

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" or "the Group")

ANNOUNCEMENT RELATING TO:

- DECLARATION ANNOUNCEMENT IN RESPECT OF THE PURPLE GROUP RIGHTS OFFER; AND
- EASYEQUITIES RIGHTS OFFER

1. PURPLE GROUP RIGHTS OFFER

Shareholders are hereby advised that Purple Group intends to raise a maximum amount of R105 000 000 (one hundred and five million Rand) from its shareholders by way of a renounceable rights offer ("the Rights Offer"), in order for Purple Group to pursue its local and international expansion opportunities through acquisitions and the development of strategic projects that will enhance shareholder value and client experience.

The Company intends to launch the Rights Offer of ordinary no par value shares in Purple Group ("Ordinary Shares") as contemplated in a Rights Offer circular to be published on or about Monday, 22 May 2023 ("Rights Offer Circular").

The final terms of the Rights Offer, including the subscription price per Rights Offer share ("Rights Offer Price") and the ratio of Rights Offer shares for every Ordinary Share held ("Ratio of Entitlement"), will be announced by Purple Group on SENS on the finalisation date of the Rights Offer, which is expected to be on Thursday, 18 May 2023.

It is the intention of the Company for the Rights Offer to be partially underwritten. The Company has obtained (as further discussed in paragraph 5) irrevocable undertakings from certain shareholders to follow their rights in the Rights Offer ("Committed Shareholders"). The Ordinary Shares to be acquired by such Committed Shareholders in terms of the Rights Offer will be excluded from the underwriting commitment of the underwriter. Further detail in this regard will be provided in the finalisation announcement and the Rights Offer Circular.

2. RATIONALE FOR THE RIGHTS OFFER

Purple Group intends to undertake a partially underwritten and committed Rights Offer to Purple Group shareholders in order to achieve its strategic growth ambitions to scale the business of First World Trader Proprietary Limited (registration number 1999/021265/07), trading as EasyEquities ("EasyEquities"), locally and internationally.

It is intended that the proceeds of the Rights Offer will be utilised by EasyEquities to:

- accelerate product and regional expansion to drive earnings, capital and growth, which requires increased investment in building the team, platform and partnerships; and
- achieve the Group's objective of expanding internationally, with four target regions being identified that present favourable market setups and digital ecosystem players to replicate the EasyEquities success.

Purple Group will (and has undertaken to) utilise the proceeds from the Rights Offer for the sole purpose of subscribing for additional ordinary no par value shares in EasyEquities in terms of a rights offer issued by EasyEquities ("EasyEquities Rights Offer"), an entity in which Purple Group has a 70% (seventy percent) interest.

Sanlam Investment Holdings Proprietary Limited (registration number 1998/022648/07) ("SIH"), as a 30% (thirty percent) shareholder in EasyEquities, has undertaken, in writing, that it will subscribe for its pro-rata share of additional ordinary no par value shares in EasyEquities in terms of the EasyEquities Rights Offer, concurrently with the subscription by Purple Group as stated above.

3. SALIENT TERMS OF THE RIGHTS OFFER

Purple Group intends to raise gross proceeds of R105 000 000 (one hundred and five million Rand) through an offer of renounceable rights to subscribe for new Ordinary Shares ("Rights Offer Shares") to Purple Group shareholders (excluding Purple Group shareholders resident or located in certain restricted jurisdictions) ("Qualifying Shareholders") who are recorded in the register on the record date for the Rights Offer, being Friday, 26 May 2023.

The Rights Offer is to be made by way of the issue of nil paid renounceable rights to Qualifying Shareholders to subscribe for Rights Offer Shares at the Rights Offer Price in the Ratio of Entitlement. The final terms of the Rights Offer, including the Rights Offer Price and the Ratio of Entitlement, will be announced on SENS by Purple Group on the finalisation date which is expected to be Thursday, 18 May 2023.

Upon issue, the Rights Offer Shares will rank pari passu with all other Ordinary Shares of the same class.

4. EXCESS APPLICATIONS FOR RIGHTS OFFER SHARES

All Rights Offer Shares not taken up in terms of the Rights Offer will be available for subscription by Qualifying Shareholders who wish to apply for a greater number of Rights Offer Shares than those offered to them in terms of the Rights Offer Entitlement. Accordingly, Qualifying Shareholders may also apply for Rights Offer Shares in excess of the Rights Offer Shares allocated to them in terms of the Rights Offer Entitlement on the same terms and conditions as those applicable to the Rights Offer.

The right to apply for excess Rights Offer Shares is transferable on renunciation.

The pool of Rights Offer Shares available to meet excess applications will be dealt with as set out below:

- if all the Rights Offer Shares are taken up in the Rights Offer, no excess Rights Offer Shares will be made available for allocation to applicants;
- if the Rights Offer Shares taken up in the Rights Offer and the excess applications together are less than or equal to 100% (one hundred percent) of the number of Rights Offer Shares available, the directors will allocate any or all excess applications in full per the timetable, in an equitable manner; and
- if the Rights Offer Shares taken up in the Rights Offer and the excess applications together exceed 100% (one hundred percent) of the number of Rights Offer Shares available, the directors will allocate any or all excess applications in an equitable manner, taking cognisance of the number of Ordinary Shares held by each applicant prior to such allocation (including those taken up as a result of the Rights Offer) and the number of Rights Offer Shares for which application is made.

5. SHAREHOLDER COMMITMENTS

Business Venture Investments, Base SPV Partnership A, Gajoder Investments Proprietary Limited and Rae's Creek Trust, which between them own 344 534 023 (three hundred and forty four million five hundred and thirty four thousand and twenty three) Ordinary Shares, equating to 27.12% (twenty seven point one two percent) of all issued Ordinary Shares (net of treasury shares), have committed to follow their rights in terms of the Rights Offer in full. Further detail in this regard will be provided in the finalisation announcement and the Rights Offer Circular.

No commitment fees will be payable.

6. SALIENT DATES AND TIMES FOR THE RIGHTS OFFER

Unless otherwise stated, capitalised terms used in the table below have the same meaning given in the Rights Offer Circular.

	2023
Rights Offer Declaration Date	Tuesday, 16 May
Finalisation announcement released on SENS on	Thursday, 18 May
Rights Offer Circular published on Purple Group's website at www.purplegroup.co.za (including Form of Instruction)	Monday, 22 May
Last day to trade in Purple Group Shares in order to participate in the Rights Offer (cum entitlement)	Tuesday, 23 May
Shares commence trading ex-entitlement at 09:00 on	Wednesday, 24 May
Listing of and trading in the Letters of Allocation under JSE code PPEN and ISIN ZAE00031326 8 on the JSE commences at 09:00 on	Wednesday, 24 May
Circular posted/emailed to Certificated Shareholders together with a Form of Instruction	Thursday, 25 May
Record Date for the Rights Offer	Friday, 26 May
Rights Offer opens at 09:00	Monday, 29 May
Rights Offer Circular and Form of Instruction emailed/posted to Dematerialised Shareholders	Monday, 29 May
Dematerialised Shareholders will have their Letters of Allocation credited to their accounts held at their CSDP or broker at 09:00	Monday, 29 May
Payment made and Form of Instruction lodged by Certificated Shareholders (or their renounees) wishing to exercise all or part of their entitlement at the Transfer Secretaries by 12:00 on	Tuesday, 6 June
Last day to trade Letters of Allocation on the JSE	Tuesday, 6 June
Listing of Rights Offer Shares and trading therein on the JSE commences at 09h00 on	Wednesday, 7 June
Last day for restricted Shareholders to lodge qualified institutional buyers' investors letters to Purple at 12:00	Wednesday, 7 June
Rights Offer closes at 12:00	Friday, 9 June
Payment to be made and Form of Instruction to be lodged with the Transfer Secretaries by qualifying Certificated Shareholders wishing to renounce or subscribe for all or part of their entitlement at 12:00 on Record date for Letters of Allocation on	Friday, 9 June
Rights Offer Shares issued on	Monday, 12 June
In respect of qualifying Dematerialised Shareholders (or their renounees), CSDP or broker accounts debited with the aggregate Rights Offer Price and updated with Rights Offer Shares at 09:00 on	Monday, 12 June
In respect of qualifying Certificated Shareholders (or their renounees), share certificates in respect of Rights Offer Shares posted on or about	Monday, 12 June

Results of Rights Offer announced on SENS

Monday, 12 June

Refunds (if any) to Certificated Shareholders in respect of unsuccessful excess Share applications made and share certificates posted to Certificated Shareholders in respect of successful excess Share applications

Wednesday, 14 June

Dematerialised Shareholders' accounts updated and debited by their CSDP or broker (in respect of successful excess Share applications)

Wednesday, 14 June

Notes:

1. The above dates and times are South African and are subject to change. Any changes will be notified on SENS.
2. Shareholders of Dematerialised Purple Group Shares are required to notify their CSDP or Broker of the action they wish to take in respect of the Rights Offer in the manner and by the time stipulated in the agreement governing the relationship between the Dematerialised Shareholder and his CSDP or Broker.
3. Purple Group Share certificates may not be Dematerialised or rematerialised between Wednesday, 24 May 2023 and Friday, 26 May 2023, both days inclusive.
4. CSDPs effect payment in respect of holders of Dematerialised Rights Offer Shares on a delivery versus payment basis.
5. Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with their Rights and Certificated Shareholders will have their Rights credited to an account at the Transfer Secretaries.

7. TAXATION

The tax treatment of the purchase, subscription, renouncing, holding and disposal of the letters of allocation or Rights Offer Shares in the hands of ordinary shareholders is dependent on their individual circumstances and the tax jurisdiction applicable to those ordinary shareholders. No ordinary shareholder should construe the contents of this announcement or the Rights Offer Circular and the documentation accompanying it as tax or other advice. Ordinary shareholders are advised to consult their tax and financial advisors regarding any taxation implications pertaining to them regarding the acceptance of their Rights in terms of the Rights Offer.

8. OVERSEAS SHAREHOLDERS

Any shareholder resident outside the common monetary area who receives the Rights Offer Circular and form of instruction, should obtain advice as to whether any governmental and/or any other legal consent is required and/or any other formality must be observed to enable such a subscription to be made in terms of such form of instruction.

The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer (including the United States of America (including the District of Columbia), the Dominion of Canada, the Commonwealth of Australia, Japan and the United Kingdom) and the Rights Offer Circular and form of instruction should not be forwarded or transmitted by recipients thereof to any person in any territory other than where it is lawful to make such an offer.

The Company is not extending the Rights Offer into the United States of America unless an exemption from the registration of the US Securities Act, 1993 is available, and subject to certain exceptions, the Rights Offer Circular neither constitutes nor will it constitute an offer or invitation to apply for, or an offer or an invitation to acquire, any letters of allocation or Rights Offer Shares in the United States of America.

9. RIGHTS OFFER CIRCULAR

Further details of the Rights Offer will be disclosed in the Rights Offer Circular, which is anticipated to be made available on Purple Group's website (www.purplegroup.co.za/financials) on Monday, 22 May 2023, and will be distributed, together with a form of instruction in respect of the letters of allocation, to Qualifying Shareholders on Thursday, 25 May 2023 and to qualifying dematerialised shareholders on Monday, 29 May 2023.

10. EASYEQUITIES RIGHTS OFFER

10.1 Rationale for the EasyEquities Rights Offer

As mentioned above, concurrently with the Purple Group Rights Offer, EasyEquities will raise R150 000 000 (one hundred and fifty million Rand) from its shareholders pursuant to the EasyEquities Rights Offer. The EasyEquities Rights Offer will be launched on the finalisation date of the Purple Group Rights Offer being 18 May 2023, which is the date that the Purple Group Rights Offer is confirmed.

The EasyEquities Rights Offer is categorised as a transaction in terms of section 3.36 of the JSE Listings Requirements and accordingly deemed to be a Category 2 transaction. As such, the EasyEquities Rights Offer does not require shareholder approval.

It is intended that the net proceeds of the Rights Offer, being a maximum of R105 000 000 (one hundred and five million Rand), will be injected into EasyEquities, which together with the additional R45 000 000 (forty five million Rand) to be injected by SIH, as a 30% (thirty percent) shareholder in EasyEquities, will be applied to local and international expansion opportunities available to EasyEquities and those subsidiaries in which it holds an interest. These include initiatives in South Africa (approximately 50% (fifty percent) of the capital raised by EasyEquities pursuant to the EasyEquities Rights Offer) which include developing and scaling up the South African business and investing in new or fairly new initiatives such as:

- EasyCredit - provides securitised credit against the client's trading portfolio (up to a maximum loan to value ratio of 33% (thirty three percent));
- Partnership with Sanlam Indie - in respect of an investment linked life product which launched beta testing in February 2023. The product allows clients to reassess their financial position quarterly (assets vs liabilities) to allow them to adjust their cover for the difference, limited to R2 000 000 (two million Rand) cover; and
- The remaining 50% (fifty percent) (R75 000 000 (seventy five million Rand)) of the capital raised pursuant to the EasyEquities Rights Offer will be allocated to exploring the new initiatives in the EasyEquities group in the Asia Pacific region,

Australia and Kenya as follows:

- o 80% (eighty percent) of this R75 000 000 (seventy five million Rand) will be allocated to the Asia Pacific region where Purple Group already has a base of 26 (twenty six) employees and has signed a distribution partnership with GCash (held 30% (thirty percent) by Ali-pay) that uses mobile phone technology to provide a virtual wallet for money transfer services including paying bills, sending money, online shopping. GCash has 66 000 000 (sixty six million) to 68 000 000 (sixty eight million) customers. Purple Group has partnered with GCash to distribute investment products to their customer base. The long-term intention would then be to expand the offering to replicate the South African model, but there are regulatory restrictions on trading certain stocks currently.
- o The rest will be spent on bulking up the Australian base and launching investment services in Kenya. Purple Group currently has an office in Australia which was launched as the pandemic started. It is set up similarly to South Africa, is small but profitable and gives clients access to the Asian stock markets during working hours. Purple Group has reached terms with a licensed Kenyan investment bank, whereby EasyEquities will launch its investment offering to the Kenyan market.

As set out above, Purple Group has submitted an irrevocable undertaking confirming that it will follow its rights in terms of the EasyEquities Rights Offer. Purple Group will fund its EasyEquities Rights Offer subscription through the capital raised by the Purple Group Rights Offer.

As set out above, SIH has submitted an irrevocable undertaking confirming that it will follow its rights in terms of the EasyEquities Rights Offer. SIH will fund its EasyEquities Rights Offer subscription through its own available resources. The EasyEquities Rights Offer is conditional on the Rights Offer closing for acceptance on Friday, 9 June 2023.

10.2 Additional information in respect of EasyEquities

The shareholders of EasyEquities are:

- Purple Group holding 1 058 463 ordinary no par value shares in EasyEquities (representing 70% (seventy percent) of the total issued share capital of EasyEquities); and
- SIH holding 453 627 ordinary no par value shares in EasyEquities (representing 30% (thirty percent) of the total issued share capital of EasyEquities).

The value of the net assets of EasyEquities as at 28 February 2023 is R315 134 118 (three hundred and fifteen million one hundred and thirty four thousand one hundred and eighteen rand), per the unaudited management financial information prepared on an IFRS basis.

The net loss after tax, attributable to EasyEquities for the six months ended 28 February 2023 is R16 285 269 (sixteen million two hundred and eighty five thousand two hundred and sixty nine Rand), per the unaudited management financial information prepared on an IFRS basis.

The directors of Purple Group confirm that they are satisfied with the unaudited management information on which the above disclosures are based.

There are no related party implications to the EasyEquities Rights Offer.

Johannesburg
16 May 2023
Sponsor: Deloitte & Touche Sponsor Services Proprietary Limited
Company and Transfer Secretary: CTSE Registry Services Proprietary Limited
Legal Advisor to Purple Group: CMS RM Partners Inc

IMPORTANT NOTICE

This announcement does not constitute or form a part of any offer or solicitation or advertisement to purchase and/or subscribe for securities in South Africa, including an offer to the public for the sale of, or subscription for, or the solicitation or advertisement of an offer to buy and/or subscribe for, shares as defined in the South African Companies Act 71 of 2008, as amended, or otherwise ("Companies Act") and will not be distributed to any person in South Africa in any manner that could be construed as an offer to the public in terms of the Companies Act. As a result, this announcement does not comply with the substance and form requirements for a prospectus set out in the Companies Act and the South African Companies Regulations of 2011, and has been approved by, and/or registered with, the South African Companies and Intellectual Property Commission or any other South African authority. Nothing in this announcement should be viewed, or construed, as "advice", as that term is used in the South African Financial Markets Act 19 of 2012, as amended, and/or Financial Advisory and Intermediary Services Act 37 of 2002, as amended, ("FAIS Act").

The announcement constitutes factual, objective information about Purple Group and nothing contained herein should be construed as constituting any form of investment advice or recommendation, guidance or proposal of a financial nature as contemplated in the FAIS Act in respect of Purple Group or any transaction in relation thereto. Purple Group and/or its representatives and advisors are not (and are not required to be) Financial Services Providers as contemplated in the FAIS Act in South Africa and the contents of this announcement must not be construed as constituting the canvassing for, or marketing or advertising of, financial services by Purple Group and/or its representatives and advisors in South Africa. To the extent that any of Purple Group's representatives and advisors are registered Financial Services Providers, none of them purport to provide, market or advertise financial services to any person in respect of Purple Group and this announcement does not constitute financial advice, or financial services, provided by the aforesaid to any person who is in possession of this announcement.

Further, the content of this announcement should not be construed as business, legal or tax advice. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by Purple Group or any of the advisors that any recipient of this announcement should acquire any of Purple Group's securities. Neither Purple Group nor any of the advisors are making any representation to any prospective investor regarding the legality of an investment in Purple Group by such prospective investor under the laws and regulations applicable to such prospective investor. Prospective investors should consult their own professional adviser before making any investment decision with regard to Purple Group and in making an investment decision, prospective investors must rely on their own analysis, enquiry and examination of Purple

Group, including the merits and risks therein. All investment is subject to risk. The value of the securities offered may go down as well as up. Past performance is no guarantee of future returns.

The contents of this announcement have not been verified by the legal advisors in connection with the Rights Offer or any of their respective affiliates. The legal advisor is acting on behalf of Purple Group and no one else in connection with the Rights Offer.

They will not regard any other person as their client in relation to the Rights Offer and will not be responsible to anyone other than Purple Group for providing the protections afforded to their respective clients nor for providing advice in relation to the Rights Offer, the contents of this announcement or any transaction, arrangement or other matter referred to herein. Neither the legal advisors, nor any of their respective directors, officers, employees, advisers, agents, alliance partners or any other entity or person accepts any responsibility or liability whatsoever for, or makes any representation, warranty or undertaking, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinion in this announcement (or whether any information has been omitted from this announcement) or any other information relating to Purple Group, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. Accordingly, the legal advisors disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort, delict or contract or that they might otherwise be found to have in respect of this announcement and/or any such statement.

Forward-Looking Statements

This announcement includes certain forward-looking statements, beliefs or opinions, including statements with respect to Purple Group, the proposed Rights Offer, including its terms, expected timetable and principal events. Forward-looking statements are typically identified by the use of forward looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes", "anticipates", "annualized", "goal", "target" or "aim" or the negative thereof or other variations thereof or comparable terminology, or by discussions of future events that involve risk and uncertainties. These statements reflect the directors' beliefs and expectations and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. No representation is made that any of these events will come to pass. There are a number of risks, uncertainties and factors that could cause actual results and developments to differ materially from those expressed or implied by these statements. No assurances can be given that the forward-looking statements in this document will be realised. Forward-looking statements speak only as at the date of this announcement, and Purple Group expressly disclaims any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this announcement. As a result, you are cautioned not to place any undue reliance on such forward-looking statements.