

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").

CONSOLIDATED RESULTS
FOR THE YEAR ENDED 31 AUGUST 2023

GROUP HIGHLIGHTS

- Group revenue increased by 0.8% to R276.1 million, from R274.0 million in the prior year;
- Group expenses before other income, fair value & impairment adjustments, interest, depreciation & amortisation increased by 31.9% to R280.2 million, compared to R212.5 million in the prior year;
- Loss before fair value & impairment adjustments & tax of R49.0 million compared to a profit of R40.3 million in the prior year;
- Group headline loss per share of 2.05 cents compared to earnings of 1.12 cents per share in the prior year;
- Group basic loss per share of 1.90 cents compared to earnings of 3.64 cents per share in the prior year;
- The Group's net asset value per share increased by 6.3% from 38.39 cents to 40.80 cents;
- Loss attributable to ordinary shareholders of R24.9 million compared to a profit of R44.0 million in the prior year;

EASYEQUITIES GROUP HIGHLIGHTS

- EasyEquities Group revenue increased by 11.1% to R237.8 million, from R214.0 million in the prior year;
- Registered clients increased by 18% to 2.06 million, compared to 1.75 million in the prior year;
- Active clients increased by 17.5% to 897,940, compared to 763,907 in the prior year;
- Platform assets increased by 25.3% to R46.6 billion, compared to R37.2 billion in the prior year;
- Retail inflows decreased by 28.1% to R5.90 billion, compared to R8.20 billion in the prior year;
- Institutional inflows increased by 169.9% to R5.2 billion, compared to R1.9 billion in the prior year;
- Cost of service per active client decreased by 10.0% to R170, from R188 in the prior year;
- Loss before fair value adjustments and tax of R44.0 million compared to a profit of R31.4 million in the prior year;

GT247.COM HIGHLIGHTS

- GT247.com revenue decreased by 34.5% to R37.3 million, compared to R56.9 million in the prior year; and
- Profit after tax of R2.4 million, compared to R11.3 million in the prior year.

LETTER FROM THE CEO

DEAR STAKEHOLDERS,

As I take a step back to reflect on our journey at Purple Group over the past year, I am filled with a sense of pride and optimism. Like many others, we've been up against some formidable economic challenges and still we have continued to demonstrate resilience, adaptability and a relentless focus on our core value drivers.

Our achievements in this period are a testament to the strength of our strategy, the dedication of our team and the loyalty of our customers and partners. We have navigated a path through both challenging and promising landscapes - each a vivid reminder of why we do what we do - pushing boundaries, innovating and continuously redefining what's possible in our industry. We continue making investing easy for everyone - helping people to grow and protect their wealth.

CONFRONTING ECONOMIC CHALLENGES

The past year has been a rollercoaster marked by economic fluctuations, including a significant downturn in the economy and escalating interest rates.

Rather than seeing these as setbacks, we've embraced them as opportunities to refine our strategies, diversify our business and flex our adaptability muscles. It's in these times that true innovation emerges.

Like many of our competitors, we faced unavoidable declines in activity fuelled revenue, primarily driven by muted market volatility and the impact of inflation and, most significantly, higher interest rates.

These challenges, while impactful, have emphasized the importance of retaining strategic agility and building an increasingly diversified business.

STRATEGIC INVESTMENTS AND EXPANSION

New markets, particularly in Southeast Asia with EasyEquities Philippines Inc. and our partnership with GCash, is more than just growth - it's about creating new worlds of possibilities. Our investments, though substantial, are deliberate and laying the groundwork for a future that's diverse, dynamic, and brimming with opportunities.

While taking our products live is proving to be much more difficult than anticipated and therefore taking longer than planned, our time in the market is being well spent. We are building strong regulatory relationships, strengthening our ties and opportunities with GCash and building a community through educational engagement with hundreds of thousands of Filipinos every single day.

BUILDING A CUSTOMER-CENTRIC, RESILIENT BUSINESS AND SYSTEMS

- Active Client Growth 2023 | +17.5%
Our client base is our greatest asset, and we've seen impressive growth in active clients (+17.5%).
- Cost of Active Client Acquisition 2023 | R96
Our approach to client acquisition and retention isn't just about numbers; it's about building a community of engaged, loyal users. Once again, we've managed to do this cost effectively (R96/Active Client), even in the face of economic headwinds - a testament to our relentless focus on customer-centric innovation and resilience.
- Customer Retention Rate - since inception across all periods | +100 %
Our ability to not only acquire new active clients cost-effectively but importantly also maintain high client retention rates (+100% over all financial periods) is a key driver of our success and testament to the strength of our strategy and the loyalty of our community.
- Cost of Service 2023 | -10% to R170
This efficiency in client acquisition and the year-on-year decline in our cost to serve (-10.0% to R170/Active Client) coupled with the evidenced loyalty of our clients over 9 years now, are the assets that will continue to fuel our growth.
- Retail vs Institutional Revenue Contribution | Retail: 60.3% (down from 90.3% in 2022), Institutional: 39.7% (up from 9.7% in 2022)
Easy Group's client assets increased impressively by 25.3% - totalling a record R46.6 billion. Contributions were strong across both retail and institutional client groups and resulting revenue now sees retail contributing 60.3% (down from 90.3% in 2022) vs Institutions 39.7% (up from 9.7% in 2022).
- Net Retail Inflows | R1.16 billion
Retail clients continued to demonstrably evidence their resilience and commitment to their investment journey with us, maintaining net inflows of R1.16 billion over the period. This is a significant achievement in consideration of the economic environment and the fact that many competing investment platforms have recorded outflows over their most recent reporting period.
- Retail Market Returns | Circa 11.7%
Clients' commitment has been well rewarded - on average they have enjoyed market returns of about 11.7%, lifting retail client assets across our platforms to record highs of R32.1 billion, up +17.0% from last year.
- Institutional Client Assets | Increased to R14.5 billion, up +48.8% from 2022
Institutional client inflows delivered a standout performance, improving by 169.9% over the period and driving assets across our platform up to R14.5 billion - strengthening our business model diversification.

PRODUCT DIVERSIFICATION AND INNOVATION

Our product portfolio is expanding, and is often driven by customer demand. With new introductions like EasyCredit, EasyProtect, and EasyBonds, we're leading the charge in redefining what's possible in our industry and our clients lives. These aren't just products; they're gateways to new experiences

and opportunities for our users.

EasyBonds is now in full release and enjoying great client engagement and interest. It fills a much needed savings gap on our platform and introduced SA investors to another first - fractional, easy access to government bonds. While the other two products are still in beta releases to small client groups, they will be released to almost a million clients in the year ahead. Our product strategy is centred on improving customer experience while delivering to our clients' needs as they walk the path to financial freedom. Greater product breadth stabilises and accelerates our future revenue streams and also positions us to capitalise on various market segments across more diverse economic climates.

INVESTMENT IN TECHNOLOGY

Our investment in technology continues to be a cornerstone of our strategy. The technological infrastructure we have built not only enhances our operational efficiency and customer experience but also positions us well for rapid scaling as market conditions improve.

Significant investment has gone into scaling and securing our platform while making it ever easier to partner and integrate into. When we look around at the competitive landscape, we continue to retain significant advantage not just in South Africa, but globally too.

EDUCATION AND ACCESSIBILITY

We remain committed to investor education as a means to reduce barriers to investing. Our focus on educating potential and current clients is a long-term strategy that promises sustained growth in client engagement and loyalty.

LOOKING AHEAD WITH OPTIMISM

The year ahead will see the addition of three new products to the Easy brand family.

- EasyRetire
Focusing on partnering and enabling financial advisors to serve their clients through and across all our platforms;
- EasyTrader
Leveraging our capability in GT247 and delivering it to satisfy the needs of more active and sophisticated traders, who already make up about 5% of our EasyEquities client base; and
- EasySubscriptions
Bundling our diverse and growing product and services stack to cater to the needs of various investor archetypes - making it cheaper, easier and more rewarding for them to fulfil their investment journey with us.
- Thrive
Our loyalty programme, designed to reward and incentivise good investor behaviour, was relaunched in October, to vigorous debate and positive client engagement. Our commitment to our clients is that the programme will constantly be improved upon with agility and urgency. Balancing the needs and feedback from our clients while taking direction from our partners and considering the observed client behavioural data.

USER EXPERIENCE IMPROVEMENTS COMING SOON

EasyAI and new Invest Now experience

Clients can also look forward to improved programme benefits and enhanced customer experiences throughout the year, starting with the launch of EasyAI and an entirely new Invest Now experience.

I'm excited about the growth trajectory we're on. The investments made during these tough times, particularly in technology, product development, market expansion and greater efficiency are setting us up for a future that's not just successful, but also transformative.

ACKNOWLEDGING OUR TEAM AND STAKEHOLDERS

I want to express my profound gratitude to our dedicated team, loyal clients, strategic partners and supportive shareholders. Your steadfast belief in our vision, especially amidst challenges, has been the cornerstone of our resilience, innovation and success.

In conclusion, we're not just building a company; we're creating a financial legacy for the people and countries we serve - making it easier for everyone and having some fun along the way.

Thank you for being a part of this incredible journey - few imagined it would be Easy.

30 November 2023

This short-form announcement is the responsibility of the directors and is only a summary of the information in the audited consolidated financial statements and does not contain full or complete details. Any investment decision should be based on the audited consolidated financial statements which are available on our website at <https://www.purplegroup.co.za/our-financials.html> or <https://senspdf.jse.co.za/documents/2023/jse/isse/PPE/PPE2023.pdf>. The separate financial statements of Purple Group Limited are also available on our website <https://www.purplegroup.co.za/our-financials.html>. Copies of the audited consolidated financial statements may also be requested at the offices of our sponsors and at our registered offices at no charge, during office hours. The annual results for the year ended 31 August 2023, from which this announcement is extracted, have been audited by the Company's auditors, BDO South Africa Incorporated, who expressed an unmodified audit opinion thereon. The audit opinion is available, along with the annual financial statements, on the Company's website at www.purplegroup.co.za/our-financials.html. This announcement is not itself audited. Any forward-looking statement has not been reviewed or reported on by the company's external auditors.

Executive directors: Charles Savage (Chief Executive Officer), Gary van Dyk (Chief Financial Officer).

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

Company Secretary: CTSE Registry Services Proprietary Limited.

Registered office: 1F, 173 Oxford Road, Rosebank, Johannesburg, 2196. PO Box 411449, Craighall, 2024.

Auditors: BDO South Africa Incorporated, Registered Auditors, Wanderers Office Park, 52 Corlett Drive, Illovo, 2196.

Share registrars: CTSE Registry Services Proprietary Limited.

Sponsors: Deloitte and Touche Sponsor Services Proprietary Limited, Deloitte, 5 Magwa Crescent, Waterfall City, Midrand, 2090.