

Purple Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1998/013637/06)

Share code: PPE ISIN: ZAE000185526

("Purple Group" or "the Company")

SERIALONG EXERCISES OPTION TO CONVERT LOAN OUTSTANDING INTO PURPLE GROUP SHARES AND INDIRECT DIRECTORS' DEALING

1. Introduction

Shareholders are referred to the announcement made on SENS on 3 September 2018.

On 31 August 2018, Purple Group entered into a Loan Agreement with a Black Empowered Consortium ("Serialong"), led by Bonang Mohale ("the Consortium").

2. Terms of the Loan

In terms of the Loan Agreement, the Consortium advanced a loan of R25 million (the "Loan Amount") to Purple Group. The Loan bore interest at 11.5% (NACM), with 30% of monthly accrued interest being paid monthly in arrears and the remainder being capitalised. The Loan Amount plus capitalised interest ("Loan Outstandings") is repayable on 31 August 2021.

The Consortium was granted an option to convert the Loan Outstandings into Purple Group shares at anytime on or before 31 August 2021, at a price per share of 22.87 cents, which represented a 10% discount to the 30 day weighted average traded price of Purple Group shares for the 30 business days preceding 28 August 2018, being the date that the conversion option was agreed ("Option").

The Option was granted in accordance with the authority granted by shareholders of the Company at the annual general meeting of shareholders held on 8 December 2017 ("AGM"), whereby the requisite majority of shareholders approved an ordinary resolution authorising the directors to issue up to 140 321 478 ordinary shares or issue any options in respect of ordinary shares in the Company, for cash, to public shareholders, in accordance with the Listings Requirements of the JSE Limited ("JSE"). At the time of entering into the Loan Agreement Serialong was a public shareholder as defined, as Bonang Mohale was neither a shareholder or director of Purple Group.

3. Serialong has elected to convert the Loan Outstandings into Purple Group shares

Serialong has provided the Company with formal notice that it elects to convert the Loan Outstandings, which amount to R30 929 189, into Purple Group shares at a price per share of 22.87 cents ("the Conversion"). The number of Purple Group shares that will be issued to Serialong is 135 239 128 shares ("Conversion Shares"), representing 11.46% of the issued capital of Purple Group, post the issue of the Conversion Shares.

Application will be made by the Company to the JSE for the listing of the Conversion Shares, which are expected to be listed on or about 27 August 2021.

The Conversion Shares have been issued under the general authority which was granted to the Directors pursuant to an ordinary resolution of the Shareholders passed at the AGM held on 8 December 2017.

4. Financial effects of the conversion of the Loan Outstandings into Purple Group shares

The table below sets out the pro forma financial effects of the conversion of the Loan Outstandings into Purple Group shares on the earnings, headline earnings and net asset value per share. The pro forma financial effects have been calculated on Purple Group's results for the six months ended 28 February 2021. The pro forma financial effects are provided for illustrative purposes only and because of their nature they may not give a fair reflection of Purple Group's financial position, changes in equity, results of operations or cash flows after the transaction. The pro forma financial effects are the responsibility of the Company's directors and have not been reviewed by the Company's auditors. The accounting policies as at 31 August 2020 and 28 February 2021 have been used in the preparation of the financial effects.

	Before the Conversion (1)	After the Conversion	Percentage (%)
Earnings per share (cents)	0.847	0.852	0.6
Headline earnings per share (cents)	0.847	0.852	0.6
Net asset value per share (cents)	31.79	30.34	(4.6)
Weighted average number of shares in issue (000)	974 241	1 109 481	13.9
Shares in issue (000)	1 004 643	1 139 882	13.5

Notes:

1. Extracted from the published unaudited interim results of Purple Group for the six months ended 28 February 2021.
2. The earnings and headline earnings per share in the "After the Conversion" column have been based on the following assumptions:
 - a. That the Conversion was implemented on 1 September 2020;
 - b. The weighted number of shares in issue Before the Conversion was 974 241 486 (which excludes treasury shares);
 - c. The weighted number of shares in issue After the Conversion was 1 109 480 614 (which excludes treasury shares);
 - d. The loan was converted to equity, resulting in a saving in interest charged of R1 193 194, after tax, for the six month period ended 28 February 2021, which adjustment is of a continuing nature; and
 - e. No professional fees were incurred.

3. Net asset value per share in the “After the Conversion” column have been based on the following assumptions:
- a. The Conversion was effective on 28 February 2021;
 - b. Loan Outstandings at 28 February 2021 amounted to R30 001 782, of which R26 506 156 was classified as a liability and R3 495 626 was classified as equity before the Conversion.
 - c. The portion of the Loan Outstandings, which was classified as a liability, was included in equity after the Conversion;
 - d. The number of shares in issue at 28 February 2021 was 1 004 642 787 (which excludes treasury shares) before the Conversion;
 - e. The number of shares in issue at 28 February 2021 was 1 139 881 915 (which excludes treasury shares) after the Conversion.; and
 - f. No professional fees were incurred.

5. Dealings in securities by a company in which a director has a shareholding

In compliance with paragraphs 3.63 - 3.74 of the Listings Requirements of the JSE Limited, the following information in respect of Off-Market transaction is disclosed:

Company:	Serialong Financial Investments Proprietary Limited (“SFI”)
Name of director:	Bonang Mohale
Relationship with associate:	Bonang Mohale is a director and shareholder of SFI
Date of Conversion Notice:	23 August 2021
Nature of transaction:	conversion of the Loan Outstandings into Purple Group shares
Number of securities:	135 239 128
Class of securities:	ordinary shares
Price per share:	22.87 cents per share
Total Value:	R30 929 189
Nature of interest:	indirect beneficial

Johannesburg

24 August 2021

Transfer and Company secretaries: 4 Africa Exchange Registry Proprietary Limited

Sponsor: Deloitte & Touche Sponsor Services Proprietary Limited