

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")

FINALISATION ANNOUNCEMENT IN RESPECT OF THE PURPLE GROUP RIGHTS OFFER

Shareholders are referred to the declaration announcement published on the Stock Exchange News Service ("SENS") on Tuesday, 16 May 2023 relating to a renounceable rights offer to qualifying Purple Group shareholders ("Rights Offer") and are advised that the Company has received formal approval in respect of the Rights Offer Circular from the Issuer Regulation Division of the JSE Limited and that all suspensive conditions to the Rights Offer have now been fulfilled.

TERMS OF THE RIGHTS OFFER

Purple Group shareholders are advised that the board of directors of the Group ("Board") has resolved to proceed with the Rights Offer to raise, in the aggregate, gross proceeds of R105 000 000 (one hundred and five million Rand). The Rights Offer is partially committed and partially underwritten. Certain Purple Group shareholders, representing approximately 27.12% (twenty seven point one two percent) of the issued ordinary shares in the Company (excluding treasury shares), have provided irrevocable commitments to follow their rights in full ("Irrevocable Commitments"), and Sanlam Investment Holdings Proprietary Limited (registration number 1998/022648/07), the underwriter of the Rights Offer ("SIH" or "the Underwriter"), has agreed to underwrite such number of ordinary shares as are not subscribed and paid for by existing shareholders in terms of the Rights Offer (following allocation of additional ordinary shares in terms of the Rights Offer), subject to the terms and conditions of an underwriting agreement. The ordinary shares in the Company to be acquired pursuant to the Irrevocable Commitments are excluded from the underwriting commitment of the Underwriter.

The Rights Offer will consist of an offer of 129 629 630 (one hundred and twenty nine million six hundred and twenty nine thousand six hundred and thirty) renounceable rights to subscribe for new Purple Group ordinary shares ("Right Offer Shares") in the ratio of 10.20567 (ten point two zero five six seven) Rights Offer Shares for every 100 (one hundred) Purple Group ordinary shares held by Purple Group shareholders (excluding Purple Group shareholders resident or located in the restricted jurisdictions to be set out in the Rights Offer Circular, as defined below) on the record date of the Rights Offer, being Friday, 26 May 2023, ("Ratio of Entitlement") and/or such proportionate lower number of Rights Offer Shares in respect of a holding of less than 100 (one hundred) Purple Group ordinary shares, offered for a subscription price of 81 Cents per Rights Offer Share.

The Rights Offer issue price represents a discount of approximately 31.87% (thirty one point eight seven percent) to the 7 (seven) day volume-weighted average price of the Purple Group share price, up to market close on Tuesday, 16 May 2023. The Rights Offer Shares will constitute approximately 9.25% (nine point two five percent) of the Company’s post-Rights Offer ordinary share capital.

Purple Group shareholders may commence trading the letters of allocation from the commencement of business on Wednesday, 24 May 2023 until the close of business on Tuesday, 6 June 2023, both days inclusive, under the JSE code PPEN and ISIN ZAE000313268 and the Rights Offer Shares from the commencement of business on Wednesday, 7 June 2023.

SHAREHOLDER COMMITMENTS AND UNDERWRITING

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 provided Irrevocable Commitments to follow their rights in terms of the Rights Offer in full.

The details of the Irrevocable Commitments are as follows:

Name of Shareholder	Number of Ordinary Shares held in Purple Group before the Rights Offer	% Shareholding prior to the Rights Offer	Number of Rights Offer Shares Entitlement	% of Shareholding post the Rights Offer
Business Venture Investments	70 138 108	5.52%	7 158 064	5.52%
Base SPV Partnership A	141 818 182	11.17%	14 473 496	11.17%
Gajoder Investments Proprietary Limited	35 408 132	2.79%	3 613 637	2.79%
Rae's Creek Trust	97 169 601	7.65%	9 916 809	7.65%

Purple Group has entered into an agreement with the Underwriter pursuant to which the Underwriter has agreed that, if and to the extent that there are any Rights Offer Shares remaining that have not been subscribed for by Purple Group shareholders and excluding the Rights Offer Shares which are the subject of the Irrevocable Commitments ("Remaining Shares"), they will subscribe at the Rights Offer Price, for the Remaining Shares up to a maximum of R76 518 775 (seventy six million five hundred and eighteen thousand seven hundred and seventy five Rand) ("Underwriting Commitment") in accordance with the terms of the underwriting agreement entered into between the Underwriter and the Company.

The directors have made due and careful enquiry to confirm that the Underwriter is able to meet its commitment in terms of the Rights Offer. Further particulars of the Underwriter are set out in the Rights Offer Circular.

It is agreed that, pursuant to the terms of the underwriting agreement entered into between the Company and the Underwriter, an underwriting fee equal to 2.0% (two percent) of the Underwriting Commitment (plus VAT thereon) shall be payable by Purple Group to the Underwriter. The underwriting fee is, in the opinion of the Board, not greater than the current market rate charged by an underwriter for a transaction of this nature.

Accordingly, the Rights Offer will be partially committed and partially underwritten through the underwriting agreement with the Underwriter.

The Rights Offer has therefore been de-risked.

EXCESS APPLICATIONS

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.

FRACTIONAL ENTITLEMENT

Only whole numbers of Rights Offer Shares will be issued to qualifying shareholders. The allocation of Rights Offer Shares will be such that qualifying shareholders will not be allocated a fraction of a Rights Offer Share and, accordingly, entitlements to Rights Offer Shares of 0.5 (zero point five) or greater will be rounded up and less than 0.5 (zero point five) will be rounded down to the nearest whole number. Qualifying shareholders holding less than 100 (one hundred) Ordinary Shares (if any), or not a whole multiple of 100 (one hundred) Ordinary Shares, will be entitled, in respect of such holdings, to participate in the Rights Offer in the Ratio of Entitlement in accordance with the table of entitlements in the Rights Offer Circular.

SALIENT DATES AND TIMES OF THE RIGHTS OFFER

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

	2023
Finalisation announcement released on SENS on	Thursday, 18 May
Rights Offer Circular published on Purple Group's website (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 ZAE000313268 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 renouncees) 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	Friday, 9 June
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 renouncees), 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 renouncees), 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:

- o The above dates and times are South African.
- o Shareholders are referred to page 8 of the Circular for information on the action required to be taken by them.
- o 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.
- o Purple Group Share certificates may not be Dematerialised or rematerialised between Wednesday, 24 May 2023 and Friday, 26 May 2023, both days inclusive.
- o CSDPs effect payment in respect of holders of Dematerialised Rights Offer Shares on a delivery versus payment basis.
- o 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.

RIGHTS OFFER CIRCULAR

Further details of the Rights Offer will be disclosed in the rights offer circular which will be made available on Purple Group's website (<https://www.purplegroup.co.za/our-financials>) on Monday, 22 May 2023 ("Rights Offer Circular").

The Rights Offer Circular and form of instruction in respect of letters of allocation will be distributed to qualifying certificated shareholders on Thursday, 25 May 2023 and to qualifying dematerialised shareholders on Monday, 29 May 2023.

Johannesburg
18 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 or the Underwriter that any recipient of this announcement should acquire any of Purple Group's securities. Neither Purple Group or any of the advisors or the Underwriter is 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 and the Underwriter 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 the Underwriter, 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 and Underwriter 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.