitive digital experience that lives on the platform.

## Milestones in the Year Under Review

- Introduced age-related premiums. These are more market comparable and provide a lower cost option, complementing level premiums (fixed premiums). To my knowledge, we are the only provider that offers clients this flexibility to choose through a fully digital process and without medicals.
- Completed a major actuarial review with Sanlam leading to more competitive rates under both pricing options (level and age-related).
- Completed a unique actuarial study with Sanlam which proved that our retail investors have significantly better mortality experience than the general population. Using this we will be introducing investment behaviour driven upfront and sustained discounts of up to 50% to our client base from November 2024.
- Completed an underwriting overhaul to increase the number of clients who qualify for the product, improving our process, increasing the amount of cover we can offer, and increasing allowable policy terms from November 2024.
- Delivered significant platform improvements to improve user experience, platform stability, and our premium collection capabilities.

These improvements put us in a strong position to scale the product. I'm optimistic about the coming year as we launch the latest version of the product to the market in November 2024.

## My thanks

To the whole team at EasyEquities and all our clients for your significant and ongoing contributions. I look forward to an exciting year for insurance in 2025.

Mbulelo Mpofana
Product Owner

## PURPLE GROUP CONSOLIDATED

Consolidated Statement of Profit or Loss

| | 2024 R'000 | 2023 R'000 | Movement % |
|---|---|---|---|
| Revenue | **400,432** | 276,062 | 45.1 |
| Commissions and research expenses | **(13,036)** | (13,381) | (2.6) |
| Expenses before other income, fair value & impairment adjustments, interest, depreciation & amortisation ("Operating expenses") | **(301,406)** | (280,210) | 7.6 |
| **Net income / (loss) before other income, fair value & impairment adjustments, interest, depreciation & amortisation** | **85,990** | (17,529) | 590.6 |
| Other income | **-** | 325 | (100.0) |
| **Profit / (loss) before fair value & impairment adjustments, interest, depreciation & amortisation** | **85,990** | (17,204) | 599.8 |
| Finance income | **20,410** | 10,952 | 86.4 |
| Finance costs | **(3,755)** | (1,312) | 186.2 |
| Depreciation and amortisation | **(50,832)** | (41,442) | 22.7 |
| **Profit / (loss) before fair value, impairment adjustments and tax** | **51,813** | (49,006) | 205.7 |
| Fair value & impairment adjustments | **(8,625)** | 2,273 | (479.5) |
| **Profit / (loss) before tax** | **43,188** | (46,733) | 192.4 |
| Income tax (expense) / benefit | **(7,605)** | 11,534 | (165.9) |
| **Profit / (loss) for the period** | **35,583** | (35,199) | 201.1 |
| **Profit / (loss) attributable to:** | | | |
| Owners of the Company | **24,795** | (24,872) | 199.7 |
| Non-controlling interest | **10,788** | (10,327) | 204.5 |
| | **35,583** | (35,199) | 201.1 |

# CFO'S REVIEW CONTINUED

| | **2024 R'000** | 2023 R'000 | Movement % |
|---|---|---|---|
| *Earnings per share* | | | |
| Basic earnings / (loss) per share (cents) | **1.77** | (1.90) | 193.2 |
| Headline earnings / (loss) per share (cents) | **1.77** | (2.05) | 186.3 |
| Net Asset Value per share (cents) | **42.45** | 40.80 | 4.0 |

- The profit attributable to ordinary shareholders of Purple Group amounts to R24.8 million for the current year, compared to a loss of R24.9 million in the prior comparative period.
- The Group generated basic earnings per share of 1.77 cents, compared to a basic loss per share of 1.90 cents in the prior comparative period, representing an increase of 193.2 %.
- The Group generated headline earnings per share of 1.77 cents, compared to a headline loss per share of 2.05 cents in the prior comparative period, representing an increase of 186.3%.

EasyGroup

## EASY GROUP CONSOLIDATED

Consolidated Statement of Profit or Loss

| | **2024 R'000** | 2023 R'000 | Movement % |
|---|---|---|---|
| Revenue | **360,177** | 237,803 | 51.5 |
| Commissions and research expenses | **(9,181)** | (9,515) | (3.5) |
| Expenses before other income, interest, depreciation & amortisation ("Operating expenses") | **(266,706)** | (241,227) | 10.6 |
| **Net income / (loss) before other income, interest, depreciation & amortisation** | **84,290** | (12,939) | 751.4 |
| Other income | **-** | 362 | (100.0) |
| **Profit / (loss) before interest, depreciation & amortisation** | **84,290** | (12,577) | 770.2 |
| Finance income | **20,277** | 10,028 | 102.2 |
| Finance costs | **(1,781)** | (179) | 895.0 |
| Depreciation and amortisation | **(50,829)** | (41,261) | 23.2 |
| **Profit / (loss) before tax** | **51,957** | (43,989) | 218.1 |
| Income tax (expense) / benefit | **(6,932)** | 10,609 | (165.3) |
| **Profit / (loss) for the period** | **45,025** | (33,380) | 234.9 |

- The Easy Group has generated a profit after tax of R45.0 million for the current period, compared to a loss of R33.4 million in the prior comparative period, representing an increase of 234.9%.
- This result was largely driven by a 51.5% increase in Revenue, whilst operating expenses only increased by10.6% during the 2024 period, compared to 2023.

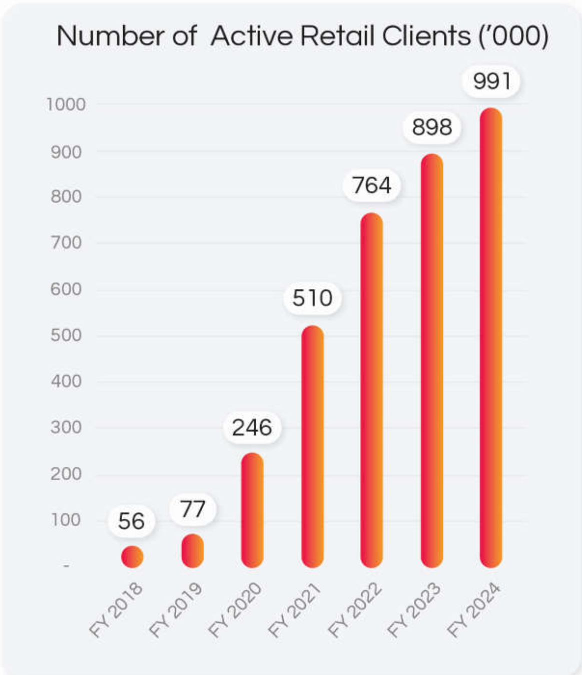
## EASY GROUP KEY VALUE DRIVERS

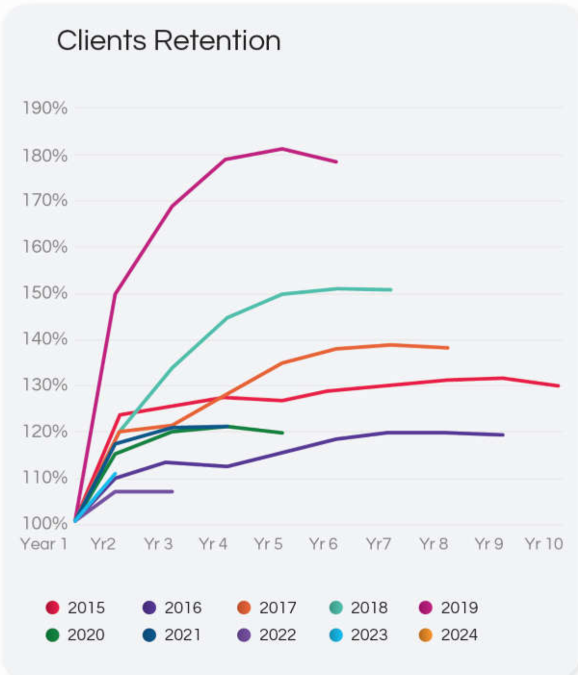
| Easy Groups Active Clients | Easy Groups Client Assets | Easy Groups Revenue | Easy Groups Operating Expenses |
|---|---|---|---|
| Increased by 10.4% to | Increased by 24.8% to | Increased by 51.5% to | Increased by 10.3% to |
| ▲ 991 320 | ▲ R58.2bn | ▲ R360mn | ▲ R267mn |
| (2023: 897 940) | (2022: R46.6 Billion) | (2023: R238 Million) | (2023: R241 Million) |

"The Easy Group has increased its Active Clients, Client Assets and Revenue, despite challenging market conditions. Despite rapid revenue growth operating expenses rose by only 10.3%"

## EASY GROUP ACTIVE CLIENTS

- The number of unique Active Retail Clients increased by 10.4% to 991,320 at FY 2024, compared to FY 2023.

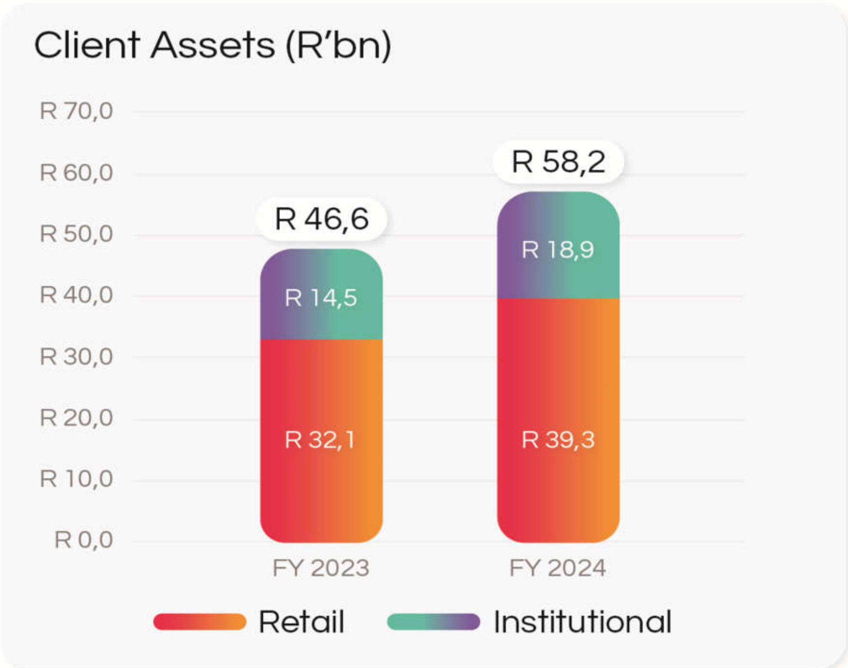


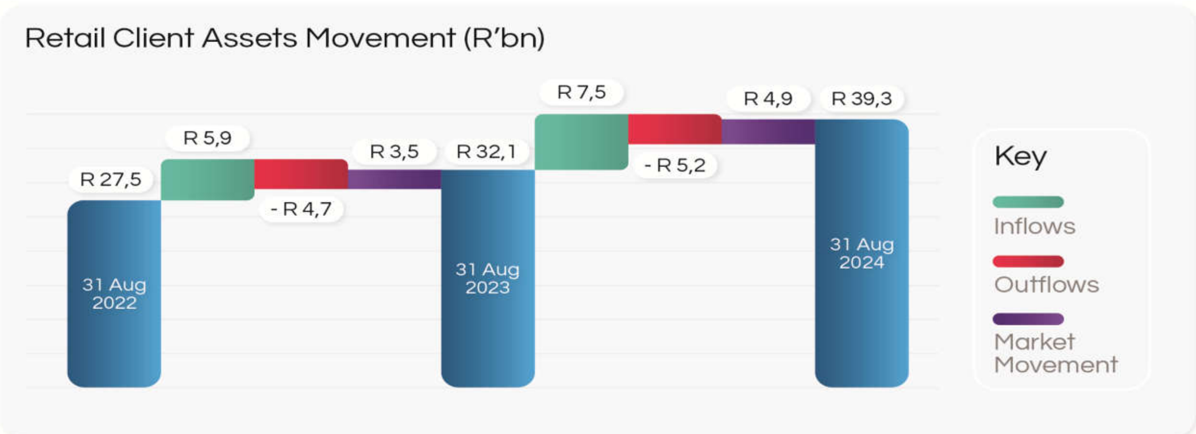

*"The Easy Group continues to acquire and retain clients."*

## EASY GROUP CLIENT ASSETS

- The Easy Group's Client Assets increased by 24.8% to R58.2 billion compared to FY 2023.
- Retail Client Assets increased by 22.4% to R39.3 billion, whilst Institutional Client Assets increased by 30.3% to R18.9 billion FY 2024 compared to FY 2023.
- Retail Clients maintained a net cash inflow during FY 2024, adding 6.62% (FY 2023: 3.88%) to their investments, thereby benefiting from the upswing in the markets during the period, which resulted in a return for clients, on average, of circa. 14.0% for the 12 months.

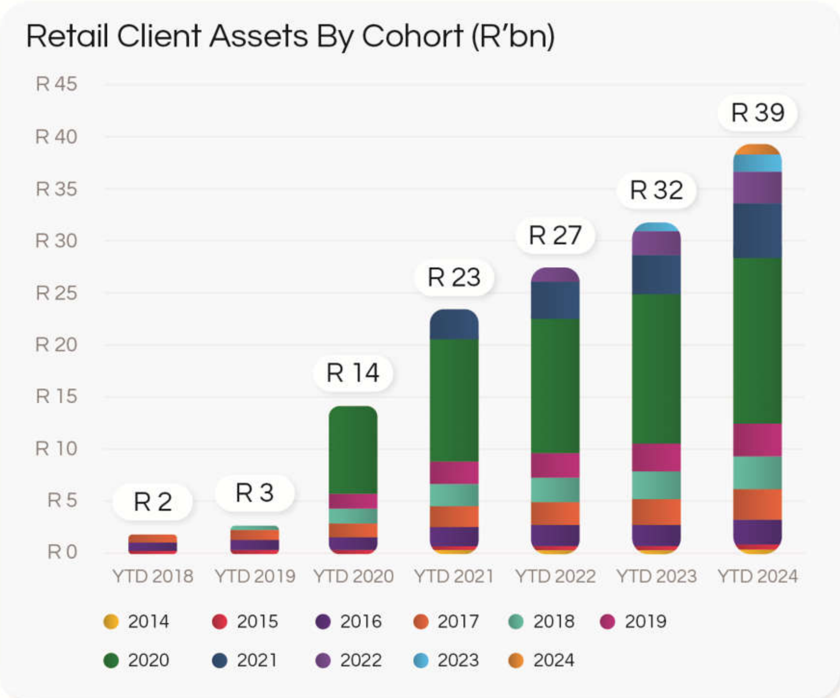



*"Client Assets are growing, across both Institutional and Retail channels."*




*"Retail Clients maintained a net cash inflow during the period, adding 6.62% to their investments, up from 3.88% in the prior year."*

*"Clients generated a positive return (after fees) of 14.0% on their assets."*

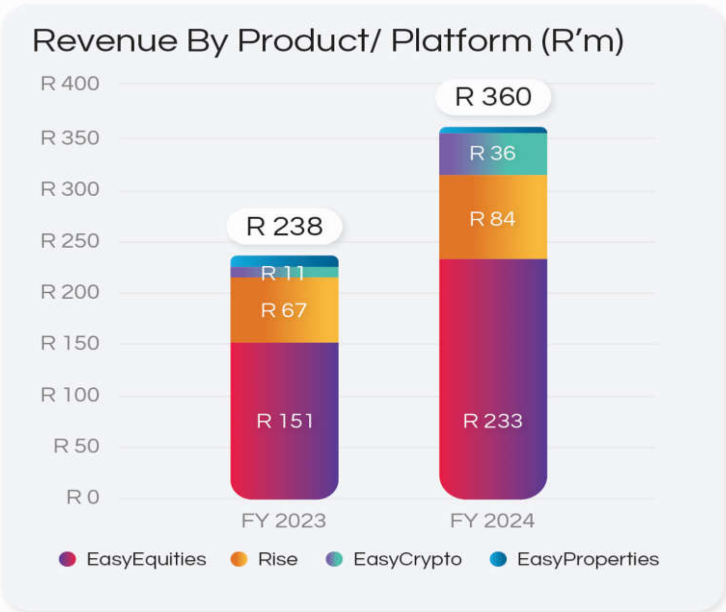



*"Across all cohorts, Client Assets stick and stack over time"*

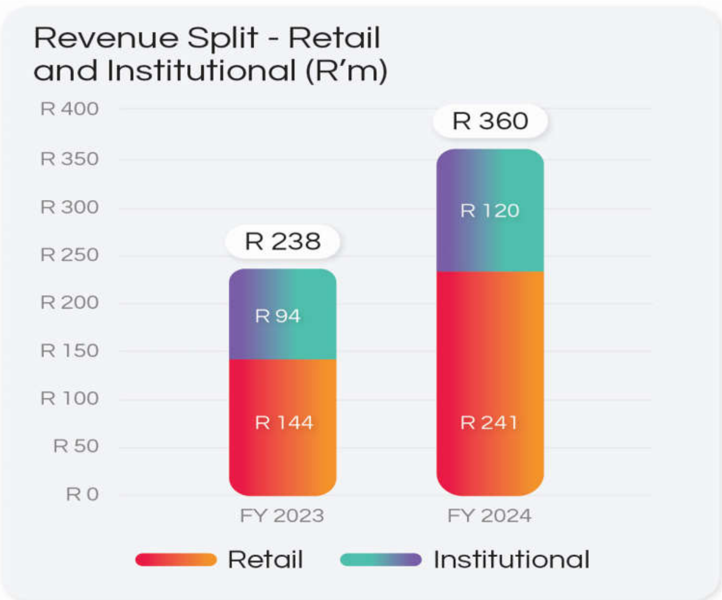

*"Assets per cohort consistently scale two to five times over 5 years"*

## EASY GROUP REVENUE

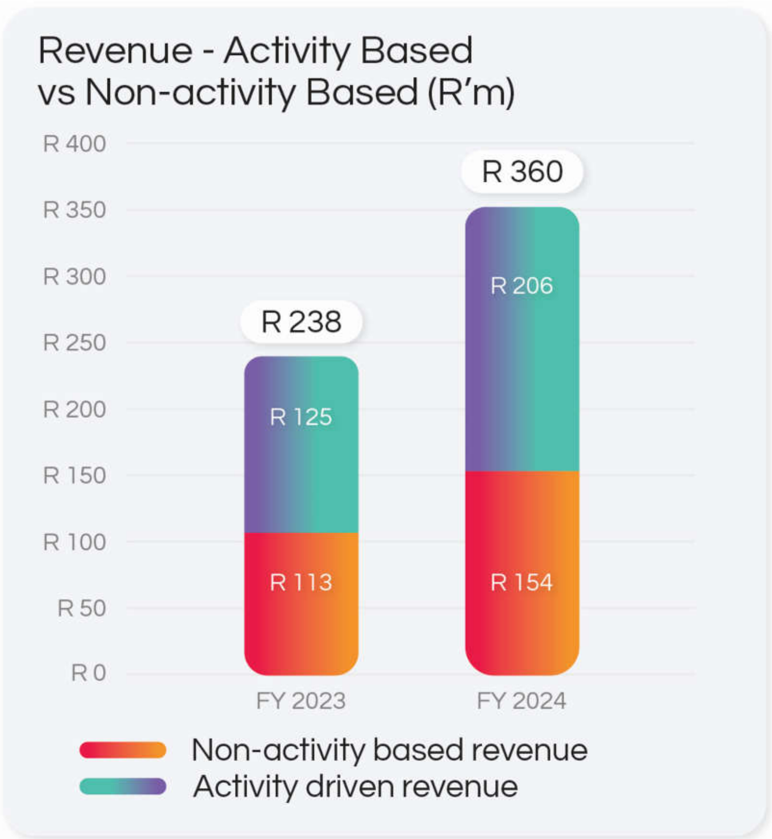
- Easy Group's revenue increased by 51.5% to R360.2 million FY 2024 compared to FY 2023.
- Retail revenue increased by 67.2% to R240.6 million FY 2024, whilst Institutional revenue increased by 27.3% from R93.9 million in FY 2023 to R119.6 million in FY 2024.




*"Easy Group's revenue increased by 51,5%. Revenue is up across all products, except for EasyProperties."*




*"Revenue is up for both Retail and Institutional Clients"*



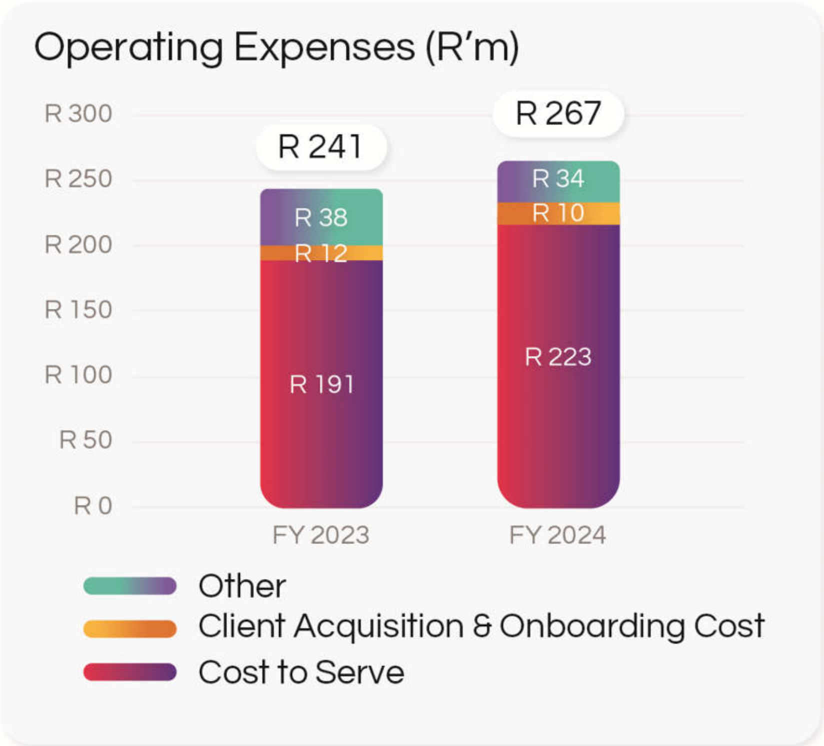

*"We have shifted the business model to be less reliant on Client "activity" to become a more cycle-agnostic business"*

*"Revenue linked to Client Activity (activity-driven revenue) is beginning to show some recovery"*

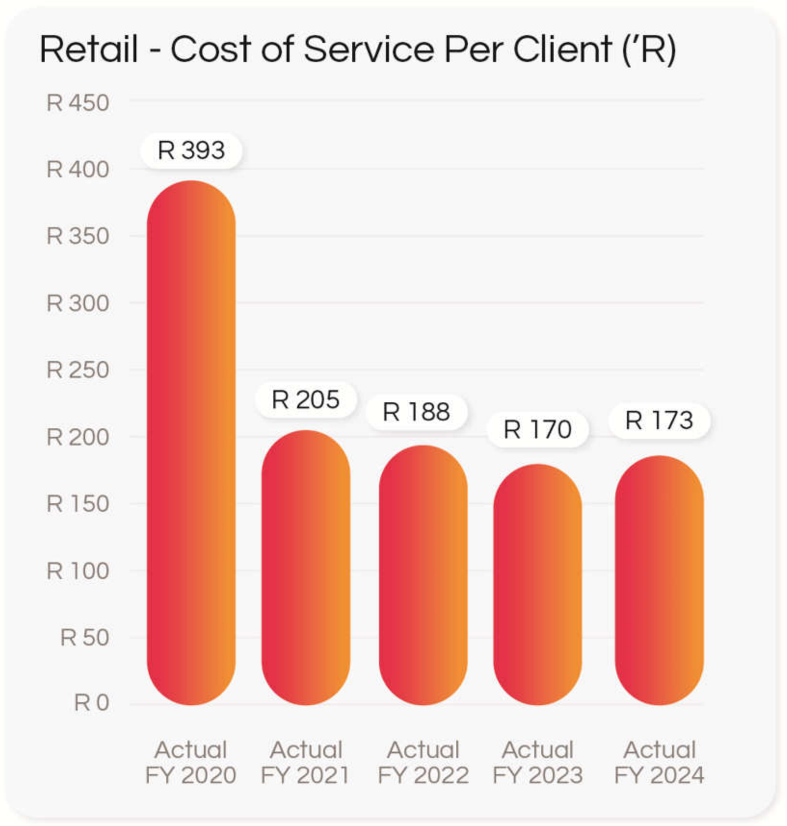
- Non-activity Based Revenue increased 65.7% to R206.4 million and comprised 57.3% of the Easy Group's revenue FY 2024, compared to 52.4% FY 2023, primarily driven by the increase in asset management fees earned by EasyRetire Rise and EasyCrypto businesses and the Thrive Fee revenue. Activity Based Revenue has increased by 35.8% from R113.2 million to R153.8 million during FY 2024.

## EASY GROUP'S OPERATING EXPENSES

- Easy Group's Operating Expenses have increased by 10.6% to R266.7 million FY 2024 compared to FY 2023 compared to revenue growth of 51.5.%.
- The Cost to Serve Retail and Institutional Clients has increased by 16.4% to R223 million FY 2024. The Cost to service an Active Retail Client increased by 1.9% to R172.83 FY 2024, compared to FY 2023.




*"Easy Group's Operating Expenses are up 10,6% compared to revenue growth of 51.5%"*




*"The Cost to Service an Active Retail Client increased by 1,9% to R173 per Client"*

*"Revenue per Active Retail Client increased by 47,2% to R253 per client"*

- The costs associated with the acquisition and onboarding of new clients during the FY 2024 period decreased by 15.8% to R10 million. The cost per new Active Client acquired and onboarded during the FY 2024 period was R110, which is 14.3% higher than FY 2023.
- Other operating expenses incurred FY 2024, totalling R34 million, includes the Philippines expense base, amounting to R18 million (FY 2023: R25 million) and the remainder relates to adhoc/ non-recurring expenses. The current monthly expense base of the Philippines operations has been reduced to circa R1.5 million per month.

## EASYTRADER

Statement of profit or loss

| | 2024 R'000 | 2023 R'000 | Movement % |
|---|---|---|---|
| Revenue | **38,090** | 37,285 | 2.2 |
| Commissions and research expenses | **(3,853)** | (3,838) | 0.4 |
| Expenses before other income, fair value & impairment adjustments, interest, depreciation & amortisation | **(28,554)** | (31,631) | (9.7) |
| **Net income before other income, interest, depreciation & amortisation** | **5,683** | 1,816 | 212.9 |
| Other income | **-** | (48) | (100.0) |
| **Profit before interest, depreciation & amortisation** | **5,683** | 1,768 | 221.4 |
| Finance income | **132** | 800 | (83.5) |
| Finance costs | **(1,617)** | - | N/A |
| Depreciation and amortisation | **(2)** | (90) | (97.8) |
| **Profit before tax** | **4,196** | 2,478 | 69.3 |
| Income tax | **(1,697)** | (112) | 1,415.2 |
| **Profit for the period** | **2,499** | 2,366 | 5.6 |

- EasyTrader's revenue has increased by 2.2%, compared to the prior period, as low levels of market volatility prevailed, which negatively impacts trading revenue for this business.
- The business generated a R2.5 million profit after tax for the current year, 5.6% higher than FY 2023.

OUR BUSINESS

# EasyEquities

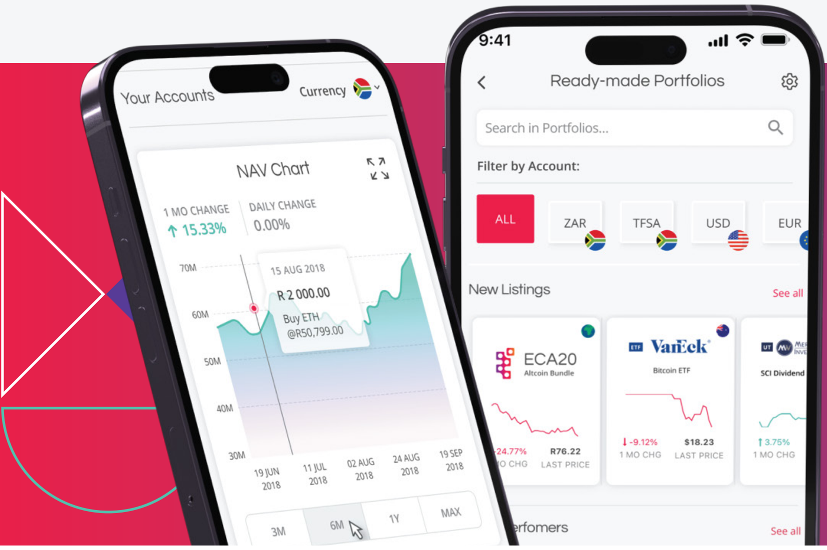
## Our mission remains simple yet transformative: to democratize investing so that anyone, anywhere, can take part in building their financial future .

As EasyEquities celebrates a decade of innovation, we continue to redefine what it means to invest. Founded with a deep purpose to democratize all aspects of investing by making it easy, safe, fun, and educational, we have spent the past ten years breaking down barriers and reimagining finance for all South Africans and beyond.

Our platform has evolved to meet the diverse needs of every investor. From the curious first-timer to the seasoned day trader, crypto enthusiast, long-term passive investor, and sophisticated investor, EasyEquities is there to support clients at every stage of their financial journey. With a flexible, agile approach, our platform integrates seamlessly into partner ecosystems, extending financial empowerment to new markets and audiences. For our partners, this integration elevates their offerings, deepens client engagement, and creates an investment experience that fosters loyalty and satisfaction.

Looking to the next decade, our vision is bold: to lead the global shift toward financial dignity for all. We are committed to building a platform that combines technical excellence with accessibility, supported by intuitive design, inspiring storytelling, and an unwavering focus on removing customer friction at every step.

| Since Inception: | +R126 Billion<br>Value of transactions | | +2.29 Million<br>Registrations | +980,000<br>Active clients | +57 Million<br>Trades |
|---|---|---|---|---|---|
| EE Direct Channels: | R98$^{bn}$ | *Notional | 1.67$^{mn}$ | +693$^{k}$ | +47.3$^{mn}$ |
| Partner Channels: | R28$^{bn}$ | *Notional | 617$^{k}$ | +287$^{k}$ | +9.8$^{mn}$ |




Transaction fees EasyEquities has saved investors when compared to our nearest competitor:

# R 3 Billion

| 58% Male | 42% Female | 32 Median Age |
|---|---|---|

# EasyProperties

## EasyProperties offers fractional access to trusted property investment opportunities, providing an accessible, educational, and engaging user experience.

As a platform under JSE-listed Purple Group Limited (PPE), launched in July 2020, EasyProperties allows individuals to crowdfund investments in large-scale residential and commercial properties. With no minimum investment requirements and a seamless, fractional approach, EasyProperties collaborates with experienced property management, ownership, and development partners to deliver strong, positive results.

**R348mn**
Capital Raised on IPO

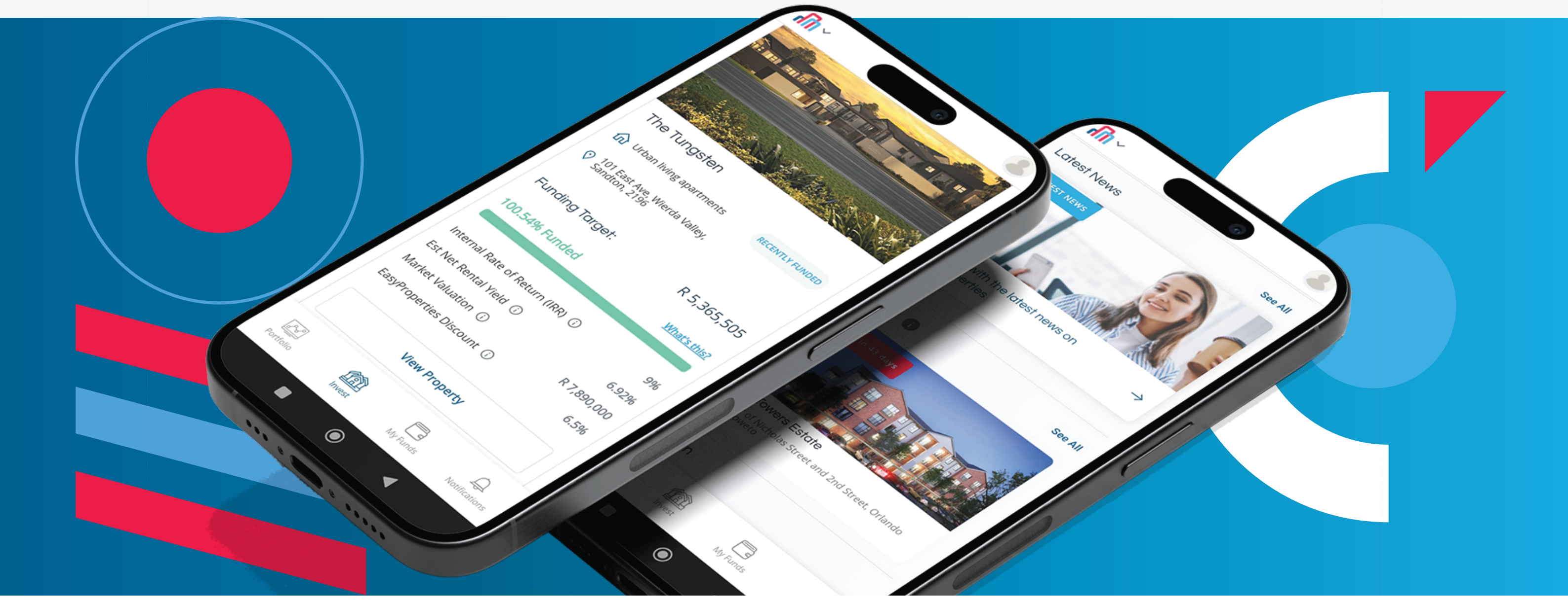
**R491mn**
Total Property Value Purchased

**40**
IPOs Successfully Closed

**R1,015**
Average Investment

**122,462**
Invested Customers

**436,005**
Registered Customers



# EasyCrypto

## EasyCrypto has positioned itself as South Africa's most affordable crypto investment platform which offers a wide selection of coins and passive index-tracking bundles. EasyCrypto stays true to the fractional and frictionless investment experience.

In 2024, EasyCrypto achieved another record-breaking financial year, setting personal bests in a number of core metrics, including revenue and assets. This success reaffirms our commitment to making crypto accessible, secure, and affordable for all South Africans. The continued surge in Bitcoin prices and a promising bull market have only amplified our momentum.

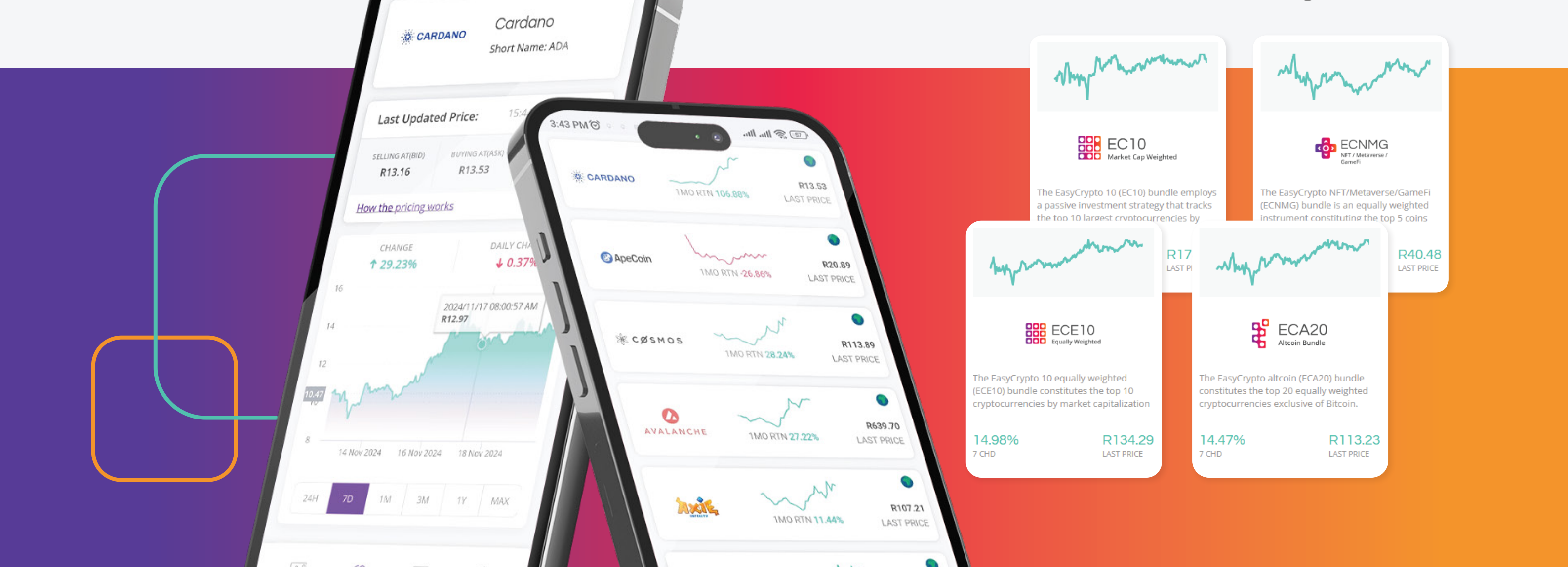
On the innovation front, we've expanded our offerings, enhanced platform performance, and fortified our cybersecurity to meet the evolving needs of our users and regulators. Additionally, we continue to leverage advanced analytics tools, providing deeper market insights to help users make informed decisions. These accomplishments are underpinned by internal optimisations that streamline operations and elevate the user experience, setting the stage for another impactful year.

**+108,000**
Crypto Invested Clients

**+R874 m**
Client Assets

**Compliant**
Compliant with applicable laws

**Agnostic**
Trade execution at best available price with 41cryptoassets and 4 index-tracking bundles



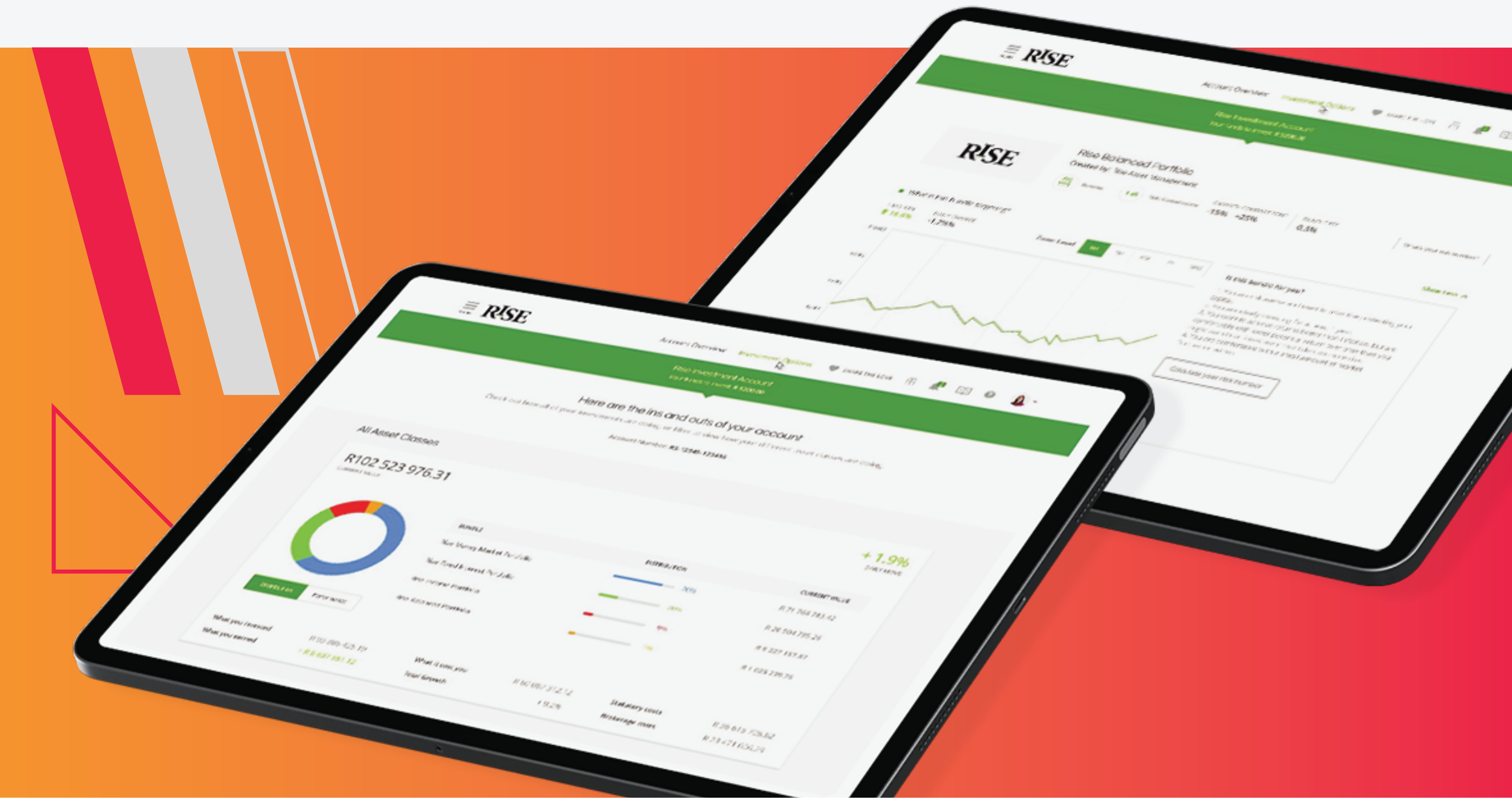
# RISE EasyRetire

Retirement Investments and Savings for Everyone

## RISE EasyRetire is a 100% owned subsidiary of Purple Group.

The purpose of RISE EasyRetire is to leverage EasyEquities' innovative technology and bring industry-leading and cost-effective retirement fund products and services to the market. EasyEquities made Investing easy, and now RISE makes Retirement easy and more transparent than ever before.

- RISE EasyRetire offers retirement fund members a unified investment dashboard ranging from compulsory retirement fund savings, tax-free savings, and discretionary savings, making holistic wealth planning easy.
- We work closely with employers to ensure that their valuable employees retire with dignity while allowing them to save for short-term needs.
- RISE EasyRetire has launched the Easy Umbrella Fund, providing small and medium-sized employers with the opportunity to extend the Easy experience to their loyal staff. This multi-employer umbrella fund offers transparency, an easy-to-understand fee structure, and diverse investment options.
- RISE EasyRetire manages R12.9 billion in retirement fund assets with 21 asset management mandates in force.



OUR BUSINESS CONTINUED

# EasyAssetMgmt

## Formerly known as Emperor Asset Management, we've evolved into EasyAssetManagement - a fresh identity more aligned with the Easy family of products alongside EasyEquities. Our rebranding reflects a seamless integration into your life, ensuring that our robust investment solutions are more accessible, intuitive, and attuned to your personal goals.

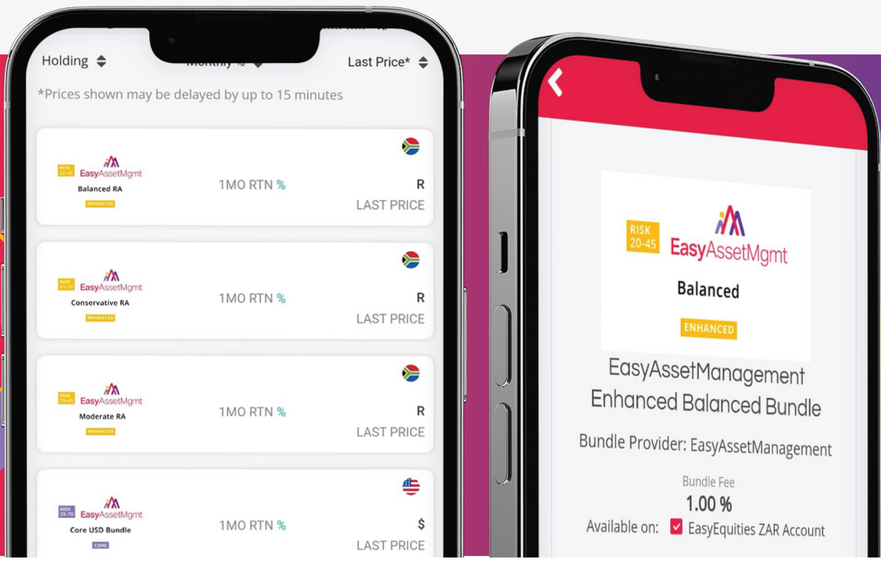
At EasyAssetManagement, we bring a personal touch to algorithm-driven investing. Our approach combines low-cost index-tracking with bespoke algorithms, offering a transparent, bias-free investment journey tailored to your risk profile. With a commitment to education and empowerment, we provide the tools and guidance necessary to navigate the financial markets confidently. Whether you're a novice or a seasoned investor, EasyAssetManagement is dedicated to demystifying the investment process, making it easier to grow your wealth in alignment with your aspirations.

We use advanced algorithms to create custom portfolios for our clients, based on risk preference.

We combine both active and passive investing, responsive to market conditions.

We use building blocks to build our portfolios, and deliver on specific investment goals.

We're here to guide. Transparency and education are important parts of the process.



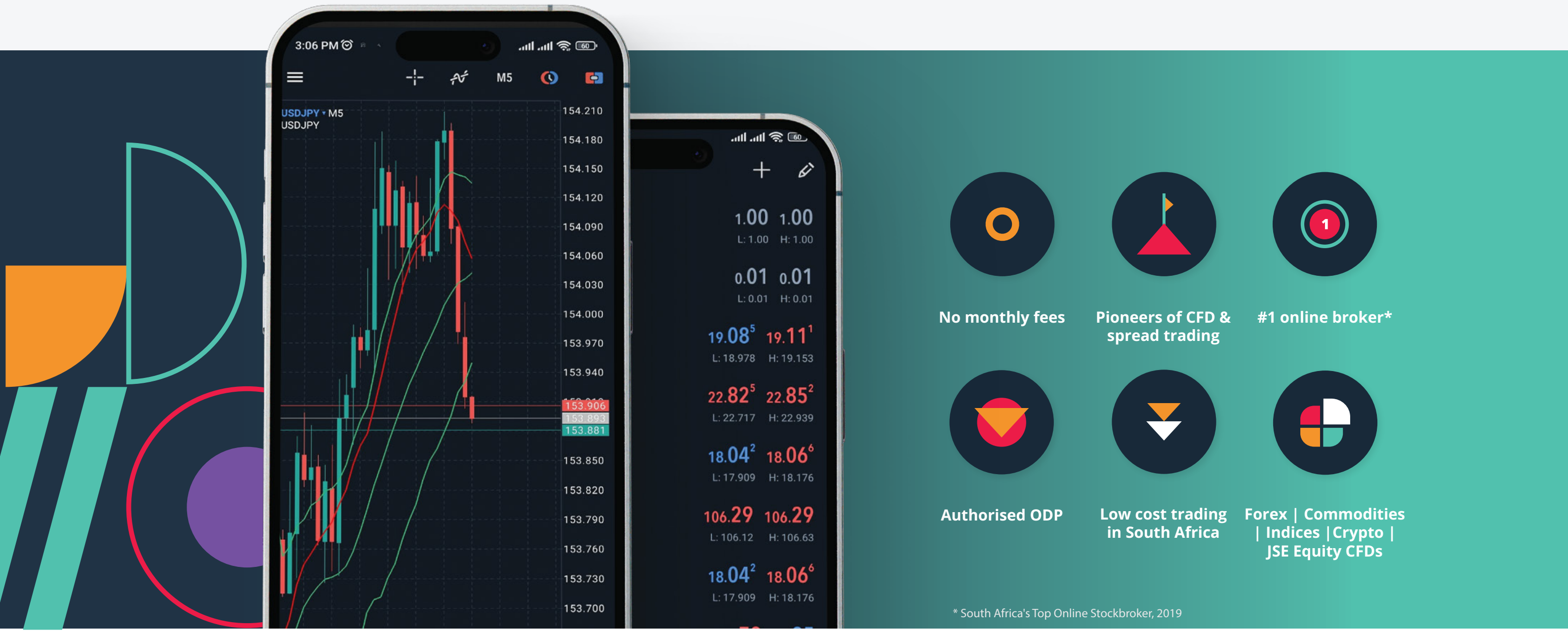
# <GT247.COM>

## GT247.com provides seamless access to world-class trading platforms, tools, and research, enabling traders to succeed in both local and global markets.

With over 20 years of experience in spread and CFD trading, GT247.com delivers a fast, secure, and cost-effective trading environment, enhanced by insights from analyzing client outcomes and offering a single account structure. GT247.com upholds a commitment to low-cost, fast mobile access, supporting clients with best-in-class products, award-winning MetaTrader 5 technology, and a focus on successful investment outcomes.

# EasyTrader

EasyTrader, a recent addition to the EasyEquities ecosystem, builds on GT247.com's pioneering legacy in CFD trading by simplifying and enhancing the trading experience for a broader audience. Aligned with EasyEquities' mission to democratize investment access, EasyTrader integrates seamlessly with the platform, allowing users to manage their portfolios efficiently. The integration includes consolidated account values, streamlined money management, and educational resources through EasyAcademy, empowering clients with essential trading knowledge. Adhering to stringent regulatory standards, EasyTrader aims to grow by expanding platform capabilities and enhancing user experiences, positioning itself as a key driver of growth within the EasyEquities ecosystem.



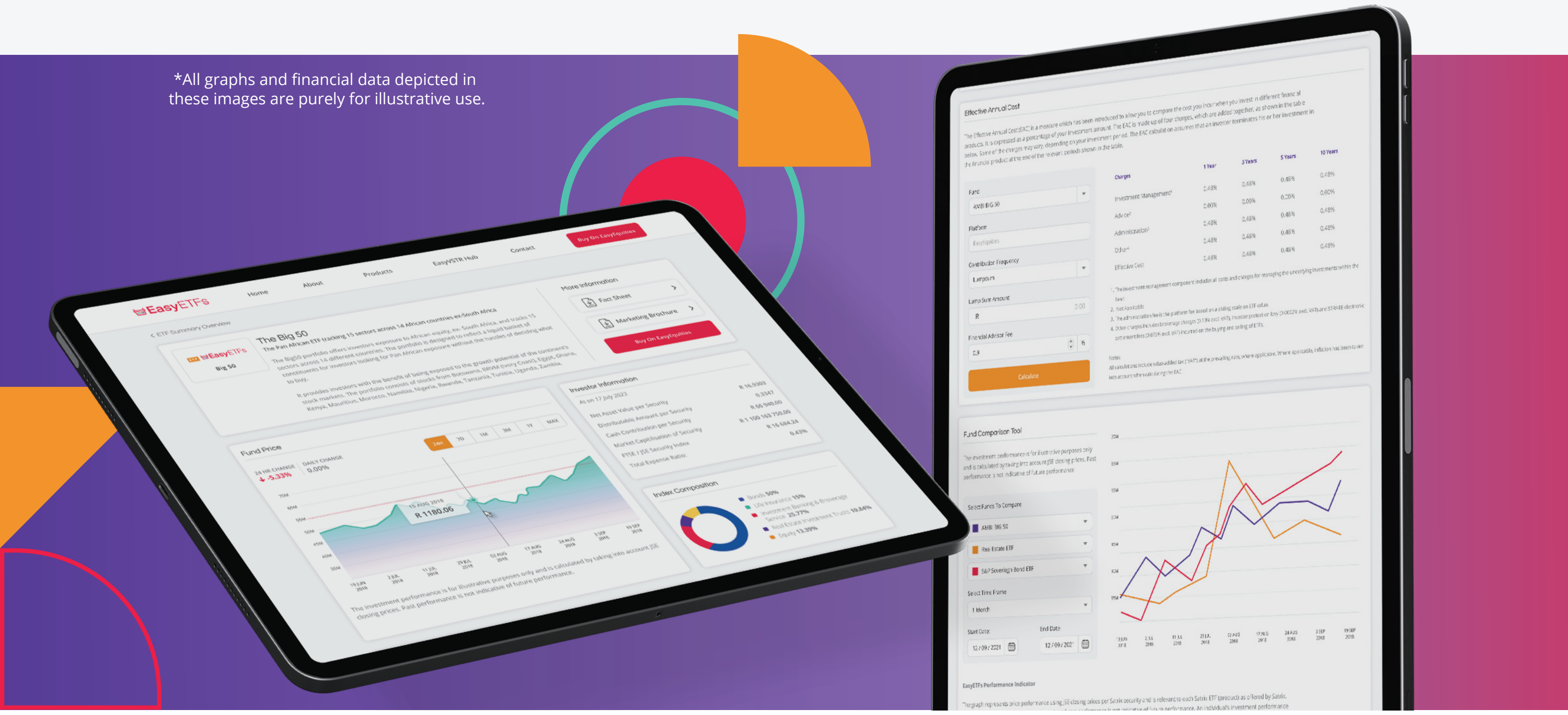
# EasyETFs

## The philosophy behind EasyETFs is to make it as easy, engaging, educational, transparent, rewarding, and affordable for retail investors in South Africa to invest in a range of actively managed funds, just as it is for institutional investors.

EasyETFs is dedicated to democratising access to Actively Managed ETFs (AMETFs) for both investors and fund managers. With global inflows into AMETFs hitting record levels and demand outpacing growth in traditional mutual funds (or Unit Trusts in South Africa), AMETFs now represent a significant share of new ETF listings worldwide. Our approach focuses on AMETF adoption in South Africa, enabling investors to engage with actively managed strategies and fund managers to expand their service offering into this exciting product category.

- EasyETFs RF (Pty) Ltd is a registered manager of the EasyETFs Scheme, a Collective Investment Scheme approved by the Financial Sector Conduct Authority. Under the Scheme EasyETFs is an authorised Exchange Trade Fund Issuer of the Johannesburg Stock Exchange.
- Formerly known as Cloud Atlas Investing (Cloud Atlas RF (Pty) Ltd), EasyETFs was acquired by EasyEquities in February 2023 and rebranded to EasyETFs to align it with the Easy family of products alongside EasyEquities.

Transparency | Liquidity | Responsive | Cost Efficient



*All graphs and financial data depicted in these images are purely for illustrative use.

# OUR LEADERSHIP - BOARD OF DIRECTORS

## HAPPY NTSHINGILA – 63

### Independent non-executive Chairman

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

Happy was the former CEO and founder of the famed HerdBuoys Advertising.

He obtained his LLB degree Cum Laude from UNISA in September 2024.

Happy joined the Board in February 2019.

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

## MARK BARNES – 68

### Non-executive director

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

Mark is widely known as an investment banker in South Africa. He has 40 years of experience in financial services, holding positions of leadership at Standard Bank, Capital Alliance and Brait. Mark has had a wide exposure to financial markets previously as head of the biggest treasury operation in South Africa and as Chairman of the South African Futures Exchange. He is currently a significant shareholder in the Purple Group.

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

Mark joined the Board in October 2004.

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

## CHARLES SAVAGE – 51

### Group Chief Executive Office (CEO)

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

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

Charles joined the Board in July 2009.

Charles is also a member of the Risk Committee.

# OUR LEADERSHIP - BOARD OF DIRECTORS CONTINUED

## GARY VAN DYK – 47

Group Chief Financial Officer (CFO)

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

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

Gary was Head of Corporate Finance until April 2013 at which time he was appointed as the Group's CFO

Gary joined the Board in April 2013.

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

## ARNOLD FORMAN – 60

Independent non-executive director

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

He is the Chief Executive Officer of The Lubner Group of Companies which portfolio includes Real Estate, Property Development, Retail, Sporting and Financial Services Interests. His 27 years of experience in strategy, operations, financial and marketing aspects of these businesses is valuable, broad and always seeking out of the box solutions to promote businesses and sustainability. He is a non-executive director on the majority of these interests with the exception of The Houghton Hotel Group where he is the Group Chief Executive Officer.

From a CSI perspective, he was one of the founders and is the Chair Person of Afrika Tikkun Investments and a Non-Executive Director of the NPO Afrika Tikkun which focuses on the cradle to career development of underprivileged township children and youth in South Africa. Today this NPO has 650 employees with more than 20 000 beneficiaries.

Arnold joined the Board in February 2019.

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

## CRAIG CARTER – 64

Independent non-executive director

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

Craig joined the Board in February 2005.

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

# OUR LEADERSHIP - BOARD OF DIRECTORS CONTINUED

## BONANG MOHALE – 62

Non-executive director

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

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

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

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

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

## PAUL RUTHERFORD – 46

Non-executive director

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

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

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

## WILLIAM BASSIE MAISELA – 62

Independent non-executive director

Bassie was appointed Chief Executive Officer of NBC on 1 May 2011 and is also Executive Director of NBC Holdings Proprietary Limited and its subsidiaries ("The NBC Group").

Bassie joined NBC, as a successful business man in his own right, as an executive in early 2009 and has since then played a key leadership role in all aspects of our business including serving as the chairman of NBC's Group executive committee. He has a B.A. (Hon.) degree in Communications and worked previously at ArcelorMittal South Africa, where he served as the General Manager: Human Resources. He started his career in 1986 at Amcoal (Anglo American) as an HR Trainee and proceeded to occupy numerous management positions in the mining and construction industries. Whilst with ArcelorMittal, he successfully negotiated a ground-breaking agreement which has been regarded as a benchmark in the industry.

Bassie joined the Board in August 2022.

# OUR LEADERSHIP - EXECUTIVE COMMITTEE

## Chief Executive Officer – Purple Group

### Charles Savage EasyGrow Coach

Charles completed a B.Com Accounting and Information Systems at the University of Cape Town in 1996. For nearly 21 years he has been active in financial markets with a strong focus on technology, business development and leadership.

Charles was part of the team that pioneered CFD and spread trading in South Africa and in 2000 he led the development of the world's first fully automated online Spread Trading platform.

He was elected to manage GT247.com's South African operations in 2003 where he was part of the Global Trader Executive. Charles is now responsible for strategically leading the operating business units of the Group.

Charles joined the Board in July 2009. Charles is also a member of the Risk Committee.

"My purpose is to leverage my technology, financial markets, leadership & strategy experience to empower our incredible team to make investing easy for everyone. Measuring our impact through uplifting the financial lives of everyone that encounters us so that 100 years from now, when looking back, people recognize the contribution we made to changing the financial fabric of the countries we operated in by making investing an easy, enjoyable, fun & rewarding user experience"

# OUR LEADERSHIP - EXECUTIVE COMMITTEE CONTINUED

## Chief Financial Officer – Purple Group

### Gary van Dyk EasyServe Coach

Gary completed his articles at KPMG at the end of 2002 at which time he qualified as a Chartered Accountant. He then spent four years in the Transaction Advisory Division of KPMG prior to joining Purple Group in November 2006. Gary was Head of Corporate Finance until April 2013 at which time he was appointed as the Group's CFO. Gary joined the Board in April 2013.Gary is also a member of the Social and Ethics Committee and Risk Committee.

> Safeguarding clients' and business assets, driving cost efficiencies, and providing business intelligence to support growth is where my focus is. As the business continues to expand into new products and jurisdictions, the level of complexity within the Group will continue to increase. I have every confidence that my team is up for the task, and I look forward to the various challenges that we will face and conquer, together, in our mission to deliver financial products for everyone and exceptional value to our shareholders

## Group Director: Investments & Chief Risk Officer – Purple Group

### Nicola Comninos EasyTrust Coach

Nicola, a CFA Charterholder with Investment Management degrees (both Cum Laude), has over two decades of financial markets experience. She has held leadership roles at the JSE in equities, equity derivatives, strategy, sustainability, risk, and business intelligence. At Purple Group she oversees group investments and trust functions. She plays a key role in shaping innovative financial products as Managing Director of EasyETFs, leading executive of EasyAssetManagement and a director of EasyRetire RISE. Nicola leads risk, legal, compliance, governance and sustainability for the group. Additionally, she serves as non-executive directors of CFA Society South Africa and vice chair of IRMSA, contributing her expertise to industry forums. She serves on Purple Group Board Risk and Social and Ethics Committees.

> My purpose is to leverage my empowering leadership style, problem solving mindset and financial markets experience across a wide range of disciplines including market and product development, business intelligence, strategy, sustainability, risk management and compliance to enable purple group teams to achieve our purpose of making investing easy for everyone. Priding ourselves on having built a leading, secure and sustainable fintech group

# OUR LEADERSHIP - EXECUTIVE COMMITTEE CONTINUED

## Chief Technology Officer – Purple Group

### Paul Jansen van Vuuren EasyPlatform Coach

Paul started out in systems development in 1994 and has been levelling up on disruptive technologies ever since. Paul spent five years with Alt X-listed Zaptronix Limited delivering smart card payment solutions, a PDA-based electricity meter remittance and route management system, a biometrics-based identity enrolment and verification device for use with pension payments in rural areas and a smart card based loyalty and rewards solution. Paul spent a further six years with Mobile Wave focusing on mobile-based loyalty and rewards solutions before co-founding digital solutions agency Ad-One Digital where he developed bespoke systems for a number of customers, including being contracted to GT247.com for three years before joining Purple Group in the role of development manager in 2011 and promoted to Chief Technology Officer in 2013.

> "My purpose is to constantly strive for improvement, to design efficiencies into every aspect of the platform, from architecture to processes. To deliver the same quality and aesthetics to our employees as we do our customers, and to help the team have a truly rewarding experience while delivering their best. To ensure that every aspect of our platform is safeguarded"

## Chief Operating Officer – Purple Group

### Rish Tandapany EasyServe Coach

Rish graduated with a BSc in Information Management from University College London in 2006. He has more than 16 years' experience in investment banking, asset management and brokerage. His previous roles include being Global COO/CFO of ADSS, a broker and investment management firm, driving their international expansion and product suite. In addition, he has held senior positions at Standard Chartered and Deutsche Bank, as well as board and advisory positions in several Hong Kong and Singapore Defi, Digital Assets and Payments FinTechs. Rish holds an MBA from INSEAD and is a Chartered Financial Analyst (CFA). He joined Purple Group in early 2022 as Group COO based out of Singapore. Rish is also a member of the Risk Committee.

> "Driving expected behaviors, removing barriers and scaling Purple Group are my core goals. My experience in organizational development. achieving operational excellence and cost efficiencies, should facilitate achieving our growth goal of making investing easy for everyone. Equally important to me is a desire to drive our staff to be pioneers within the agile fintech industry. Our products and ease of use is what garners more and more customers, but it is our culture, effectiveness and agility that will keep them with us longer. How do we better serve both our internal and external clients? That is the question I ask myself everyday"

# OUR LEADERSHIP - EXECUTIVE COMMITTEE CONTINUED

## Chief Enablement Officer – Purple Group

### Carel Nolte EasyEnable Coach

Carel holds a BA (Law) and MA (cum laude) from the University of Stellenbosch. After starting his career in London in Programme Acquisitions for the BBC, Carel returned to South Africa in 2000 working for the Independent News Group before joining Hollard Insurance as Head of Communications. In 2008, Carel was part of the founding team for Etana Insurance with excecutive responsibility for brand, people and procurement. In 2013 Carel founded CN&CO, a communications firm specialising in financial services, before joining Purple in 2014 as chief marketing and communications officer.Carel is responsible for all brand activities and managed products. Carel has held numerous financial services industry roles such as founding chairman of TFC for the South African Insurance Association, a Fellow of the Insurance Industry of South Africa and a member of the Professional Standards Committee for the Insurance Institute of South Africa. Carel is a former chairman of St Stithians College Council, founding chairman of Johannesburg Services for the Homeless and chair of HR and Marketing committees at Business & Arts South Africa.

> My purpose is to enable our team, customers and partners to achieve their investment goals. 1 + 1 must equal more than 2 and with our phenomenal products that is possible. Financial dignity and freedom should not be the purview of a few but is the right of all. I am passionate about enabling people to see how magical they are and how powerful they can be. We can and must make a positive difference in this world for our community and ourselves. EasyEquities must be the investment platform of choice for 50 million users by 2030

## Chief People Officer – Purple Group

### Bev Ferreira People Coach

Bev completed a B degree Personnel Management, Hons. Industrial Relations and 2nd Hons. in Industrial Psychology at RAU.She served as HR Director for Interpark (SA) (Pty) Ltd (wholly owned subsidiary of Excellerate Holdings Limited) before being promoted to Group General Manager: HR of Excellerate Holdings Limited.After leaving Excellerate, Bev consulted extensively to local and multinational organisations spanning retail, manufacturing, trade, technology & financial services as an independent HR consultant before taking up the role of Head of HR and then Chief HR Officer for Purple Group Limited. Bev is a certified HR Agile Professional and Reiss Motivational Profile Master. She served on the Board of Marist Brothers Linmeyer School in a volunteer capacity for 6 years, including roles as Head of HR Portfolio, Deputy Chairperson and Chairperson from 2019 – 2021.

> My purpose is to create a high-achievement, high reward, high-happiness environment that leverages our people's diversity, talent, passion and energy to deliver the group's growth strategy

# OUR LEADERSHIP - EXECUTIVE COMMITTEE CONTINUED

## Chief Product Officer – Purple Group

### Almero Oosthuizen EasyGrow Enabler

With over 14 years of comprehensive experience at EasyEquities and the Purple Group, Almero currently serves as the Chief Product Officer, overseeing product strategy and UX within the investment platform. In Almero's role as VP of Business Development, Product & UX at EasyEquities from September 2015 to November 2022, he demonstrated expertise in managing the product lifecycle, identifying user needs, and planning business cases for valuable, usable, and feasible products and services. Almero played a pivotal role in driving platform monetization, leading the ideation, development, launch, and iteration of approaches to enhance revenue and user experience across desktop, mobile, and apps. Additionally, he ensured the incorporation of market and competitor analysis into product strategies, and he engaged stakeholders through consistent evangelism to foster cross-functional buy-in. His proactive approach included working directly with the group CEO to focus on revenue growth and developing highly creative strategies and products to attract and retain clients and partners.

Prior to his tenure at EasyEquities, Almero held the position of Head of Group Marketing at Purple Group Ltd for four years. Almero was responsible for the overall financial performance of all the Group brands, ensuring profitability and financial growth. His strategic skills were evident in new business development, strategic partnerships, and client profiling.

"My role is to leverage my experience and knowldge in building products and partnerships with a deep focus on user experience. My enthusiasm and commitment to excellence have served me well in managing and leading product teams while building a customer centric financial services company. In my view, success stems from collaboration between people and their ideas, working towards improving the lives of others. Following this recipe ultimately translates into better business outcomes."

# CORPORATE GOVERNANCE

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

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

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

## ROLE AND FUNCTION OF THE BOARD

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

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

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

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

## THE BOARD OF DIRECTORS

### COMPOSITION

At 31 August 2024, the Board comprised two executive and seven non-executive directors (four of whom are independent).

The Board is satisfied that it has the requisite number of directors with the skills, knowledge and resources to conduct the business of the Group. Details of the directors, together with a brief curriculum vitae of each director, can be found on pages 44 to 46.

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

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

# CORPORATE GOVERNANCE CONTINUED

## DIVERSITY POLICY

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

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

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

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

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

Three black non-executive directors are members of the Board, of which one is the Chairman of the Board. The Group will target a majority representation of black non-executive directors of which, at least one, will be female.

## CHAIRMAN

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

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

## INDEPENDENCE AND PERFORMANCE

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

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

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

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

## PROCESS FOR APPOINTMENT AND REMOVAL OF DIRECTORS

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

## APPOINTMENT AND RE-ELECTION OF THE BOARD

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

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

## BOARD COMMITTEES

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

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

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

| | Board Meetings | Audit Committee | Social and Ethics Committee | Risk Committee | Remuneration Committee |
|---|---|---|---|---|---|
| Happy Ntshingila | (3/3) (Chairperson) | (2/2) | (1/1) | | (2/2) |
| Bonang Mohale | (1/3) | | (1/1) (Chairperson) | | |
| Mark Barnes | (3/3) | | | (1/1) (Chairperson) | (2/2) |
| Arnold Forman | (3/3) | (2/2) (Chairperson) | | (1/1) | |
| Craig Carter | (3/3) | (2/2) | | (1/1) | (2/2) (Chairperson) |
| Charles Savage | (3/3) | | | (1/1) | |
| Gary van Dyk | (3/3) | | (1/1) | (1/1) | |
| Paul Rutherford | (3/3) | | | (1/1) | (2/2) |
| William Bassie Maisela | (3/3) | | | | |

## REMUNERATION COMMITTEE

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

## REMUNERATION POLICY

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

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

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

The Group rewards executive directors and employees as follows:

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

For non-executive directors' fees, the Remuneration Committee takes cognisance of market norms and practices as well as the additional responsibilities placed on Board members by new legislation and corporate governance rules. Non-executive director remuneration is fee-based and not linked to the share price of Purple Group. Purple Group non-executive directors do not receive bonuses or share options to ensure actual and perceived independence.

## AUDIT COMMITTEE

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

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

Other functions of the Audit Committee include:

- Nomination of the external auditor for appointment;
- Approval of the terms and remuneration of the external auditor;
- Approval of non-audit services by the external auditor;
- Communication with shareholders regarding the external auditors;
- Overseeing integrated reporting;
- Satisfying itself that the finance function is appropriately staffed; and
- Considering the competence and independence of the external auditor by, amongst others, receiving and reviewing the documentation as detailed in paragraph 3.84(g)(ii) of the Listings Requirements of the JSE.

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

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

## SOCIAL AND ETHICS COMMITTEE

The Group's Social and Ethics Committee functions in line with the requirements of the Companies Act (No. 71 of 2008). The members of the committee are Bonang Mohale (who chairs the committee), Happy Ntshingila and Gary van Dyk. Bradley Leather (VP Partnerships), Carel Nolte (Chief Enablement Officer) , Nicola Comninos (CRO), Beverley Ferreira (Chief People Officer), Justin Pearse (VP Partner & Special Operations), Sascha Graham (VP Legal) and Langelihle Nkabine (VP Compliance) are standing invitees to all committee meetings. A formal charter has been adopted that governs the objectives of the committee and how its business shall be conducted.

## RISK COMMITTEE

The Group has formed a Risk Management Committee that is responsible for the governance of risk and to set levels of risk tolerance and risk appetite. The committee comprised of Mark Barnes (who chairs the committee), Arnold Forman, Craig Carter, Paul Rutherford, Charles Savage (CEO), Gary van Dyk (CFO), Nicola Comninos (CRO), Mark Wilkes (VP of Risk), Rish Tandepany (COO) and Paul Jansen van Vuuren (CTO) , and meets when the risk position of the various companies warrants it.

This committee has as its responsibility to:

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

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

The disclosure of material risks as required by JSE Listings Requirement 8.62(e) can be found on page 58.

## COMPANY SECRETARY

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

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

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

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

## GOVERNANCE OF INFORMATION TECHNOLOGY (IT)

IT forms an integral part of the three business units, namely EasyEquities Group, EasyTrader and EasyAssetManagement.

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

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

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

## COMPLIANCE WITH RELEVANT LAWS, RULES, CODES, STANDARDS AND THE MEMORANDUM OF INCORPORATION

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

## GOVERNING STAKEHOLDER RELATIONSHIPS

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

## COMMUNICATION CHANNELS

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

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

## KING REPORTS ON CORPORATE GOVERNANCE

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

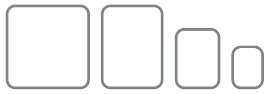
A register in terms of King IV, can be found on the website at www.purplegroup.co.za.

# Purple Group Top 10 Risks '24


## Systemic & Emerging Risks:

Economic Collapse I Rising Inflation
Social Unrest I Cost of living & Food Supply crisis
Failed Utilities I Energy Supply Crisis I
Cyber Attacks on Critical Infrastructure
Failed State I Corruption
Climate Change
Digital Disruption e.g. AI

## Relative Materiality




MEDIUM **Overall Group Risk Rating**

**Extreme:** Significant event with potential material impact on business sustainability

**High:** Event that can severely impact strategic direction, operations and financial health

**Medium:** Event that can disrupt normal business operations and impact financial health or strategy

**Low:** Minor even with limited potential impact which can readily be absorbed in business operations

## Top Risks per Category

People

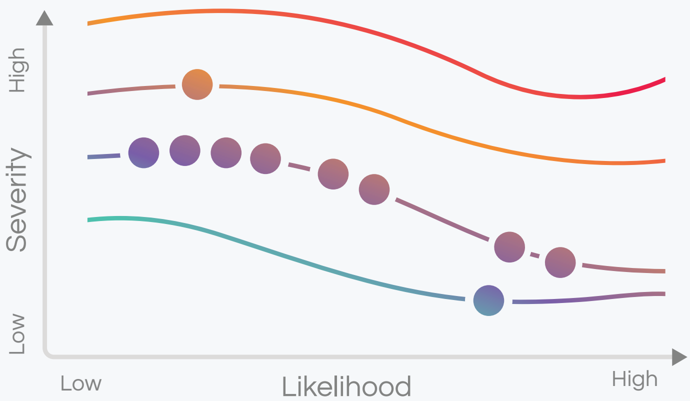
Operational

Strategic

Regulatory & Governance

Financial

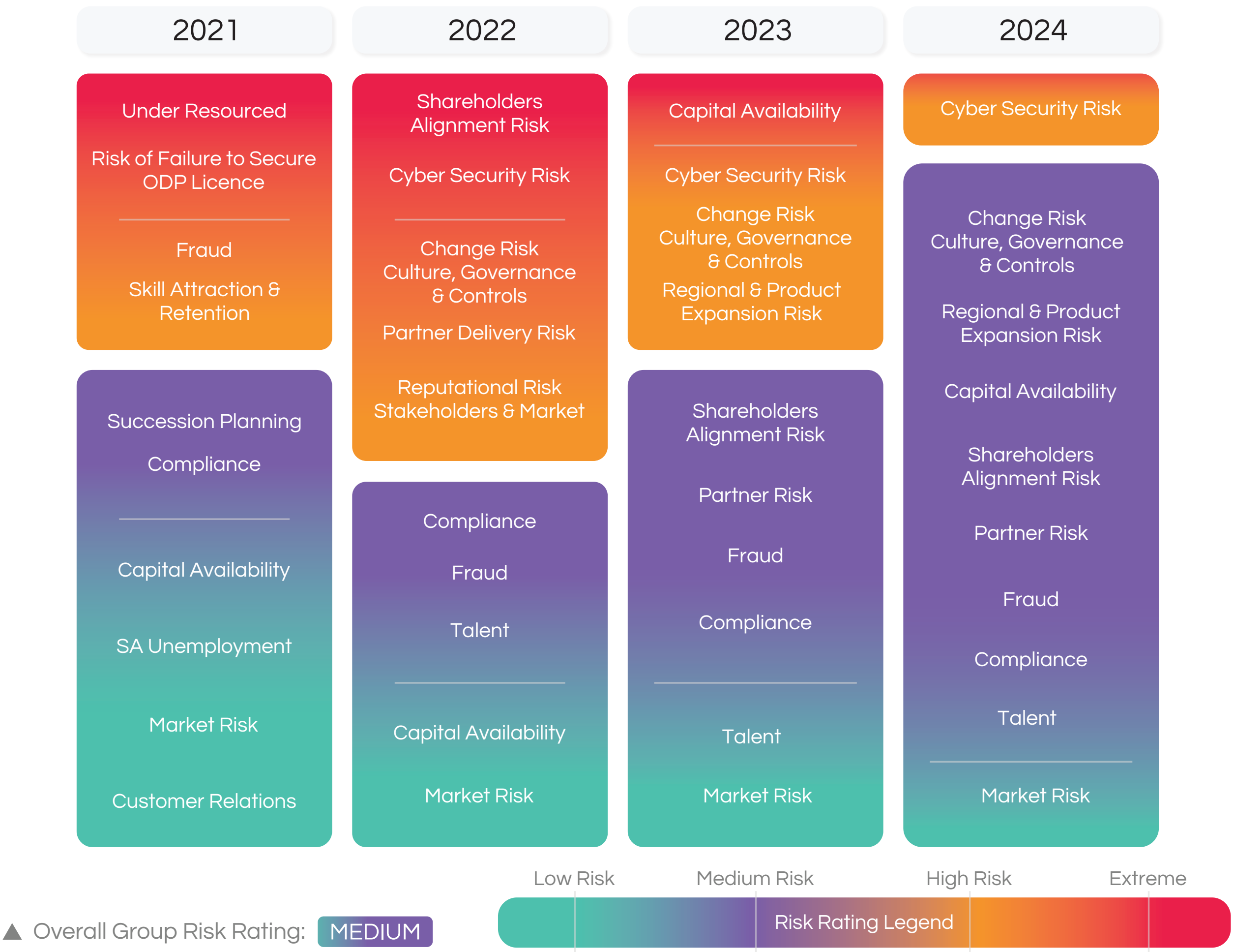
- Cyber Security Risk
- Change Risk - Capacity, Culture, Governance & Controls
- Regional & Product Expansion Risk – operating/business model & technical architecture
- Capital Availability Risk
- Shareholders Alignment Risk
- Partner Risk
- Fraud Risk
- Compliance Risk
- Talent Risk
- Market Risk - Derivatives Trading and Hedging



## Key Risks & Opportunities per Strategy Driver

| Strategy Drivers | Risks | Opportunities |
|---|---|---|
| Shareholder Alignment | Capital Availability<br>Shareholder Alignment Risk | Unlocking growth opportunities with shareholder support |
| Growth Strategy | Partner Risk<br>Regional & Product Expansion Risk | EasyEquities Philippines<br>EasyEquities Kenya<br>EasyTrader<br>EasyETFs |
| Increased focus on value drivers | Market Risk – Derivatives Trading & Hedging<br>Cyber Security Risk<br>Fraud & Compliance Risks | Artificial Intelligence leveraged for operational efficiencies and growth – AI baskets and EasyBuddy AI Chatbot |
| Purpose, Brand and Culture Alignment | Regional & Product Expansion Risk<br>Change Risk | GT247.Com name changes to EasyTrader<br>EasyCrypto name change to EasyDeFI Technologies |
| Team Alignment | Talent Risk | Group wide OKRs (Objectives and Key Results) maturing |
| Group Re-organisation | Change Risk | Operational efficiencies, process automation & synergies |

## Top 10 Risks over time



## RISK MANAGEMENT CONTINUED

### Top 10 Risks and Mitigating Controls

Low Risk | Medium Risk | High Risk | Extreme

Risk Rating Legend

| Risks Types | Risk Defined | Mitigating controls |
|---|---|---|
| **Cyber Security Risk**<br>Target risk rating: Medium | The risk of a large-scale cyber attack compromising the digital assets of Purple Group, any of its subsidiaries and/or partners | The Group has a robust cyber security risk management programme applied across all access points throughout the business. This includes, but is not limited to periodic reviews and monitoring of user access rights, internal vulnerability security scans, penetration tests to identify potential vulnerabilities, and an extensive mandatory cyber security training programme. |
| **Change Risk -** Capacity, Culture, Governance & Controls<br>Target risk rating: Medium | The risk of inadequate management processes in place to accommodate large scale change within Purple Group – new products, new business lines and new geographies | Change management plans aim to preserve and build on the well-entrenched agile culture; adding additional governance guardrails and configuring the scaled corporate structure; and enhance the IT, financial and operational controls as the group grows its product suite and expands geographically.<br>The Group subscribes to good corporate governance principles and ensures effective controls, well-defined processes and procedures are in place to maintain a high governance standard. |
| **Regional & Product Expansion Risk**<br>Target risk rating: Medium | The risk of reputational damage due to market perceptions and lack of stakeholder management as the group expands into new regions and launches new products | Stakeholder management plans are in place to ensure stakeholders are regularly engaged with, their expectations are well known, tracked, and delivered on; and the group protects its reputation as it continues to expand in size and geographically.<br>Resource and partnership plans are in place to capacitate new products and regional expansion projects with the right skills to manage these risks. |
| **Capital Availability Risk**<br>Target risk rating: Medium | The risk of inability to raise funding for growth and operational requirements | Group Capital plans detailing the funding required to pursue new products and jurisdictions; explaining the group aspirations, global expansion plans and recent successes are regularly reviewed, updated and communicated to various shareholder groups to secure continued capital support required to execute on group strategy. |
| **Shareholders Alignment Risk**<br>Target risk rating: Medium | The risk of major shareholder groups' intent, risk appetite, capital allocations and term structure not being in alignment with Purple Group's | Executive management engagement with current and new major shareholder groups to communicate the group's strategic priorities, risk appetite, capital requirements and term structure.<br>The group capital plan is regularly reviewed and updated routinely to ensure capital needs are well understood and communicated to major shareholder groups. |
| **Partner Risk**<br>Target risk rating: Medium | The risk of not delivering on new and existing partner expectations as well as the potential adverse impact of partners' business activities on Purple Group | To ensure that the group delivers on new and existing partnerships, key team members have been assigned to develop, maintain and track each partner relationship in line with the signed Service Level Agreements with each partner.<br>For any potential new partner relationships entered, a through due diligence is conducted ahead of contracting. |
| **Fraud Risk**<br>Target risk rating: Medium | The risk of financial loss due to fraud | The business has several measures and controls in place to protect the business against fraud, which include an advanced Anti-Money Laundering and Fraud Detection system, deposit lock-up periods, daily reconciliations of deposits together with system and manual checks when processing refunds.<br>In addition, the Group has Crime and Civil Liability insurance cover to protect it against losses due to fraud or error that results in financial loss. |
| **Compliance Risk**<br>Target risk rating: Medium | The risk of failing to comply with laws and regulations | The Group's Compliance Function monitor legislation changes and continuously update the business on any new requirements as well as ensure compliance within existing regulations.<br>In respect of any new products, new jurisdictions or significant changes in legislation, the group secures the advice and services of external legal advisors and seasoned compliance specialists. |
| **Talent Risk**<br>Target risk rating: Low | The risk of key man dependencies, lack of succession planning, skills attraction and retention strategies, training & domain knowledge transfer | Capital plans detailing the human resources required to pursue new products and jurisdictions are regularly reviewed and updated to secure the required capital, deploy resources, and mitigate this risk.<br>Key-man dependencies across the group has been identified and each executive has a cluster of resources that they mentor, coach and upskill to secure succession planning and knowledge transfer for key and critical roles.<br>A share incentive scheme was approved by the board and has been rolled out to key and critical staff. |
| **Market Risk -** Derivatives Trading & Hedging<br>Target risk rating: Low | The risk of financial loss due to ineffective market risk management controls | The business has several systems , processes and controls in place in the trading and market risk management functions to protect the business against losses incurred due to ineffective market risk management. Risk management tools include but are not limited to the increase or decrease of product margin rates as well as the increase or decrease of maximum limit exposures a client may hold in a specified instrument.<br>Business expertise in derivatives trading and hedging is extensive; risk management policies are in place and the risk is monitored daily. |

# Purple Group Sustainability Report 2023/2024

Our purpose is embedded within our business through shared values, an agile culture, and a commitment to low-cost, user-friendly platforms.

## "We democratise investing and empower financial dignity for all"

We have a strong track record of innovation to support this mission. Our patented fractional share ownership model has made investing accessible to all South Africans, allowing anyone to invest as much or as little as they wish - no minimums required. This approach removes previous barriers, making it easier for everyday South Africans to participate in the market.

To further simplify investing, we've introduced artificial intelligence (AI) tools designed to reduce complexity, engage users, and offer educational insights. Additionally, we re-launched Thrive, our loyalty program, which aims to inspire, modify and reward positive investor behaviours.

Our platform also provides access to multiple stock exchanges giving investors greater choice and flexibility to diversify their portfolios – made even easier by being able to exchange their Rands for foreign currency directly through the platform using our EasyFX functionality. Our technology and unique business model enable a low-cost approach to transactions, saving our investors an estimated R3 billion in transaction fees over time.

## Our sustainability approach underpins our purpose and rests on four 'pillars':

*Since inception
** FY 2023/2024

### Access

SDG 10:
**Reduced Inequalities**

*We create wealth for underserved population groups and attract new people into the investment space.*

+991$^{k}$ Active
We have almost 1 million Active Clients* and more than half of these are first-time investors

42% Female
58% Male
Our current investor profile is 42% female and 58% male

*(FY2015: 22% female / 78% male)*

42% Lower
Our brokerage commission costs are approx 42% less than the industry average

20% 9-y CAGR
Clients that have been with us since Y1 have seen their net asset value increase by 20% year on year

### Trust

SDG 16:
**Accountable institutions**

*We instil trust by strong governance and compliance practices, applied codes of conduct and our investments into cyber security and privacy.*

0 Fines
Number of regulatory fines or penalties**

0.003% Complaints
Complaints to the regulator and ombud (as a percentage of active clients) **

63% Referrals
Of our active clients come from referrals*

Cyber Security
Investment into cyber-security through cutting-edge technology, dedicated team and staff training (staff completed 6 cyber security training modules)**

### Grow

SDG 4:
**Quality Education**

*We provide our stakeholders with opportunities - and the education to access them.*

+R2.6$^{mn}$
spent on learnerships**

91 625 Courses
Total EasyEquities Academy courses completed*

+2500
Over 2500 blogs published on education, research, community stories and marketing news*

+16k
Over 16 000 social media posts aimed at educating, connecting and empowering the community*

### Change

SDG 11:
**Safe human settlements**

*We are good citizens doing our bit to support local communities and manage our environmental footprint.*

+R7$^{bn}$ ESG
ESG investments account for R7,76 billion of the total value of assets held by retail clients (24%)

R1.4$^{mn}$ Donated
Our Donate for Good function has facilitated R1 441 655 of donations in total*

500 Meals
500 Mandela Day potjie meals and 400 bags of hope**

$CO_2$
Carbon footprint assessment commenced

Grow SDG 4

## Case Study 1: Promoting Learning

"The EasyEquities Academy, which launched in October 2020, has become a go-to resource for our investor community. Since the relaunch of Thrive, we've seen a remarkable boost in both the number of lessons offered and, more importantly, participation. In the last year alone, we've celebrated an incredible 28,850 completed courses which brings the total number of courses completed since inception to 91 652.These achievements underscore the need for self-led learning resources for our community, which we are providing and constantly expanding on." **Carly Esterhuizen, VP of Brand**

Change SDG 11

## Case Study 2: Developing Communities

"On behalf of Breadline Africa, we extend our gratitude to EasyEquities and their generous community for the great support through the Donate for Good platform. We are especially appreciative to have been nominated twice within the past year. Thanks to the money raised, we have been able to take meaningful steps toward improving the learning environment for young children at two schools in KwaZulu-Natal by replacing hazardous pit toilets with safe, hygienic facilities. This support goes beyond infrastructure; it fosters a safer, more dignified space for children to learn and grow. We are deeply grateful for this partnership and the impact it has made in transforming lives". **Marion Wagner, Breadline Africa Director**

## Anthem Awards

We are proud to announce that EasyEquities has been recognized as a finalist for the Anthem Community Voice Award. This prestigious accolade celebrates individuals, companies, and organizations that exemplify purpose-driven and mission-oriented work, making a meaningful impact in their communities and beyond.

The Anthem Community Voice Award highlights the importance of social responsibility and community engagement in today's business landscape. As a finalist, we stand alongside other remarkable entities that share our commitment to fostering positive change and empowering individuals through accessible financial education and investment opportunities.

## As we grow

We aim to formalise our commitment to sustainability and create further trust through transparency. This means:

- Continuing to track key metrics to ensure we achieve our purpose.
- Developing a full carbon footprint for our business and in 2025 actively reducing Scope 1 and 2 emissions.
- Expanding the certifications and frameworks we use to show our adherence to important principles e.g. expand our commitment to UNPRI from RISE across our business units.
- Designing a sustainability strategy to integrate our purpose into our decision-making and set targets in 2025.

"Measuring our impact through uplifting the financial lives of everyone that encounters us so that 100 years from now, when looking back, people recognize the contribution we made to changing the financial fabric of the countries we operated in by making investing an easy, enjoyable, fun & rewarding user experience". **Charles H Savage, CEO**

**References**
*SDG Goals: https://sdgs.un.org/goals*
*Anthem Awards: https://www.anthemawards.com/*
*Donate for Good: https://support.easyequities.co.za/support/solutions/articles/13000075433-donate-for-good*

# FINANCIAL STATEMENTS

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

# DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The directors are responsible for the preparation and fair presentation of the consolidated financial statements of Purple Group Limited, comprising the consolidated statement of financial position at 31 August 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, which include material accounting policies and other explanatory notes in accordance with IFRS Accounting Standards, the South African financial reporting requirements, the requirements of the Companies Act of South Africa and the Listing Requirements of the JSE Limited.

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

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

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

## CEO AND FINANCIAL DIRECTOR RESPONSIBILITY STATEMENT

The CEO and financial director responsibility statement is made after due, careful and proper consideration as follows :

Each of the directors, whose names are stated below, hereby confirm that:
1. The consolidated financial statements set out on pages 77 to 158, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards and the Companies Act of South Africa;
2. To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated financial statements false or misleading;
3. Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
4. the internal financial controls are adequate and effective and can be relied upon in compiling the financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
5. Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
6. We are not aware of any fraud involving directors.

**Charles Savage**
Chief Executive Officer
26 November 2024

**Gary van Dyk**
Chief Financial Officer
26 November 2024

# DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING CONTINUED

## APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements of Purple Group Limited, which appear on pages 77 to 158 were authorised for issue by the Board of directors on 26 November 2024 and are signed on their behalf.

Charles Savage
*Chief Executive Officer*

Happy Ntshingila
*Non-executive Chairman*

# COMPANY SECRETARY'S REPORT

## TO THE SHAREHOLDERS OF PURPLE GROUP LIMITED

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

In terms of section 88(2)(e)/33(1) of the Companies Act of South Africa, I certify that to the best of my knowledge and belief the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act of South Africa, in respect of the reporting period ended 31 August 2024, and that all such returns are true, correct and up to date.

**CTSE Registry Services Proprietary Limited**
Company Secretary
Cape Town

26 November 2024

# DIRECTORS' REPORT

The directors submit their annual report on the activities of Purple Group Limited (the Company) and its subsidiaries (Purple Group or the Group) for the year ended 31 August 2024.

## BUSINESS OPERATIONS

Purple Group, registered and incorporated in the Republic of South Africa, is a financial services and technology company listed on the "Financials – General Financial" sector of the JSE. It has subsidiaries that operate global equity and CFD trading platforms, fractional property investing, crypto asset investing, retirement fund administration and asset management.

## FINANCIAL REVIEW

The Group recognised an attributable profit of R24.8 million (2023: loss of R24.9 million) for the 2024 reporting period. Shareholders' funds have increased from R571.2 million in 2023 to R602.9 million in 2024.

The Segmental Analysis starts on page 84.

The separate financial statements of Purple Group Limited are available for inspection on the company's website www.purplegroup.co.za/our-financials.

## SUBSIDIARIES AND CHANGES IN OWNERSHIP

Details of interests in subsidiaries are listed on page 154. There were no material transactions entered into in the current year in relation to the Group's investment in subsidiaries.

## SHARE CAPITAL

The total authorised share capital is 2,000,000 000 ordinary shares of no par value and the total number of ordinary shares in issue net of treasury shares is 1,420,239,767 (2023: 1,399,802,267).

## DIRECTORS

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

**Executive directors**
Charles Savage (CEO)
Gary van Dyk (CFO)

**Non-executive directors**
Arnold Forman*
Bassie Maisela*
Bonang Mohale
Craig Carter *
Happy Ntshingila (Chairman)*
Mark Barnes
Paul Rutherford

**Independent non-executive*

The remuneration paid to directors is disclosed in Note 25 as well as the Implementation Report of the Remuneration Policy.

At 31 August 2024 the directors' interests in the issued share capital of the Company were as follows:

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Beneficial** | | **% Holding** | | Beneficial | | % Holding | |
| | **Direct** | **Indirect** | **Direct** | **Indirect** | Direct | Indirect | Direct | Indirect |
| Mark Barnes | **22,276,610** | **77,296,172** | **1.57** | **5.43** | 22,276,610 | 77,296,172 | 1.59 | 5.51 |
| Craig Carter | **2,129,577** | **-** | **0.15** | **-** | 2,129,577 | - | 0.15 | - |
| Charles Savage | **42,000,000** | **278,200** | **2.95** | **0.02** | 35,444,964 | 296,990 | 2.53 | 0.02 |
| Gary van Dyk | **31,825,278** | **-** | **2.24** | **-** | 28,325,278 | - | 2.02 | - |
| Bonang Mohale | **-** | **15,099,589** | **-** | **1.06** | - | 15,099,589 | - | 1.08 |
| William Bassie Maisela | **-** | **2,644,672** | **-** | **0.19** | - | 2,644,672 | - | 0.19 |
| Paul Rutherford | **-** | **2,411,283** | **-** | **0.17** | - | 2,411,283 | - | 0.17 |
| | **98,231,465** | **97,729,915** | **6.91** | **6.87** | 88,176,429 | 97,748,705 | 6.29 | 6.97 |

None of the directors of the Group have traded any of the shares held by them between 31 August 2024 and the date of this report.

During the year the movement in the shares held by the directors were as follows:
- Gary van Dyk acquired 3,500,000 (2023: 6,000,000) shares by exercising share options on 29 February 2024, and sold zero shares.
- Charles Savage concluded the following transactions during the year:
  - Acquired 7,000,000 shares by exercising share options on 28 February 2024;
  - Wife sold 18,790 shares in an off-market sale and;
  - Sold 444,964 shares in an off-market sale to his daughter.

## SHARE INCENTIVE SCHEME

The Group currently operates two distinct share-based payment schemes:
1. The legacy Share Option Scheme: approved at a general shareholders' meeting on 1 February 2005, is approaching the end of its operational life. No new options are being granted, with only 7.75 million options currently exercisable by directors and staff.
2. 2022 Share Incentive Plan: this plan was approved at a general shareholders' meeting on 3 June 2022. The 2022 scheme is a hybrid scheme comprising Performance Shares and Hurdle Share Appreciation Rights ("HSARs"). The first allocation under the 2022 scheme was made to directors and employees on 30 August 2024. Details of the plan can be found in the Circular to Shareholders issued on 4 May 2022, on the Purple Group website: www.purplegroup.co.za

Further disclosure of the share incentive schemes can be found in Note 18 to the consolidated financial statements.

# DIRECTORS' REPORT CONTINUED

## BORROWINGS

In terms of the Memorandum of Incorporation of the Company, the directors may exercise all powers of the Company to borrow money, as they consider appropriate. At the reporting date, the Group has no borrowings (2023: zero).

## SHAREHOLDING OF THE COMPANY

Details of the Company's shareholder spread is provided on page 159

## CORPORATE GOVERNANCE, RISK MANAGEMENT AND SUSTAINABILITY

The corporate governance, risk management and sustainability report is set out on pages 52 to 62.

## EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any other matters or circumstances arising since the end of the financial year, not otherwise dealt with in these consolidated financial statements, which significantly affect the financial position at 31 August 2024 or the results of operations or cash flows for the year then ended.

Refer to Note 28 on page 158 of the consolidated financial statements.

## GOING CONCERN

The consolidated financial statements have been prepared on a going-concern basis. The Group has reported profit after tax of R35.6 million in the current year, compared to a loss of R35.2 million in the prior year, signalling a significant turnaround in profitability and an improvement in overall operating conditions. Despite the Group having accumulated losses, the Group has net equity of R602.9 million (2023: R571.2 million). Management prepared forecasts and the directors expect business growth to continue over the next 12 months, and are confident that the Group will continue trading as a going concern.

## COMPANY SECRETARY

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

Business and postal address of the Company Secretary: The District Building Office B6, Block B, 6th Floor, 41 Sir Lowry Road, Woodstock, Cape Town, 7925.

## AUDITORS

BDO South Africa Incorporated has been the auditor for 14 years, however, Mr. Jaco du Plessis has rotated onto the Group audit as the new designated audit partner for the 2024 financial year, in terms of the mandatory audit partner rotation rule of Section 92 of the Companies Act 71 of 2008. The Board of Directors confirm that there is an arm's length relationship with the auditors.

# REPORT OF THE AUDIT COMMITTEE

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

The Audit Committee met twice during the period. The first meeting was on 29 November 2023 to approve the 2023 Group consolidated financial statements, and 20 August 2024 to deal with the matters below and planning for the 31 August 2024 audit. The CFO of the Group, VP of Group Finance and representatives from the external auditors attend the committee meetings by invitation.

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

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

- nominated for appointment as auditor of the Group a registered auditor who, in the opinion of the Audit Committee, was independent of the Group;
- determined the fees to be paid to the auditor and the auditor's terms of engagement;
- ensured that the appointment of the auditor complies with the Companies Act and any other legislation relating to the appointment of auditors;
- performed an assessment of the competence of the auditor to perform its duties by, amongst others, receiving and reviewing the documentation as detailed in paragraph 3.84(g)(ii) of the Listings Requirements of the JSE;
- determined the nature and extent of any non-audit services which the auditor may provide to the Group;
- received and dealt appropriately with any complaints relating to the accounting practices of the Group or to the content or auditing of its consolidated financial statements, or to any related matter;
- ensured that the Group has established appropriate financial reporting procedures and that those procedures are operating which includes consideration of all entities included in the consolidated Group financial statements;
- ensured that the committee has access to all the financial information of the Group to allow the Group to effectively prepare and report on the consolidated financial statements;
- considered the JSE Proactive Monitoring report of 2023 and has taken appropriate action to apply the findings where applicable; and
- performed other functions as determined by the Board.

**Audit Committee Statement on Internal Controls and Audit Assessment**
The Audit Committee oversees the effectiveness of the company's internal controls and processes implemented by management. The Audit Committee has evaluated the Group's current operations and no material weaknesses were identified.

The establishment of a dedicated internal audit department is not presently warranted given the Group's size and operational structure. This decision is supported by the following measures, which collectively provide robust risk management and assurance over the Group's control environment:

1. **Enhanced Risk Oversight:**
   In June 2022, the Group appointed a Chief Risk Officer, and the Risk Department has since grown significantly in capacity and complexity. This expansion enables the Group to effectively identify and mitigate material risks.
2. **Automated Revenue Systems:**
   The majority of the Group's revenue transactions are automatically processed through its IT systems and platforms. These systems, along with the associated general and application controls, undergo annual audits by the Group's external auditors, ensuring substantial coverage and assurance.
3. **Independent Internal Audit from Sanlam Limited:**
   Sanlam Limited's Group Internal Audit department conducts annual audits, on a rotational basis, of key components of the EasyEquities platform and control environment. These audits provide additional assurance to the Sanlam Group regarding the effective functioning of the SatrixNOW platform, which utilizes the same technology and back-office infrastructure as EasyEquities.
4. **Continuous Improvement of Controls:**
   Management remains committed to enhancing the control environment by implementing remedial actions recommended by external auditors, internal audits, and other stakeholders.

The decision not to establish an internal audit department will be reassessed regularly to ensure it remains appropriate as the Group evolves, given the current controls and processes in place.

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

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

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

## KEY AUDIT MATTERS

The audit committee has satisfied itself that the auditors have addressed the key audit matters, as raised in the Independent Auditors Report, sufficiently during the audit.

## FINANCIAL STATEMENTS

The Audit Committee has reviewed and considered the Annual Report and Consolidated Financial Statements for the year ended 31 August 2024, and has recommended it for approval by the Board.

On behalf of the Audit Committee;

**Arnold Forman**
Chairman

26 November 2024

# INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF PURPLE GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements

## OPINION

We have audited the consolidated financial statements of Purple Group Limited and its subsidiaries ("the group") set out on pages 77 to 158, which comprise the consolidated statement of financial position as at 31 August 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Purple Group Limited and its subsidiaries as at 31 August 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

## BASIS FOR OPINION

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

## KEY AUDIT MATTERS

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

| *Key audit matter* | *How our audit addressed the key audit matter* |
|---|---|
| **Impairment of Goodwill – EasyTrader (previously known as GT247); Easydefi Technologies (previously known as EasyCrypto) and RISE** (Note 7 to the consolidated financial statements and the relevant accounting policy note "Impairment of goodwill")<br><br>Goodwill, recognised on the acquisition of EasyTrader, Easydefi Technologies and Retirement Investments and Savings for Everyone (RISE) in the prior years, represents the most significant asset in the consolidated statement of financial position. The goodwill is measured at cost less accumulated impairment losses and, in accordance IFRS Accounting Standards, is not amortised.<br><br>The annual goodwill impairment testing in accordance with IAS 36: *Impairment of Assets*, involves value-in-use calculations utilising valuation techniques, including free cash flow models, growth and discount rates which are complex and require significant judgement from management.<br><br>In addition, the estimate of the recoverable amount of goodwill is sensitive to the discount rate applied to the cashflow forecast, and arriving at an appropriate discount rate in itself involves a high degree of estimation uncertainty. As a result, the impairment assessment of goodwill was regarded as a matter of most significance in our audit of the consolidated financial statements in the current year. | Our audit procedures included, amongst others:<br><br>• We assessed the design and implementation of relevant controls in the goodwill impairment process as performed by management;<br>• We evaluated management's 2025 - 2034 outlook, and in particular assessed the forecasted consolidated revenue;<br>• We compared the key assumptions applied in the forecast to the historical performance of the cash generating unit, local economic development and industry outlook, considering the sensitivity of the goodwill balance to changes in the respective assumptions;<br>• We assessed the key inputs and assumptions used in the value-in-use and impairment model for reasonability, considering specifically the operating cash flow projections, discount rates, and long-term growth rates, and comparing these to external sources, where appropriate, considering our knowledge of the industry and the business. The key assumptions used for estimating cash flow projections in the group's impairment testing are those relating to growth in revenue, driven by trading activity;<br>• We performed a retrospective analysis of previous forecasts to evaluate their reasonableness in light of actual performance in the current financial year;<br>• Making use of our corporate finance expertise, we assessed the valuation models and related key inputs and assumptions for reasonability, to assess whether the methods applied are appropriate in accordance with IFRS Accounting Standards and industry norms;<br>• We tested the integrity and mathematical accuracy of the value-in-use impairment calculations by re-performing the calculations; and<br>• We evaluated the adequacy of the group's disclosures against the requirements of IFRS Accounting Standards. |

| *Key audit matter* | *How our audit addressed the key audit matter* |
|---|---|
| **Revenue Recognition – Existence** (Note 1 to the consolidated financial statements and the relevant accounting policy note "Revenue")<br><br>The recognition of revenue occurs by way of manual journal entries to the financial records. Furthermore, the underlying trading IT systems are complex and process large volumes of instructions with automated fees computed by the system for each trade.<br><br>These factors resulted in significant auditor attention involving significant audit time and focus, and was considered a matter of most significance to our current year audit of the consolidated financial statements. | Our audit procedures included amongst others:<br><br>• Making use of our internal IT expertise, we tested the design, implementation and operating effectiveness of the relevant IT general controls, and we tested the operating effectiveness of the application controls relating to the material database revenue streams;<br>• For a sample of customer trades from the trading platform, we agreed the transaction values to the customer statements and compared the transaction values to the official listed prices;<br>• For a sample of transactions selected, we recalculated non-database revenue and assessed the transactions against underlying documentation;<br>• For a sample selected, we tested the appropriateness of journal entries posted to revenue throughout the period; and<br>• We selected a sample of customer complaints from the management register to identify any potential misstatements with regards to customer balances that could impact the accuracy and existence of revenue recognition. |

| *Key audit matter* | *How our audit addressed the key audit matter* |
|---|---|
| **Deferred tax asset recoverability assessment** (Note 13 to the consolidated financial statements and the relevant accounting policy note "Deferred taxes")<br><br>In terms of IAS 12: *Income Taxes* a deferred tax asset shall be recognised for the carry forward of unused tax losses and unused tax credits to the extent that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.<br><br>Recoverability of the deferred tax asset assessment by management involved making significant judgements and estimates about the future.<br><br>The assessment of the recoverability of the deferred tax asset is therefore considered a matter of most significance to our current year audit of the consolidated financial statements. | Our audit procedures included, amongst others:<br><br>• Discussing with management and assessing the forecasts prepared to evaluate whether all information that was reasonably available has been considered for purposes of assessing the probability of sufficient taxable profits and taxable capital profits that will be available against which the tax losses, and capital losses can be utilised;<br>• We evaluated the reliability of the underlying data used to prepare the budgeted forecasts by comparing the significant inputs to historical performance;<br>• We inspected relevant underlying documentation relating to the key assumptions applied in the forecasts for reasonability and, where relevant, we compared the assumptions used to external market information;<br>• We evaluated management's tax planning opportunities and the ability to implement chosen tax planning opportunities by evaluating corporate restructuring opportunities; and<br>• We evaluated the adequacy of disclosures against the requirements of IFRS Accounting Standards. |

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Purple Group Limited 2024 Annual Report for the year ended 31 August 2024' and in the document titled "Purple Group Limited 2024 Annual Financial Statements for the year ended 31 August 2024", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

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

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

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Purple Group Limited for 14 years.

BDO South Africa Inc.

BDO South Africa Inc. (Nov 26, 2024 06:31 GMT+2)

**BDO South Africa Incorporated**
Registered Auditors

**J Du Plessis**
Director
Registered Auditor

26 November 2024

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 August 2024

| | Notes | **2024 R'000** | 2023 R'000 |
|---|---|---|---|
| Revenue | 1 | **400,432** | 276,062 |
| Commissions and research expenses | 2 | **(13,036)** | (13,381) |
| Expenses before other income, fair value & impairment adjustments, interest, depreciation & amortisation | 2 | **(301,406)** | (280,210) |
| **Net income/(loss) before other income, fair value & impairment adjustments, interest, depreciation and amortisation** | | **85,990** | (17,529) |
| Other income | | **-** | 325 |
| **Profit/(Loss) before fair value & impairment adjustments, interest, depreciation & amortisation** | | **85,990** | (17,204) |
| Depreciation and amortisation | 2 | **(50,832)** | (41,442) |
| Finance income received | 3 | **20,410** | 10,952 |
| Finance costs paid | 3 | **(3,755)** | (1,312) |
| **Profit/(Loss) before fair value & impairment adjustments and tax** | | **51,813** | (49,006) |
| Fair value and impairment adjustments | 4 | **(8,625)** | 2,273 |
| **Profit/(Loss) before tax** | | **43,188** | (46,733) |
| Income tax | 5 | **(7,605)** | 11,534 |
| **Profit/(Loss) for the period** | | **35,583** | (35,199) |
| **Profit/(Loss) attributable to:** | | | |
| Owners of the Company | | **24,795** | (24,872) |
| Non-controlling interests | | **10,788** | (10,327) |
| | | **35,583** | (35,199) |
| *Earnings/(loss) per share* | | | |
| Basic earnings/(loss) per share (cents) | 17 | **1.77** | (1.90) |
| Diluted earnings/(loss) per share (cents) | 17 | **1.76** | (1.90) |

# CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 August 2024

| | Note | **2024<br>R'000** | 2023<br>R'000 |
|---|---|---|---|
| **Profit/(Loss) for the period** | | 35,583 | (35,199) |
| **Other comprehensive income** | | | |
| **Items that will subsequently be reclassified to profit or loss:** | | | |
| Foreign currency translation reserve | 16 | 355 | 139 |
| **Items that will not subsequently be reclassified to profit or loss:** | | | |
| Crypto assets revaluation reserve | 16 | (110) | 1,905 |
| Tax effect | 5 | 30 | (514) |
| **Total comprehensive income/(loss)** | | **35,858** | (33,669) |
| **Total comprehensive income/(loss) attributable to:** | | | |
| Owners of the Company | | 25,082 | (23,555) |
| Non-controlling interest | | 10,776 | (10,114) |
| | | **35,858** | **(33,669)** |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 August 2024

| | Notes | 2024 R'000 | 2023 (Restated) R'000[1] |
|---|---|---|---|
| **ASSETS** | | | |
| Goodwill | 7 | 291,194 | 291,194 |
| Equipment | 6 | 3,222 | 3,233 |
| Intangible assets | 7 | 230,178 | 216,753 |
| Right of use asset | 21 | 7,116 | 445 |
| Investments | 10 | 9,153 | 18,435 |
| Receivables | 12 | 7,434 | 5,536 |
| Deferred tax assets | 13 | 91,349 | 61,917 |
| **Total non-current assets** | | **639,646** | **597,513** |
| Receivables | 12 | - | 196 |
| Current tax receivable | | 367 | 2,522 |
| Trade and other receivables | 14 | 89,363 | 85,579 |
| Investments | 10 | 3,564 | 2,926 |
| Crypto assets | 8 | 57 | 73 |
| Financial assets | 9 | 183,608 | 185,465 |
| Cash and cash equivalents | 15 | 172,778 | 179,546 |
| **Total current assets** | | **449,737** | **456,307** |
| **Total assets** | | **1,089,383** | **1,053,820** |
| **EQUITY AND LIABILITIES** | | | |
| Stated capital | 16 | 797,312 | 787,797 |
| Accumulated loss | | (94,295) | (121,064) |
| Other reserves | 16 | (100,072) | (95,566) |
| **Equity attributable to owners** | | **602,945** | **571,167** |
| Non-controlling interests | | **117,838** | **107,062** |
| **Total equity** | | **720,783** | **678,229** |
| Lease liability | 21 | 4,208 | - |
| Deferred tax liability | 13 | 24,870 | 7,767 |
| **Total non-current liabilities** | | **29,078** | **7,767** |
| Client open position liability | 20 | 205,481 | 203,129 |
| Lease liability | 21 | 2,760 | 615 |
| Current tax payable | | 15,425 | 5,802 |
| Trade and other payables | 19 | 108,207 | 155,855 |
| Bank overdraft | 15 | 7,649 | 2,423 |
| **Total current liabilities** | | **339,522** | **367,824** |
| **Total equity and liabilities** | | **1,089,383** | **1,053,820** |

1 Comparative figures have been restated for a material prior period error. Refer to Note 27 for further disclosure.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 August 2024

| |
|---|
| **Balance at 31 August 2022** |
| **Total comprehensive income for the period** |
| Loss for the period |
| **Other comprehensive income** |
| Foreign currency translation reserve |
| Crypto assets revaluation reserve |
| **Contributions by and distributions to owners** |
| Purple Group Limited rights offer |
| EasyEquities rights offer - shares issued to non-controlling interest |
| Business combination - EasyETFs (RF) Proprietary Limited |
| Share options exercised - transfer from share-based payment reserve to share capital |
| Share options exercised - exercise price paid |
| Share-based payment expense |
| **Balance at 31 August 2023** |
| **Total comprehensive income for the period** |
| Profit for the period |
| **Other comprehensive income** |
| Foreign currency translation reserve |
| Crypto assets revaluation reserve |
| **Contributions by and distributions to owners** |
| Share options exercised - transfer from share-based payment reserve to share capital |
| Transfer to retained earnings |
| Share options exercised - exercise price paid |
| Share-based payment expense |
| **Balance at 31 August 2024** |

| Notes | Share capital R'000 | Accumulated loss R'000 | Foreign currency translation reserve R'000 | Crypto assets revaluation surplus R'000 | Share-based payment reserve R'000 | Change in ownership reserve R'000 | Total R'000 | Non-controlling interest R'000 | Total equity R'000 |
|---|---|---|---|---|---|---|---|---|---|
| | **667,055** | **(96,192)** | **(4,535)** | **528** | **9,373** | **(97,153)** | **479,076** | **72,325** | **551,401** |
| | - | (24,872) | - | - | - | - | **(24,872)** | (10,327) | **(35,199)** |
| 16 | - | - | 139 | - | - | - | **139** | - | **139** |
| 16 | - | - | - | 1,178 | - | - | **1,178** | 213 | **1,391** |
| 16 | 102,546 | - | - | - | - | - | **102,546** | - | **102,546** |
| 16 | - | - | - | - | - | - | **-** | 45,000 | **45,000** |
| 11 | - | - | - | - | - | - | **-** | (149) | **(149)** |
| 18 | 5,616 | - | - | - | (5,616) | - | **-** | - | **-** |
| 18 | 12,580 | - | - | - | - | - | **12,580** | - | **12,580** |
| 16 | - | - | - | - | 520 | - | **520** | - | **520** |
| | **787,797** | **(121,064)** | **(4,396)** | **1,706** | **4,277** | **(97,153)** | **571,167** | **107,062** | **678,229** |
| | - | 24,795 | - | - | - | - | **24,795** | 10,788 | **35,583** |
| 16 | - | - | 355 | - | - | - | **355** | - | **355** |
| 16 | - | - | - | (68) | - | - | **(68)** | (12) | **(80)** |
| 18 | 2,919 | - | - | - | (2,919) | - | **-** | - | **-** |
| | - | 1,974 | - | (1,590) | (384) | - | **-** | - | **-** |
| 18 | 6,596 | - | - | - | | - | **6,596** | - | **6,596** |
| 16 | - | - | - | - | 100 | - | **100** | - | **100** |
| | **797,312** | **(94,295)** | **(4,041)** | **48** | **1,074** | **(97,153)** | **602,945** | **117,838** | **720,783** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 August 2024

| | Notes | 2024 R'000 | 2023 (Restated) R'000[1] |
|---|---|---|---|
| **Cash flows generated by operating activities** | | | |
| Cash generated by operations | | **39,156** | 28,792 |
| Tax paid | | **(8,014)** | (12,760) |
| Finance income received | 3 | **20,410** | 10,952 |
| Finance costs paid | 3 | **(3,755)** | (1,750) |
| **Cash flows generated by operating activities** | | **47,797** | 25,234 |
| **Cash flows from investing activities** | | | |
| Acquisition of intangible assets | 7 | **(61,116)** | (79,660) |
| Business combination - acquisition of subsidiary | 11 | **-** | (2,250) |
| Acquisition of equipment | 6 | **(2,097)** | (2,303) |
| Proceeds from disposal of equipment | 6 | **-** | 518 |
| Disposal of crypto assets | 8 | **55** | 2,524 |
| Acquisition of crypto assets | 8 | **(149)** | - |
| Proceeds from disposal of investment | 10 | **-** | 387 |
| Purchase of other financial assets | 10 | **-** | (180) |
| Rental deposit paid | 12 | **(1,702)** | (3,420) |
| **Cash flows utilised in investing activities** | | **(65,009)** | (84,384) |
| **Cash flows from financing activities** | | | |
| Proceeds from the exercise of share options | 16 | **6,596** | 12,580 |
| Proceeds from the issue of share capital | 16 | **-** | 147,546 |
| Repayments of borrowings | | **-** | (8,000) |
| Repayments of lease liability | 21 | **(1,733)** | (2,349) |
| **Cash flows generated from/(utilised in) financing activities** | | **4,863** | 149,777 |
| Net increase/(decrease) in cash and cash equivalents | | **(12,349)** | 90,627 |
| Effect of foreign exchange on cash held | | **355** | 139 |
| Cash and cash equivalents at beginning of period | 15 | **177,123** | 86,357 |
| Cash and cash equivalents at the end of the period | 15 | **165,129** | 177,123 |

1 Comparative figures have been restated for a material prior period error. Refer to Note 27 for further disclosure.

# NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 August 2024

**RECONCILIATION OF CASH GENERATED BY OPERATIONS**

| | Notes | **2024 R'000** | 2023 (Restated) R'000[1] |
|---|---|---|---|
| Profit/(loss) before tax | | **43,158** | (46,219) |
| Adjustments for: | | | |
| – Depreciation and amortisation | 2 | **50,832** | 41,442 |
| – Impairment of intangible assets | 7 | **-** | (1,970) |
| – Finance income received | 3 | **(20,410)** | (10,952) |
| – Finance costs paid | 3 | **3,755** | 1,312 |
| – Fair value adjustments on investments | 4 | **8,625** | (341) |
| – Loss on disposal/scrapping of equipment and Intangible assets | 6 & 7 | **-** | 89 |
| – Share-based payment expense | 2 | **100** | 520 |
| | | **86,060** | (16,119) |
| **Movement in working capital** | | | |
| Increase in trade and other receivables | 14 | **(3,784)** | (32,449) |
| Decrease/(increase) in financial assets | 9 | **1,857** | (31,070) |
| (Decrease)/increase in trade and other payables | 19 | **(47,329)** | 74,646 |
| Increase in client open position liability | 20 | **2,352** | 33,784 |
| | | **39,156** | 28,792 |

1 Comparative figures have been restated for a material prior period error. Refer to Note 27 for further disclosure.

**Tax paid**

| | Notes | **2024 R'000** | 2023 R'000 |
|---|---|---|---|
| Balance at beginning of period | | **(3,280)** | (10,017) |
| Current tax | 5 | **(19,792)** | (6,017) |
| Business combination | 11 | **-** | (6) |
| Balance at end of period | | **15,058** | 3,280 |
| Tax paid | | **(8,014)** | (12,760) |

# SEGMENTAL ANALYSIS

for the year ended 31 August 2024

## Operating Segments

Operating segments are distinguishable components of the Group that the Chief Executive Officer and the Chief Financial Officer, as the chief operating decision-makers in the Group, review on a regular basis, assess performance and to allocate resources. Operating segment results, assets, and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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

- EasyTrader and EasyAssetManagement (EAM) represent the derivatives trading and asset management operations of the Group. These two businesses operate largely off the same centralised resource base of the Group and EasyTrader generates a portion of its revenue for services performed for EAM clients.
- Easy Group includes EasyEquities, EasyProperties, EasyCrypto, and RISE EasyRetire.
- Head Office and Investments represent fees and dividends earned on investments and fair value adjustments made against them, as well as head office costs.

| | EasyTrader and EAM R'000 | Easy Group R'000 | Head Office and Investments R'000 | Intercompany Elimination R'000 | Total R'000 |
|---|---|---|---|---|---|
| **2024** | | | | | |
| **Segment assets** | | | | | |
| Non-current assets | 28,688 | 426,749 | 206,300 | (22,091) | 639,646 |
| Current assets | 127,282 | 538,970 | 19,227 | (235,742) | 449,737 |
| **Total assets** | **155,970** | **965,719** | **225,527** | **(257,833)** | **1,089,383** |
| **Segment liabilities** | | | | | |
| Non-current liabilities | 28,394 | 17,536 | 5,239 | (22,091) | 29,078 |
| Current liabilities | 71,101 | 457,342 | 46,821 | (235,742) | 339,522 |
| **Total liabilities** | **99,495** | **474,878** | **52,060** | **(257,833)** | **368,600** |

| | EasyTrader and EAM R'000 | EasyEquities Group R'000 | Head Office and Investments R'000 | Intercompany Elimination R'000 | Total R'000 |
|---|---|---|---|---|---|
| **2023** | | | | | |
| **Segment assets** | | | | | |
| Non-current assets | 6,215 | 336,658 | 276,731 | (22,091) | 597,513 |
| Current assets | 105,877 | 445,424 | 7,579 | (95,636) | 463,244 |
| **Total assets** | **112,092** | **782,082** | **284,310** | **(117,727)** | **1,060,757** |
| **Segment liabilities** | | | | | |
| Non-current liabilities | 16,153 | 14,500 | (795) | (22,091) | 7,767 |
| Current liabilities | 70,395 | 390,825 | 9,177 | (95,636) | 374,761 |
| **Total liabilities** | **86,548** | **405,325** | **8,382** | **(117,727)** | **382,528** |

# SEGMENTAL ANALYSIS CONTINUED

| | EasyTrader and EAM R'000 | Easy Group R'000 | Head Office and Investments R'000 | Total R'000 |
|---|---|---|---|---|
| **2024** | | | | |
| Equity investing fees | - | 237,414 | - | **237,414** |
| Property investing fees and commissions | - | 4,931 | - | **4,931** |
| Property management fees | - | 1,552 | - | **1,552** |
| Crypto asset investing fees | - | 23,198 | - | **23,198** |
| Crypto asset management fees | - | 13,251 | - | **13,251** |
| Asset management execution revenue | 3,843 | - | - | **3,843** |
| Derivatives trading revenue | 30,900 | - | - | **30,900** |
| Funding income | 1,831 | - | - | **1,831** |
| Asset management and other fees | 3,681 | 79,831 | - | **83,512** |
| **Revenue** | **40,255** | **360,177** | **-** | **400,432** |
| Commissions and research expenses | (3,855) | (9,181) | - | **(13,036)** |
| Expenses before other income, fair value & impairment adjustments, interest, depreciation & amortisation | (31,605) | (266,706) | (3,095) | **(301,406)** |
| **Profit/(loss) before fair value & impairment adjustments, interest, depreciation & amortisation** | **4,795** | **84,290** | **(3,095)** | **85,990** |
| Depreciation and amortisation | (13) | (50,829) | 10 | **(50,832)** |
| Finance income | 132 | 20,277 | 1 | **20,410** |
| Finance costs | (1,641) | (1,781) | (333) | **(3,755)** |
| **Profit/(loss) before fair value, impairment adjustments and tax** | **3,273** | **51,957** | **(3,417)** | **51,813** |
| Fair value adjustments | 656 | - | (9,281) | **(8,625)** |
| **Profit/(loss) before tax** | **3,929** | **51,957** | **(12,698)** | **43,188** |
| Income tax | (1,062) | (6,932) | 389 | **(7,605)** |
| **Profit/(loss) for the period** | **2,867** | **45,025** | **(12,309)** | **35,583** |

# SEGMENTAL ANALYSIS CONTINUED

| | EasyTrader and EAM R'000 | EasyEquities Group R'000 | Head Office and Investments R'000 | Total R'000 |
|---|---|---|---|---|
| **2023** | | | | |
| Equity investing fees | - | 149,050 | - | 149,050 |
| Property investing fees and commissions | - | 6,685 | - | 6,685 |
| Property management fees | - | 1,010 | - | 1,010 |
| Crypto asset investing fees | - | 1,924 | - | 1,924 |
| Crypto asset management fees | - | 7,763 | - | 7,763 |
| Asset management execution revenue | 4,236 | - | - | 4,236 |
| Derivatives trading revenue | 28,404 | - | - | 28,404 |
| Funding income | 4,047 | - | - | 4,047 |
| Asset management fees | 1,572 | 70,063 | - | 71,635 |
| Other revenue | - | 1,308 | - | 1,308 |
| **Revenue** | **38,259** | **237,803** | **-** | **276,062** |
| Commissions and research expenses | (3,866) | (9,515) | - | (13,381) |
| Expenses before other income, fair value & impairment adjustments, interest, depreciation & amortisation | (35,572) | (241,227) | (3,411) | (280,210) |
| **Loss before other income, fair value & impairment adjustments, interest, depreciation & amortisation** | **(1,179)** | **(12,939)** | **(3,411)** | **(17,529)** |
| Other income | **(48)** | **362** | **11** | **325** |
| **Loss before fair value & impairment adjustments, interest, depreciation & amortisation** | **(1,227)** | **(12,577)** | **(3,400)** | **(17,204)** |
| Depreciation and amortisation | (172) | (41,261) | (9) | (41,442) |
| Finance income | 800 | 10,028 | 124 | 10,952 |
| Finance costs | - | (179) | (1,133) | (1,312) |
| **Loss before fair value, impairment adjustments and tax** | **(599)** | **(43,989)** | **(4,418)** | **(49,006)** |
| Fair value adjustments | 2,243 | - | 30 | 2,273 |
| **Profit/(loss) before tax** | **1,644** | **(43,989)** | **(4,388)** | **(46,733)** |
| Income tax | 699 | 10,609 | 226 | 11,534 |
| **Profit/(loss) for the period** | **2,343** | **(33,380)** | **(4,162)** | **(35,199)** |

# ACCOUNTING POLICIES

## Reporting entity

Purple Group Limited (the Company) is a company domiciled in South Africa. The address of the Company's registered office is WeWork - Coworking & Office Space 1F, 173 Oxford Road, Rosebank, Johannesburg, 2196. The consolidated financial statements of the Group as at and for the year ended 31 August 2024 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities). The Group is primarily involved in financial services.

## Basis of preparation

The consolidated financial statements have been prepared in conformity with IFRS Accounting Standards, the SA financial reporting requirements, the requirements of the Companies Act of South Africa and the Listing Requirements of the JSE Limited.

The consolidated financial statements were authorised for issue by the Board of Directors on 26 November 2024.

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

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

The consolidated financial statements have been prepared on the historical cost-basis except for the following:
- Derivative financial instruments are measured at fair value;
- Financial instruments at fair value through profit or loss; and
- Crypto assets revalued above cost, to fair value through other comprehensive income, in accordance with *IAS 38: Intangible Assets.*

The methods used to measure fair value are discussed further on page 136.

The new and revised accounting standards, amendments to standards and new interpretations adopted by the Group as disclosed on page 99 have had no material effect on the financial statements in the current year.

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

## Use of judgement and estimation uncertainty

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

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

## Use of judgement

**Control or significant influence assessment of EasyProperties Special Purpose Vehicles ("SPV's")**

EasyProperties permits investors to subscribe for fractional units (portions) in property. This is achieved by EasyProperties creating a property Special Purpose Vehicle (SPV) for each property and inviting investors to purchase ordinary shares in the SPV. Management considered whether EasyProperties controls the SPV's. Management has determined that despite EasyProperties controlling the board of the SPV via the A shares class, none of the entities in the Purple Group control the SPV's, due to not meeting all the elements of control as defined by IFRS 10: Consolidated Financial Statements.

Please refer to Note 23

**Capitalisation of intangible assets – software development**

Management makes judgements in assessing whether costs relating to internally generated intangible assets are permitted to be capitalised in accordance with the criteria in IAS 38.

***Research and development costs (note 7)***
These costs related to internally generated software. Although management makes judgements and uses estimates in splitting the costs into research phase and a development phase, this does not require significant judgement because the research team is separate from the development team. No work is done by the development team until the research team has identified that there is an identifiable asset that will generate expected future economic benefits. All costs related to the research team are expensed immediately in profit or loss.

Development costs are only capitalised when the criteria in IAS 38.57 are met. Although management makes judgements and uses estimates in determining when the capitalisation criteria are met and in determining the cost of the intangible asset reliably, the fact that the research and development teams are split makes this easier. In the current year R60.7m (2023: R87.9m) has been capitalised which relates to development costs. Research costs have been expensed immediately in profit or loss.

***Subsequent expenditure on intangible assets (note 7)***
Management applies significant judgement in determining whether subsequent expenditure on intangible assets qualifies for capitalisation under IAS 38.20 and IAS 38.18. Costs are analysed to ensure that only those costs which enhance future economic benefits (rather than merely maintaining the future economic benefits) have been capitalised. Repairs and maintenance costs (which maintain the future economic benefits) are expensed immediately in profit or loss.

Management carefully assess these costs to ensure that: management is able to attribute each subsequent expenditure directly to a particular intangible asset rather than to the business as a whole; and they give rise to future economic benefits either in the form of (i) increased revenue from the sale of products and services, or (ii) cost savings. In addition, prior to being capitalised, these costs are assessed against the definition of an intangible asset and the recognition criteria.

# ACCOUNTING POLICIES CONTINUED

**Management's assessment of indefinite useful life assets**

The following intangible assets have been assessed as having indefinite useful lives:

1. The Australian Financial Services License acquired as part of the acquisition of Easy Financial Services Australia Proprietary Limited. The license does not have an expiry date and therefore management expects to use the license indefinitely, and for as long as the business operates as a going concern.
2. Contracts which include proprietary trading algorithms as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

Management makes an annual assessment of these facts and circumstances to ensure this significant judgement remains valid.

## Estimation uncertainty

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

**Useful life of intangibles (Note 7)**

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

Indefinite useful life intangible assets include an Australian Financial Services License acquired in the prior year (Note 7), and contracts related to proprietary trading algorithms and intellectual property (Note 7). A customer relationship intangible asset was recognised as part of both the EasyCrypto and RISE business combinations which is estimated to have a useful life of 5 and 7 years, respectively.

Indefinite useful life intangible assets are assessed for impairment annually, and there is estimation uncertainty in determining the recoverable amount.

**Impairment of goodwill (Note 7)**

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

**Deferred Tax Assets (Note 13)**

The Group has assessed the future profitability of subsidiaries where deferred tax assets have arose from deductible temporary differences. To substantiate the likelihood of generating future taxable profits estimated future taxable incomes were based on forecasted cash flows. To the extent that future cash flows, future taxable income and taxable capital gains differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

The tax losses incurred by the subsidiaries can be carried forward indefinitely and have no expiry date.

**Valuation of financial instruments (Note 22)**

Management makes judgements and estimates in measuring fair values of the various financial instruments disclosed in the financial statements. Management applies the fair value hierarchy that reflects the significance of the inputs used in making the measurements. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates, forecasted and terminal growth rates and other model inputs.

## Basis of consolidation

**Provisional accounting**

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group uses provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjusts the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the Group also recognises additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period does not exceed 12 months from the acquisition date.

## Foreign currency

**Foreign currency transactions**

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

**Foreign operations**

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

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

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

## Financial instruments

**Classification and subsequent measurement**

***Financial assets***

On initial recognition, a financial asset is classified as measured at

- Amortised cost; or
- FVTPL.

Amortised cost financial assets:

- Trade receivables are carried at amortised cost less ECLs (expected credit losses) using the Group's business model for managing its financial assets. Please refer to the accounting policy on Impairments for the treatment of expected credit losses on trade receivables (Note 14).
- Cash and cash equivalents are measured at amortised cost less ECLs (Note 15).

Financial assets carried at FVTPL:

- Derivative financial assets (Note 9).
- Financial assets (Note 9).
- Investments (Note 10).

**Financial liabilities – Classification, subsequent measurement and gains and losses**

On initial recognition, a financial liability is classified as measured

- at amortised cost;
- or FVTPL.

Financial liabilities at FVTPL are measured at fair value, and net gains and losses including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The client open position liability (Note 20) is a derivative financial liabilty classified as at FVTPL.

**Impairment**

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

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

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

The Group's policy is to write-off financial assets once there certainty with regard to the non-recoverability of amounts recognised.

### Derivative financial instruments

Derivative financial instruments are initially recognised at fair value and subsequently remeasured to their fair value with changes therein recognised in revenue in the case of derivatives trading in EasyTrader. Refer to the revenue accounting policy.

## Crypto Assets

Crypto Assets are an emerging technology and asset class, and as such, no accounting standards have been issued to cover the accounting treatment. The IFRS Interpretations Committee ("IFRS IC") issued an Agenda Decision and Comments letter in June 2019 on a Crypto Asset subset – Cryptocurrency, and concluded that *IAS 2 Inventories* applies to Cryptocurrency when they are held for sale in the ordinary course of business. If *IAS 2 Inventories* is not applicable, an entity applies *IAS 38 Intangible Assets* to holdings of crypto assets.

The Group does not hold Crypto Assets as inventory and has therefore not applied the accounting treatment under *IAS 2: Inventories*.

The Group has applied *IAS 38: Intangible Assets* to its holdings of crypto assets. Crypto assets have an indefinite useful life.

### Initial recognition and measurement

Crypto Assets are initially recognised when they are acquired and the risks and rewards of ownership has transferred to the Group. They are initially measured at cost plus transactions costs. Crypto Assets are presented as a separate category of asset in the Statement of Financial Position.

### Subsequent measurement

After initial recognition, crypto assets are carried at a revalued amount, being the fair value at the reporting date. Crypto Assets are measured using quoted prices from three different high-volume exchanges. Management considers this fair value to be a Level 1 input under the *IFRS 13: Fair Value Measurement* fair value hierarchy, as the price is extracted from an active market for identical assets.

If a crypto asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in equity under the heading of 'crypto asset revaluation surplus'. However, increases in fair value are recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

If a crypto asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance in the crypto asset revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity.

### Derecognition

The Group derecognises a Crypto Asset when the risks and rewards of ownership have been transferred. The cumulative crypto asset revaluation surplus included in equity is transferred directly to retained earnings when the surplus is realised. The transfer from crypto asset revaluation surplus to retained earnings is not made through profit or loss.

## Stated capital

**Repurchase of share capital (treasury shares)**

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are cancelled until they are re-issued later. When treasury shares are sold or re-issued subsequently, the amount received is recognised as an increase in equity.

**Transfers between the share-based payment reserve and share capital**

Equity settled share options exercised result in a transfer from the share-based payment reserve to share capital at the initial grant date fair value of the options expensed over the vesting period. This transfer is recognised within the statement of changes in equity and does not affect profit or loss.

## Equipment

**Recognition and measurement**

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

**Depreciation**

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

The estimated useful lives are as follows:

| | |
|---|---|
| Computer equipment | 3 years |
| Fixtures, fittings and improvements | 5 years |
| Office equipment | 5 years |

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

## Goodwill

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

## Intangible assets

**Contracts - indefinite useful life**

Contracts that arise from separate acquisition are measured at cost less accumulated impairment losses. The contracts include proprietary trading algorithms and these have been assessed as having indefinite useful lives, as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. These are assessed for impairment at least annually, and whenever there is an indication of impairment.

**Customer relationships**

Customer relationships acquired as part of the EasyCrypto business combination are measured at cost less accumulated amortisation and accumulated impairment losses. EasyCrypto customer relationships are assessed as having a useful life of 5 years.

Customer relationships acquired as part of the RISE business combination are measured at cost less accumulated amortisation and accumulated impairment losses. RISE customer relationships are assessed as having a useful life of 7 years.

**Licenses**

The license acquired as part of the EasyETFs business combination is measured at cost less accumulated amortisation and accumulated impairment losses. The license acquired in the EasyETFs business combination is assessed as having a definite useful life of 10 years.

**Licenses - indefinite useful life**

The license acquired as part of the acquisition of Easy Financial Services Australia Proprietary Limited has been accounted for as an asset acquisition and is measured at cost and assessed as having an indefinite useful life. Indefinite useful life licenses are reviewed for impairment annually.

The useful life of licenses that is not amortised is reviewed each period to determine whether events and circumstances continue to support the indefinite useful life assessment. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate.

**Research and development**

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

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

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

**Purchased software**

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

#### Subsequent expenditure

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

#### Amortisation

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

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

| | |
|---|---|
| Capitalised software development costs | 7 years |
| Customer relationships - EasyCrypto | 5 years |
| Customer relationships - RISE | 7 years |
| Purchased software | 3 years |
| Licenses | 10 years |

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

## Employee benefits

#### Share-based payment transactions

The two share schemes currently in place i.e. the legacy Share Option Scheme and the 2022 Share Incentive Plan are both equity-settled share-based payment arrangements which allows selected Group employees to acquire shares of the Group. The grant date fair value of the instruments is recognised as an employee benefit expense, with a corresponding increase in equity, over the vesting period that the employees become unconditionally entitled to the grants and are not subsequently revalued.

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

#### Transfers to retained earnings from the Share-Based Payment Reserve

Transfers are made to retained earnings from the share-based payment reserve for amounts expensed and accumulated in the reserve that relate to options which have been forfeited, lapsed, or where an employee has resigned.

## Revenue

***Revenue from contracts with customers:***
Revenue is recognised net of VAT (where applicable). Revenue is measured based on the consideration specified in a contract with the customer. The Group's revenue is derived from the following sources:

| Components of revenue | Nature and timing of revenue recognition |
|---|---|
| Equity investing fees | Recognised at a point in time. |
| Asset management execution revenue | Recognised at a point in time. |
| Asset management fees | Recognised over time. |
| Crypto asset investing fees | Recognised at a point in time. |
| Crypto asset management fees | Recognised over time. |
| Derivatives trading revenue | Recognised at a point in time. |
| Funding income | Recognised over time. |
| Property investing fees and commissions | Recognised at a point in time. |
| Property management fees | Recognised over time. |

**Nature and timing of satisfaction of performance obligations**

Customers pay a brokerage fee to transact (buy or sell shares, crypto or property) on the platform that they invest on. The brokerage fee is a certain percentage of the value of the customer's transaction, and the revenue is recognised when the transaction takes place.

Revenue from the derivatives business represents:
- fees paid by clients for spread, commissions and funding charges in respect of the opening, holding and closing of CFD contracts, together with gains and losses for the Group arising on client trading activity; less
- fees paid by the Group in spread, commissions and funding charges arising in respect of hedging the risk associated with the client trading activity, together with gains and losses incurred by the Group arising on hedging activity. Open client and hedging positions are fair valued daily with gains and losses arising on this valuation recognised in revenue. The policies and methodologies associated with the determination of fair value are disclosed in Note 22.

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

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

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

***Non-contract revenue:***
The Group recognises revenue that does not originate from contracts with customers, namely settlement profit or loss, which is recognised as the difference between consideration paid (or received) by clients and the purchase cost paid (or sales price received) by the Group to fulfil those trades. This revenue is recognised at a point in time, as and when transactions take place. Settlement profit or loss is included in Equity Investing Fees in Note 1.

## Finance income

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

## Leases

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

## Finance costs

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

## Standards and interpretations effective and adopted for the first time in the 2024 financial year

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

| Standard/ Interpretation | Salient features of the changes | Annual periods beginning on or after | Estimated impact on financial position or performance |
|---|---|---|---|
| IAS 1 *Presentation of Financial Statements* | • Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material. | 1 January 2023 | None; however, disclosures will be affected. |
| IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* | • Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged. | 1 January 2023 | None |
| IAS 12 *Income Taxes* | • Deferred tax related to Assets and Liabilities arising from a Single Transaction: The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.<br>• In December 2021, the Organisation for Economic Co-operation and Development (OECD) published Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS (Pillar Two model rules). The Amendments introduce a temporary exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes. | 1 January 2023<br><br>Immediately and retrospectively | None<br><br>None |
| IFRS 16 *Leases* | • The IFRS Interpretations Committee issued an agenda decision in June 2020 – Sale and leaseback with Variable Payments. This matter was referred to the IASB for standard setting for some aspects. The IASB issued the final amendments in September 2022. The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. | 1 January 2023 | None |

# ACCOUNTING POLICIES CONTINUED

## New standards and interpretations issued but not yet effective

At the date of authorisation of the financial statements for the year ended 31 August 2024, the following Standards and Interpretations were in issue but not yet effective that are applicable to the activities of the Group:

| **Standard/ Interpretation** | **Salient features of the changes** | **Annual periods beginning on or after** | **Estimated impact on financial position or performance** |
|---|---|---|---|
| IAS 1 *Presentation of Financial Statements* | • The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period. | 1 January 2024 | None |
| IFRS 16 *Leases* | • The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. | 1 January 2024 | None |
| IAS 1 *Presentation of Financial Statements* | • Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current. | 1 January 2024 | None |
| IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* | • The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements. | 1 January 2024 | None |
| IAS 1 *Presentation of Financial Statements* | • Classification of Liabilities as Current or Non-current: Narrowscope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current. | 1 January 2024 | None |

# ACCOUNTING POLICIES CONTINUED

| Standard/ Interpretation | Salient features of the changes | Annual periods beginning on or after | Estimated impact on financial position or performance |
|---|---|---|---|
| IAS 21 *The Effects of Changes in Foreign Exchange Rates* | • On 15 August 2023, the IASB issued Lack of Exchangeability which amended *IAS 21 The Effects of Changes in Foreign Exchange Rates* (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. | 1 January 2025 | None |
| IFRS 18 *Presentation and Disclosure in Financial Statements* | • IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies:<br>◦ Improved comparability in the statement of profit or loss (income statement) through the introduction of three defined categories for income and expenses- operating, investing and financing- to improve the structure of the income statement, and a requirement for all companies to provide new defined subtotals, including operating profit.<br>◦ Enhanced transparency of management-defined performance measures with a requirement for companies to disclose explanations of those company- specific measures that are related to the income statement.<br>◦ More useful grouping of information in the financial statements through enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes, as well as a requirement for companies to provide more transparency about operating expenses.<br><br>This Standard replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged. | 1 January 2027 | Too early to reliably assess the impact. |

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

## 1. Revenue

| Note | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Equity investing fees | **237,414** | 149,050 |
| Asset management execution revenue | **3,843** | 4,236 |
| Derivatives trading revenue | **30,900** | 28,404 |
| Funding income | **1,831** | 4,047 |
| Asset management fees | **83,247** | 71,635 |
| Property investing fees and commissions | **4,931** | 6,685 |
| Property management fees | **1,552** | 1,010 |
| Crypto asset investing fees | **23,198** | 1,924 |
| Crypto asset management fees | **13,251** | 7,763 |
| Other revenue | **265** | 1,308 |
| **Total revenue** | **400,432** | 276,062 |
| Revenue recognised over time | **165,066** | 86,133 |
| Revenue recognised at a point in time | **235,366** | 189,929 |
| **Total revenue** | **400,432** | 276,062 |
| **Split between contract and non-contract revenue:** | | |
| **Equity investing fees** | **237,414** | 149,050 |
| - Contract revenue (IFRS 15) | **194,449** | 130,306 |
| - Non-contract revenue | **42,965** | 18,744 |

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

The disaggregation of revenue above is consistent with the revenue information disclosed for each reportable segment under IFRS 8: Operating Segments - refer to the Segmental Analysis on page 84.

## 2. Expenses before other income, fair value & impairment adjustments and interest

| | Notes | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| **Commissions and research expenses** | | **13,036** | 13,381 |
| - Introducing broker commission | | 3,704 | 3,780 |
| - Fund manager costs | | 8,893 | 8,487 |
| - Sales commission | | 378 | 509 |
| - Research costs | | 61 | 605 |
| **Expenses before other income, fair value & impairment adjustments, interest, depreciation & amortisation** | | **301,406** | 280,210 |
| **Employee benefit expenses** | | **148,680** | 133,360 |
| - Short-term employee benefits | | 148,580 | 132,840 |
| - Share-based payment expense | 18 | 100 | 520 |
| **Marketing** | | **12,480** | 11,491 |
| **IT Costs** | | **59,754** | 60,374 |
| **Professional services** | | **50,052** | 51,896 |
| **Bank charges** | | **6,809** | 6,709 |
| **Legal fees** | | **1,986** | 2,177 |
| **Listing expenses** | | **931** | 1,115 |
| **Office costs** | | **6,376** | 7,240 |
| **Audit fees** | | **7,410** | 2,677 |
| **Non-audit service fees** | | **302** | 117 |
| **Other expenses** | | **6,626** | 3,054 |
| **Depreciation and amortisation** | | **50,832** | 41,442 |
| - Computer equipment | 6 | 1,844 | 1462 |
| - Furniture and fittings | 6 | 54 | 163 |
| - Lease improvements | 6 | 10 | 399 |
| - Office equipment | 6 | 200 | 46 |
| - Amortisation of intangible assets | 7 | 47,309 | 37,540 |
| - Depreciation of right of use asset (premises) | 21 | 1,415 | 1,832 |

## 3. Net finance income/(costs)

| | Notes | **2024 R'000** | 2023 R'000 |
|---|---|---|---|
| Interest income on bank deposits | | 20,410 | 10,952 |
| **Total interest income** | | **20,410** | 10,952 |
| Interest on borrowings | | - | (506) |
| Interest on lease liability | 21 | (233) | (147) |
| Interest on other | | (3,187) | - |
| Interest on bank overdraft | 15 | (335) | (659) |
| **Total finance costs** | | **(3,755)** | (1,312) |
| **Net finance income** | | **16,655** | 9,640 |

## 4. Fair value and impairment adjustments

| | Note | **2024 R'000** | 2023 R'000 |
|---|---|---|---|
| Investment accounts in Group's Asset Management Division - fair value adjustment | 10 | 656 | 274 |
| Reversal of impairment of intangible asset - Contracts | 7 | - | 1,969 |
| Revaluation of investment in Evolution Credit Limited | 10 | (9,281) | 30 |
| | | **(8,625)** | 2,273 |

Regarding the below fair value adjustments, refer to Note 22 disclosures related to the determination of fair value.

***Investement account in EasyAssetManagement***
The Group holds seed capital investments in the unit trust portfolio's that EasyAssetManagement manages, and in the current year, a fair value increase of R0.66 million was recognised (2023: R0.27 million).

***Reversal of impairment of Contracts***
Intellectual property rights, algorithms and developed systems related thereto, utilised by EasyAssetManagement, was previously impaired and in the prior year, a reversal of this impairment was processed for R1.97 million in line with an expected increase in future economic benefits that will be derived from these assets.

***Evolution Credit Limited***
An fair value loss of R8.87 million was recognised on the Group's investment in Evolution Credit Limited in the current year (2023: fair value increase of R30k). Evolution Credit restructured its equity structure, whereby various capital instruments were converted into ordinary shares, resulting in Purple Group's holdings being converted to a 0.45% equity stake. This necessitated a write-down of the investment. Please refer to Note 10 for more information.

## 5. Income tax

| | Note | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| Recognised in: | | | |
| - Statement of profit and loss | | **19,822** | 5,503 |
| - Equity | | **(30)** | 514 |
| **Current tax expense** | | **19,792** | 6,017 |
| **Deferred tax expense** | | | |
| Payables and accruals | | **(2,380)** | 1,469 |
| Accrued income | | **(50)** | 175 |
| ECL assessment | | **(390)** | - |
| Prepayments | | **1,615** | (683) |
| Investments at fair value - Statement of profit and loss | | **(2,005)** | 66 |
| Crypto asset revaluation reserve - equity | | **(694)** | - |
| Right-of-use assets | | **(382)** | (702) |
| Lease liability | | **468** | 878 |
| Unrealised (loss)/gain on derivative positions | | **(1,852)** | 130 |
| Intangible assets | | **(353)** | 2,522 |
| **Origination and reversal of temporary differences** | | **(6,023)** | 3,855 |
| Recognition of tax loss | 13 | **1,032** | (21,437) |
| (Over)/under provision of deferred tax for prior periods | | **(7,196)**[1] | 30 |
| **Total deferred tax benefit** | | **(12,187)** | (17,552) |
| **Total current and deferred tax** | | **7,605** | (11,535) |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

| | Note | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| **Reconciliation of effective tax rate:** | | % | % |
| **Income tax rate recognised in profit or loss** | | **17.6** | 24.7 |
| Fair value adjustments - Investment in Evolution Credit Limited | | **(0.9)** | - |
| Unrealised foreign curency gain | | **1.8** | - |
| Reversal of impairment - intangible assets | | - | 1.1 |
| **Non-deductible expenses:** | | **8.5** | 1.2 |
| - Equity-settled share-based payment expenses | | **(0.1)** | 0.2 |
| - Leasehold improvements - depreciation | | - | 0.1 |
| - Legal fees - capital expenditure | | **(0.7)** | 1.1 |
| - Penalties incurred in respect of taxes | | **(1.1)** | 0.1 |
| - Interest incurred in respect of taxes | | **(2.0)** | - |
| - Prior year over provision | | **12.7** | - |
| - Other | | **(0.3)** | (0.3) |
| **Domestic tax rate** | | **27.0** | 27.0 |

1 An additional assessed loss was recognised in the current year for an amount of R4.7m as a result of SARS issuing final income tax assessments for the year ended 31 August 2023, affecting the total assessed loss recognised in prior years, as well as an amount of R3.1m relating to additional timing differences.

## 6. Equipment

| | Note | Computer equipment R'000 | Fixtures fittings R'000 | Lease improvements R'000 | Office equipment R'000 | Total R'000 |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **Balance at 31 August 2022** | | 4,511 | 1,742 | 2,156 | 909 | 9,318 |
| Additions | | 2,241 | 14 | - | 48 | 2,303 |
| Disposals | | - | (97) | - | - | (97) |
| Scrapped assets | | (719) | (800) | (2,100) | (581) | (4,200) |
| **Balance at 31 August 2023** | | 6,033 | 859 | 56 | 376 | 7,324 |
| Additions | | 1,611 | 20 | - | 466 | 2,097 |
| Scrapped assets[1] | | (147) | (202) | - | (91) | (440) |
| **Balance at 31 August 2024** | | **7,497** | **677** | **56** | **751** | **8,981** |
| **Accumulated depreciation and impairment losses** | | | | | | |
| **Balance at 31 August 2022** | | 2,295 | 1,437 | 1,747 | 822 | 6,301 |
| Depreciation for the period | 2 | 1,462 | 163 | 399 | 46 | 2,070 |
| Disposals | | - | (96) | - | - | (96) |
| Scrapped assets | | (719) | (784) | (2,100) | (581) | (4,184) |
| **Balance at 31 August 2023** | | 3,038 | 720 | 46 | 287 | 4,091 |
| Depreciation for the period | 2 | 1,844 | 54 | 10 | 200 | 2,108 |
| Scrapped assets[2] | | (147) | (202) | - | (91) | (440) |
| **Balance at 31 August 2024** | | **4,735** | **572** | **56** | **396** | **5,759** |
| **Carrying amounts** | | | | | | |
| At 31 August 2022 | | 2,216 | 305 | 409 | 87 | 3,017 |
| At 31 August 2023 | | 2,995 | 139 | 10 | 89 | 3,233 |
| **At 31 August 2024** | | **2,762** | **105** | **-** | **355** | **3,222** |

1 Fixed assets assessed as no longer in use and from which no future economic benefits are expected to be derived were scrapped during the 2023 financial year. The majority of these assets were fully depreciated and have been derecognised together with the accumulated depreciation thereon.

2 Fixed assets assessed as no longer in use and from which no future economic benefits are expected to be derived were scrapped during the 2024 financial year. These assets have been derecognised together with the accumulated depreciation thereon.

## 7. Intangible assets and goodwill

| |
|---|
| **Cost** |
| **Balance at 31 August 2022** |
| Additions |
| Scrapped assets |
| **Balance at 31 August 2023** |
| Additions |
| **Balance at 31 August 2024** |
| **Accumulated amortisation and impairment losses** |
| **Balance at 31 August 2022** |
| Amortisation for the period |
| Scrapped assets |
| Reversal of impairment |
| **Balance at 31 August 2023** |
| Amortisation for the period |
| **Balance at 31 August 2024** |
| **Carrying amounts** |
| At 31 August 2022 |
| At 31 August 2023 |
| **At 31 August 2024** |

1 Addition of Collective Investment Schemes license acquired in the EasyETFs (RF) Proprietary Limited business combination for R2.25m. Refer to Note 11 for further disclosure.

2 Addition arising from the Australian Financial Services licenses acquired in Easy Financial Services Australia Proprietary Limited for R0.36m. This has been accounted for as an asse

3 Fully depreciated assets which are no longer in use were scrapped and derecognised during the 2023 financial year.

| Notes | Customer relationships R'000 | Contracts R'000 | Licenses R'000 | Licenses - indefinite useful life R'000 | Software Development R'000 | Purchased Software R'000 | Total Intangible Assets R'000 | Goodwill R'000 | Total R'000 |
|---|---|---|---|---|---|---|---|---|---|
| | 25,420 | 8,807 | - | - | 199,859 | 2,107 | 236,193 | 299,279 | 535,472 |
| 12 | - | - | 2,250[1] | 364[2] | 87,975 | - | 90,589 | 346 | 90,935 |
| | - | - | - | - | (906)[3] | (95)[3] | (1,001) | - | (1,001) |
| | 25,420 | 8,807 | 2,250 | 364 | 286,928 | 2,012 | 325,781 | 299,625 | 625,406 |
| 12 | - | - | - | - | 60,734 | - | 60,734 | - | 60,734 |
| | **25,420** | **8,807** | **2,250** | **364** | **347,662** | **2,012** | **386,515** | **299,625** | **686,140** |
| | 321 | 4,737 | - | - | 66,730 | 2,107 | 73,895 | 8,431 | 82,326 |
| 2 | 3,718 | 53 | 125 | - | 33,618 | 0 | 37,514 | - | 37,514 |
| | - | - | - | - | (316)[3] | (95)[3] | (411) | - | (411) |
| | - | (1,970) | - | - | - | - | (1,970) | - | (1,970) |
| | 4,039 | 2,820 | 125 | - | 100,032 | 2,012 | 109,028 | 8,431 | 117,459 |
| 2 | 3,719 | 51 | 263 | - | 43,276 | - | 47,309 | - | 47,309 |
| | **7,758** | **2,871** | **388** | **-** | **143,308** | **2,012** | **156,337** | **8,431** | **164,768** |
| | 21,702 | 4,070 | - | - | 133,129 | - | 162,298 | 290,848 | 453,146 |
| | 21,381 | 5,987 | 2,125 | 364 | 186,896 | - | 216,753 | 291,194 | 507,947 |
| | **17,662** | **5,936** | **1,862** | **364** | **204,354** | **-** | **230,178** | **291,194** | **521,372** |

t acquistion and an indefinite useful life intangible asset.

The average remaining useful lives is as follows:
- Software Development: 4.72 years
- Customer relationships: 4.75 years
- Licenses: 7.14 years

## IMPAIRMENT TESTING FOR CASH-GENERATING UNITS CONTAINING GOODWILL

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

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

| Carrying amounts of goodwill | **2024 R'000** | 2023 R'000 |
|---|---|---|
| EasyTrader Proprietary Limited | **204,568** | 204,568 |
| EasyCrypto SA Proprietary Limited | **35,000** | 35,000 |
| Retirement Investments and Savings for Everyone Proprietary Limited | **51,280** | 51,280 |
| EasyETFs Proprietary Limited | **346** | 346 |
| | **291,194** | 291,194 |

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

| Key variables | **2024** | 2023 |
|---|---|---|
| **EasyTrader Proprietary Limited** | | |
| Discount period | **10 years** | 10 years |
| Terminal growth rate (%) | **5.0** | 5.0 |
| Pre-tax discount rate | **29.0** | 32.6 |

The 10 year discount period is attributed to the time frame management uses to forecast and budget cash flows, and takes into account the longer period that the cash-generating unit will contribute to the carrying amount. The discount rate applied during the current year reflects lower levels of uncertainty with regards to market conditions as it pertains to EasyTrader at the date of the valuation. If the cash-generating unit achieves a 10 year compound annual growth rate in revenue of less than 19.8%, an impairment of goodwill could occur.

| Key variables | 2024 | 2023 |
|---|---|---|
| **EasyCrypto SA Proprietary Limited** | | |
| Discount period | **5 years** | 5 years |
| Terminal growth rate (%) | **5.0** | 4.7 |
| Pre-tax discount rate | **34.5** | 36.9 |

A discount period of 5 years (2023: 5 years) was used in the current year. The discount rate applied during the current year reflects the lower levels of uncertainty with regards to market conditions. If the cash-generating unit achieves a 5 year compound annual growth rate in revenue of less than 16.7%, an impairment of goodwill could occur.

| Key variables | 2024 | 2023 |
|---|---|---|
| **Retirement Investments and Savings for Everyone Proprietary Limited** | | |
| Discount period | **10 years** | 10 years |
| Terminal growth rate (%) | **5.0** | 5.0 |
| Pre-tax discount rate | **21.2** | 29.5 |

The 10 year discount period is attributed to the time-frame management uses to forecast and budget cash flows, and takes into account the longer period that the cash-generating unit will contribute to the carrying amount. A pre-tax discount rate of 21.2% was used, compared to 29.5% in the prior period, which is a difference of more than 5% and reflects the lower risk-free rate and lower levels of uncertainty in market conditions. If the cash-generating unit achieves a 10 year compound annual increase in revenue of less than 4.4%, an impairment of goodwill could occur.

**Contracts with an indefinite useful life**

| Key variables | 2024 | 2023 |
|---|---|---|
| **EasyAssetManagement Proprietary Limited** | | |
| Discount period | **10 years** | 10 years |
| Terminal growth rate (%) | **5.0** | 5.0 |
| Pre-tax discount rate | **22.3** | 23.6 |

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

The discount rate applied during the current year reflects a slight improvement in the level of uncertainty, to the prior year, with regards to market conditions at the date of valuation. The 10 year discount period is attributed to the time-frame management uses to forecast and budget cash flows, and takes into account the longer period that the intangible asset will contribute to the carrying amount. If the contracts achieve a 10 year compound annual growth rate in revenue of less than 23.2%, an impairment of the intangible asset could occur.

## 8. Crypto assets

| | Notes | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| **Crypto assets:** | | | |
| EasyCrypto10 Bundle (EC10) | | - | 3 |
| Bitcoin (BTC) | | - | 48 |
| Ethereum (ETH) | | - | 4 |
| Binance Coin (BNB) | | - | 18 |
| Solana (SOL) | | **47** | - |
| Internet Computer (ICP) | | **9** | - |
| Others | | 1 | - |
| **Total crypto assets** | 22 | **57** | 73 |

| Reconciliation of crypto assets | Notes | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| **Crypto assets:** | | | |
| Opening balance | | **73** | 692 |
| Fair value adjustments | | (110) | 1,905 |
| Additions | | 149 | - |
| Disposals | | (55) | (2,524) |
| **Total crypto assets** | 22 | **57** | 73 |

## 9. Financial assets

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Financial assets at fair value through profit or loss:** | | |
| Listed equities and ETF's | **158,135** | 167,694 |
| Derivative CFD contracts | **25,473** | 17,771 |
| **Total financial assets** | **183,608** | 185,465 |

- Fair value adjustments on derivative CFD contracts are recognised in revenue. Refer to the revenue accounting policy on page 96 and Note 1.
- Listed equities and ETF's are held to hedge the fractional share holdings of clients, and the associated client open position liability (refer Note 20). Fair value adjustments are therefore offset against fair value adjustments on the client open position liability and do not impact the profit or loss insofar as it relates to hedging, as these are the profits or losses attributable to clients and not the business. The portion of the fractional shares which is directly attributable to FWT and not related to hedging, together with associated gains and losses, is recognised in profit or loss although this is immaterial.
- Please refer to Note 22 for asociated fair value and additional financial instrument disclosures.

## 10. Investments

| | Note | 2024 R'000 Fair Value | 2023 R'000 Fair Value |
|---|---|---|---|
| The Group has the following unlisted investments | | | |
| **Investments – recognised at fair value through profit or loss:** | | | |
| Evolution Credit Limited | 22 | **8,973** | 18,255 |
| Investment accounts in Group's Asset Management Division[1] | 22 | **3,564** | 2,926 |
| Investment in Akaru EP32 Proprietary Limited | 22 | **180** | 180 |
| **Total investments** | | **12,717** | 21,361 |

1 This relates to Unit Trust investments held through Emperor Asset Management Proprietary Limited.

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

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

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Non-current asset - investments :** | | |
| Evolution Credit Limited | **8,973** | 18,255 |
| Investment in Akaru EP32 Proprietary Limited | **180** | 180 |
| | **9,153** | 18,435 |
| **Current asset - investments:** | | |
| Investment accounts in Group's Asset Management Division | **3,564** | 2,926 |
| **Total investments** | **12,717** | 21,361 |

| | Note | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| Balance 1 September | | **21,361** | 20,840 |
| Fair value adjustments | | **(8,644)** | 341 |
| Additions | | **-** | 180 |
| Additions - EasyETFs business combination | 11 | **-** | 387 |
| Disposals | | **-** | (387) |
| Balance 31 August | | **12,717** | 21,361 |

**Investment in Evolution Credit Limited**

Evolution Credit Limited shareholders approved a Scheme of Arrangement during July 2024 whereby various equity instruments, which included the 968 C2 preference shares and the 9,325 B preference shares previously held by Purple Group, were exhanged for ordinary shares in the company. Post the conversion to ordinary shares, a 1,000 to 1 share consolidation was approved and implemented. In the result, Purple Group Limited now holds 53,578 ordinary shares in the company, amounting to 0.45% of the shareholding in Evolution Credit Limited.

In addition, the Group owns 37.5% of Blockbuster Trading 3 Proprietary Limited ("BBT"). Blockbuster Trading now holds 6,010 ordinary shares in Evolution Credit, which translates to a 0.05% shareholding in Evolution Credit. The Group does not have significant influence over the investment in Blockbuster, and the value of the investment is zero.

## Assumptions applied in determining fair value

The fair value in respect of the Group's direct and indirect investment in Evolution Credit was calculated by management using a discounted cash flow model in order to arrive at an indicative valuation for the business.

The values assigned to the key assumptions in the discounted cash flow model represent management's assessment of future trends and are based on both external sources and internal sources (historical data). The main drivers of the model are the assumptions around income growth and net yields that have been based on past trends and management's view of the future prospects. The fair value measurement technique results in Level 3 fair value in the fair value hierarchy (Note 22).

**Key assumptions used – Evolution Credit Limited/Blockbuster Trading 3 Proprietary Limited**

| | **2024** | 2023 |
|---|---|---|
| Discount period | **10 years** | 10 years |
| Risk free rate (%) | **9.2** | 12.4 |
| Discount rate (%) | **19.9** | 23.1 |
| Terminal growth rate (%) | **3%** | 3% |

If the investment achieves a 10 year compound annual growth rate in revenue of less than 9%, a fair value adjustment of the investment could occur. The lower discount rate used in the current period is reflective of the lower risk-free rate and market volatility during the period.

***Sensitivity analysis***
If the free cash flows in the discounted cash flow valuation had been 5% higher/lower, the Group's profit or loss would decrease/increase by R0.6 million (2023: R0.8 million).

## 11. Business combinations

## EasyETFs (RF) Properietary Limited

First World Trader Proprietary Limited acquired EasyETFs (RF) Proprietary Limited (formerly Cloud Atlas (RF) Proprietary Limited) on 10 February 2023 for a cash consideration of R2.25m. EasyEquities acquired this business to obtain access to its Collective Investment Schemes ("CIS") management company license to enable EasyEquities to operate in the Active ETFs space.

**Net assets acquired, liabilities assumed and non-controlling interest**

| | 10 February 2023 R'000 |
|---|---|
| **Assets** | **2,815** |
| **Non current assets** | **2,250** |
| Intangible asset - license | 2,250 |
| **Current assets** | **565** |
| VAT receivable | 109 |
| Trade and other receivables | 69 |
| Investments | 387 |
| **Liabilities** | **1,060** |
| **Non current liabilities** | **608** |
| Deferred tax liabilities | 608 |
| **Current liabilities** | **452** |
| Trade and other payables | 363 |
| Employee related payables | 89 |
| **Acquisition date fair value of assets acquired and liabilities assumed** | **1,755** |
| Consideration transferred | 2,250 |
| Goodwill | 495 |
| Goodwill allocated to NCI | (149) |
| Goodwill recognised | 346 |
| Non-controlling interest | (149) |

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

**Provisional amounts finalised**

As disclosed in the prior reporting period ended 2023, the fair value of the identifiable net assets of EasyETF's had been determined on a provisional basis as the accounting was incomplete at the time. The accounting for the EasyETF's business combination has since been finalised and there were no measurement period adjustments from the initial amounts recognised.

## 12. Receivables

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Deposits - currrent receivable | - | 196 |
| Deposits - non-currrent receivable[1] | 3,490 | 4,125 |
| Loan receivable - non-currrent receivable | 3,944 | 1,411 |
| | 7,434 | 5,732 |

1 The deposits consist of rental deposits of R0.9million and staff outsourcing deposits paid of R2.6million.

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

Terms of the loan:
- loans were issued at Prime rate;
- Loans are repayable in 5 years; and
- shares purchased are held as security, together with a cession of the employee's salary to the value of the outstanding loan balance, in the event of default or non-payment of the amount due. These loans have been accounted for as receivables.

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

For more information regarding the Group's exposure to interest rate risk, credit risk and credit losses, please refer to Note 22.

## 13. Deferred tax

| | 2024 R'000 | 2023 R'000 |
|---|---|---|
| **Recognised deferred tax assets and liabilities** | | |
| Balance at the beginning of the period | **54,150** | 38,518 |
| Investments at fair value | **1,833** | 717 |
| Equipment | **(312)** | 878 |
| Crypto asset revaluation reserve | **727** | (748) |
| Payables and accruals | **2,990** | (3,362) |
| Prepayments | **(1,614)** | 520 |
| ECL Allowance | **390** | - |
| Tax loss recognised in current period | **2,995** | 21,436 |
| Intangible assets | **3,387** | (3,521) |
| Right-of-use assets | **(590)** | (1,444) |
| Lease liabilities | **671** | 1,286 |
| Unrealised loss/(gain) on derivative positions | **1,852** | (130) |
| **Balance at the end of the period** | **66,479** | 54,150 |

| | **2024 R'000** | 2023 R'000 |
|---|---|---|
| **Deferred tax comprises the following:** | | |
| Prepayments | **(2,232)** | (618) |
| Intangible assets | **(17,845)** | (21,232) |
| Equipment | **(164)** | - |
| Crypto asset revaluation reserve | **(21)** | (748) |
| Unrealised gains on derivative positions | **(4,234)** | (6,086) |
| Right-of-use assets | **(374)** | - |
| Lease liabilities | **-** | (336) |
| **Deferred tax liability** | **(24,870)** | (29,020) |
| Right-of-use assets | **-** | 216 |
| Lease liabilities | **335** | - |
| Equipment | **-** | 148 |
| Investments at fair value | **25,104** | 23,271 |
| Payables and accruals | **6,256** | 3,266 |
| ECL Allowance | **390** | - |
| Capital loss | **2,816** | 2,816 |
| Assessed tax loss | **56,448** | 53,453 |
| **Deferred tax asset** | **91,349** | 83,170 |
| **Net deferred tax assets** | **66,479** | 54,150 |

| | **2024 R'000** | 2023 R'000 |
|---|---|---|
| **As disclosed in terms of IAS 12:** | | |
| - Deferred tax asset | 91,349 | 61,917 |
| - Deferred tax liability | (24,870) | (7,767) |
| | **66,479** | 54,150 |

The directors have assessed that the deferred tax asset will be recovered as the group will continue to:
1. Earn a share of the asset management fees in respect of the IP it owns;
2. Generate risk advisory revenue from the EasyTrader and EasyCrypto operations; and
3. The Group will take advantage of the deferred tax assets as at 31 August 2024 over the next three to seven years. The Group has accumulated tax losses of R207.4 million (2023: R197.0 million) and capital losses of R13.0 million (2023: R13.0 million).

## 14. Trade and other receivables

| | 2024 R'000 | 2023 (Restated) R'000[1] |
|---|---|---|
| Trade receivables | **40,997**[2] | 27,660 |
| Accrued trade income | **25,560**[3] | 19,228 |
| Other receivables | **8,472** | 16,179 |
| Financial instruments | **75,029** | 63,067 |
| Non-financial instruments | | |
| - Prepayments | **11,314** | 11,877 |
| - VAT receivable | **3,020** | 10,635 |
| | **89,363** | 85,579 |

1 Comparative figures have been restated for a material prior period error. Refer to Note 27 for further disclosure. This affects Other receivables.

2 A trade receivable amount of R21.1m was settled after year end on 4 October 2024.

3 Accrued trade income relates to interest receivable, and accrued fees charged to customers which are due for settlement after the reporting period.

The Group's exposure to credit risk, credit losses and currency risk related to trade and other receivables is disclosed in Note 22.

The above receivables are all classified as current assets.

Other receivables are:
- Interest free and
- Have no fixed terms of repayment.

**Expected credit loss assessment for customers**

The Group's exposure to credit risk is primarily affected by the idiosyncratic characteristics of each customer and nature of the balance receivable. The Group considers relevant factors that impact the credit risk of its receivables, including specific credit default risk per customer and credit ratings, trading and repayment history, financial position, current and forecasted economic conditions affecting customers, including inflation and the prime lending rate. The Group is however not exposed to significant credit risk due to the short dated nature of trade receivables and a history of no credit losses.

Impairment of trade receivables, carried at amortised cost, has been determined using the simplified expected credit loss ("ECL") approach and reflects the short-term maturities of the exposures. The simplified approach allows the Group to recognise lifetime expected losses on trade receivables without the need to identify significant increases in credit risk.

- In performing the assessment to determine expected credit losses, it was concluded that credit losses of 0.1% (i.e. R9k) are expected over the next 12-months on trade and other receivables and is considered insignificant.

All other receivables balances are assessed for ECL using the general approach, which requires that loss allowances for lifetime expected credit losses is recognised for if there has been a significant increase in credit risk since initial recognition:

- Included in accrued income (general approach) of R25.6m, is R 11.1m which relates to interest receivable from banks and is paid on the next day by banks, as well as R1.9m in cash management fees which is collected from client accounts on the next day after the end of the financial year.
- It's been assessed that there has been no significant increase in credit risk since initial recognition of the other receivables as, as a significant portion of the balance has been collected after the end of the current financial year and therefore no ECL is raised.

## 15. Cash and cash equivalents

| | 2024 R'000 | 2023 (Restated) R'000[1] |
|---|---|---|
| Bank deposit | **172,778** | 179,546 |
| **Cash and cash equivalents** | **172,778** | 179,546 |
| Bank overdraft | **(7,649)** | (2,423) |
| **Cash and cash equivalents in the statement of cash flows** | **165,129** | 177,123 |

1 Comparative figures have been restated for a material prior period error. Refer to Note 27 for further disclosure. This affected bank deposits.

The Group's exposure to currency risk, credit risk, interest rate risk, and a sensitivity analysis for financial assets and liabilities are disclosed in Note 22. The Group holds R2.45 billion (2023: R1.70 billion) of client funds which are not reflected on the statement of financial position. These are restricted funds held in trust and are not available for use by the Group.

R9 million (2023: R17.90 million) of the cash and cash equivalents balance is held in foreign currency bank accounts and are denominated in USD, PHP and AUD (Note 22: Financial instruments - Foreign Currency Risk).

The Group has an overdraft facility totalling R14.5 million with Capitec Bank. The overdraft is secured by an unlimited pledge and cession over the Group's investment in Blockbuster Trading 3 Proprietary Limited, Evolution Credit Limited and First World Trader Proprietary Limited. Refer to Note 22 for ECL considerations.

## 16. Capital and reserves

| | Notes | Number of shares 2024 | Number of shares 2023 |
|---|---|---|---|
| The number of shares in issue is as follows: | | | |
| **Ordinary share capital**[1] | | | |
| Ordinary share capital in issue at 1 September | | **1,402,102,267** | 1,250,355,282 |
| New shares issued - Purple Group Rights Offer | | **-** | 129,629,630 |
| Share options exercised and issued | 18 | **20,437,500** | 22,117,355 |
| **In issue at 31 August – fully paid up** | | **1,422,539,767** | 1,402,102,267 |
| *Less:* Treasury shares | | **(2,300,000)** | (2,300,000) |
| **In issue at reporting date** | | **1,420,239,767** | 1,399,802,267 |

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

| | Notes | Stated capital R'000 |
|---|---|---|
| **Balance at 31 August 2022** | | **667,055** |
| New shares issued - Purple Group Limited Rights Offer | | 102,546 |
| Share options exercised - paid in capital | | 12,580 |
| Share options exercised - transfer from share based payment reserve | | 5,616 |
| **Balance at 31 August 2023** | | **787,797** |
| Share options exercised - paid in capital | | 6,596 |
| Share options exercised - transfer from share based payment reserve | | 2,919 |
| **Balance at 31 August 2024** | | **797,312** |

At 31 August 2024 the authorised share capital comprised 2 000 000 000 ordinary shares (2023: 2 000 000 000).

The unissued shares were placed under the control and authority of the directors until the next Annual General Meeting, and they have been empowered to allot, issue or otherwise dispose of the shares as they may in their discretion deem fit, subject to the provisions of the Companies Act of South Africa and the Listings Requirements of the JSE Limited. The Group has also issued share options to key management and staff (Note 18).

## OTHER RESERVES

| | Notes | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| Foreign currency translation reserve | | (4,041) | (4,396) |
| Share-based payment reserve | | 1,074 | 4,277 |
| Change in ownership reserve | | (97,153) | (97,153) |
| Crypto assets revaluation surplus | | 48 | 1,706 |
| **Balance 31 August** | | **(100,072)** | (95,566) |
| **Reconciliation of foreign currency translation reserve** | | | |
| Balance as at 31 August of prior year | | **(4,396)** | (4,535) |
| Translation of foreign operations through other comprehensive income | | **355** | 139 |
| **Balance as at 31 August** | | **(4,041)** | (4,396) |
| **Reconciliation of share-based payment reserve** | | | |
| **Balance as at 31 August of prior year** | | **4,277** | 9,373 |
| Share options exercised | 18 | **(2,919)** | (5,616) |
| Transfers to retained earnings[1] | | **(384)** | - |
| Share-based payment expense | 2 | **100** | 520 |
| **Balance as at 31 August** | | **1,074** | 4,277 |
| **Reconciliation of crypto assets revaluation surplus** | | | |
| Balance as at 31 August of prior year | | **1,706** | 528 |
| Other comprehensive (loss)/income for the year | | **(110)** | 1,905 |
| Tax effect on other comprehensive (loss)/income for the year | | **30** | (514) |
| Non-controlling interest share in comprehensive (loss)/income for the year | | **12** | (213) |
| Transfers to retained earnings | | **(1,590)** | - |
| **Balance as at 31 August** | | **48** | 1,706 |

1 In accordance with the accounting policy, transfers are made to retained earnings from the share-based payment reserve for amounts expensed and accumulated in the reserve that relate to options which have been forfeited, have expired or where an employee has resigned.

## 17. Earnings per share

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

| Basic earnings/(loss) per share: | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Earnings/(loss) attributable to owners of Purple Group Limited | **24,795** | (24,872) |
| Weighted average number of ordinary shares in issue | **1,404,050,041** | 1,312,456,147 |
| **Basic earnings/(loss) per share (cents)** | **1.77** | (1.90) |
| Diluted weighted average number of ordinary shares in issue | **1,408,529,108** | 1,312,456,147 |
| **Diluted earnings/(loss) per share** | **1.76** | (1.90) |

There are currently 7.8 million (2023: 27.8 million) share options in issue in terms of the Group's legacy Share Option Scheme (Note 18) of which 7.8 million (2023: 17.8 million) are exercisable and are dilutive, resulting in diluted earnings per share of 1.76 cents per share, compared to basic earnings per share of 1.77 cents per share, for the year ended 31 August 2024.

There are also 48.1 million HSAR's and 27.1 million Performance Shares in issue at the reporting date, in terms of the 2022 Share Incentive Plan. These instruments are anti-dilutive in the calculation of diluted earnings per share for the year ended 31 August 2024.

| Headline earnings/(loss) per share: | 2024 R'000 | 2023 R'000 |
|---|---|---|
| Headline earnings/(loss) attributable to owners of Purple Group Limited | **24,795** | (26,869) |
| Weighted average number of ordinary shares in issue | **1,404,050,041** | 1,312,456,147 |
| **Headline earnings/(loss) per share (cents)** | **1.77** | (2.05) |
| Diluted weighted average number of ordinary shares in issue | **1,408,529,108** | 1,312,456,147 |
| **Diluted headline earnings/(loss) per share** | **1.76** | (2.05) |

| **Reconciliation between earnings, headline earnings and diluted headline earnings:** | **2024 R'000** | | 2023 R'000 | |
|---|---|---|---|---|
| | **Gross R'000** | **Net R'000** | Gross R'000 | Net R'000 |
| **Earnings/(loss) attributable to owners of Purple Group Limited** | **35,583** | 24,795 | **(35,199)** | (24,872) |
| Adjusted for: | | | | |
| - Reversal of impairment of intangible assets | **-** | - | **(1,970)** | (1,970) |
| - Profit on disposal of assets | **-** | - | **(89)** | (27) |
| **Headline earnings/(loss) attributable to owners of Purple Group Limited** | **35,583** | 24,795 | **(37,258)** | (26,869) |

## 18. Share-based payments

The Group currently operates two distinct share-based payment schemes:

1. The legacy Share Option Scheme: approved at a general shareholders' meeting on 1 February 2005, is approaching the end of its operational life. No new options are being granted, with only 7.75 million options currently exercisable by directors and staff.
2. 2022 Share Incentive Plan: this plan was approved at a general shareholders' meeting on 3 June 2022, with the first allocation to staff and directors occurring on 30 August 2024. Details of the plan can be found in the Circular to Shareholders issued on 4 May 2022, on the Purple Group website: www.purplegroup.co.za . The 2022 Share Incentive Plan is a hybrid scheme comprising the following elements:

**Hurdle Share Appreciation Rights (HSAR):**

- A one-time allocation of 48 070 366 equity-settled rights was made on 30 August 2024 and assigned to executive directors and key management, to incentivise them to drive and be rewarded for exceptional growth in shareholder value, over a seven-year period.
- The HSAR's will vest and be settled in full on the seventh anniversary from the allocation date (30 August 2031), based on share price appreciation over the seven-year period above the specified hurdle rate ("Hurdle Strike Price").
- The Hurdlke Strike price will be determined in accordance with the following formula:
  - Starting Price of R1.00, compounded annuallyThe HSAR's were issued with a hurdle strike price of R1.00, compounded annually by the 3-year rolling annual return of the Financial 15 Index (JSE Code: J212T) ("FINI15") from allocation date up to the vesting date.
- On settlement, the value accruing to participants will be the appreciation of Purple Group’s share price over and above the determined Hurdle Strike Price at the time of vesting.

**Performance Shares (PS):**

- A further element of long term incentivisation for Purple Group is conditional awards, each year for five years, of equity settled performance shares, with each award vesting three years from the award date.
- The first tranche of performance shares were allocated to directors and staff on 30 August 2024 and will vest on 30 August 2027, subject to the performance criteria being met.. The maximum number of shares that may vest to participants in respect of tranche 1 is 27 105 880 shares.
- The number of shares that will vest depends on the performance target achieved on the vesting date. The Board has set 3 Performance Levels for the first tranche of performance shares allocated to participants on 30 August 2024:
  - Performance Level 1:
    - Purple Share price target - Starting Price of R1.00 compounded annually by 2 times the 3-year rolling average annual growth in the FINI15 over the 3-year Vesting Period. If Performance Level 1 is attained, then 33.33% of the performance share award would be settled to Participants on the vesting date.
  - Performance Level 2:
    - Purple Share price target - Starting Price of R1.00 compounded annually by 3 times the 3-year rolling average annual growth in the FINI15 over the 3-year Vesting Period. If Performance Level 1 is attained, then 66.66% of the performance share award would be settled to Participants on the vesting date.
  - Performance Level 3:
    - Purple Share price target - Starting Price of R1.00 compounded annually by 4 times the 3-year rolling average annual growth in the FINI15 over the 3-year Vesting Period. If Performance Level 1 is attained, then 100% of the performance share award would be settled to Participants on the vesting date.

The maximum number of shares to be awarded to participants over the duration of the 2022 Share Incentive Plan is not to exceed 203 700 000 (two hundred and three million seven hundred thousand) shares, amounting to 14.3% of the shares currently in issue; and for any one participant in terms of the plan is not to exceed 20 370 000 (twenty million three hundred and seventy thousand) shares, amounting to 1.43% of the shares currently in issue.

These schemes underscore the Group's commitment to aligning the interests of directors, staff, and shareholders, fostering sustained performance and value creation.

**Disclosures relating to the 2022 Share Incentive Plan:**

The number of HSAR's and Performance Shares granted to all staff is as follows:

| | Number of HSAR's | Number of Performance Shares |
|---|---|---|
| **Total at 31 August 2023** | **-** | **-** |
| Issued 30 August 2024 | 48,070,366 | 27,105,880 |
| **Total at 31 August 2024** | **48,070,366** | **27,105,880** |

The number of HSAR's and Performance Shares granted to directors is as follows:

| Executive Director | Number of HSAR's | Number of Performance Shares |
|---|---|---|
| Charles Savage | 1,576,203 | 2,894,771 |
| Gary van Dyk | 1,110,002 | 2,038,571 |
| **Total at 31 August 2024** | **2,686,205** | **4,933,342** |

**Disclosures relating to the legacy Employee Share Option Scheme:**

| Options granted to key management and staff | Number of options |
|---|---|
| **Total at 31 August 2019** | **114,223,920** |
| Issued 6 December 2019 | 41,000,000 |
| Issued 28 May 2020 | 2,000,000 |
| Issued 9 July 2020 | 2,000,000 |
| Exercised 7 July 2020 | (5,555,905) |
| **Total at 31 August 2020** | **153,668,015** |
| Exercised 24 November 2020 | (28,979,899) |
| Forfeited 31 December 2020 | (1,312,500) |
| Exercised 25 January 2021 | (20,481,321) |
| Forfeited 31 March 2021 | (68,043) |
| Exercised 26 May 2021 | (7,007,652) |
| Forfeited 30 June 2021 | (3,000,000) |
| Exercised 2 July 2021 | (5,744,331) |
| Exercised 30 August 2021 | (983,020) |
| **Total at 31 August 2021** | **86,091,249** |
| Exercised 9 December 2021 | (16,000,615) |
| Exercised 16 February 2022 | (5,409,137) |
| Forfeited 28 February 2022 | (281,551) |
| Exercised 10 May 2022 | (13,875,969) |
| Exercised 26 July 2022 | (527,039) |
| Exercised 31 August 2022 | (4,000,000) |
| **Total at 31 August 2022** | **45,996,938** |
| Exercised 26 January 2023 | (16,992,355) |
| Exercised 27 February 2023 | (1,125,000) |
| Forfeited 31 May 2023 | (62,500) |
| **Total at 31 August 2023** | **27,817,083** |
| Exercised 4 March 2024 | (375,000) |
| Exercised 31 May 2024 | (14,442,083) |
| Exercised 12 August 2024 | (5,250,000) |
| **Total at 31 August 2024** | **7,750,000** |

The options granted to directors is as follows:

| **2024** | **Closing balance average exercise price (cents)** | **Opening Balance** | **Exercised** | **Closing balance** |
|---|---|---|---|---|
| Charles Savage | 31 | 7,000,000 | (7,000,000) | **-** |
| Gary van Dyk | 31 | 5,500,000 | (3,500,000) | **2,000,000** |
| | | 12,500,000 | (10,500,000) | **2,000,000** |

| 2023 | Closing balance average exercise price (cents) | Opening Balance | Exercised | Closing balance |
|---|---|---|---|---|
| Mark Barnes | n/a | 5,000,000 | (5,000,000) | **-** |
| Charles Savage | 31 | 7,000,000 | - | **7,000,000** |
| Gary van Dyk | 31 | 11,500,000 | (6,000,000) | **5,500,000** |
| | | 23,500,000 | (11,000,000) | **12,500,000** |

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | **Weighted average exercise price (cents)** | **Number of options** | Weighted average exercise price (cents) | Number of options |
| **Outstanding at the beginning of the period** | **32** | **27,817,083** | 47 | 45,996,938 |
| Forfeited during the period | **-** | **-** | 31 | (62,500) |
| Granted during the period | **-** | **-** | - | - |
| Exercised during the period | **32** | **(20,067,083)** | 69 | (18,117,355) |
| **Outstanding at the end of the period** | **31** | **7,750,000** | 32 | 27,817,083 |
| **Exercisable at the end of the period** | **31** | **7,750,000** | 32 | 17,817,083 |

The options outstanding at 31 August 2024 have been issued at 31 cents (2023: range of 31 cents to 76 cents) and have a weighted average exercise price of 31.00 cents (2023: 32.00 cents) and a weighted average contractual life of 2.30 years (2023: 3.30 years).

Share-based payment expenses of R0.10 million (2023: R0.52 million) were accounted for in profit or loss.

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

The contractual life of all options is seven years from date of grant.
The aggregate number of share options granted under the scheme is limited to 164 million shares (2022: 164 million shares).
The aggregate number of share options to any one participant under the scheme shall not exceed 41 million shares.
Share options under this scheme were last granted and accepted in the 2020 financial year.

## 19. Trade and other payables

| | **2024 R'000** | 2023 (Restated) R'000[1] |
|---|---|---|
| Trade payables | **24,999** | 105,124[2] |
| Trading account[3] | **26,793** | 20,856 |
| Accrued expenses | **20,523** | 11,810 |
| **Financial instruments** | **72,315** | 137,790 |
| Non Financial instruments | | |
| - Employee-related accruals | **35,892** | 18,065 |
| | **108,207** | 155,855 |

1 Comparative figures have been restated for a material prior period error. Refer to Note 27 for further disclosure. This affected Trade payables.

2 Included in the prior year closing balance of trade payables was a Dividends Withholding Tax liability of R84.7m, which was paid to SARS on 29 September 2023.

3 Trading account balance relates to trades that are settled 3 business days after trading has been concluded on the JSE, which have not yet been paid as at 31 August.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 22.

## 20. Client open position liability

| | Note | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| **Derivative financial liabilities at fair value through profit or loss:** | | | |
| Client open position liability - GT247 CFD | 9 | **47,346** | 35,435 |
| Client open position liability - EasyEquities CFD's | 9 | **158,135** | 167,694 |
| | | **205,481** | 203,129 |

- Fair value adjustments on the derivative CFD client open position liability are recognised in revenue. Refer to the revenue accounting policy on page 96 and the revenue disclosed in Note 1. The related financial assets held to hedge the CFD client open position liability are disclosed in Note 9, and do not necessarily offset the liability and is based on the hedging and risk management strategy of the Group.
- The EasyEquities client open position liability relates to the fractional share holdings of clients, and is hedged by the listed equities and ETF holdings of FWT, as reported under financial assets in Note 9. Fair value adjustments on the liability are offset against fair value adjustments on the financial assets and do not impact the profit or loss, as these are the profits or losses attributable to clients and not the business.

The Group's exposure to currency and liquidity risk related to client open position liability is disclosed in Note 22.

## 21. Right-of-use assets and lease liabilities

The right-of-use asset and lease liability relate to 3 premises:

- RISE for rental of its offices situated at Max Maisela Park, 2nd Floor, 7 Junction Avenue, Parktown, 2193. The office rental lease expired in May 2024 and was not renewed.
- FWT for rental of office space at WeWork - Coworking Office Space, 1F 173 Oxford Road, Rosebank, Gauteng, 2196, which commenced 01 July 2024 for a 36 month period.
- EasyEquities Phillipines Inc.for rental of office space, 6th Floor One Ayala Corporate Center, East Tower, Ayala, Center, Makati City, which commenced 05 January 2024 for a 24 month period.

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

| | Notes | 2024<br>R'000 | 2023<br>R'000 |
|---|---|---|---|
| Cost | | **1,039** | 8,467 |
| Accumulated depreciation | | **(594)** | (6,190) |
| **Net carrying amount at 1 September** | | **445** | 2,277 |
| Opening net carrying amount at 1 September | | **445** | 2,277 |
| Right of use asset derecognised during the year : | | | |
| - Cost | | **(2,969)** | (7,428) |
| - Accumulated depreciation | | **2,969** | 7,428 |
| Right of use asset recognised during the year : | | | |
| - Cost | | **8,086** | |
| - Depreciation | 2 | **(1,415)** | (1,832) |
| **Closing net carrying amount at 31 August** | | **7,116** | 445 |

Lease liability is comprised of the following:

| | Notes | 2024 R'000 | 2023 R'000 |
|---|---|---|---|
| **Balance at the beginning of the year** | | **615** | 2,898 |
| Lease recognised during the year | | **8,086** | |
| Interest expense | 3 | **233** | 147 |
| Repayments | | **(1,966)** | (2,430) |
| **Balance at the end of the year** | | **6,968** | 615 |
| Current portion of lease liability | | **(2,760)** | (615) |
| Non-current portion of lease liability | | **4,208** | - |
| Lease liabilities are payable as follows: | | | |
| **Future lease payments** | | | |
| – within one year | | **3,483** | 636 |
| – later than one and not later than five years | | **4,651** | - |
| – later than five years | | **-** | - |
| **Total** | | **8,134** | 636 |
| **Interest** | | | |
| – within one year | | **723** | 21 |
| – later than one and not later than five years | | **443** | - |
| – later than five years | | **-** | - |
| **Total** | | **1,166** | 21 |
| **Present value of lease payments** | | | |
| – within one year | | **2,760** | 615 |
| – later than one and not later than five years | | **4,208** | - |
| – later than five years | | **-** | - |
| **Total** | | **6,968** | 615 |

## 22. Financial instruments

## Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

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

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

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

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

Fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices or dealer price quotations.

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

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

For more complex instruments such as investments in unlisted equities, the Group primarily uses the Discounted Cash Flow valuation model. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates such as comparable beta ratios, or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value.

## Fair value hierarchy

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

| | Notes | Level 1 R'000 | Level 2 R'000 | Level 3 R'000 | Total R'000 |
|---|---|---|---|---|---|
| **31 August 2024** | | | | | |
| **Financial assets at fair value through profit or loss:** | | | | | |
| - Investments | 10 | **-** | **3,744** | **8,973** | **12,717** |
| - Derivative CFD contracts | 9 | **-** | **25,473** | **-** | **25,473** |
| - Listed equities and ETF's | 9 | **158,135** | **-** | **-** | **158,135** |
| **Crypto assets through other comprehensive income** | 8 | **57** | **-** | **-** | **57** |
| **Financial liabilities at fair value through profit or loss:** | | | | | |
| Client open position liability | 20 | **-** | **205,481** | **-** | **205,481** |
| **Total** | | **158,192** | **234,698** | **8,973** | **401,863** |
| 31 August 2023 | | | | | |
| **Financial assets at fair value through profit or loss:** | | | | | |
| - Investments | 10 | - | 3,106 | 18,255 | 21,361 |
| - Derivative CFD contracts | 9 | - | 17,771 | - | 17,771 |
| - Listed equities and ETF's | 9 | 167,694 | - | - | 167,694 |
| **Crypto assets through other comprehensive income** | 8 | 73 | - | - | 73 |
| **Financial liabilities at fair value through profit or loss:** | | | | | |
| Client open position liability | 20 | - | 203,129 | - | 203,129 |
| **Total** | | **167,767** | **224,006** | **18,255** | **410,028** |

**Financial assets and investments**

Financial assets at fair value through profit/loss:

- Unlisted investments (Note 10) are measured at their estimated fair value as determined by the Board at the reporting date.
- Derivative CFD contracts are measured at fair value with reference to quoted market prices of the underlying instruments.
- Client open position liability is measured at fair value with reference to quoted market prices of the underlying instruments.
- Listed equities and ETF's are measured at fair value with reference to quoted market prices for identical instruments.

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

*IFRS 13: Fair Value Measurement* does not mandate the use of a particular valuation technique but rather sets out a principle requiring an entity to determine a valuation technique that is appropriate in the circumstances for which sufficient data is available and for which the use of relevant observable inputs can be maximised. Where management is required to place greater reliance on unobservable inputs, the fair values may be more sensitive to assumption changes and different valuation methodologies that may be applied. For this reason, there is a direct correlation between the extent of disclosures required by IFRS Accounting Standards and the degree to which data applied in the valuation is unobservable.

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

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

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

**Crypto assets through other comprehensive income**

Crypto assets are measured at fair value with reference to quoted market prices for identical instruments.

**Trade and other receivables and payables**

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

## Financial risk management

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. No policy changes were effected during the 2024 financial year. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**Overview**

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and has delegated this responsibility to the Risk Management Committee. The management of the various Group companies are responsible for implementing the risk policies. Different units of the business require different approaches to risk management to be developed.

## CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, resulting in a difference between all contractual cash flows that are due to be collected in accordance with the contract, and all the cash flows that the Group expects to receive.

The Group is exposed to credit risk arising from the following receivables:
- Trade receivables;
- Cash and cash equivalents i.e. bank balances and balances held with brokers and trading counterparties;
- Other recivables; and
- Accrued trade income.

The Group evaluates counterparty credit risk on an ongoing basis to determine whether any new information is available in assessing expected credit losses, such as changes in the macroeconomic environment, media or news events that could impact customers or trading partners and other relevant information.

The Group establishes an allowance for credit losses that represents its estimate of expected losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures. The expected credit loss is also based on the Group's understanding of the financial position of the counterparty, including the consideration of their credit risk grade. Default has been defined as the counterparty's failure to meet its contractual obligations.

Refer to Note 14 for the current year assessment of ECL related to trade and other receivables.

**Exposure to credit risk**

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

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

| | Notes | **2024 R'000** | 2023 (Restated) R'000[1] |
|---|---|---|---|
| Receivables | 12 | **3,944** | 1,411 |
| Trade and other receivables | 14 | **75,029** | 63,067 |
| Cash and cash equivalents | 15 | **172,778** | 179,546 |
| | | **251,751** | 244,024 |

1 Comparative figures previously reported have been restated for Trade and other receivables and Cash and cash equivalents to reflect the effects of the incorrect classification of cash and cash equivalents and amounts paid to suppliers and received from customers which took place during the 2023 financial year. Refer to note 27 for further disclosure. No other items have been restated.

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

Financial assets which potentially subject the Group to concentrations of credit risk consist principally of amounts owing due to unsettled trades with broking counterparties and are limited to high credit quality financial institutions.

The maximum credit risk exposure is represented by the carrying amount of the assets, except where otherwise stated. All trades are settled daily through the mark-to-market process.

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

The expected credit loss from trade receivables (Note 14) was quantified at 0.1% (2023: 0.1%) and deemed insignificant due to the short dated nature of trade receivables.

No expected credit losses have been recognised on cash and cash equivalents as bank balances are considered unimpaired based on available information at the end of the current reporting period ended 31 August 2024 and there has been no significant increase in credit risk since initial recognition.

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

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

***Trading counterparties***

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

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

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

## LIQUIDITY RISK

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

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

The following are the contractual undiscounted maturities of financial liabilities, including estimated interest payments as at 31 August 2024:

| | Notes | Carrying amount R'000 | Contractual cash flows R'000 | Less than one year R'000 | One to two years R'000 | Two to five years R'000 | Total R'000 |
|---|---|---|---|---|---|---|---|
| Trade and other payables | 19 | **72,315** | **72,315** | **72,315** | **-** | **-** | **72,315** |
| Client open position liability | 20 | **205,481** | **205,481** | **205,481** | **-** | **-** | **205,481** |
| Overdraft | 15 | **7,649** | **7,649** | **7,649** | **-** | **-** | **7,649** |
| Lease liabilities | 21 | **6,968** | **6,968** | **2,760** | **4,208** | **-** | **6,968** |
| | | **292,413** | **292,413** | **288,205** | **4,208** | **-** | **292,413** |

The following were the contractual undiscounted maturities of financial liabilities including estimated interest payments as at 31 August 2023:

| | Notes | Carrying amount (Restated)[1] R'000 | Contractual cash flows R'000 | Less than one year R'000 | One to two years R'000 | Two to five years R'000 | Total R'000 |
|---|---|---|---|---|---|---|---|
| Trade and other payables | 19 | 137,790 | 137,790 | 137,790 | - | - | 137,790 |
| Client open position liability | 20 | 203,129 | 203,129 | 203,129 | - | - | 203,129 |
| Overdraft | 15 | 2,423 | 2,423 | 2,423 | - | - | 2,423 |
| Lease liabilities | 21 | 636 | 636 | 636 | - | - | 636 |
| | | 343,978 | 343,978 | 343,978 | - | - | 343,978 |

1 Comparative figures previously reported have been restated for Trade and other payables to reflect the effects of the incorrect classification of cash and cash equivalents and amounts paid to suppliers and received from customers which took place during the 2023 financial year. Refer to note 27 for further disclosure. No other items have been restated.

## Market risk

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

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

### CURRENCY RISK

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

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

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

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

The Group is exposed to currency risk related to foreign currency held at its subsidiary One World Trader (OWT) in Mauritius, which is used for off-shore hedging purposes, foreign currency held by First World Trader, EasyEquities Philippines and EasyEquities Proprietary Limited (Australia). At the reporting date the amount of foreign currency held was R9.0 million (2023: R17.9 million). The closing rate used was 17.84 (2023: R18.76).

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

| | **2024 Profit or loss** | | 2023 Profit or loss | |
|---|---|---|---|---|
| | **10% increase R'000** | **10% decrease R'000** | 10% increase R'000 | 10% decrease R'000 |
| Foreign currency held: | | | | |
| - PHP | **661** | **(661)** | 679 | (679) |
| - AUD | **3** | **(3)** | 3 | (3) |
| - USD | **9** | **(9)** | 619 | (619) |

#### INTEREST RATE RISK

The Group is exposed to interest rate risk on its cash and cash equivalents, bank overdraft and investments that are linked to prime interest rates. The Group does not hedge these presently but would do so if it felt that it was necessary. The Group's investments are subject to variable interest rates and are exposed to a risk of change in cash flows due to changes in interest rates. Equity investments and trade receivables and payables are not exposed to interest rate risks.

Interest rate risk is mitigated primarily by matching variable rate financial assets with variable rate financial liabilities, as far as possible. The Group reviews the minutes of meetings held by the SARB Monetary Policy Committee, as part of assessing interest rate forecasts.

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

| | Notes | Interest rates applicable | Carrying amount 2024 R'000 | Carrying amount (Restated)[1] 2023 R'000 |
|---|---|---|---|---|
| **Variable rate instruments** | | | | |
| - Cash and cash equivalents | 15 | Repurchase rate | **172,778** | 179,546 |
| - Overdraft | 15 | Prime | **(7,649)** | (2,423) |

1 Comparative figures previously reported have been restated for Cash and cash equivalents to reflect the effects of the incorrect classification of cash and cash equivalents and amounts paid to suppliers and received from customers which took place during the 2023 financial year. Refer to note 27 for further disclosure. No other items have been restated.

#### Cash flow sensitivity analysis for variable rate instruments

A change of 200 (2023: 200) basis points in interest rates at the reporting date would have increased/(decreased) profit or loss after tax by the amounts shown below. This analysis assumes that all other variables remain constant.

| | **2024 Profit or loss** | | 2023 (Restated) Profit or loss[1] | |
|---|---|---|---|---|
| | **200 basis point increase R'000** | **200 basis point decrease R'000** | 200 basis point increase R'000 | 200 basis point decrease R'000 |
| Variable rate instruments | | | | |
| - Cash and cash equivalents | **2,546** | **(2,546)** | 2,646 | (2,646) |
| - Overdraft | **(113)** | **113** | (36) | 36 |
| | **2,433** | **(2,433)** | 2,610 | (2,610) |

1 Comparative figures previously reported have been restated for Cash and cash equivalents to reflect the effects of the incorrect classification of cash and cash equivalents and amounts paid to suppliers and received from customers which took place during the 2023 financial year. Refer to note 27 for further disclosure. No other items have been restated.

**Other market price risk**

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

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

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

***Price risk***

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

***Management of price risk***

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

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

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

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

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

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

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

| | At 31 August R'000 | Average R'000 | Maximum R'000 | Minimum R'000 |
|---|---|---|---|---|
| **2024** | | | | |
| Other price risk | **1,112** | **1,877** | **5,056** | **(376)** |
| 2023 | | | | |
| Other price risk | 2,538 | 2,792 | 3,883 | 1,229 |

## CLASSES OF FINANCIAL ASSETS AND LIABILITIES

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

| | Notes | 2024 R'000 | 2023 (Restated) R'000[1] |
|---|---|---|---|
| **Financial assets at amortised cost** | | | |
| – Trade and other receivables | 14 | **75,029** | 63,067 |
| – Receivables | 12 | **3,944** | 1,411 |
| – Cash and cash equivalents | 15 | **172,778** | 179,546 |
| | | **251,751** | 244,024 |
| **Financial assets at fair value through profit or loss** | | | |
| – Investments | 10 | **12,717** | 21,361 |
| – Financial assets | 9 | **183,608** | 185,465 |
| | | **196,325** | 206,826 |
| **Financial liabilities at fair value through profit or loss** | | | |
| – Client open position liability | 21 | **205,481** | 203,129 |
| | | **205,481** | 203,129 |
| **Financial liabilities at amortised cost** | | | |
| – Trade and other payables | 20 | **(72,315)** | (137,790) |
| – Bank overdraft | 15 | **(7,649)** | (2,423) |
| | | **(79,964)** | (140,213) |

1 Comparative figures previously reported have been restated for Trade and other receivables, Trade and other payables and Cash and cash equivalents to reflect the effects of the incorrect classification of cash and cash equivalents and amounts paid to suppliers and received from customers which took place during the 2023 financial year. Refer to note 27 for further disclosure. No other items have been restated.

## Capital management

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

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

The Group operates in a rapidly evolving industry and capital investments are made to maintain and enhance returns.

The Group's objectives when maintaining capital are:
- Safe guard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits of other stakeholders, and
- To provide an adequate return to shareholders by expanding the business, and when the expected economic returns are present and outweighs the cost of capital to distribute dividends.

The Group's dividend policy is designed to ensure payment of a supportable returns to its investors, Dividend distributions are reviewed by the Board, after considering the economic conditions and liquidity position of the Group.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments when economic conditions and the risk characteristics of the underlying assets become apparent. To maintain or adjust the capital structure, the Group may adjust the amount of the dividend paid to the shareholders.

Consistent with other entities in the industry, the Group monitors capital on the basis of the debt to capital ratio. The Group strives to achieve a debt ratio with the objective to maintain a high credit rating and secure access to funding.

| | Notes | **2024 R'000** | 2023 (Restated) R'000[1] |
|---|---|---|---|
| Lease liabilities | 21 | **(6,968)** | (615) |
| Cash and cash equivalents | 15 | **165,129** | 177,123 |
| **Net cash** | | **158,161** | **176,508** |
| EBITDA | | **85,990** | (17,204) |
| Interest cover (times) | | **n/a** | n/a |
| Total equity | | **720,783** | 678,229 |
| Debt to equity ratio (%) | | **1.0%** | 0.1% |

1 Comparative figures previously reported have been restated for Cash and cash equivalents to reflect the effects of the incorrect classification of cash and cash equivalents and amounts paid to suppliers and received from customers which took place during the 2023 financial year. Refer to note 27 for further disclosure. No other items have been restated.

## 23. Special purpose vehicles

EasyProperties Proprietary Limited ("EasyProperties") is a 100% owned subsidiary of First World Trader Proprietary Limited ("FWT"). EasyProperties permits investors to subscribe for fractional units (portions) in property. This is achieved by EasyProperties creating a property Special Purpose Vehicle (SPV) for each property and inviting investors to purchase ordinary shares in the SPV.

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

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

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

Management considered whether EasyProperties controls the SPV. Management has determined that despite EasyProperties controlling the board of the SPV via the A shares class, none of the entities in the Purple Group control the SPV, due to not meeting all the elements of control as defined by IFRS 10: Consolidated Financial Statements. Management concluded the SPVs are unconsolidated structured entities and the key reasons to support this judgement are:
- Purple Group (and its related parties as defined in the JSE LR, the Companies Act and IFRS Accounting Stabdards) is not exposed to gains or losses in the value of the property owned by the SPV. It also is not entitled to any rental income, dividends or other returns. The investors, as ordinary shareholders, are fully exposed to changes in the value of the property and to the related rental returns.

- The only fees earned by EasyProperties [including Purple Group and its related parties] are market-related fees. The fees are calculated using a variable percentage and relate to:
  - Commission paid by the seller of the property when the SPV purchases it. This is calculated on the purchase price of the property and is paid to EasyProperties by the seller.
  - Commission paid by the bond originator. This is calculated inclusive of VAT on the net bond (i.e. total bond less raising fees on the bond) and is paid to EasyProperties by the bond originator.
  - Property management fee is paid by the SPV to EasyProperties and is derived from the rental income generated.
  - Brokerage (IPO) fee paid by the investors to EasyProperties. This is a once-off fee that is charged per investment transaction on the subscription amount.
  - Platform fee paid by the investors to EasyProperties. This is an annual fee based on the total investment value.
  - Auction fee paid by the investors to EasyProperties. This fee is only payable if the investor chooses to sell the ordinary share it owns in the SPV before the property is sold and is based on the total repurchase value or total subscription amount.
  - Early settlement fee paid by the investors to EasyProperties. This fee is only payable if the investor chooses to sell the ordinary it owns in the SPV before the property is sold and withdrawn.
  - Settlement and administration fee paid by investors to Easy Properties on the basis of the value invested, when the property is disposed of.

- Purple Group (and its related parties as defined in the JSE LR, the Companies Act and IFRS Accounting Standards) has not provided any funding to the SPV for the purposes of purchasing or developing the property. It has also not provided any guarantees or sureties. As such, it is not exposed to any funding risk or exposure.

- The properties purchased by the SPVs were not previously owned by any person, trust or entity that is a related party of any person or entity in Purple Group.

The tabular information sets out the financial information of the SPV’s:

| Special Purpose Entity | Property Value R'000 | Net asset value R'000 |
|---|---|---|
| Blackbrick EP1 | 5,400 | 4,084 |
| Greenreef EP1 | 3,340 | 2,701 |
| Rockefeller EP1 | 9,100 | 6,399 |
| Greenpark EP3 | 24,700 | 17,767 |
| The Blyde EP2 | 14,510 | 10,651 |
| Seven on Main EP5 | 9,500 | 6,679 |
| Exchange Lofts EP6 | 15,280 | 10,400 |
| Polofields | 26,500 | 19,307 |
| Kikuyu | 28,100 | 21,001 |
| Ballito groves | 20,807 | 13,854 |
| The Reid EP 13 | 28,150 | 18,873 |
| Ballito Hills EP16 | 24,643 | 16,569 |
| Sea Point Four EP11 | 22,100 | 15,164 |
| Monroe EP8 | 17,500 | 13,273 |
| Blackbrick CT EP4 | 18,000 | 11,977 |
| Capital on Bath EP19 | 14,550 | 8,725 |
| The Bailey EP12 | 23,400 | 16,429 |
| HP House | 7,643 | 4,845 |
| The Duke | 10,500 | 6,730 |
| Carrington | 10,640 | 6,696 |
| Six on N | 10,950 | 7,681 |
| BB Sandton 2 | 11,450 | 7,104 |
| 40 on L EP36 | 12,000 | 9,591 |
| Akaru EP32 | 8,144 | 9,996 |
| Capital Pearls EP25 | 11,544 | 7,083 |

| Special Purpose Entity | Property Value R'000 | Net asset value R'000 |
|---|---|---|
| Fynbos EP22 | -[1] | 5,399 |
| Lallybroch EP37 | 6,521 | 4,776 |
| One On Anne EP24 | -[1] | 4,352 |
| Saxon Square EP20 | -[1] | 3,350 |
| The Edge EP28 | 22,700 | 14,405 |
| The One EP29 | -[1] | 9,904 |
| Brooklyn Volley EP29 | 18,490 | 12,201 |
| Blakcbrick Gardens | 9,506 | 10,979 |
| | **445,668** | **338,945** |

1 SPV's with no property value is due to the properties not yet having transferred ownership.

## 24. Contingencies and commitments

There are no contingencies or commitments at the reporting date.

## 25. Related parties

## Identity of Related Parties

Related transactions are created from the transfer of resources, benefits or obligations between parties related to the Group. Related parties are key management,

Details of transactions with related parties not disclosed elsewhere in the financial statements are set out below.

## Transactions with Key Management Personnel

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

| | **2024 R'000** | 2023 R'000 |
|---|---|---|
| **Employee benefits** | | |
| **Non-executive directors** | | |
| Arnold Forman – fees | **387** | 373 |
| William Bassie Maisela - fees | **387** | 373 |
| Bonang Mohale – fees | **81** | 180 |
| Craig Carter – fees | **387** | 373 |
| Happy Ntshingila – fees (Chairman) | | |
| – fees (Purple Group Limited) | **664** | 641 |
| – fees (Subsidiary) | **385** | - |
| Mark Barnes | | |
| – fees (Purple Group Limited) | **241** | 205 |
| – fees (Subsidiary) | **500** | 500 |
| Paul Rutherford | **241** | 205 |
| | **3,273** | 2,850 |

| | 2024<br>R'000 | 2023<br>R'000 |
|---|---|---|
| **Employee benefits** | | |
| **Executive directors** | | |
| Charles Savage | | |
| – salary and benefits | **5,134** | 5,169 |
| – bonus paid | **400** | 1200 |
| – share option expenses | **16** | 82 |
| Gary van Dyk | | |
| – salary and benefits | **3,985** | 3,997 |
| – bonus paid | **300** | 900 |
| – share option expenses | **12** | 64 |
| | **9,847** | 11,412 |
| **Executive Committee (6 members)** | | |
| – salary and benefits | **19,095** | 18,778 |
| – bonus paid | **1,160** | 1935 |
| – share option expenses | **-** | - |
| | **20,255** | 20,713 |

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

| | **2024** | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Beneficial** | | **% Holding** | | Beneficial | | % Holding | |
| | **Direct** | **Indirect** | **Direct** | **Indirect** | Direct | Indirect | Direct | Indirect |
| Mark Barnes | **22,276,610** | **77,296,172** | **1.57** | **5.43** | 22,276,610 | 77,296,172 | 1.59 | 5.51 |
| Craig Carter | **2,129,577** | **-** | **0.15** | **-** | 2,129,577 | - | 0.15 | - |
| Charles Savage | **42,000,000** | **278,200** | **2.95** | **0.02** | 35,444,964 | 296,990 | 2.53 | 0.02 |
| Gary van Dyk | **31,825,278** | **-** | **2.24** | **-** | 28,325,278 | - | 2.02 | - |
| Bonang Mohale | **-** | **15,099,589** | **-** | **1.06** | - | 15,099,589 | - | 1.08 |
| William Bassie Maisela | **-** | **2,644,672** | **-** | **0.19** | - | 2,644,672 | - | 0.19 |
| Paul Rutherford | **-** | **2,411,283** | **-** | **0.17** | - | 2,411,283 | - | 0.17 |
| | **98,231,465** | **97,729,915** | **6.91** | **6.87** | 88,176,429 | 97,748,705 | 6.29 | 6.97 |

None of the directors of the Group have traded any of the shares held by them between 31 August 2024 and the date of this report.

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

- Gary van Dyk acquired 3,500,000 (2023: 6,000,000) shares by exercising share options on 29 February 2024, and sold zero shares.
- Charles Savage concluded the following transactions during the year:
    - Acquired 7,000,000 shares by exercising share options on 28 February 2024;
    - Wife sold 18,790 shares in an off-market sale and;
    - Sold 444,964 shares in an off-market sale to his daughter.

| | Note | **2024 R'000** | 2023 R'000 |
|---|---|---|---|
| Amount receivable from related party – revenue: | | | |
| - Sanlam Investment Holdings Limited | 15 | **21,117** | 18,055 |

During the current year, revenue of R21.8 million (2023: R18.0 million) was earned from EasyEquities' partnership with Satrix. Satrix is part of the Sanlam Ltd group of companies and is a related party.

## 26. List of subsidiaries

| Subsidiaries Name | Country incorporated | Principal place of business |
|---|---|---|
| First World Trader Proprietary Limited (Includes the operations of EasyEquities) | South Africa | South Africa |
| First World Trader Nominees (RF) Proprietary Limited (Subsidiary of First World Trader Proprietary Limited) | South Africa | South Africa |
| GT247 Proprietary Limited | South Africa | South Africa |
| One World Trader Proprietary Limited (Subsidiary of GT247 Proprietary Limited) | Mauritius | Mauritius |
| EasyAssetManagement Proprietary Limited | South Africa | South Africa |
| Emperor Asset Management Nominees (RF) Proprietary Limited (Subsidiary of EasyAssetManagement Proprietary Limited) | South Africa | South Africa |
| Emperor Asset Management GP 1 (RF) Proprietary Limited (Subsidiary of Emperor Asset Management Proprietary Limited) | South Africa | South Africa |
| Global Trader Europe Limited[1] | United Kingdom | United Kingdom |
| EasyEquities International Limited (Subsidiary of First World Trader Proprietary Limited) | Ireland | Ireland |
| EasyEquities Philippines Incorporated (Subsidiary of EasyEquities International Limited) | Philippines | Philippines |
| EasyEquities Proprietary Limited (Subsidiary EasyEquities International Limited) | Australia | Australia |
| Easy Financial Services Australia Proprietary Limited (Subsidiary EasyEquities Proprietary Limited) | Australia | Australia |
| EasyCrypto SA Proprietary Limited (Subsidiary of First World Trader Proprietary Limited) | South Africa | South Africa |
| EasyETFs (RF) Proprietary Limited | South Africa | South Africa |
| Retirement Investments and Savings for Everyone Proprietary Limited | South Africa | South Africa |
| EasyProperties Proprietary Limited (Subsidiary of First World Trader Proprietary Limited) | South Africa | South Africa |

1 Placed into liquidation in 2008 and still ongoing.

| Nature of business | Ownership interest 2024 % | Ownership interest 2023 % | Non-controlling interest 2023 R'000 | Non-controlling interest 2023 % | Investment 2024 R'000 | Investment 2023 R'000 |
|---|---|---|---|---|---|---|
| Brokerage and investment platform | **70** | 70 | **30** | 30 | **324,625** | 324,589 |
| Nominnee | **100** | 100 | - | - | **-** | - |
| CFD derivatives trading business | **100** | 100 | - | - | **13,529** | 13,498 |
| CFD derivatives trading business | **100** | 100 | - | - | **-** | - |
| Asset management | **100** | 100 | - | - | **28,440** | 33,491 |
| Nominnee | **100** | 100 | - | - | - | - |
| Dormant entity | **100** | 100 | - | - | - | - |
| Dormant entity | **100** | 100 | - | - | - | - |
| Holding company | **70** | 70 | **30** | 30 | **17** | 17 |
| Brokerage and investment platform | **70** | 70 | **30** | 30 | **9,795** | 9,795 |
| Brokerage and investment platform | **70** | 70 | **30** | 30 | - | - |
| Brokerage and investment platform | **70** | 70 | **30** | 30 | **364** | 364 |
| Cryptocurrency investment platform | **84.71** | 84.71 | **15.3** | 15.3 | **95,317** | 80,251 |
| Collective Investment Scheme manager | **70** | 70 | **30** | 30 | **2,250** | 2,250 |
| Retirement fund administration and asset management | **70** | 70 | **30** | 30 | **119,785** | 119,785 |
| Property investment platform | **70** | 70 | **30** | 30 | **25,290** | 25,290 |

Easy Group is a significant operating segment of the Group and has material non-controlling interests (NCI). Summarised financial information in relation to EasyGroup, before intra-group eliminations, is presented below together with amounts attributable to non-controlling interest:

| | **2024 R'000** | 2023 R'000 |
|---|---|---|
| **Statement of profit or loss and other comprehensive income:** | | |
| Revenue | **360,177** | 237,803 |
| Profit/(loss) after tax | **45,025** | (33,380) |
| Total comprehensive income/(loss) | **44,945** | (31,989) |
| **Statement of financial position:** | | |
| Non-current assets | **426,749** | 336,658 |
| Current assets | **538,970** | 445,424 |
| Non-current liabilities | **17,536** | 14,500 |
| Current liabilities | **457,342** | 390,825 |
| **Allocations to NCI:** | | |
| Profit/(loss) | **10,788** | (10,327) |
| Accumulated non-controlling interests | **117,838** | 107,062 |

| | **2024 R'000** | 2023 R'000 |
|---|---|---|
| **Statement of profit or loss and other comprehensive income:** | | |
| Cash flows generated by/(utilised in) operating activities | **(13,624)** | (12,967) |
| Cash flows utilised in investing activities | **(64,647)** | (92,816) |
| Cash flows generated from/(utilised in) financing activities | **(1,966)** | 158,748 |
| **Net increase/(decrease) in cash and cash equivalents** | **(80,237)** | **52,966** |

## 27. Prior period error

A material prior period error was discovered subsequent to publishing the audited consolidated financial statements for the year ended 31 August 2023.

The error occurred due to a control deficiency in the migration of the accounting system to a new cloud based system, which resulted in the incorrect classification of cash and cash equivalents and amounts paid to suppliers and received from customers, resulting in the overstatement of cash and cash equivalents by R7.7 million, trade and other payables being overstated by R6.9 million and trade and other receivables being understated by R0.8 million.

Management has ensured that controls are functioning effectively to avoid the re-occurrence of the error, although this was an isolated incident and did not affect the 2022 financial year, or any other prior reporting periods. The restatement did not affect the Group's consolidated statement of profit or loss, consolidated statement of changes in equity, earnings per share, or headline earnings per share.

| | Note | Previously disclosed 2023 R'000 | Error 2023 R'000 | **Restated amount 2023 R'000** |
|---|---|---|---|---|
| **Impact on Consolidated Statement of Financial Position:** | | | | |
| Receivables | | 196 | - | **196** |
| Current tax receivable | | 2,522 | - | **2,522** |
| Trade and other receivables | 14 | 84,789 | 790 | **85,579** |
| Investments | | 2,926 | - | **2,926** |
| Crypto assets | | 73 | - | **73** |
| Financial assets | | 185,465 | - | **185,465** |
| Cash and cash equivalents | 15 | 187,273 | (7,727) | **179,546** |
| **Total current assets** | | **463,244** | (6,937) | **456,307** |
| **Total assets** | | **1,060,757** | (6,937) | **1,053,820** |
| Client open position liability | | 203,129 | - | **203,129** |
| Lease liability | | 615 | - | **615** |
| Current tax payable | | 5,802 | - | **5,802** |
| Trade and other payables | 19 | 162,792 | (6,937) | **155,855** |
| Bank overdraft | 15 | 2,423 | - | **2,423** |
| **Total current liabilities** | | **374,761** | (6,937) | **367,824** |
| **Total equity and liabilities** | | **1,060,757** | (6,937) | **1,053,820** |

| | Note | Previously disclosed 2023 R'000 | Error 2023 R'000 | **Restated amount 2023 R'000** |
|---|---|---|---|---|
| **Impact on cash flow statement:** | | | | |
| **Cash flows generated by operating activities** | | | | |
| Cash generated by operations | | 36,519 | (7,727) | **28,792** |
| Tax paid | | (12,760) | - | **(12,760)** |
| Finance income received | | 10,952 | - | **10,952** |
| Finance costs paid | | (1,750) | - | **(1,750)** |
| **Cash flows generated by operating activities** | | 32,961 | (7,727) | **25,234** |
| Net increase/(decrease) in cash and cash equivalents | | 98,354 | (7,727) | **90,627** |
| Effect of foreign exchange on cash held | | 139 | - | **139** |
| Cash and cash equivalents at beginning of period | 15 | 86,357 | - | **86,357** |
| Cash and cash equivalents at the end of the period | 15 | 184,850 | (7,727) | **177,123** |

## 28. Events after the reporting date

The directors are not aware of any other matters or circumstances arising since the end of the financial year, not otherwise dealt with in these Group consolidated financial statements, which significantly affect the financial position at 31 August 2024 or the results of operations or cash flows for the year then ended.

## 29. Net asset value per share

The Group net asset value is 42.45 cents per share (2023: 40.80 cents per share) and is based on the number of ordinary shares in issue net of treasury shares at reporting date of 1,420,239,767 (2023: 1,399,802,267) and net assets of R602.9 million (2023: R571.2 million).

## 30. Going concern

The consolidated financial statements have been prepared on a going-concern basis. The Group has reported profit after tax of R35.6 million in the current year, compared to a loss of R35.2 million in the prior year, signalling a significant turnaround in profitability and an improvement in overall operating conditions. Despite the Group having accumulated losses, the Group has net equity of R602.9 million (2023: R571.2 million). Management prepared forecasts and the directors expect business growth to continue over the next 12 months, and are confident that the Group will continue trading as a going concern.

Current assets exceed current liabilities by 32.5% (2023: 24.1%%), and the Group is satisfied that it has sufficient liquid assets and access to financing to cover short-term liabilities in the ordinary course of business.

# SHAREHOLDERS ANALYSIS

| | Number of shareholders | % of total shareholders | Number of shares | % of total issued share capital |
|---|---|---|---|---|
| **Analysis of shareholdings** | | | | |
| 1-999 | **74,487** | **79.96%** | **9,704,873** | **0.68%** |
| 1 000-9 999 | **13,362** | **14.34%** | **43,761,265** | **3.08%** |
| 10 000-99 999 | **4,491** | **4.82%** | **125,830,957** | **8.85%** |
| 100 000-999 999 | **702** | **0.75%** | **169,992,404** | **11.95%** |
| 1 000 000 + | **110** | **0.12%** | **1,073,250,268** | **75.45%** |
| Total | **93,152** | **100.00%** | **1,422,539,767** | **100.00%** |
| **Distribution of shareholders** | | | | |
| PRIVATE COMPANIES | **307** | **0.33%** | **201,315,521** | **14.15%** |
| INDIVIDUAL | **92,487** | **99.29%** | **640,235,479** | **45.01%** |
| BANKS | **7** | **0.01%** | **362,899** | **0.03%** |
| BROKER | **1** | **0.00%** | **5,414** | **0.00%** |
| NOMINEES AND TRUSTS | **161** | **0.17%** | **40,041,935** | **2.81%** |
| INVESTMENT COMPANIES | **114** | **0.12%** | **535,809,567** | **37.67%** |
| CLOSE CORPORATION | **48** | **0.05%** | **2,436,486** | **0.17%** |
| TRUSTS | **20** | **0.02%** | **2,289,899** | **0.16%** |
| OTHER CORPORATIONS | **7** | **0.01%** | **42,567** | **0.00%** |
| **Total** | **93,152** | **100.00%** | **1,422,539,767** | **100.00%** |
| **Shareholder spread** | | | | |
| **Non-public** | **41** | **0.04%** | **581,276,742** | **40.86%** |
| 5% OF ISSUED CAPITAL OR MORE | **4** | **0.00%** | **394,041,312** | **27.70%** |
| DIRECTORS | **7** | **0.01%** | **129,507,129** | **9.10%** |
| EMPLOYEES | **30** | **0.03%** | **57,728,301** | **4.06%** |
| **Public** | **93,111** | **99.96%** | **841,263,025** | **59.14%** |
| **Total** | **93,152** | **100.00%** | **1,422,539,767** | **100.00%** |

# SHAREHOLDERS ANALYSIS CONTINUED

| | Number of shareholders | % of total shareholders | Number of shares | % of total issued share capital |
|---|---|---|---|---|
| **Beneficial shareholding of 3% or more** | | | | |
| BASE SPV PARTNERSHIP A | | | 126,235,586 | 8.87% |
| SERIALONG FINANCIAL INVESTMENTS PTY | | | 83,423,144 | 5.86% |
| BUSINESS VENTURE INVESTMENTS NO 184 | | | 77,296,172 | 5.43% |
| MONTEGRAY CAPITAL (PTY) LTD | | | 59,349,889 | 4.17% |
| **Foreign Custodians Holding 3% or more** | | | | |
| BANQUE LOMBARD ODIER & CIE SA | | | 107,086,410 | 7.53% |
| JP MORGAN CHASE BANK OMNIBUS CLIENTS ONSHORE | | | 70,000,000 | 4.92% |
| **Country** | | | | |
| South Africa | 91993 | 98.76% | 1,208,228,145 | 84.93% |
| Namibia | 510 | 0.55% | 4,372,681 | 0.31% |
| Lesotho | 236 | 0.25% | 199,630 | 0.01% |
| Eswatini | 158 | 0.17% | 4,607,587 | 0.32% |
| Malawi | 1 | 0.00% | 243 | 0.00% |
| China | 39 | 0.04% | 106,576 | 0.01% |
| Romania | 2 | 0.00% | 231,814 | 0.02% |
| Taiwan, Province of China | 4 | 0.00% | 3,655 | 0.00% |
| United Arab Emirates | 15 | 0.02% | 76,345 | 0.01% |
| France | 3 | 0.00% | 534 | 0.00% |
| Korea, Republic of | 14 | 0.02% | 31,939 | 0.00% |
| New Zealand | 2 | 0.00% | 5,240 | 0.00% |
| Thailand | 2 | 0.00% | 1,061 | 0.00% |
| United Kingdom | 38 | 0.04% | 72,146,128 | 5.07% |
| Qatar | 9 | 0.01% | 102,908 | 0.01% |
| Denmark | 2 | 0.00% | 3,513 | 0.00% |
| Netherlands | 5 | 0.01% | 57,418 | 0.00% |
| Russian Federation | 1 | 0.00% | 6 | 0.00% |
| Guernsey | 1 | 0.00% | 88 | 0.00% |
| Hong Kong | 1 | 0.00% | 1 | 0.00% |
| Ukraine | 1 | 0.00% | 91 | 0.00% |

# SHAREHOLDERS ANALYSIS CONTINUED

| | Number of shareholders | % of total shareholders | Number of shares | % of total issued share capital |
|---|---|---|---|---|
| Zimbabwe | 16 | 0.02% | 86,523 | 0.01% |
| Viet Nam | 5 | 0.01% | 15,620 | 0.00% |
| Botswana | 3 | 0.00% | 1,723 | 0.00% |
| Central African Republic | 3 | 0.00% | 36 | 0.00% |
| India | 1 | 0.00% | 53 | 0.00% |
| South Sudan | 5 | 0.01% | 147 | 0.00% |
| French Southern Territories | 10 | 0.01% | 554 | 0.00% |
| Japan | 4 | 0.00% | 3,234 | 0.00% |
| United States | 5 | 0.01% | 250,857 | 0.02% |
| Switzerland | 2 | 0.00% | 107,487,189 | 7.56% |
| Kenya | 2 | 0.00% | 66,784 | 0.00% |
| Australia | 7 | 0.01% | 42,911 | 0.00% |
| British Indian Ocean Territory | 1 | 0.00% | 42,071 | 0.00% |
| Mozambique | 1 | 0.00% | 1,336 | 0.00% |
| Ghana | 1 | 0.00% | 100 | 0.00% |
| Virgin Islands, British | 1 | 0.00% | 11,364,843 | 0.80% |
| Ethiopia | 1 | 0.00% | 105,300 | 0.01% |
| Luxembourg | 2 | 0.00% | 513,309 | 0.04% |
| Mauritius | 1 | 0.00% | 11,784,617 | 0.83% |
| Portugal | 6 | 0.01% | 127,281 | 0.01% |
| Israel | 1 | 0.00% | 23,344 | 0.00% |
| Ireland | 6 | 0.01% | 18636 | 0.00% |
| Spain | 3 | 0.00% | 239,435 | 0.02% |
| Belgium | 1 | 0.00% | 1,713 | 0.00% |
| Germany | 4 | 0.00% | 11,092 | 0.00% |
| Canada | 5 | 0.01% | 58,885 | 0.00% |
| Austria | 1 | 0.00% | 46 | 0.00% |
| Oman | 1 | 0.00% | 85,762 | 0.01% |
| Montenegro | 1 | 0.00% | 16,660 | 0.00% |
| South Georgia and the South Sandwich Islands | 6 | 0.01% | 2,946 | 0.00% |

# SHAREHOLDERS ANALYSIS CONTINUED

| | Number of shareholders | % of total shareholders | Number of shares | % of total issued share capital |
|---|---|---|---|---|
| Saudi Arabia | **2** | **0.00%** | **7,068** | **0.00%** |
| Chile | **1** | **0.00%** | **551** | **0.00%** |
| Cabo Verde | **2** | **0.00%** | **38** | **0.00%** |
| Korea, Democratic People's Republic of | **1** | **0.00%** | **2,325** | **0.00%** |
| Hungary | **2** | **0.00%** | **1,174** | **0.00%** |
| French Guiana | **1** | **0.00%** | **1** | **0.00%** |
| **Total** | **93,152** | **100.00%** | **1,422,539,767** | **100.00%** |
| Certificated | **207** | **0.22%** | **478,587** | **0.03%** |
| Dematerialised | **92,946** | **99.78%** | **1,422,061,180** | **99.97%** |
| **Total** | **93,153** | **100.00%** | **1,422,539,767** | **100.00%** |

# NOTICE OF ANNUAL GENERAL MEETING

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

Notice is hereby given that the Annual General Meeting of ordinary shareholders ("shareholders") of the Company will be held Virtually on Friday, 24 January 2025 at 10:00.

## ATTENDANCE AND VOTING

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

- Receive the notice of the Annual General Meeting, i.e. the Notice Record Date (being the date on which a shareholder must be registered in the Company's share register in order to receive notice of Annual General Meeting) as Friday, 22 November 2024; and
- participate in and vote at the Annual General Meeting, i.e. the Meeting Record Date (being the date on which a shareholder must be registered in the Company's share register in order to participate in and vote at the Annual General Meeting) as Friday, 17 January 2025.

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

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

Shareholders are advised to ensure that they are identified and registered to attend the Virtual AGM by preferably no later than Thursday, 23 January 2025 at 12:00, to ensure that they do not experience any delays in accessing the Virtual AGM.

## PURPOSE OF THE MEETING

## Ordinary Resolutions

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

1. To receive, consider and present the audited financial statements of the Company for the year ended 31 August 2024, together with the reports of the auditors and directors;
2. To authorise the directors to fix the remuneration of the auditors for the past audit;
3. To authorise the directors to confirm the appointment of the auditors, BDO South Africa Incorporated, as auditors and Jaco Du Plessis, as the registered auditor responsible for the audit, until the conclusion of the next Annual General Meeting and to fix their remuneration;
4. To re-elect directors for positions to the Board:
    a. in terms of the Memorandum of Incorporation, the following directors retire by rotation, but being eligible, hereby offer themselves for re-election:
        - William Bassie Maisela;
        - Happy Ntshingila; and
        - Bonang Mohale.

4.1 Ordinary resolution number : "Resolved that Mr. William Bassie Maisela is re-elected as a member of the Board of the Company."
4.2 Ordinary resolution number : "Resolved that Mr. Happy Ntshingila is re-elected as a member of the Board of the Company."
4.3 Ordinary resolution number : "Resolved that Mr. Bonang Mohale is re-elected as a member of the Board of the Company."

(A brief curriculum vitae in respect of these directors is contained on page 176 - 177 of this integrated annual report).

**Special business shareholders will be asked to consider and, if deemed fit, to pass the following resolutions with or without amendment:**

**Ordinary resolution number 5– Unissued shares to be placed under the control of the directors**

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

**Ordinary resolution number 6– General authority to issue shares and to sell treasury shares for cash**

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

- the equity securities which are the subject of the issue for cash must be of a class already in issue,
- or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- the equity securities must be issued to public shareholders, as defined by the Listings Requirements of the JSE, and not to related parties (as defined in the JSE Listings Requirements), subject to related parties being able to participate in a general issue of Ordinary Shares for cash through a bookbuild process where the related parties will participate at a maximum bid price at which they are prepared to take up Ordinary Shares or at the book close price. In the event of a maximum bid price and the book closing at a higher price, the relevant related party will be "out of the book" and will not be allocated shares;
- this general authority is valid and will extend to the date of the next Annual General Meeting of the Company, provided that it will not extend beyond 15 (fifteen) months from the date of this Annual General Meeting;
- the number of ordinary shares issued for cash shall not in the aggregate in any one financial year of the Company exceed 15% (fifteen percent) or 213 380 965 shares of the Company's issued ordinary shares, including instruments which are convertible into ordinary shares. The number of ordinary shares which may be issued for cash shall be based on the number of ordinary shares in issue at the date of the application, less any ordinary shares issued by the Company during the current financial year, provided that any ordinary shares to be issued for cash pursuant to a rights issue (announced, irrevocable and fully underwritten) or acquisition (concluded up to the date of application) may be included as if they were ordinary shares in issue at the date of application;
- a press announcement giving full details, including the impact on net asset value, net tangible asset value, headline earnings and earnings per share, will be published at the time of any issue representing, on a cumulative basis within any 1 (one) financial year, 5% (five percent) or more of the number of ordinary shares in issue prior to such issue;
- in determining the price at which an issue of ordinary shares will be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of such ordinary shares, as determined over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the Company; and
- whenever the Company wishes to use ordinary shares, held as treasury stock by a subsidiary of the Company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares."

**Ordinary resolution number 7 – Authorised signatories**

"Resolved that, any director of the Company or the Company Secretary be and is hereby authorised to do all such things and to sign all such documents issued by the Company to give effect to Ordinary Resolutions numbers 5 and 6 and Special Resolutions number 1, 2, and 3."

**Ordinary resolution number 8 – Non-binding advisory vote on remuneration policy**

"To endorse by way of a non-binding advisory vote, the Company's remuneration policy, as set out in the integrated annual report on pages 170 to 175."

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

***Reason for and effect of ordinary resolution 8***

The reason for Ordinary Resolution number 8 is that the King IV Report on Corporate Governance for South Africa 2016, recommends and the JSE Listings Requirements in paragraph 3.84(j) stipulates that the Remuneration Policy of the Company be endorsed through separate nonbinding advisory votes by shareholders. Should Ordinary Resolution number 8 be voted against by 25% or more of the voting rights exercised, the Board will enter into an engagement process to ascertain the reasons for the dissenting votes and appropriately address legitimate and reasonable objections and concerns raised. Details of such engagement will be provided in the Annual General Meeting results announcement as per the listings requirements, if necessary.

**Ordinary resolution number 9: Non-binding advisory vote on implementation report of the remuneration policy**

“Resolved that, by way of a non-binding advisory vote, the remuneration implementation report of the Company, as contained in the Remuneration Committee report set out below on pages 170 to 175, be, and is hereby, endorsed. In order for this resolution to be approved, it must be supported by more than 50% of the voting rights exercised on the resolution.”

To the extent that 25% or more votes are cast against this Ordinary Resolution 9, dissenting shareholders will be invited to engage with the Remuneration Committee to discuss their concerns. Details of such engagement will be provided in the Annual General Meeting results announcement as per the listings requirements, if necessary.

***Reason for and effect of ordinary resolution 9***
The reason for the Ordinary Resolution number 9 is that the King IV Report on Corporate Governance for South Africa, 2016 recommends, and the JSE Listings Requirements stipulate, that the Implementation Report of the Remuneration Policy be endorsed through separate non-binding advisory votes by shareholders.

**Ordinary resolution number 10: Appointment of the Audit Committee members**

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

***10.1 Ordinary resolution number***
"Resolved that Mr Arnold Forman is elected as a member and Chair of the Audit Committee of the Company."

***10.2 Ordinary resolution number***
"Resolved that Mr Happy Ntshingila is elected as a member of the Audit Committee of the Company, subject to the approval of ordinary resolution 4.2."

***10.3 Ordinary resolution number***
"Resolved that Mr Craig Carter is elected as a member of the Audit Committee of the Company."

***Reason for and effect of ordinary resolution 10***
The reason for, and effect of, Ordinary Resolution 10.1-10.3 are that the members of the Audit Committee of the Company are required, in terms of Section 94(2) of the Companies Act, to be appointed by Shareholders.

## Special Resolutions

**Special resolution no. 1 – Approval of non-executive directors’ remuneration**

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

***Non-executive Chairman***
Annual fee of – R715 901 per year

***Independent non-executive directors***
Annual fee of – R416 994 per year

***Non-executive directors***
Attendance fee per Board meeting –R57 335

Attendance fee per sub-committee meeting – R28 666"

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

**Special resolution no. 2 – Financial assistance to related and inter-related entities**

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

***Reasons for and effect of the special resolution 2***
The reason for the passing of this special resolution is that, on a strict interpretation of section 45 of the Act, the Company may not provide the financial assistance contemplated in such section without a special resolution.

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

**Special resolution number 3: Awarding of shares and provision of financial assistance in connection therewith**

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

- The Company may issue investment vouchers to selected employees of the Company or of Group companies (excluding Directors), on a monthly basis or such other basis, all as may be determined from time to time by the Company, such vouchers shall be utilised by the recipients to acquire ordinary shares in the Company on the open market (collectively “Awards”);
- The Company may grant Awards to selected clients or potential clients of the Company or of Group companies, for loyalty, retention and/or marketing purposes;
- Such Awards may be free of charge and for no consideration payable by the employees or clients or potential clients, as the case may be, and accordingly the Company shall be entitled to provide any necessary financial assistance in implementing such Awards;
- The authority contained in this resolution shall endure until the next Annual General Meeting of the Company;
- The aggregate of Awards which may be Awarded to employees is a maximum of R75 000; and
- The aggregate of Awards which may be Awarded to clients and potential clients is a maximum of R1 200 000.00 and to the extent that the implementation of any Awards is to entail the provision of financial assistance by the Company as contemplated in section 45 of the Act (to directors or prescribed officers of the Company or of Group companies) and/or section 44 of the Act (for the purpose of or in connection with the acquisition of securities of the Company) and/or the relevant JSE Listings Requirements, such financial assistance be and is hereby authorised."

***Reason for and effect of the special resolution 3***

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

**Special resolution number 4: Acquisition of own shares**

“Resolved that, the Company hereby approves, as a general approval, the acquisition from time to time, by the Company and/or any of its subsidiary companies, of issued shares of the Company upon such terms and conditions and in such amounts as the directors of the Company may from time to time decide, subject to the articles of association of the Company, the provisions of the Act and the Listings Requirements of the JSE and on the basis that the directors will, at the time of each repurchase undertaken, ensure that following each repurchase, (a) the Company will satisfy the solvency and liquidity tests contemplated in section 46 (1)(b) of the Act and (b) there will be no subsequent material change to the financial position of any company in the Purple Group group, provided that:

- any such repurchase of shares is effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- the Company is authorised thereto by its articles of association;
- the general authority shall only be valid until the Company’s next annual general meeting provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- provided that the repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value for the issued shares for the 5 (five) business days immediately preceding the date on which any acquisition by the Company and/or any of its subsidiary companies is effected;
- at any point in time the Company may only appoint one agent to effect any repurchase(s) on the Company’s behalf;
- the Company or its subsidiary may not repurchase shares during a prohibited period as defined in paragraph 3.67 of the Listings Requirements of the JSE;

# NOTICE OF ANNUAL GENERAL MEETING CONTINUED

- repurchases of shares, by the Company, and/or its subsidiaries, in aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued share capital pursuant to this general authority;
- subsidiaries of the Company shall not acquire, in aggregate, more than 10% of the Company's issued share capital; and
- an announcement will be published as soon as the Company has cumulatively repurchased 3% of the initial number (the number of that class of share in issue at the time that the general authority is granted) of the relevant class of securities and for each 3% in aggregate of the initial number of that class acquired thereafter, containing full details of such repurchases."

In terms of the Listings Requirements of the JSE, on the date of this notice the directors consider that were the Company to effect the maximum repurchase contemplated above:

- the Company and its subsidiaries will be able in the ordinary course of business to pay its debts as they become due, for a period of 12 months after the date of the notice of the annual general meeting;
- the consolidated assets of the Company and its subsidiaries, will be in excess of the consolidated liabilities of the Company and its subsidiaries for a period of 12 months after the date of the notice of the annual general meeting, For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest annual group financial statements;
- the issued ordinary shares capital and reserves of the Company and its subsidiaries for a period of 12 months after the date of the notice of the annual general meeting will be adequate for the purpose of the business of the Company and its subsidiaries; and
- the working capital available to the Company and its subsidiaries for a period of 12 months after the date of the notice of the annual general meeting will be adequate for the requirements of the Company and its subsidiaries
- Shareholders' attention is drawn to the following relevant general information, which is required by the Listings Requirements of the JSE, with regard to the resolution granting a general authority to the Company to repurchase securities:
  - Directors of the Company (refer to page 67 of the Company's annual report)
  - Major shareholders (refer to page 159 of the Company's annual report)
  - Directors' interest in securities (refer to page 68 of the Company's annual report)
  - Share capital of the Company (refer to page 123 of the Company's annual report)
  - Responsibility statement: the directors, whose names are given on pages 64 - 65 of the Company's annual report, collectively and individually accept full responsibility for the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the annual report and notice of annual general meeting contains all information required by the Listings Requirements of the JSE.
  - Material changes: other than the transactions mentioned in "Subsequent events" on page 158 of the Company's annual report, there has been no material change in the financial or trading position of the Company since 31 August 2024.
- At the present time the directors have no specific intention with regard to the utilisation of this authority, which will only be used if the circumstances are appropriate.

***Reasons for and effect of the special resolution***

The reason for and effect of the passing of the aforesaid special resolution is so as to enable the Company and/or any of its subsidiary companies to acquire the issued shares of the Company from time to time upon the terms and conditions and in the amounts as the directors of the Company may from time to time decide, subject to the requirements of the Act and the Listings Requirements of the JSE at any time while the general authority exists.

# NOTICE OF ANNUAL GENERAL MEETING CONTINUED

## SALIENT DATES

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

| | |
|---|---|
| Record date to receive notice of AGM | Friday, 22 November 2024 |
| Notice of AGM distributed to shareholders via email on | Tuesday, 26 November 2024 |
| Notice of AGM distributed to shareholders by post by no later than | Wednesday, 27 November 2024 |
| Last day to trade to be recorded in the register on the record date for participation in AGM | Tuesday, 14 January 2025 |
| Record date to participate in and vote at the AGM | Friday, 17 January 2025 |
| Last day for lodging forms of proxy at 10:00 on | Wednesday, 22 January 2025 |
| AGM at 10:00 on | Friday, 24 January 2025 |

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

In compliance with section 62(3)(c) of the Act and/or the Listings Requirements it is confirmed that a voting majority of 50% is required for the approval of ordinary resolutions number 1 to 5 and 7 to 10. For the Special Resolutions and Ordinary Resolution number 6, a 75% voting majority is required by law and the JSE Listings Requirements.

## VOTING AND PROXIES

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

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

The necessary form of proxy is attached for the convenience of certificated shareholders and dematerialised shareholders with "own-name" registration who cannot attend the Annual General Meeting but who wish to be represented thereat, Any shareholder entitled to attend and vote at the Annual General Meeting may appoint one or more persons to attend, speak and vote in place of such shareholder. A proxy so appointed need not be a shareholder of the Company. In order to be valid, duly completed proxy forms must be received by hand at CTSE Registry Services, The District Building Office B6, Block B, 6th Floor, 41 Sir Lowry Road, Woodstock, Cape Town, 7925 or by email at purple@4axregistry.co.za by no later than 10:00 on Wednesday, 22 January 2025. A duly appointed proxy will be required to follow the Online Registration process to attend the Virtual AGM.

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

## RECORD DATES

The posting record date, being the date that shareholders must be recorded in the register to be eligible to receive this notice of Annual General Meeting, is Friday, 22 November 2024.

The last day to trade in order to be eligible to vote at the Annual General Meeting is Tuesday, 14 January 2025.

The voting record date, being the date that shareholders must be recorded in the register to be eligible to speak and vote at the Annual General Meeting is Friday, 17 January 2025.

By order of the Board

CTSE Registry Services Proprietary Limited

*Company Secretary*

26 November 2024

# IMPLEMENTATION REPORT OF THE REMUNERATION POLICY

## REMUNERATION IMPLEMENTATION REPORT FOR THE YEAR ENDED 31 AUGUST 2024

We are pleased to present Purple Group's Remuneration Implementation Report for the financial year ended 31 August 2024. The report aligns to the reporting structure recommended in the fourth King Report on Corporate Governance for South Africa (King IV).

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

At the Annual General Meeting (AGM) held on 19 January 2024, 93.83% of our shareholders voted in favour of our remuneration policy. Following the Remuneration Committee's review of its processes and the remuneration policy, to ensure alignment with shareholder expectations, the remuneration principles have not changed for this financial year.

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

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

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

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

The Group rewards executive directors and employees as follows:

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

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

# IMPLEMENTATION REPORT OF THE REMUNERATION POLICY CONTINUED

## EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT REMUNERATION

### GUARANTEED PACKAGES

| | **2024 R'000** | 2023 R'000 | Movement % |
|---|---|---|---|
| C Savage | **5,134** | 5,169 | -0.7 |
| G van Dyk | **3,985** | 3,997 | -0.3 |
| Executive Committee (6 members) | **19,095** | 18,778 | 1.7 |

The senior management members include the Chief Technology Officer, Chief Marketing & Communications Officer, Chief People Officer, Chief Operations Officer, Chief Risk Officer and Chief Product Officer.

### INCENTIVES - SHORT-TERM

Short-term bonuses for Executives and Senior Management are currently awarded at the discretion of the Remuneration Committee. Although various metrics are taken into account in evaluating performance, the overriding criteria is Group profitability.

The bonuses paid to the executives and senior management disclosed below relate to payments made during the current reporitng period for bonuses declared in relation to the 2023 financial year:

| | **2024 R'000** | 2023 R'000 | Movement % |
|---|---|---|---|
| C Savage | **400** | 1,200 | -66.7 |
| G van Dyk | **300** | 900 | -66.7 |
| Executive Committee (6 members) | **1,160** | 1,935 | -40.1 |

# IMPLEMENTATION REPORT OF THE REMUNERATION POLICY CONTINUED

## INCENTIVES - LONG-TERM

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

The Group currently operates two distinct share-based payment schemes:
1. The legacy Share Option Scheme: approved at a general shareholders' meeting on 1 February 2005, is approaching the end of its operational life. No new options are being granted, with only 7.75 million options currently exercisable by directors and staff.
2. 2022 Share Incentive Plan: this plan was approved at a general shareholders' meeting on 3 June 2022, with the first allocation to staff and directors occurring on 30 August 2024. Details of the plan can be found in the Circular to Shareholders issued on 4 May 2022, on the Purple Group website: www.purplegroup.co.za . The 2022 Share Incentive Plan is a hybrid scheme comprising the following elements:

**Hurdle Share Appreciation Rights (HSAR):**
- A one-time allocation of 48 070 366 equity-settled rights was made on 30 August 2024 and assigned to executive directors and key management, to incentivise them to drive and be rewarded for exceptional growth in shareholder value, over a seven-year period.
- The HSAR's will vest and be settled in full on the seventh anniversary from the allocation date (30 August 2031), based on share price appreciation over the seven-year period above the specified hurdle rate ("Hurdle Strike Price").
- The Hurdlke Strike price will be determined in accordance with the following formula:
  - Starting Price of R1.00, compounded annuallyThe HSAR's were issued with a hurdle strike price of R1.00, compounded annually by the 3-year rolling annual return of the Financial 15 Index (JSE Code: J212T) ("FINI15") from allocation date up to the vesting date.
- On settlement, the value accruing to participants will be the appreciation of Purple Group's share price over and above the determined Hurdle Strike Price at the time of vesting.

**Performance Shares (PS):**
- A further element of long term incentivisation for Purple Group is conditional awards, each year for five years, of equity settled performance shares, with each award vesting three years from the award date.
- The first tranche of performance shares were allocated to directors and staff on 30 August 2024 and will vest on 30 August 2027, subject to the performance criteria being met.. The maximum number of shares that may vest to participants in respect of tranche 1 is 27 105 880 shares.
- The number of shares that will vest depends on the performance target achieved on the vesting date. The Board has set 3 Performance Levels for the first tranche of performance shares allocated to participants on 30 August 2024:
  - Performance Level 1:
    - Purple Share price target - Starting Price of R1.00 compounded annually by 2 times the 3-year rolling average annual growth in the FINI15 over the 3-year Vesting Period. If Performance Level 1 is attained, then 33.33% of the performance share award would be settled to Participants on the vesting date.
  - Performance Level 2:
    - Purple Share price target - Starting Price of R1.00 compounded annually by 3 times the 3-year rolling average annual growth in the FINI15 over the 3-year Vesting Period. If Performance Level 1 is attained, then 66.66% of the performance share award would be settled to Participants on the vesting date.
  - Performance Level 3:
    - Purple Share price target - Starting Price of R1.00 compounded annually by 4 times the 3-year rolling average annual growth in the FINI15 over the 3-year Vesting Period. If Performance Level 1 is attained, then 100% of the performance share award would be settled to Participants on the vesting date.

# IMPLEMENTATION REPORT OF THE REMUNERATION POLICY CONTINUED

The maximum number of shares to be awarded to participants over the duration of the 2022 Share Incentive Plan is not to exceed 203 700 000 (two hundred and three million seven hundred thousand) shares, amounting to 14.3% of the shares currently in issue; and for any one participant in terms of the plan is not to exceed 20 370 000 (twenty million three hundred and seventy thousand) shares, amounting to 1.43% of the shares currently in issue.

These schemes underscore the Group's commitment to aligning the interests of directors, staff, and shareholders, fostering sustained performance and value creation.

## DISCLOSURES RELATING TO THE 2022 SHARE INCENTIVE PLAN:

The number of HSAR's and Performance Shares granted to all staff is as follows:

| | Number of HSAR's | Number of Performance Shares |
|---|---|---|
| **Total at 31 August 2023** | **-** | **-** |
| Issued 30 August 2024 | 48,070,366 | 27,105,880 |
| **Total at 31 August 2024** | **48,070,366** | **27,105,880** |

The number of HSAR's and Performance Shares granted to directors is as follows:

| Executive Director | Number of HSAR's | Number of Performance Shares |
|---|---|---|
| Charles Savage | 1,576,203 | 2,894,771 |
| Gary van Dyk | 1,110,002 | 2,038,571 |
| Executive Committee (6 members) | 12,208,499 | 4,804,083 |
| **Total at 31 August 2024** | **14,894,704** | **9,737,425** |

Awards relating to the 2022 Share Incentive Plan were issued for the first time in the 2024 financial year, and therefore there is nothing to disclose for the prior year.

## DISCLOSURES RELATING TO THE LEGACY EMPLOYEE SHARE OPTION SCHEME:

The number of Share Options held by all staff is as follows:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **Weighted average exercise price** | Number of options | **Weighted average exercise price** | Number of options |
| Outstanding at the beginning of the period | **32** | **27,817,083** | 47 | 45,996,938 |
| Issued during the period | **-** | **-** | - | - |
| Exercised during the period | **32** | **(20,067,083)** | 69 | (18,117,355) |
| Expired during the period | **-** | **-** | - | - |
| Forfeited during the period | **-** | **-** | 31 | (62,500) |

# IMPLEMENTATION REPORT OF THE REMUNERATION POLICY CONTINUED

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **Weighted average exercise price** | Number of options | **Weighted average exercise price** | Number of options |
| **Outstanding at the end of the period** | **31** | **7,750,000** | 32 | 27,817,083 |
| **Exercisable at the end of the period** | **31** | **7,750,000** | 32 | 17,817,083 |

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

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

The options outstanding at 31 August 2024 have been issued at 31 cents (2023: range between 31 cents to 75 cents) and have a weighted average exercise price of 31.00 cents (2023: 32.00 cents) and a weighted average contractual life of 2.30 years (2023: 3.30 years).

The existing share option scheme has run its course and has been replaced by The Purple Group 2022 Share Incentive Plan which was approved by shareholders at a general meeting held on 3 June 2022. No issuances have been made under this new plan.

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

| **2024** | **Closing balance average exercise price (cents)** | **Opening Balance** | **Exercised** | **Closing balance** |
|---|---|---|---|---|
| Charles Savage | 31 | 7,000,000 | (7,000,000) | **-** |
| Gary van Dyk | 31 | 5,500,000 | (3,500,000) | **2,000,000** |
| | | 12,500,000 | (10,500,000) | **2,000,000** |

| 2023 | Closing balance average exercise price (cents) | Opening Balance | Exercised | Closing balance |
|---|---|---|---|---|
| Mark Barnes | n/a | 5,000,000 | (5,000,000) | **-** |
| Charles Savage | 31 | 7,000,000 | - | **7,000,000** |
| Gary van Dyk | 31 | 11,500,000 | (6,000,000) | **5,500,000** |
| | | 23,500,000 | (11,000,000) | **12,500,000** |

# IMPLEMENTATION REPORT OF THE REMUNERATION POLICY CONTINUED

## NON-EXECUTIVE DIRECTORS' REMUNERATION

The remuneration of non-executive directors is reviewed annually by the Board and the Remuneration Committee. The Remuneration Committee proposed a 6.0% (2023: 5.4%) increase in non-executive directors' fees.

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

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

| | 2024 R'000 | 2023 R'000 | Movement % |
|---|---|---|---|
| Arnold Forman | | | |
| – Independent non-executive director's fees | **387** | 373 | 3.8 |
| **Total director's fees** | **387** | 373 | 3.8 |
| William Bassie Maisela | | | |
| - Independent non-executive director's fees | **387** | 373 | 3.8 |
| **Total director's fees** | **387** | 373 | 3.8 |
| Bonang Mohale | | | |
| - Board meetings attendance fee | **54** | 154 | - 64.9 |
| - Sub-committee meeting attendance fees | **27** | 26 | 3.8 |
| **Total director's fees** | **81** | 153 | - 47.1 |
| Craig Carter | | | |
| - Independent non-executive director's fees | **387** | 373 | 3.8 |
| **Total director's fees** | **387** | 373 | 3.8 |
| Happy Ntshingila | | | |
| - Chairman of the Board | **664** | 641 | 3.6 |
| **Total director's fees** | **664** | 641 | 3.6 |
| Mark Barnes | | | |
| - Board meetings attendance fee | **160** | 154 | 3.9 |
| - Sub-committee meeting attendance fees | **81** | 51 | 58.8 |
| **Total director's fees** | **241** | 205 | 17.6 |
| Paul Rutherford | | | |
| - Board meetings attendance fee | **160** | 154 | 3.9 |
| - Sub-committee meeting attendance fees | **81** | 51 | 58.8 |
| **Total director's fees** | **241** | 205 | 17.6 |

# BRIEF CURRICULUM VITAE OF DIRECTORS STANDING FOR RE–ELECTION

## William Bassie Maisela – 62

**Independent non-executive director**

Bassie was appointed Chief Executive Officer of NBC on 1 May 2011 and is also Executive Director of NBC Holdings Proprietary Limited and its subsidiaries ("The NBC Group").

Bassie joined NBC, as a successful business man in his own right, as an executive in early 2009 and has since then played a key leadership role in all aspects of our business including serving as the chairman of NBC's Group executive committee. He has a B.A. (Hon.) degree in Communications and previously worked at ArcelorMittal South Africa, where he served as the General Manager: Human Resources. He started his career in 1986 at Amcoal (Anglo American) as an HR Trainee and proceeded to occupy numerous management positions in the mining and construction industries. Whilst with ArcelorMittal, he successfully negotiated a ground-breaking agreement which has been regarded as a benchmark in the industry.

Bassie joined the Board in August 2022.

## Happy Ntshingila - 63

**Independent non-executive director and Chairman**

Happy Ntshingila is Chairman of Washirika 3 Oaks. He was previously Chief Executive Officer at SuperSport International. Prior to that he was Group Chief Marketing and Communications Officer at Barclays Africa. He is the former Deputy Chairman of Brand SA, sat on the Council of the University of Fort Hare and he was Chairman of the Eminent Persons Group (tasked with transformation in SA sport). Happy was the former CEO and founder of the famed HerdBuoys Advertising. He obtained his LLB degree Cum Laude from UNISA in September 2024.

Happy joined the Board in February 2019 and is also a member of the Audit Committee, Remuneration Committee and Social and Ethics Committee.

# BRIEF CURRICULUM VITAE OF DIRECTORS STANDING FOR RE–ELECTION CONTINUED

## Bonang Mohale - 62

**non-executive director**

Bonang is the President of Business Unity South Africa (BUSA), Chancellor of the University of the Free State, Professor of Practice in the Johannesburg Business School (JBS) College of Business and Economics, Chairman of both The Bidvest Group Limited and SBV Services. Bonang Mohale was the Chief Executive Officer of Business Leadership South Africa (BLSA) till June 2019. Prior to joining BLSA, Mr Mohale ended a distinguished term as Vice President Upstream and Chairman of Shell South Africa (Pty) Limited at the end of June 2017.

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

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

# SHAREHOLDER RIGHTS

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

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

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

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

2. A proxy appointment:

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

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

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

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

   d. the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
   e. the appointment is revocable unless the proxy appointment expressly states otherwise; and
5. If the appointment is revocable, a shareholder may revoke the proxy appointment by:
   a. cancelling it in writing, or making a later inconsistent appointment of a proxy; and
   b. delivering a copy of the revocation instrument to the proxy, and to the Company.
6. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:

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

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

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

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

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

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

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

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

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

# FORM OF PROXY

**PURPLE GROUP LIMITED**
Incorporated in the Republic of South Africa
Registration Number: 1998/013637/06
JSE Share Code: PPE
ISIN: ZAE000185526
("**Purple Group**" or "**the Company**")

**FOR USE BY SHAREHOLDERS WHO CANNOT ATTEND THE ANNUAL GENERAL MEETING OF THE COMPANY BUT WISHES TO BE REPRESENTED THEREAT**

*Where appropriate and applicable, the terms defined in the notice of Annual General Meeting to which this form of proxy is attached bear the same meanings in this form of proxy.*

For use by shareholders of the Company, registered as such at the close of business on **Friday, 17 January 2025**, being the voting record date ("**Voting Record Date**"), at the annual general meeting of the Company to be held entirely by electronic communication on **Friday, 24 January 2025** at **10:00** (hereinafter referred to as "**Annual General Meeting**" or "**AGM**") or any postponement of this meeting.

I/We (FULL NAME IN BLOCK LETTERS) ______________________________

of (ADDRESS) ______________________________

being the holder/s of ________________________ issued shares in the Company hereby appoint:

1. ______________________________ or failing him/her,
2. ______________________________ or failing him/her,
3. the chairperson of the annual general meeting,

as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting and/or at any postponement or adjournment thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the Annual General Meeting, and to vote on the resolutions in respect of the ordinary shares registered in my/our name(s), in the following manner:

| | NUMBER OF SHARES | | |
|---|---|---|---|
| **RESOLUTIONS** | ***IN FAVOUR OF** | ***AGAINST** | **ABSTAIN** |
| Ordinary resolution number 1: Adoption of annual financial statements for the year ended 31 August 2024 | | | |
| Ordinary resolution number 2: Remuneration of auditors | | | |
| Ordinary resolution number 3: Appointment of auditors | | | |
| Ordinary resolution number 4.1: Re-election of Mr. William Bassie Maisela | | | |
| Ordinary resolution number 4.2: Re-election of Mr. Happy Ntshingila | | | |
| Ordinary resolution number 4.3: Re-election of Mr. Bonang Mohale | | | |
| Ordinary resolution number 5: To place the unissued shares of the Company under the control of the directors | | | |
| Ordinary resolution number 6: To authorise the Company to issue shares and to sell treasury shares for cash under a general authority | | | |
| Ordinary resolution number 7: To authorise the directors as signatories | | | |
| Ordinary resolution number 8: Non-binding advisory note on remuneration policy | | | |
| Ordinary resolution number 9: Non-binding advisory note on implementation report of remuneration policy | | | |
| Ordinary resolution number 10.1: Election of Mr. Arnold Forman as Chairman of the Audit Committee | | | |
| Ordinary resolution number 10.2: Election of Mr. Happy Ntshingila as a member of the Audit Committee | | | |
| Ordinary resolution number 10.3: Election of Mr. Craig Carter as a member of the Audit Committee | | | |
| Special resolution number 1: Non-executive directors' remuneration to next AGM | | | |
| Special resolution number 2: Financial assistance to related and inter-related entities | | | |
| Special resolution number 3: Awarding of shares and the provision of financial assistance in connection therewith | | | |
| Special resolution number 4: Acquisition of own shares | | | |
| ** One vote per share held by shareholders recorded in the register on the Voting Record Date.*<br>** Mark "in Favour of", "against" or "abstain" as required. If no options are marked, the proxy will be entitled to vote as he/she thinks fit.* | | | |

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

Signed this ______________ day of ______________ 2024/2025

Signature of shareholder(s) ______________________________

Assisted by me (where applicable) ______________________________

# NOTES TO THE FORM OF PROXY

1. Purple Group shareholders who have dematerialised their shares through a CSDP or broker must not complete this form of proxy but must provide their CSDP or broker with their voting instructions, except for Purple Group shareholders who have elected "own-name" registration in the sub-register through a CSDP or broker, It is these shareholders who must complete this form of proxy and lodge it with the transfer secretaries.
2. Holders of dematerialised Purple Group shares wishing to attend the Annual General Meeting must inform their CSDP or broker of such intention and request their CSDP or broker to issue them with the relevant authorisation to attend.
3. A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend, vote and speak in his/her/its stead at the Annual General Meeting, A proxy need not be a member of the Company.
4. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the Chairman of the Annual General Meeting", but any such deletion must be initialled by the member. The person whose name stands first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
5. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast, However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company, insert the number of shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/ she deems fit in respect of all the member's votes exercisable thereat. A member or his/her proxy is not obliged to use all the votes exercisable by the member or by his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the member or by his/her proxy. Holders of dematerialised shares, other than with "own-name" registration must inform their CSDP or broker of whether or not they intend to attend the Annual General Meeting and obtain the necessary authorisation from their CSDP or broker to attend the Annual General Meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the Annual General Meeting.
6. Forms of proxy must be received at the Company's Transfer Secretaries by hand at CTSE Registry Services, The District Building Office B6, Block B, 6th Floor, 41 Sir Lowry Road, Woodstock, Cape Town, 7925 or by email at purple@4axregistry.co.za by no later than 10:00 on Wednesday, 22 January 2024.
7. The completion and lodging of this form of proxy will not preclude the relevant member from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's Transfer Secretaries or waived by the Chairman of the Annual General Meeting.
9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
10. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.
11. The Chairman of the Annual General Meeting may reject or accept a form of proxy which is completed and/or received, other than in accordance with these notes, if the Chairman is satisfied as to the manner in which the member wishes to vote.

# CORPORATE INFORMATION

## Nature of Business

Purple Group Limited is a financial services company.

## Directors

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

## Business Address

WeWork - Coworking & Office Space1F
173 Oxford Road
Rosebank
Johannesburg
2196

## Postal Address

PO Box 411449
Craighall
2024

## Bankers

Capitec Bank Limited

## Auditors

BDO South Africa Incorporated
Registered Auditors

## Group Secretary

CTSE Registry Services Proprietary Limited
The District Building Office B6
Block B, 6th Floor
41 Sir Lowry Road
Woodstock
Cape Town
7925

## Share Registrars

CTSE Registry Services Proprietary Limited
The District Building Office B6
Block B, 6th Floor
41 Sir Lowry Road
Woodstock
Cape Town
7925

## Sponsor

Deloitte & Touche Sponsor Services Proprietary Limited

## Company Registration Number

1998/013637/06

## ISIN

ZAE000185526

## VAT Registration Number

4640178168

## Tax Number

9552/065/64/2

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www.purplegroup.co.za