

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")

## **TRADING STATEMENT FOR THE SIX MONTHS ENDED 28 FEBRUARY 2023**

Purple Group is currently finalising its results for the six months ended 28 February 2023 ("the period"). In terms of paragraph 3.4(b) of the JSE Limited Listings Requirements, shareholders are advised that Purple Group is satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon will differ by more than 20% from that for the previous corresponding period, being the six months ended 28 February 2022 ("the prior period").

Shareholders are accordingly advised that for the period, the directors of Purple Group anticipate a basic loss and headline loss per share of between 0.82 cents and 0.91 cents, compared to a basic earnings and headline earnings per share of 1.63 cents reported in the prior period. The percentage movement is not shown as the earnings per share has moved from a profit in the prior period to a loss per share for the six months ended 28 February 2023.

The core value drivers of the Purple Group continue to perform very well. We have more partners than ever before, new customers continue to arrive at a healthy rate and existing customers choose to stay the course and keep growing their assets with us. Our customers love our products and platforms, and we continue to invest heavily into ensuring we can deliver more products to solve more client needs while opening new markets and improving our customer experience all the time.

Tough economic conditions have driven traded value, relative to client assets on platform, to historic lows. Nonetheless, over the last 6 months, R2.9 billion in deposits still flowed into new investments with us. Whilst the cyclical nature of markets and the economy will impact our client's ability to save and invest, we remain determined to pursue our purpose, to democratise investing and empower financial dignity for all while building the world's best investment platform.

Considerable investment in the period was directed at securing and scaling our IT and operations infrastructure, projects that will result in a lower cost to serve customers in the periods ahead, increase revenue and open up new gateways to customer growth, through the Philippines and into South East Asia and beyond.

Our ability to serve clients at a lower cost, year on year, is a significant asset of the group which enables us to:

- be more profitable from existing customers each year;
- on-board new customers to be profitable faster and faster; and
- launch new products at a lower cost than our competitors.

Our economic model is now more balanced between retail and institutional flows and much less reliant on activity-based revenue as annuity revenue grows, which as it increases improves our ability to be profitable in all market cycles.

The information above has not been reviewed or reported on by the Company's external auditors.

The Company's results for the six months ended 28 February 2023 are expected to be published on SENS on or about 24 April 2023.

Johannesburg

21 April 2023

Sponsor: Deloitte & Touche Sponsor Services Proprietary Limited