

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 8 of this Circular apply, *mutatis mutandis*, throughout this Circular. If you are in any doubt as to the action you should take, please consult your CSDP, broker, banker, attorney, accountant, or other professional advisor immediately.

### Action required by Shareholders

1. Shareholders are referred to page 6 of this Rights Offer Circular, which sets out the action required of them with regard to the Rights Offer, full details of which are set out in this Rights Offer Circular. If you are in any doubt as to the action that you should take, please consult your Broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.
2. If you have disposed of all of your Purple Shares, this Rights Offer Circular and the Form of Instruction should be forwarded to the purchaser to whom, or the Broker, CSDP or agent through whom you disposed of your Purple Shares, except that this Rights Offer Circular and Form of Instruction should not be forwarded or transmitted by you to any person in any territory other than South Africa unless the Rights Offer can lawfully be made to such person or in such territory.
3. The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer and this Rights Offer Circular and Form of Instruction should not be forwarded or transmitted to any person in any territory other than where it is lawful to make such an offer.
4. No action has been taken by Purple to obtain any approval, authorisation or exemption to permit the issue of Rights Offer Shares or the possession or distribution of this Rights Offer Circular (or any other publicity material relating to the Rights Offer Shares) in any jurisdictions other than South Africa. Foreign Shareholders should refer to 4.11 of this Rights Offer Circular for further details in this regard.
5. Only whole numbers of Purple Shares will be issued in terms of the Rights Offer and Shareholders will be entitled to rounded numbers of Shares once the Ratio of Entitlement has been applied.
6. Purple Group Shareholders will have the right to apply for any excess Rights Offer Shares not taken up by other Shareholders subject to such rights being transferable upon renunciation of the Letters of Allocation, and any such excess Shares will be attributed equitably. In this regard, the attention of Shareholders is drawn to paragraph 4.9 of this Circular which sets out in detail the basis on which excess Share applications will be attributed.
7. **Purple Group does not accept responsibility and will not be held liable for any action of or omission by any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Shares to notify such beneficial owner of the details set out in this Circular.**



**PURPLE GROUP**  
LIMITED

(Incorporated in South Africa)  
(Registration Number: 1998/013637/06)  
Share Code: PPE  
ISIN: ZAE000185526  
("Purple Group" or "the Company")

## CIRCULAR TO SHAREHOLDERS

### Regarding:

- A partially underwritten renounceable Rights Offer of 129 629 630 (one hundred and twenty nine million six hundred and twenty nine thousand six hundred and thirty) new Purple Shares, to be issued at a Subscription Price of 81 cents (eighty one cents) per Share, in the ratio of 10.20567 (ten point two zero five six seven) Rights Offer Shares for every 100 (one hundred) Purple Shares held at the close of business on Friday, 26 May 2023, thereby raising a maximum of R105 000 000 (one hundred and five million Rand) of new capital for the Company;

and incorporating:

- a Form of Instruction in respect of a Letter of Allocation (to be completed by holders of Certificated Shares only).

Rights Offer opens at 09:00 on

Monday, 29 May 2023

Rights Offer closes at 12:00 on

Friday, 9 June 2023

The Directors of Purple Group whose names appear in the "Corporate Information and Advisors" section of this Rights Offer Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Rights Offer Circular and certify that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement in this Rights Offer Circular false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this Rights Offer Circular contains all information required in law and by the Listings Requirements.

### Company and Transfer Secretary

**CTSE<sup>1</sup>**  
REGISTRY SERVICES

### Sponsor

**Deloitte.**

### Legal Advisor

**CMS**  
law·tax·future

### Date of issue: Monday, 22 May 2023

*This Rights Offer Circular is available in English only. Copies of this Rights Offer Circular may be obtained from the registered offices of Purple, the Sponsor and the Transfer Secretaries whose addresses are set out in the "Corporate information and advisors" section of this Rights Offer Circular and will be available in electronic form from Monday, 22 May 2023 to Friday, 9 June 2023 from the Company and Transfer Secretary at purple@4axregistry.co.za as well as from the Company's website (www.purplegroup.co.za). A copy of this Rights Offer Circular, together with the Form of Instruction and other requisite documents referred to in section 99(4)(b) of the Companies Act, were approved by the JSE.*

*This Rights Offer Circular is not an invitation to the public to subscribe for Shares but is issued in compliance with the Listings Requirements for the purpose of providing information to the public with regard to the Company and the Rights Offer.*

## **DISCLAIMER**

The Rights Offer does not constitute an offer in any area of jurisdiction in which it is unlawful to make such an offer and, in such circumstances, this Rights Offer Circular and accompanying Form of Instruction are distributed for information purposes only.

All transactions arising from the provisions of this Rights Offer Circular and the Form of Instruction shall be governed by and be subject to the laws of South Africa. The Rights Offer may be affected by the laws of the relevant jurisdictions of foreign Shareholders. Such foreign Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this Rights Offer Circular that may affect them, including the Rights Offer. It is the responsibility of any foreign Shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with the Rights Offer, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or requisite payments due in such jurisdiction. The Rights Offer is further subject to any other applicable laws and regulations, including the Exchange Control Regulations. Any foreign Shareholder who is in doubt as to his position, including without limitation his tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

Should any person who is not a Shareholder receive this Circular they should not and will not be entitled to acquire any Shares or Letters of Allocation or otherwise act thereon.

---

## CORPORATE INFORMATION

---

### Company Name and Registered Office

Purple Group Limited  
16<sup>th</sup> Floor  
25 Owl Street  
Braamfontein Werf  
2092

Date and Place of Incorporation:  
15 July 1998, South Africa

### Company Secretary and Transfer Secretary

#### *Physical address*

CTSE Registry Services Proprietary Limited  
(Registration number: 2016/396777/07)  
The Woodstock Exchange Building  
5th Floor  
Block B  
66–68 Albert Road  
Woodstock  
7925

#### *Postal address*

(PostNet Suite 5, Private Bag X4, Woodstock, 7915)

#### *Email*

purple@4axregistry.co.za

### Directors of Purple Group:

Happy Ntshingila (Chairman)\*#  
Mr CH Savage (Chief Executive Officer)  
Mr GS van Dyk (Chief Financial Officer)  
Mr C Carter\*#  
Mr MA Barnes\*  
Mr A Forman\*#  
Mr Bonang Mohale\*  
Mr Paul Rutherford\*  
Mr William Bassie Maisela\*#

\* non-executive  
# independent

### Sponsor

Deloitte & Touche Sponsor Services Proprietary Limited  
(Registration number 1996/000034/07)  
5 Magwa Crescent  
Waterfall City  
Waterfall  
2090  
(Private Bag X6, Gallo Manor, 2052)

### Underwriter

Sanlam Investment Holdings Proprietary Limited  
(Registration Number 1998/022648/07)  
55 Willie van Schoor Avenue  
Bellville  
7530  
(Private Bag X8, Tyger Valley, Bellville, 7530)

### Legal advisor to the Underwriter

Norton Rose Fulbright South Africa Inc  
(Registration number 1984/003385/21)  
15 Alice Lane  
Sandton  
2196  
South Africa  
(PO Box 784903, Sandton, Saxonwold, 2196)

### Legal advisor to Purple Group

CMS RM Partners Inc  
(Registration number 2018/243548/21)  
3<sup>rd</sup> Floor  
82 Maude Street  
Sandton  
2196  
South Africa  
(PostNet Suite No. 1012, Private Bag X9,  
Benmore, 2010)

---

## TABLE OF CONTENTS

---

	Page
<b>Corporate Information</b>	1
<b>Forward Looking Statement</b>	3
<b>Important dates and times relating to the Rights Offer</b>	4
<b>Action required by Purple Group shareholders</b>	6
<b>Definitions and Interpretations</b>	8
<b>Rights Offer Circular to Shareholders</b>	12
1. Definitions and Interpretations	12
2. Introduction and purpose of this Rights Offer Circular	12
3. Salient Information on Purple Group	13
4. Particulars of the Rights Offer	19
5. JSE Listing	27
6. Share Capital	27
7. Estimated Expenses	28
8. Major Shareholders	28
9. Directors	28
10. Directors' responsibility statement	30
11. Material loans and borrowings	30
12. Material Risks	31
13. Consents	33
14. Documents available for inspection	33
<b>Annexure 1: Table of Entitlement</b>	35
<b>Annexure 2: Information on the Underwriter</b>	36
<b>Annexure 3: Share Price history of Purple Group</b>	38
<b>Form of Instruction</b>	Enclosed

---

## **FORWARD LOOKING STATEMENT**

---

This Rights Offer Circular may contain statements about Purple Group that are or may be forward-looking in nature. All statements, other than statements of historical facts included in this Rights Offer Circular, may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipate”, “budget” or similar expressions or the negative thereof are forward-looking statements. Forward-looking statements include, but are not limited to, statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, financial condition, dividend policy, losses, and future prospects; (ii) business and management strategies and the expansion and growth of Purple Group’s operations; and (iii) the effect of regulation on Purple Group’s business.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Purple Group, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of Purple Group and the environment in which it will operate in the future. All subsequent oral or written forward-looking statements attributable to Purple Group or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Purple Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

Forward-looking statements contained in this Rights Offer Circular have not been reviewed or reported on by the Company’s external auditors.

---

## IMPORTANT DATES AND TIMES RELATING TO THE RIGHTS OFFER

---

*The definitions and interpretations commencing on page 8 of this Rights Offer Circular shall apply mutatis mutandis to this section.*

---

**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 (including Form of Instruction)	Monday, 22 May
Last day to trade in Purple Group Shares in order to participate in the Rights Offer ( <i>cum entitlement</i> )	Tuesday, 23 May
Shares commence trading <i>ex-entitlement</i> at 09:00 on	Wednesday, 24 May
Listing of and trading in the Letters of Allocation under JSE code <b>PPEN</b> 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
<b>Rights Offer opens at 09:00</b>	<b>Monday, 29 May</b>
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
<b>Rights Offer closes at 12:00</b>	<b>Friday, 9 June</b>
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 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.
2. Shareholders are referred to page 6 of this Circular for information on the action required to be taken by them.
3. 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.
4. Purple Group Share certificates may not be Dematerialised or rematerialised between Wednesday, 24 May 2023 and Friday, 26 May 2023, both days inclusive.
5. CSDPs effect payment in respect of holders of Dematerialised Rights Offer Shares on a delivery versus payment basis.
6. 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.

---

## **ACTION REQUIRED BY PURPLE GROUP SHAREHOLDERS**

---

The “Definitions and Interpretations” commencing on page 8 of this Rights Offer Circular apply, *mutatis mutandis*, to the following section on “Action required by Shareholders.”

If you are in any doubt as to what action you should take, you should consult your Broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of all your Purple Group Shares, please forward this Rights Offer Circular, together with the enclosed Form of Instruction, to the purchaser of such Purple Group Shares or the Broker, CSDP or other agent through whom you disposed of such Purple Group Shares. This Rights Offer Circular and Form of Instruction should not be forwarded to any person in any territory other than South Africa unless the Rights Offer can lawfully be made to such person or in such territory.

### **IF YOU HAVE DEMATERIALISED YOUR SHARES**

If you are a Shareholder and have Dematerialised your Ordinary Shares, you will not receive a printed Form of Instruction and you should receive notification from your CSDP or Broker regarding the Rights to which you are entitled in terms of the Rights Offer.

Your CSDP or Broker will credit your account with the number of Rights to which you are entitled and will contact you to ascertain whether you wish to follow your Rights in terms of the Rights Offer and, if so, in respect of how many Rights Offer Shares, or if you wish your Rights to lapse.

Rights not exercised will be deemed to have been declined and will lapse and you will not receive any economic benefit in respect of such lapsed Rights.

CSDPs effect payment in respect of Shareholders who have Dematerialised their Purple Group Shares on a delivery versus payment basis. You must ensure that you have sufficient funds in your account to settle the aggregate Rights Offer Price payable in respect of the Rights Offer Shares for which you wish to subscribe.

If you are a Shareholder holding Dematerialised Shares and wish to follow your Rights in respect of the Rights Offer, you are required to notify your duly appointed CSDP or Broker of your acceptance of the Rights Offer in the manner and time stipulated in the Custody Agreement governing the relationship between yourself and your CSDP or Broker. If you are not contacted, you should proactively contact your CSDP or Broker and provide them with your instructions. If your CSDP or broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for Rights Offer Shares in terms of the Rights Offer.

Purple Group does not take responsibility and will not be held liable for any failure on the part of any CSDP or Broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares.

### **IF YOU ARE A CERTIFICATED SHAREHOLDER**

A Form of Instruction for completion by Shareholders who hold Certificated Shares is enclosed with this Rights Offer Circular and the relevant procedure for participation in the Rights Offer is set out below.

If you are a Shareholder holding Certificated Shares and wish to subscribe for all or part of your entitlement in terms of the enclosed Form of Instruction, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it, together with the proof of EFT payment of the amount due in Rand and the EFT swift reference number (details of the designated bank account, are available from the corporate actions department of the Company and Transfer Secretaries at 011 100 8352 if calling from within South Africa; +27 11 100 8352 if calling from outside South Africa; or via email at purple@4axregistry.co.za with the Company and Transfer Secretaries as follows:

**By hand to:**

c/o CTSE Registry Services Proprietary Limited  
5th Floor, Block B  
The Woodstock Exchange Building  
66–68 Albert Road  
Woodstock  
7925  
Email: purple@4axregistry.co.za

**By post to:**

c/o CTSE Registry Services Proprietary Limited  
PostNet Suite 5  
Private Bag X4  
Woodstock  
7915

so as to be received by the Company and Transfer Secretaries by no later than 12:00 on Friday, 9 June 2023.



Shareholders are advised that the preferred means to lodge their Forms of Instruction and proof of EFT payment with the Transfer Secretaries is by way of electronic mail. Lodgement by post shall be at the risk of the Shareholder. Cheques will not be accepted.

The Company and Transfer Secretaries will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any email address other than those provided above.

Forms of Instruction shall be deemed to be received on the date reflected in the Company and Transfer Secretaries' electronic system. Notwithstanding anything to the contrary, it is the responsibility of all Shareholders to ensure that their Form of Instruction is received by the Company and Transfer Secretaries.

**Purple Group and the Transfer Secretaries accept no responsibility and will not be held liable for any allocation of Rights Offer Shares pursuant to payment being made or alleged to have been made by way of electronic transfer and where proof of such payment has not been received or purported proof of such payment being insufficient or defective for Purple Group and the Company and Transfer Secretaries, for any reason, not being able to reconcile a payment or purported payment with a particular application for Rights Offer Shares.**

In order to comply with legislative requirements, the Rights Offer Shares may only be issued in Dematerialised form. In this regard:

- (a) Shareholders holding Certificated Shares who wish to receive the Rights Offer Shares allocated to them in Dematerialised form and who already have an account with a Broker or CSDP, will have their accounts at their Brokers or CSDPs credited with their Rights Offer Shares, provided that they have provided their Form of Instruction, and have elected "Option 1" on Form A thereof, along with the relevant CSDP details, to the Company and Transfer Secretaries on or before 12:00 on Friday, 9 June 2023;
- (b) Shareholders holding Certificated Shares who wish to receive the Rights Offer Shares allocated to them in Dematerialised form, but who do not have an account with a Broker or CSDP, their Shares will be defaulted into the Purple Group nominee account (First World Trader Nominees (RF) Pty Ltd) held on behalf and for the benefit of Purple Group shareholders. The shareholder will be bound by the terms and conditions of the nominee.

Certificated Shareholders should indicate which of the above applies, when completing the Form of Instruction. Should a Certificated Shareholder contemplated in paragraph (a) above fail to provide the necessary Broker or CSDP account details and other information requested in the Form of Instruction, their Shares will be defaulted into the Purple Group nominee account (First World Trader Nominees (RF) Pty Ltd) held on behalf and for the benefit of Purple Group shareholders.

Should you be a Shareholder holding Certificated Shares:

- contemplated in paragraph (a) above and have provided your Form of Instruction to the Transfer Secretaries on or before 12:00 on Friday, 9 June 2023, the Rights Offer Shares allocated to you will be credited to your Broker or CSDP account on Monday, 12 June 2023; or
- contemplated in paragraph (b) above, and have provided your Form of Instruction to the Transfer Secretaries on or before 12:00 on Friday, 9 June 2023, you should contact the Company and Transfer Secretaries to have your shares transferred to your preferred Broker.

Shareholders who wish to "rematerialise" their Dematerialised Rights Offer Shares as provided for above and whose registered addresses in the Register are outside of the Common Monetary Area, or whose Ordinary Share certificates are restrictively endorsed in terms of the Exchange Control Regulations, should refer to paragraph 4.10 of this Rights Offer Circular.

If the required documentation and payment have not been received in accordance with the instructions contained in the enclosed Form of Instruction by 12:00 on Friday, 9 June 2023, then the Rights to those unsubscribed Rights Offer Shares will be deemed to have been declined and the Rights Offer entitlement will lapse.

If you have any queries in relation to the action required by Certificated Shareholders, please contact the Company and Transfer Secretaries' via email at purple@4axregistry.co.za or telephonically on 011 100 8352 if calling from within South Africa and on +27 11 100 8352 if calling from outside of South Africa. Calls made from within South Africa will be charged at the standard geographic rate and will vary by provider. Calls made from outside of South Africa will be charged at the applicable international rates. Alternatively, you may send an email. The telephone line will be operational between 08:00 and 16:00 (South African time) from Monday to Friday, excluding public holidays in South Africa.

---

## DEFINITIONS AND INTERPRETATIONS

---

Throughout this Circular, unless otherwise stated, the words in the first column shall have the meanings assigned to them in the second column, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and words in the singular shall include the plural and vice versa.

“Act” or “Companies Act”	the South African Companies Act, 2008 (Act 71 of 2008), as amended;
“Active Client”	is a client of the EasyEquities that has at least one funded investment account;
“Activity Based Revenue”	revenue that is directly driven by the level of trading activity on the EasyEquities platform and primarily includes execution revenue, foreign exchange transfer fees and early settlement fees. These revenue types would primarily be driven by the level of client deposits, withdrawals and portfolio turnover;
“Authorised Dealer”	a person authorised by the Financial Surveillance Department of the South African Reserve Bank to deal in foreign exchange;
“ARPU”	average revenue per Active Client;
“Board”, “the Board” or “the Directors”	the board of directors of Purple Group;
“Business Day”	any such day other than a Saturday, Sunday, or public holiday in South Africa;
“Broker”	any person registered as a broking member (equities) in terms of the rules of the JSE prepared in accordance with the provisions of the Financial Markets Act;
“Certificated Shareholders” or “Holders of Certificated Shares”	Shareholders who have not Dematerialised their Shares;
“Circular” or “Rights Offer Circular”	this Rights Offer Circular to Shareholders, dated Monday, 22 May 2023, including the Form of Instruction;
“Client Assets”	refers to the market value (in Rands) of Active Clients’ investments, administered and serviced by the Group’s various investment platforms;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Eswatini and Lesotho constitute a single monetary area known as the Common Monetary Area. There are no exchange control restrictions between these countries and similar exchange control measures are applied by each country in respect of all countries outside the Common Monetary Area;
“COS”	cost of service;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Securities Services Act;
“Custody Agreement”	the custody mandate agreement between a Dematerialised Shareholder and a CSDP or Broker, governing their relationship in respect of Dematerialised Shares held by a Dematerialised Shareholder on the Company’s uncertificated securities register and administered by a CSDP or Broker on behalf of that Dematerialised Shareholder;
“Deloitte” or “Sponsor”	Deloitte & Touche Sponsor Services Proprietary Limited (Registration number 1996/000034/07), a private company incorporated in accordance with the laws of South Africa;

“Dematerialised”	the process whereby shares held by the holder of Certificated Shares or other documents of title are converted to and held in electronic form as uncertificated shares in terms of the Strate System and recorded in the sub-register of shareholders maintained by a CSDP;
“Dematerialised Shareholders” or “Holders of Dematerialised Shares”	shareholders who have Dematerialised their shares;
“Dematerialised Shares”	shares which have been converted from paper form into electronic entries in the register of the Company;
“Designated bank account”	the bank account, the details of which will be provided on request from the corporate actions department of the Companies and Transfer Secretaries, contactable during ordinary business hours from 08:00 until 17:00, Monday to Friday, excluding public holidays;
“Documents of Title”	valid Share certificates, certified transfer deeds, balance receipts or any other documents of title acceptable to Purple Group in respect of a Certificated Share;
“EasyEquities”	First World Trader Proprietary Limited (registration number 1999/021265/07), trading as EasyEquities, a private company duly incorporated in accordance with the laws of South Africa. Purple Group has a 70% (seventy percent) shareholding in First World Trader Proprietary Limited, trading as EasyEquities;
“EasyEquities Rights Offer”	The concurrent non-renounceable rights offer by EasyEquities to its shareholders in terms of which its shareholders are entitled to subscribe for additional ordinary no par value shares to the value of R150 000 000 (one hundred and fifty million Rand);
“EFT”	electronic fund transfers;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, No. 9 of 1933, as amended;
“Finalisation Date”	the date on which the Rights Offer and its details become irrevocable, being Thursday, 18 May 2023, i.e. no further finalisation changes to any of the finalisation information can be made by Purple Group;
“FY 2022”	12 (twelve) months ended 31 August 2022;
“FMA” or “Financial Markets Act”	the Financial Markets Act, 19 of 2012, as amended;
“Form of Instruction”	the enclosed form of instruction in respect of the rights of Certificated Shareholders, and on which Certificated Shareholders must indicate to the Companies and Transfer Secretaries, whether they wish to take up all or part of the Rights Offer entitlement;
“Group”	the Company and its Subsidiaries from time to time and for the time being;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“Last Practicable Date”	Tuesday, 16 May 2023, being the last practicable date prior to the finalisation of this Circular;
“Letters of Allocation”	a renounceable (nil paid) letter of allocation issued by Purple Group to Qualifying Shareholders in Dematerialised form, conferring a right on the holder thereof;
“Listings Requirements”	the listings requirements of the exchange operated by the JSE;

“Memorandum of Incorporation” or “Mol”	the Memorandum of Incorporation of the Company;
“Non-activity Based Revenue”	revenue that is linked to the value of Client Assets on the EasyEquities platform, primarily including, asset management fees, administration revenue, cash management fees, and other asset based fees;
“Own-Name Registration”	the process by which Shareholders have Dematerialised their Shares and the Shares are held in the name of the Shareholder in electronic form in the sub-register of the Company;
“Purple Group” or “the Company”	Purple Group Limited (registration number 1998/013637/06), a public company duly registered and incorporated with limited liability in South Africa, the issued ordinary share capital of which is listed on the JSE;
“Purple Group Shares” or “Ordinary Shares” or “Shares”	ordinary shares with no par value in the issued ordinary share capital of Purple Group;
“Purple Group Shareholders” or “Shareholders”	the registered holders of Purple Group ordinary shares;
“Purple Group Undertaking”	the irrevocable undertaking by Purple Group, dated 2 May 2023, to follow its rights in the EasyEquities Rights Offer to subscribe for a percentage of the shares to be issued equal to the voting power that it currently holds, being 70% (seventy percent);
“Qualifying Shareholders”	those Purple Group Shareholders who are shareholders on the Record Date for the Rights Offer;
“R” or “Rand”	South African Rand;
“Ratio of Entitlement” or “Ratio”	the number of Rights Offer Shares to which Shareholders are entitled to subscribe for in terms of the Rights Offer, being 10.20567 (ten point two zero five six seven) Shares for every 100 (one hundred) Purple Group Shares held on the Record Date for the Rights Offer;
“Record Date for the Rights Offer”	the last day for Shareholders to be recorded in the Register in order to participate in the Rights Offer, being the close of business on Friday, 26 May 2023;
“Register”	Purple Group’s securities register, including all sub-registers;
“Remaining Shares”	any Rights Offer Shares not subscribed and paid for by Qualifying Shareholders pursuant to the Rights Offer (following applications for excess Rights Offer Shares by Qualifying Shareholders);
“Rights Offer”	the partially underwritten renounceable Rights Offer by Purple Group to its Shareholders in terms of which Shareholders are entitled to subscribe for the Rights Offer Shares at the Subscription Price in accordance with the Ratio of Entitlement;
“the Rights Offer Shares”	the 129 629 630 (one hundred and twenty nine million six hundred and twenty nine thousand six hundred and thirty) Purple Group Shares, representing 10.20567% (ten point two zero five six seven percent) of the issued share capital of Purple Group as at the Last Practicable Date, which are subject to the Rights Offer;
“SARS”	South African Revenue Services;
“SENS”	the Securities Exchange News Service of the JSE;

“SIH”	Sanlam Investment Holdings Proprietary Limited (registration number 1998/022648/07) a private company duly incorporated in accordance with the laws of South Africa and a Subsidiary of Sanlam Limited;
“SIH Undertaking”	Irrevocable undertaking by SIH, dated 15 May 2023, to follow its rights in the EasyEquities Rights Offer to subscribe for a percentage of the shares to be issued equal to the voting power that it currently holds, being 30% (thirty percent);
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated in accordance with the laws of South Africa which is a registered central securities depository in terms of the FMA and which manages the electronic clearing and settlement for transactions that take place on the JSE and off-market trades;
“Strate System”	the clearing, custody and settlement environment for securities transactions to be settled and transfer of ownership to be recorded electronically, as managed by Strate;
“Subscription Price”	81 (eighty one) cents per Rights Offer Share, payable on subscription for the Rights Offer Shares;
“Subsidiary”	a subsidiary as defined in section 3 of the Companies Act and will, for the avoidance of doubt, include any entity which would, in terms of the meaning given in the Companies Act, have been a subsidiary if it had been a company incorporated in terms of the Companies Act;
“Transfer Secretary”, “Company Secretary”, “Company and Transfer Secretaries” or “CTSE Registry”	CTSE Registry Services Proprietary Limited (registration number 2016/396777/07), a private company duly registered and incorporated with limited liability in South Africa;
“Underwriter”	SIH;
“Underwriting Agreement”	the agreements entered into between the Company and the Underwriter dated 17 May 2023, pursuant to which the Underwriter has agreed, to underwrite the Rights Offer;
“VAT”	Value-Added Tax;
“VWAP”	volume weighted average price;
“YOY”	year on year;
“YTD 2022”	6 (six) months ended 28 February 2022; and
“YTD 2023”	6 (six) months ended 28 February 2023.



**PURPLE GROUP**  
LIMITED

## **PURPLE GROUP LIMITED**

(Incorporated in South Africa)  
(Registration Number: 1998/013637/06)  
Share Code: PPE  
ISIN: ZAE000185526  
("Purple Group" or "the Company")

---

### **Directors:**

Happy Ntshingila (Chairman)\*\*  
Mr CH Savage (Chief Executive Officer)  
Mr GS van Dyk (Chief Financial Officer)  
Mr C Carter\*\*  
Mr MA Barnes\*  
Mr A Forman\*\*  
Mr Bonang Mohale\*  
Mr Paul Rutherford\*  
Mr William Bassie Maisela\*\*

\* non-executive

# independent

---

## **RIGHTS OFFER CIRCULAR TO SHAREHOLDERS**

---

### **1. DEFINITIONS AND INTERPRETATIONS**

The definitions and interpretations set out on pages 8 to 11 of this Circular applies to this section.

### **2. INTRODUCTION AND PURPOSE OF THIS RIGHTS OFFER CIRCULAR**

- 2.1 It was announced on SENS on Tuesday, 16 May 2023, 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 partially underwritten renounceable 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.
- 2.2 In terms of the Rights Offer, 129 629 630 (one hundred and twenty nine million six hundred and twenty nine thousand six hundred and thirty) new Purple Group Shares of no par value in the authorised but unissued share capital of the Company, will be offered for subscription to Purple Group Shareholders recorded in the register at the close of trade on Friday, 26 May 2023, who will have the right to subscribe for Rights Offer Shares on the basis of 10.20567 (ten point two zero five six seven) Rights Offer Shares for every 100 (one hundred) Purple Group Shares held, for subscription at 81 cents (eighty one cents) per Rights Offer Share. The maximum amount to be raised is R105 000 000 (one hundred and five million Rand). Only whole numbers of Shares will be issued and Purple Group Shareholders will be entitled to a rounded number of Rights Offer Shares, as set out in paragraph Annexure 1, once the Ratio has been applied.
- 2.3 The Board has approved the Rights Offer under the authority given by Shareholders of the Company at the Annual General Meeting of the Company held on 20 January 2023 in terms of which the authorised but unissued ordinary shares of the Company were placed under the control and authority of the Directors and that the Directors are authorised and empowered to allot and issue all or any such ordinary shares to such person or persons on such terms and conditions and at such times as the Directors may from time to time in their discretion deem fit, subject to the proviso that the aggregate number of shares allotted and issued in terms of the authority shall be limited to 15% (fifteen percent) of the authorised share capital and subject to the provisions of the Act. The Rights Offer Shares equates to approximately 6.48% (six point four eight percent) which is below the 15% (fifteen percent) threshold mentioned above.

- 2.4 Concurrently to 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, defined by the Listings Requirements as a Category 2 transaction, the details of which are as follows:
- 2.4.1 The EasyEquities Rights Offer will be launched on the finalisation date of the Purple Group Rights Offer being 18 May 2023 and which is the date that the Purple Group Rights Offer is confirmed.
- 2.4.2 The announcement of the EasyEquities Rights Offer as a Category 2 transaction will be on the same day as declaration date of the Purple Group Rights Offer, being 16 May 2023 and will be included in the Rights Offer declaration announcement.
- 2.4.3 The shareholders of EasyEquities are:
- 2.4.3.1 Purple Group holding 1 058 463 (one million and fifty eight thousand four hundred and sixty three) ordinary no par value shares in EasyEquities (representing 70% (seventy percent) of the total issued share capital of EasyEquities); and
- 2.4.3.2 SIH holding 453 627 (four hundred and fifty three thousand six hundred and twenty seven) ordinary no par value shares in EasyEquities (representing 30% (thirty percent) of the total issued share capital of EasyEquities).
- 2.4.4 Purple Group has submitted the Purple Group 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.
- 2.4.5 SIH has submitted the SIH 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 resource.
- 2.4.6 The EasyEquities Rights Offer is conditional on the Rights Offer closing for acceptance on Friday, 9 June 2023.
- 2.4.7 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, which the directors are satisfied with the quality thereof.
- 2.4.8 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, which the directors are satisfied with the quality thereof.
- 2.4.9 There are no related party implications to the EasyEquities Rights Offer.

### **3. SALIENT INFORMATION ON PURPLE GROUP**

#### **3.1 Nature of Purple Group's business**

- 3.1.1 Purple Group is a financial services and technology company incorporated in South Africa, offering online investing, trading, asset management and retirement fund services to retail and institutional clients. The Group operates the following businesses:
- 3.1.1.1 within EasyEquities (which is 70% (seventy percent) owned by Purple Group and 30% (thirty percent) owned by SIH), and those Subsidiaries in which EasyEquities holds an interest, which businesses include:
- 3.1.1.1.1 EasyEquities' online investment platform which aims to simplify all things investing by making it easy, safe, fun and educational for its investors. The platform caters to the evolving needs of all customer types.
- 3.1.1.1.2 EasyCrypto, which is 50.98% (fifty point nine eight percent) owned by EasyEquities and 49.02% (forty nine point zero two percent) owned by Purple Group, operates an online crypto currency investment platform offering a wide selection of coins and passive index-tracking bundles.

- 3.1.1.1.3 EasyProperties, which is 100% (one hundred percent) owned by EasyEquities, operates an online fractional property investment platform offering fractional access to local property investment opportunities, delivering an easy, educational and engaging user experience. This platform is designed to crowdfund access to large-scale residential and commercial property developments.
- 3.1.1.1.4 RISE, which is 100% (one hundred percent) owned by EasyEquities, is an institutional retirement fund asset management and administration business which leverages innovative technology and brings industry leading and cost-effective retirement fund products and services to the market. RISE extends the EasyEquities user experience to members of retirements funds, making holistic wealth planning easier.
- 3.1.1.1.5 EasyEquities International, which is 100% (one hundred percent) owned by EasyEquities, owns 100% (one hundred percent) of EasyEquities Australia and 100% (one hundred percent) of EasyEquities Philippines Inc, and houses EasyEquities' international operations.
- 3.1.1.1.6 Cloud Atlas, owned 100% (one hundred percent) by EasyEquities, acquired effective 7 February 2023, is a management company of collective investment schemes. This vehicle will be utilised to expand the Purple Group's offering into actively managed exchange traded funds.
- 3.1.1.2 Emperor Asset Management Proprietary Limited, which is 100% (one hundred percent) owned by Purple Group, is a quantitative algorithmic-driven asset management company that delivers transparent access to low-cost investment solutions. These solutions include thematic, quantitative, direct and self-indexing asset management products that are uniquely constructed to meet their clients individual risk profile, investment interests, objectives, preferences and time horizons. These products are delivered to retail investors, predominantly through the EasyEquities online platform, enabling easy, fractional investments (with no minimum access to professionally managed local and international investments) and directly to institutional investors.
- 3.1.1.3 GT247 Proprietary Limited (trading as GT247.com), which is 100% (one hundred percent) owned by Purple Group, is an online derivatives trading platform enabling successful trading outcomes through easy access to world-class trading platforms, tools and research. These are delivered through fast, secure, low-cost access to local and global markets that are packaged together through a single account structure that ensures traders the best chance of achieving trading success.

### 3.2 **Opinion of the Directors as to the prospects of the business**

The Group highlights below have been extracted from the Purple Group's interim results for the YTD 2023 which were published on 24 April 2023.

#### **Purple Group highlights**

- Group revenue increased by 6.7% (six point seven percent) from R137 million (one hundred and thirty seven million Rand) YTD 2022 to R146 million (one hundred and forty six million Rand) YTD 2023.
- Operating expenses increased by 57.8% (fifty seven point eight percent) from R90 million (ninety million Rand) YTD 2022 to R142 million (one hundred and forty two million Rand) YTD 2023.
- Net asset value per share increased by 8.9% (eight point nine percent) to 38.72 cents per share (thirty eight point seven two cents).
- Basic loss per share of 0.85 cents per share (zero point eight five cents), compared to earnings of 1.63 cents per share (one point six three cents) YTD 2022.



## EasyEquities highlights

- Revenue increased by 12.7% (twelve point seven percent) from R109 million (one hundred and nine million Rand) YTD 2022 to R123 million (one hundred and twenty three million Rand) YTD 2023.
- Activity Based Revenue as a percentage of total revenue decreased to 53% (fifty three percent) YTD 2023 from 79% (seventy nine percent) YTD 2022.
- Non-activity Based Revenue increased by 154% (one hundred and fifty four percent) from R23 million (twenty three million Rand) YTD 2022 to R58 million (fifty eight million Rand) YTD 2023.
- Retail revenue as a percentage of total revenue decreased to 63% (sixty three percent) YTD 2023 from 88% (eighty eight percent) YTD 2022.
- Institutional revenue increased by 238% (two hundred and thirty eight percent) to R45 million (forty five million Rand) from R13 million (thirteen million Rand) YTD 2022.
- Registered clients increased by 22.4% to R1.8 million (one million eight hundred thousand) from R1.47 million (one million four hundred and seventy thousand).
- Active Clients: 831 082 (eight hundred and thirty one thousand and eighty two), up 23.8% (twenty three point eight percent) from 671 454 (six hundred and seventy one thousand four hundred and fifty four) YTD 2022.
- YTD Client Assets held across all platforms: R42.6 billion (forty two billion six hundred million Rand) up 15.6% (fifteen point six percent) from R36.8 billion (thirty six billion eight hundred million Rand) YTD 2022.
- Retail inflows YTD 2023: R2.9 billion: (two billion nine hundred million Rand), down 34.2% (thirty four point two percent) YOY from R4.4 billion (four billion four hundred million Rand) YTD 2022.
- Retail outflows as a percentage of average client assets decreased to 7.6% (seven point six percent) from 8.07% (eight point zero seven percent) YTD 2022.
- Retail net inflows as a percentage of average client assets decreased to 2.74% (two point seven four percent) from 9.34% (nine point three four percent) YTD 2022.
- EasyProperties active clients increased by 46% (forty six percent) YOY from 59 330 (fifty nine thousand three hundred and thirty) YTD 2022 to 86 620 (eighty six thousand six hundred and twenty) YTD 2023.
- EasyProperties client assets: R324 million (three hundred and twenty four million Rand) YTD 2023, up 47.2% (forty seven point two percent) from R220 million (two hundred and twenty million Rand) YTD 2022.
- EasyCrypto active clients: 175 046 (one hundred and seventy five thousand and forty six), an increase of 33.1% (thirty three point one percent) from 131 547 (one hundred and thirty one thousand five hundred and forty seven) YTD 2022.
- EasyCrypto total client assets: R495 million (four hundred and ninety five million Rand), down 8.3% (eight point three percent) from R539 million (five hundred and thirty nine million Rand) YTD 2022.
- RISE assets under management: R9.3 billion (nine billion three hundred million Rand), an increase of 20.6% (twenty point six percent) compared to YTD prior year assets under management of R7.7 billion (seven billion seven hundred million Rand).
- COS per active client decreased by 4.4% (four point four percent) to R75.83 (seventy five Rand and eighty three cents) from R79.34 (seventy nine Rand and thirty four cents) YTD 2022.

## Business Review

The core value drivers of 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 (six) months, R2.9 billion (two billion nine hundred million Rand) in retail 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:

1. be more profitable from existing customers each year;
2. on-board new customers to be profitable faster and faster; and
3. 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.

### **New products, partners and regions**

While new products, regions, and partnership initiatives are taking longer to implement and scale, it would be short-sighted to not recognise the incredible opportunity presented by these to the Purple Group.

Partnering GCash alone, the largest and fastest growing mobile wallet in the Philippines servicing more than seventy million Filipinos, will prove to be the most significant value creating event in our history and paves the way to more partnerships in the region. Whilst this has been much harder, more costly and continues to take much longer than anticipated to launch, the reality is that the more difficult it proves to be, the greater the opportunity it presents. We are engaging regularly with the regulator in Philippines Securities and Exchange Commission (SEC) and directly managing the process to introduce global stocks to the Filipino population and managing the regulatory risk directly.

#### **PHILIPPINES**

EasyEquities Philippines Inc has had its incorporation successfully approved by the SEC in the Philippines. We have more than twenty staff onboarded in the region across all operations providing the Group with the talent and skills to be effective in the region whilst also ensuring that we have coverage 24 (twenty four) hours of the day. We have signed a distribution partnership with GCash and successfully integrated our services into their mobile app. As we did in South Africa, the launch of this exciting partnership will be preceded by a Fantasy Investing Game expected to go live in June 2023. This partnership is a significant milestone in the Philippine and South East Asian investment landscape. It brings together the power of mobile technology, fintech innovation, global investing, and shared purpose to provide Filipinos with a unique opportunity to grow their wealth and achieve their financial goals.

#### **KENYA**

We have made good progress towards launching our services in the region, we have concluded legal agreements with a local broker and built a good relationship with the Kenya – Nairobi Stock Exchange, who are as excited by our entry to the market as we are. We are now awaiting approval from the Capital Markets Authority of Kenya of our broker partnership which will then allow us to launch in the region. This is expected to occur and launch in the next 6 (six) months.

#### **EASYPROTECT**

The roll out of our first insurance product, EasyProtect – Life, in partnership with Sanlam Indie, a wholly owned subsidiary of the Sanlam Group, is underway. The product is still only available to a small group of beta clients as we take learnings from client experiences and translate these into further product improvements. Early indications are that this product can disrupt the life insurance space and with it uplift ARPU. However, we are cautious to roll out the product too broadly as we are using the time to learn and adapt approaches.

#### **EASYCREDIT**

The ability to take a conservative, low-cost loan against your share portfolio will launch in beta in May 2023, with a broader rollout to qualifying account holders in July and August 2023. The observed insight from our client data is that more than 50% (fifty percent) of all withdrawals are

to fund “emergency” events and that the funds typically return to the platform within 12 (twelve) months. This product is designed to give our clients an alternative to withdrawing from their investments, enabling them to stay invested and avoid tax effects. EasyCredit is priced well below other forms of credit finance and importantly below average expected returns from South African equities to give clients the best chance that the moderate leverage enabled through the product generates a positive return to their investment portfolios.

### **Core value drivers review**

Client deposits, the strongest driver of economic activity and revenue on our platforms, came under significant pressure from inflation and with it rising interest rates and cost of living.

#### ACTIVE CLIENTS

Whilst growth slowed to 8.9% (eight point nine percent) during the period, compared to FY 2022, it is worth noting that we still averaged monthly registrations and conversion to active accounts of 26 315 (twenty six thousand three hundred and fifteen) and 11 308 (eleven thousand three hundred and eight), respectively. In the context of our marketing spend, the economy and relative to our competitors these remain resilient and robust customer growth achievements.

#### PARTNERSHIPS

We launched two new partnerships in the reporting period, Discovery Bank and Telkom. Early insights are that Discovery Bank clients are proving to be higher value clients, the partnership launched successfully to their client base in September 2022, since then more than 40 000 (forty thousand) Discovery Bank customers have either linked or signed up to EasyEquities through the banking app. The partnership teams have prioritised initiatives that will increase the rate of onboarding and conversion that will launch in the months ahead. The Telkom partnership has gained little traction so far and the teams are robustly reviewing the marketing strategy and partnership approach.

#### ASSETS

Client Assets performed strongly across our platforms, up an impressive 14.2% (fourteen point two percent) since FY 2022. Clients were well rewarded for staying the course and the strongest influencer in asset growth was the recovery in local and international markets. Client retention of assets across our platforms no matter the market cycle continues to be a standout characteristic of our customers.

#### ARPU

ARPU came under significant pressure in the current period down circa 30% (thirty percent), the most significant influencing factor being a 34.2% (thirty four point two percent) reduction in deposits, which decline was driven by the recessionary market conditions we find ourselves in. Encouragingly while deposits were down withdrawals were stable, an incredibly positive indicator for client and asset retention.

#### COS

Cost to serve an active client decreased by 4.4% (four point four percent) YTD, extending on its impressive year on year declines. This despite inflationary pressure on all costs and a decision to invest more in scaling and securing our IT platforms. Our ability to serve clients at a lower cost year on year not only improves current customer profitability but also opens profitable market opportunities that just a few years ago would have been unprofitable to serve. It is a significant asset of the group and a strategic advantage over our competitors in profitably rolling out new products and penetrating new markets.

### **Strategy update**

Simplistically, delivering value to shareholders through our strategy is a function of successfully making choices that in the outcome maximise positive impact on our core value drivers.

In short that means that year on year we need to deliver growth in active customers and average revenue per customer; while also decreasing the cost of acquisition and the cost to serve customers. At the same time ensuring that we are building trust, scale, stability, and security (TSSS) in our platforms, products, partnerships, and people.

This comes down to successfully allocating our resources to the areas where we believe we will achieve maximum impact. Whilst deciding where to allocate resource can never be an exact science our process is a considered weighting of our experienced team's inputs, customer data insights and a thorough review of the prevailing economic environment.

Over the last few years our resource allocation has been biased towards growth in active customers and locking in distribution through core partnerships. The team have delivered exceptional results in this regard and while 80% (eighty percent) of all customers onboarded are still through our own direct channels our partnership teams have learnt much together and are improving the acquisition rates all the time.

More recently, the significant scale of our operations, potential of new products, partnerships, and regions to deliver new runways for client acquisition and improved client profitability has seen us shift resources towards reducing COS and increasing ARPU and TSSS.

Some of these strategies are already delivering satisfactory results that are evident in our current numbers e.g. COS continues to decline, however, others are taking longer to execute and proving more costly to implement, as such the real impact of these will only be felt in the periods ahead e.g. launching in the Philippines, EasyCredit and EasyProtect.

To illustrate the possible impact of shifting resources to these areas and using current customer numbers as a baseline, which wrongly assumes no further customer growth from here, the future value to the Group income statement, in achieving a R10 (ten Rand) improvement in either COS or ARPU improves profitability by R8 million (eight million Rand) per improvement.

So, while some projects are taking longer and proving to be more costly to achieve than budgeted only a few must be successful to deliver considerable value to shareholders.

In this regard our strategies, funded through the capital raise, are focused on improving ARPU and COS by at least R50 (fifty Rand) each which will conservatively (no customer growth scenario) deliver an additional R80 million (eighty million Rand) per year in profits three years out. Using EasyCredit as an example here and assuming conservatively that 30% (thirty percent) of our active customers will take a loan to the value of 15% (fifteen percent) of their portfolios will have the positive impact of increasing ARPU across the entire customer base by R27 (twenty seven Rand) alone.

Growth, in the current market cycle, is certainly under pressure but the Group's response to more evenly allocate resources across all its value drivers will ensure that we deliver to shareholder expectations regardless of economic conditions in the financial periods ahead.

The Board is of the view that the Group's prospects are good, both in South Africa and abroad, and that the Group is in a strong position to be able to capitalise on current and future opportunities, drive earnings, capital and growth and ultimately create value.

The Directors have made an assessment of the Company and its Subsidiaries' ability to continue operating as a going concern and have no reason to believe that the Company will not continue to operate as such.

### **3.3 Rationale for the Rights Offer**

3.3.1 Purple Group intends to undertake a partially underwritten Rights Offer to Purple Group shareholders in order to achieve its strategic growth ambitions to scale the EasyEquities business locally and internationally. To achieve this Purple Group will (and has undertaken to) utilise the proceeds from the capital raised from the Rights Offer for the sole purpose of subscribing for additional ordinary no par value shares in EasyEquities in terms of the EasyEquities Rights Offer.

3.3.2 As the Underwriter is a 30% (thirty percent) shareholder of EasyEquities, the Underwriter 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 discussed in paragraph 3.3.1).

3.3.3 It is intended that the proceeds obtained by EasyEquities pursuant to the EasyEquities Rights Offer will be used by EasyEquities to:

- 3.3.3.1 accelerate product and regional expansion to drive earnings, capital and growth, which requires increased investment in building the team, platform and partnerships; and
- 3.3.3.2 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 our success.
- 3.3.4 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:
  - 3.3.4.1 EasyCredit – provides securitised credit against the clients trading portfolio (up to a maximum loan to value ratio of 33% (thirty three percent));
  - 3.3.4.2 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
  - 3.3.4.3 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:
    - 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.
    - The rest will be spent in 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 broker, whereby EasyEquities will launch its investment offering to the Kenyan market.

## 4. PARTICULARS OF THE RIGHTS OFFER

### 4.1 Terms of the Rights Offer

- 4.1.1 Purple Group Shareholders recorded in the Register at the close of business on Friday, 26 May 2023, are offered Rights Offer Shares at a Subscription Price of 81 (eighty one) cents per Rights Offer Share in the ratio of 10.20567 (ten point two zero five six seven) Rights Offer Shares for every 100 (one hundred) Purple Group Shares held, on the terms and conditions as set out herein and in the accompanying Form of Instruction. Only whole numbers of Rights Offer Shares will be issued and Purple Group Shareholders will be entitled to rounded numbers of Rights Offer Shares once the Ratio of Entitlement has been applied.

- 4.1.2 Purple Group will raise a maximum amount of R105 000 000 (one hundred and five million Rand) in terms of the Rights Offer.
- 4.1.3 The Record Date for the Rights Offer for purposes of determining which Shareholders are entitled to participate in the Rights Offer is Friday, 26 May 2023.
- 4.1.4 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.
- 4.1.5 Upon their issue, the Rights Offer Shares will rank *pari passu* in all respects with the existing Purple Group Shares.
- 4.1.6 The enclosed Form of Instruction contains details of the rights to which holders of Certificated Shares are entitled, as well as the procedure for acceptance of all or part of those rights. Holders of Dematerialised Shares will be advised of the rights to which they are entitled as well as the procedure for acceptance of all or part of those rights by their CSDP or Broker in terms of the Custody Agreement entered into between the Shareholder and his CSDP or Broker, as the case may be.
- 4.1.7 The Subscription Price is payable in full, in Rand, by Shareholders holding Certificated Shares on acceptance of the Rights Offer. CSDPs will make payment, on a delivery versus payment basis, in respect of Shareholders holding Dematerialised Shares who have accepted the Rights Offer. Shareholders holding Dematerialised Shares who have accepted the Rights Offer must ensure that the necessary funds are deposited with the relevant CSDP or Broker, as the case may be.

#### 4.2 Opening and closing dates of the Rights Offer Terms of the Rights Offer

The Rights Offer will open at 09:00 on Monday, 29 May 2023 and will close at 12:00 on Friday, 9 June 2023.

#### 4.3 Irrevocable undertakings

- 4.3.1 As at the Last Practicable Date, the rights that the existing Shareholders have committed to follow in terms of the Rights Offer are set out below:

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%

- 4.3.2 In terms of the irrevocable undertakings set out in paragraph 4.3.1, Purple Group has received commitments from Business Venture Investments, Base SPV Partnership A, Gajoder Investments Proprietary Limited and Rae's Creek Trust to follow their respective rights in terms of the Rights Offer and subscribe for a total of 35 162 006 Rights Offer Shares.
- 4.3.3 No commitment fees will be payable.
- 4.3.4 No securities are offered as a preferential right to any person, other than as contemplated by virtue of the Rights Offer.

#### 4.4 Entitlement

- 4.4.1 Shareholders will have the right to subscribe for 10.20567 (ten point two zero five six seven) Rights Offer Shares for every 100 (one hundred) Purple Group Shares held on the Record Date for the Rights Offer.
- 4.4.2 The allocation of Rights Offer Shares will be such that Shareholders will not be allocated a fraction of a Rights Offer Share and, as such, any Rights Offer entitlement to receive a fraction of a Rights Offer Share which:
  - 4.4.2.1 is less than one-half of a Rights Offer Share, will be rounded down to the nearest whole number; and
  - 4.4.2.2 is equal to or greater than one-half of a Rights Offer Share, but less than a whole Rights Offer Share, will be rounded up to the nearest whole number.
- 4.4.3 The Rights Offer entitlement of a Certificated Shareholder as reflected in the appropriate block in the Form of Instruction which accompanies and forms part of this Rights Offer Circular, is dependent on their existing holdings at the close of business on Friday, 26 May 2023.
- 4.4.4 Shareholders are referred to the table of entitlement set out in Annexure 1 to this Rights Offer Circular for an indicative calculation of their entitlement to the Rights Offer Shares.
- 4.4.5 Certificated Shareholders will have their Rights Offer entitlement credited to an account in electronic format held at the Company's Transfer Secretaries, which will be administered by the Company's Company and Transfer Secretaries on their behalf. The enclosed Form of Instruction reflects the Rights Offer Shares for which the Certificated Shareholder is entitled to subscribe. The procedures that these Shareholders should follow for the acceptance of their Rights Offer entitlement are reflected in the Form of Instruction.
- 4.4.6 Dematerialised Shareholders will have their Rights Offer entitlement credited to their account by their CSDP or Broker, in electronic form. The CSDP or Broker will advise Dematerialised Shareholders of the procedure they need to follow for the acceptance of their Rights Offer entitlement in accordance with their Custody Agreements.

#### 4.5 Minimum Subscription

The Rights Offer is not conditional on any minimum subscription being obtained and is partially underwritten.

#### 4.6 Underwriting

- 4.6.1 The Rights Offer will be partially underwritten by the Underwriter as to R76 518 775 (seventy six million five hundred and eighteen thousand seven hundred and seventy five Rand). As set out in paragraph 4.3 above, the Company has obtained 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. The Underwriter has irrevocably undertaken to take up the Remaining Shares at the Rights Offer Price.
- 4.6.2 In the opinion of the independent non-executive directors of the Board the fee due to the Underwriter is not greater than the current market rate charged by independent underwriters in similar circumstances.
- 4.6.3 In view of the Underwriter being a 30% (thirty percent) shareholder in EasyEquities, the Company has ensured that good corporate governance procedures have been followed when negotiating the Underwriting Agreement (the material terms of which are discussed at paragraph 4.7) to confirm that the fees charged by the Underwriter are market related. Having had sight of the underwriting fees charged by independent underwriters in other rights offers in the market, the independent non-executive directors of the Board came to the view that the underwriting fees due to the Underwriter are not greater than the current market rate charged by independent underwriters in similar circumstances.
- 4.6.4 The Board, after due and careful enquiry, is of the opinion that the Underwriter has sufficient resources to meet its financial commitments in terms of the Underwriting Agreement.

- 4.6.5 No securities are offered as a preferential right to any person, other than as contemplated by virtue of the Rights Offer.
- 4.6.6 Sworn affidavits by at least two of the directors of the Underwriter have been provided which confirm that the Underwriter has the financial resources to meet its commitments in terms of the Underwriting Agreement.
- 4.6.7 Further particulars of the Underwriter are set out in Annexure 2 to this Circular.

#### 4.7 **Underwriting Agreement**

- 4.7.1 The salient terms of the Underwriting Agreement are:
  - 4.7.1.1 the Underwriter will be obliged to subscribe for all Remaining Shares in accordance with the terms of the Underwriting Agreement;
  - 4.7.1.2 the Underwriter is entitled to an underwriting fee equal to 2% (two percent) of the maximum amount to be underwritten in terms of the Rights Offer, being R76 518 775 (seventy six million five hundred and eighteen thousand seven hundred and seventy five Rand), plus VAT; and
  - 4.7.1.3 customary warranties have been provided by Purple Group to the Underwriter relating to the business of the Group.
- 4.7.2 The Underwriting Agreement is available for inspection by Shareholders, as discussed in paragraph 14.
- 4.7.3 The Board has considered a number of precedent rights offers on the JSE recently and is of the opinion that, taking into account all relevant circumstances, the underwriting fee is market related.

#### 4.8 **Procedures for acceptance of the Rights Offer**

- 4.8.1 Full details of the procedure for acceptance by Certificated Shareholders are contained in paragraph 3 of the accompanying Form of Instruction or in the case of Dematerialised Shareholders, as advised by their CSDP or Broker.
- 4.8.2 Acceptances are irrevocable and may not be withdrawn.
- 4.8.3 Dematerialised Shareholders must contact their CSDP or Broker with regard to the procedure to be followed for acceptance of their Rights Offer entitlement and must act in accordance with the instructions received from their CSDP or Broker.
- 4.8.4 Certificated Shareholders should note the following:
  - 4.8.4.1 Acceptances by Certificated Shareholders may only be made by means of the accompanying Form of Instruction.
  - 4.8.4.2 Certificated Shareholders who wish to subscribe for only a portion of their Rights Offer entitlement must indicate the number of Rights Offer Shares for which they wish to subscribe on the accompanying Form of Instruction.
  - 4.8.4.3 Payment of the Rand value of the Subscription Price may be made by EFT into the designated bank account (details of which are available from the corporate actions department of the Company and Transfer Secretaries, contactable during ordinary business hours on 011 100 8352).
  - 4.8.4.4 Properly completed Forms of Instruction together with the EFT swift reference number (in accordance with paragraph 4.8.6) must be received from Certificated Shareholders by the Transfer Securities at the address referred to in paragraph 4.8.6.1 by not later than 12:00 on Friday, 9 June 2023. Shareholders are advised to take into consideration postal delivery times when posting their Form of Instruction, as no postal deliveries will be accepted after 12:00 on Friday, 9 June 2023.
  - 4.8.4.5 Payment referred to in paragraph 4.8.6.1 will, when the EFT cleared into the designated bank account, constitute an irrevocable acceptance of the Rights Offer upon the terms and conditions set out in this Rights Offer Circular and the accompanying Form of Instruction and may not be withdrawn.



- 4.8.4.6 If any Form of Instruction and EFT is not received and cleared as set out above, the Rights Offer entitlement will be deemed to have been declined by the Shareholder to whom the Form of Instruction is addressed and the right to subscribe for the Rights Offer Shares offered to such Shareholder in terms of such Form of Instruction, will lapse, no matter who then holds it.
- 4.8.4.7 Payment received in respect of an application that is rejected or otherwise treated as void by Purple Group, or which is otherwise not validly received in accordance with the terms stipulated, will be refunded by way of EFT (without interest) in Rand to the applicant concerned on or about Wednesday, 14 June 2023.
- 4.8.4.8 Purple Group does not take responsibility and will not be held liable for any failure on the part of any CSDP or Broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares.
- 4.8.5 Payment by holders of Dematerialised Shares
  - 4.8.5.1 Payment will be effected on the Shareholder's behalf in Rand by the CSDP or Broker. The CSDP or Broker will make payment in respect of Qualifying Shareholders holding Dematerialised Shares on a delivery versus payment basis.
- 4.8.6 Payment by holders of Certificated Shares
  - 4.8.6.1 Payment of the Rand value of the Subscription Price may be made by an EFT accompanied by an EFT swift reference number into the designated bank account (details of which are available from the corporate actions department of the Transfer Secretaries, contactable during ordinary business hours on 011 100 8352), together with a properly completed Form of Instruction, clearly marked "Purple Group – Rights Offer", and delivered to:

**By hand to:**

c/o CTSE Registry Services  
 Proprietary Limited  
 5th Floor, Block B  
 The Woodstock Exchange Building  
 66–68 Albert Road  
 Woodstock  
 7925  
 Email: purple@4axregistry.co.za

**By post to:**

c/o CTSE Registry Services  
 Proprietary Limited  
 PostNet Suite 5  
 Private Bag X4  
 Woodstock  
 7915

So as to be received by no later than 12:00 on Friday, 9 June 2023, or may be posted, at the risk of the Shareholder.

- 4.8.6.2 The Transfer Secretaries will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any other facsimile or email address other than those provided above. Forms of Instruction shall be deemed to be received on the date reflected in the Transfer Secretaries' electronic or facsimile systems. Notwithstanding anything to the contrary, it is the responsibility of a Shareholder to ensure that his Form of Instruction is received by the Transfer Secretaries.
- 4.8.6.3 Please note that the Transfer Secretaries will effect delivery of Share certificates against payment and should EFT swift reference number not accompany the Form of Instruction, the application will be treated as invalid.
- 4.8.6.4 No acknowledgement of receipt will be given for an EFT received in accordance with the Rights Offer.
- 4.8.6.5 "Blocked Rand" may be used by emigrants and non-residents of the Common Monetary Area for payment in terms of the Rights Offer. In this regard, reference should be made to paragraph 4.9 which deals with Exchange Control Regulations.

**PLEASE NOTE THAT SHOULD YOUR, EFT OR SWIFT REFERENCE NUMBER NOT ACCOMPANY THE FORM OF INSTRUCTION, THE TRANSFER SECRETARIES WILL TREAT YOUR APPLICATION AS INVALID.**

#### 4.9 **Excess applications for Rights Offer Shares**

- 4.9.1 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.
- 4.9.2 Qualifying Certificated Shareholders who wish to apply for excess Rights Offer Shares, must make application for excess Rights Offer Shares by completing blocks (7) and (8) of the enclosed Form of Instruction and remit the Subscription Price in respect of such applications in accordance with paragraph 4.8.6 above.
- 4.9.3 Qualifying Dematerialised Shareholders who wish to apply for excess Rights Offer Shares, should instruct their duly appointed CSDP or Broker accordingly as to the number of excess Rights Offer Shares for which they wish to apply, in the manner and time stipulated in terms of the Custody Agreement. Payment will be on a delivery versus payment basis.
- 4.9.4 The right to apply for excess Rights Offer Shares is transferable on renunciation.
- 4.9.5 The pool of Rights Offer Shares available to meet excess applications will be dealt with as set out below:
  - 4.9.5.1 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;
  - 4.9.5.2 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
  - 4.9.5.3 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 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.
- 4.9.6 Non-equitable allocations of excess Rights Offer Shares will only be allowed in instances where they are used to round holdings up to the nearest multiple of 100 Shares.
- 4.9.7 EFTs refunding monies in respect of unsuccessful applications by Qualifying Certificated Shareholders for excess Rights Offer Shares will be processed to the relevant applicants, at their own risk, on or about Wednesday, 14 June 2023. No interest will be paid on monies received in respect of unsuccessful applications.

#### 4.10 **Exchange Control Regulations**

- 4.10.1 In terms of the Exchange Control Regulations, non-residents of the Common Monetary Area will be allowed to:
  - 4.10.1.1 take up rights allocated in terms of the Rights Offer; and
  - 4.10.1.2 subscribe for new Rights Offer Shares,  
provided that payment is received in foreign currency or in Rand from a non-resident Rand account in the name of the non-resident and/or Rand from a vostro account held in the books of the Authorised Dealer.
- 4.10.2 All applications by non-residents for the above purposes must be made through an Authorised Dealer. Shares subsequently re-materialised and issued in certificated form, will be endorsed "Non-Resident".
- 4.10.3 Where a right in terms of the Rights Offer falls due to a former resident of the Common Monetary Area, which right is based on Shares controlled in terms of the Exchange Control Regulations, only funds in the emigrant's capital account may be used to take up this right. In addition, such funds may also be used to subscribe for new Rights Offer Shares.

- 4.10.4 Applications by emigrants to use funds in their capital account for the above purposes must be made through the Authorised Dealer controlling their remaining assets. Any Shares issued pursuant to the use of funds in the emigrant's capital account will be credited to their Share accounts at the CSDP controlling their remaining portfolio.

#### 4.11 Restricted Jurisdictions

- 4.11.1 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.

- 4.11.2 The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer, including United States of America (including the District of Columbia), the Dominion of Canada, the Commonwealth of Australia, Japan and the United Kingdom ("Restricted Territories") 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.

##### 4.11.3 United States of America

The Letters of Allocation and the Rights Offer Shares have not been and will not be registered under the Securities Act, 1933 ("US Securities Act") or under securities laws of any Restricted Territory and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States of America, except in respect of Qualified Institutional Buyers as contemplated under the US Securities Act ("QIB") pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States of America. Investors who are located in the United States of America will be required to execute and deliver a QIB investor letter ("QIB Letter"), a copy of which is available from the Company Secretary, at cosec@4axregistry.co.za, prior to taking up or transferring rights in the Rights Offer or acquiring Rights Offer.

##### 4.11.4 Shares in the Rights Offer

Shareholders who are required to submit a QIB Letter must do so by emailing same to the Company Secretary at cosec@4axregistry.co.za on or before 12:00 on Wednesday, 7 June 2023.

Accordingly, 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 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.

In addition, until 40 days after the commencement of the Rights Offer, an offer, sale, or transfer of the Rights Offer Shares within the United States of America by a dealer (whether or not participating in the Rights Offer) may violate the registration requirements of the US Securities Act. Subject to certain exceptions, Purple Group Shareholders with a registered address in the United States of America will be treated as unexercising holders. The rights in terms of the Rights Offer are non-renounceable and are not transferable. As a result, such applicable rights will not be sold by the Transfer Secretaries on behalf of any unexercising holders. To the extent that foreign Purple Group Shareholders are not entitled to participate in the Rights Offer, as result of being resident in a Restricted Jurisdiction, such foreign Purple Group Shareholders should not take up their rights in terms of the Rights Offer and should allow their rights to lapse.

Although Letters of Allocation may be credited to the CSDP or Broker accounts of qualifying Dematerialised Shareholders:

- with a registered address, or resident, in one of the Restricted Territories;
- in the United States of America; or
- with a registered address, or who hold on behalf of persons located in the United States of America, or who hold on behalf of any person on a non-discretionary basis who is in the United States of America or any state of the United States of America, such

crediting of Letters of Allocation does not constitute an offer to restricted Purple Group Shareholders and such restricted Purple Group Shareholders will not be entitled to take up or transfer rights in the Rights Offer or acquire Rights Offer Shares in the Rights Offer unless such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

#### 4.11.5 **Restricted Territories**

Subject to certain exceptions, the Rights Offer Shares may not be transferred or sold to, or renounced or delivered in, the Restricted Territories.

No offer of Rights Offer Shares is being made by virtue of the Rights Offer Circular into the Restricted Territories.

No person may forward or otherwise transmit the Rights Offer Circular to any territory other than where it is lawful to make the Rights Offer contemplated in the Rights Offer Circular.

Although Letters of Allocation may be credited to the CSDP or Broker accounts of qualifying Dematerialised Shareholders:

- with a registered address, or resident, in one of the Restricted Territories;
- in the United States of America; or
- with a registered address, or who hold on behalf of persons located in the United States of America, or who hold on behalf of any person on a non-discretionary basis who is in the United States of America, or any state of the United States of America, such crediting of Letters of Allocation does not constitute an offer to restricted Shareholders and restricted Shareholders will not be entitled to take up or transfer rights in the Rights Offer or acquire Rights Offer Shares in the Rights Offer unless such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Subject to certain exceptions, Purple Group Shareholders with a registered address in the Restricted Territories will be treated as unexercising holders. The rights in terms of the Rights Offer are non-renounceable and are not transferable. As a result, such applicable rights will not be sold by the Transfer Secretaries on behalf of any unexercising holders. To the extent that foreign Purple Group Shareholders are not entitled to participate in the Rights Offer, as result of being resident in a Restricted Jurisdiction, such foreign Purple Group Shareholders should not take up their rights in terms of the Rights Offer and should allow their rights to lapse.

#### 4.12 **Procedure of the Sale or Renunciation of Rights**

- 4.12.1 If you are a Certificated Shareholder and do not wish to subscribe for all or part of the Rights Offer Shares to which you are entitled as reflected in the Form of Instruction, you may either dispose of or renounce all or part of your Letters of Allocation.
- 4.12.2 If you wish to dispose of all or part of your Letters of Allocation, you must complete Form A in the enclosed Form of Instruction and return it to the Transfer Secretaries to be received by no later than 12:00 (SAST) on Tuesday, 6 June 2023. The Transfer Secretaries will endeavour to procure the sale of your Letters of Allocation on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, neither the Transfer Secretaries nor Purple Group will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained or the failure to dispose of such Letters of Allocation.
- 4.12.3 If you wish to renounce all or part of your Letters of Allocation in favour of any named renounee, you must complete Form B in the enclosed Form of Instruction, and the renounee must complete Form C in the enclosed Form of Instruction and return it to the Transfer Secretaries, to be received by no later than 12:00 (SAST) on Friday, 9 June 2023.
- 4.12.4 If you are a Dematerialised Shareholder and wish to dispose of or renounce some or all of your Letters of Allocation, you should make the necessary arrangements with your CSDP or broker in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or broker.

#### 4.13 South African Law

All transactions arising from the provisions of this Rights Offer Circular and the accompanying Form of Instruction shall be governed by and be subject to the laws of South Africa.

#### 4.14 Tax Consequences

Shareholders are advised to consult their professional advisers regarding the tax implications of the Rights Offer.

#### 4.15 Documents of Title

4.15.1 Certificated Shareholders receiving new Certificated Shares must note that they will not be able to trade such Shares on the JSE until these Shares have been Dematerialised, which could take between 1 (one) and 10 (ten) days, depending on the volumes being processed at the time.

4.15.2 Dematerialised Shareholders will have their accounts updated at their CSDP or Broker in respect of the Rights Offer Shares to be issued to them on or about Monday, 12 June 2023. CSDPs will effect payment on a "delivery versus payment basis" in respect of the holders of Dematerialised Shares.

### 5. JSE LISTING

The Issuer Regulation Division of the JSE has approved the listing of and trading in the Letters of Allocation under JSE code PPEN and ISIN ZAE000313268 from commencement of trade on Wednesday, 24 May 2023.

The Issuer Regulation Division of the JSE has approved the listing of a maximum of 129 629 630 (one hundred twenty nine million six hundred twenty nine thousand six hundred and thirty) Rights Offer Shares with effect from the commencement of trade on Wednesday, 7 June 2023.

### 6. SHARE CAPITAL

6.1 The authorised and issued Share capital of Purple Group, as at the Last Practicable Date is set out below:

	<b>R</b>
Authorised	
2 000 000 000 Ordinary Shares of no par value	
Issued Share capital before the Rights Offer	
1 272 472 637 Ordinary shares of no par value*	1 552 416 617
Less: 2 300 000 Treasury Shares	(2 806 000)
	<b>1 549 610 617</b>

\* Market Value as at Last Practicable Date calculated at 122 Cents per share

6.2 The authorised and issued Share capital of Purple Group after the issue of the 129 629 630 (one hundred and twenty nine million six hundred and twenty nine thousand six hundred and thirty) Rights Offer Shares is set out below:

	<b>R</b>
Authorised	
2 000 000 000 Ordinary Shares of no par value	
Issued Share capital after the Rights Offer	
1 402 102 267 Ordinary shares of no par value*	1 710 564 765
Less: 2 300 000 Treasury Shares	(2 806 000)
	<b>1 707 758 765</b>

\* Market Value as at Last Practicable Date calculated at 122 Cents per share

## 7. ESTIMATED EXPENSES

There have been no preliminary expenses incurred by Purple Group in the three years immediately preceding the date of this Rights Offer Circular. It is estimated that Purple Group's expenses relating to the Rights Offer will amount to approximately R2 362 575.50 (two million three hundred and sixty two thousand five hundred and seventy five Rand and fifty Cents). The expenses (excluding VAT) relating to the Rights Offer are detailed below:

<b>Nature of Expense</b>	<b>Party</b>	<b>Rand</b>
JSE Documentation inspection fee	JSE Limited	R32 679
JSE Listing Fee	JSE Limited	R148 701
Printing, publication and distribution	Ince	R20 000
Sponsor	Deloitte	R220 000
Transfer and Company Secretaries	CTSE Registry Services	R50 000
Underwriting fee	SIH	R1 530 375.50
Legal advisors to Purple Group	CMS	R350 820
Other	Various	R10 000
<b>Total</b>		<b>R2 362 575.50</b>

## 8. MAJOR SHAREHOLDERS

Insofar as is known to the Directors of Purple Group, on the Last Practicable Date, the Shareholders directly or indirectly beneficially interested in 5% (five percent) or more of the issued capital of Purple Group are as set out in the table below:

<b>Name</b>	<b>Number of Shares beneficially held</b>	<b>Percentage Shareholding</b>
Base SPV Partnership A	141 818 182	11.15%
Serialong Financial Investments Pty Ltd	108 239 128	8.51%
Banque Lombard Odier & Cie SA	97 169 601	7.64%
Business Venture Investments No 184	70 138 108	5.51%
JP Morgan Client Assets	70 000 000	5.50%
<b>Total</b>	<b>487 365 019</b>	<b>38.30%</b>

There is currently no controlling Shareholder of the Company. There has not been a change in the controlling Shareholder of the Company or the trading objects of the Company during the five years preceding the date of this Rights Offer Circular. None of the major Shareholders set out in this paragraph 8 are party to any agreement in terms of which such major Shareholders regulate how they will vote their Shares.

## 9. DIRECTORS

### 9.1 Directors of Purple Group and its major Subsidiaries

The Purple Group Board comprises the following Directors:

<b>Name (age)</b>	<b>Nationality</b>	<b>Function</b>
Happy Ntshingila (61)	South African	Independent Non-Executive Director and Chairperson of the Board of Directors
Craig Carter (62)	South African	Independent Non-Executive Director and Chairperson of the Audit Committee
Bonang Mohale (60)	South African	Non-Executive Director and Chairperson of the Social and Ethics Committee
Arnold Forman (58)	South African	Independent Non-Executive Director and Chairperson of the Risk Committee
William Bassie Maisela (60)	South African	Independent Non-Executive Director

<b>Name (age)</b>	<b>Nationality</b>	<b>Function</b>
Mark Angus Barnes (66)	South African	Non-Executive Director
Charles Savage (49)	South African	Chief Executive Officer
Gary Stewart van Dyk (45)	South African	Chief Financial Officer
Paul Rutherford (44)	British	Non-Executive Director

Brief curricula vitae of the Board are set out in the annual financial statements for the year ended 31 August 2022.

The EasyEquities board of directors comprises of the following directors:

<b>Name (age)</b>	<b>Nationality</b>	<b>Function</b>
Happy Ntshingila (61)	South African	Independent Non-Executive Director and Chairperson of the Board of Directors
Mark Angus Barnes (66)	South African	Non-Executive Director
Christiaan Johannes van Dyk (57)	South African	Non-Executive Director
Charles Savage (49)	South African	Chief Executive Officer
Gary Stewart van Dyk (45)	South African	Chief Financial Officer

The executive management team responsible for the operations of the Company and its Subsidiaries comprises of the following members:

<b>Name (age)</b>	<b>Nationality</b>	<b>Function</b>
Charles Savage (49)	South African	Chief Executive Officer
Gary Stewart van Dyk (45)	South African	Chief Financial Officer
Rish Tandapany (39)	British	Chief Operating Officer
Carel Nolte (49)	South African	Chief Enablement Officer
Beverley Ferreira (51)	South African	Chief People Officer
Paul Jansen van Vuuren (46)	South African	Chief Technology Officer
Nicola Comminos (39)	South African	Chief Risk Officer
Almero Oosthuizen (46)	South African	Chief Product Officer

The business address for all the individuals named in this paragraph 9 is Purple Group Limited, 16th Floor, 25 Owl Street, Braamfontein Werf, 2092.

## 9.2 Directors' Remuneration

There will be no variation in the remuneration to be received by any of the Directors as a consequence of the Rights Offer.

The Company's remuneration committee considers and recommends fees for non-executive directors after taking into account duties performed and market trends. Non-executive directors receive a fixed remuneration for their services based on their participation in Board meetings and other committees. Non-executive directors do not receive incentive bonus payments nor do they participate in the group's Share Incentive Scheme.

As at the Last Practicable Date, no contracts exist as regards the provision of any secretarial, technical services or restraint payments payable by Purple Group or any of its Subsidiaries of a material nature.

### 9.3 Directors' Interest in Purple Group Shares

As at the Last Practicable Date, the Directors and their associates (as defined in terms of the Listings Requirements), including Directors who have resigned in the last 18 months, had the following direct and indirect beneficial interest in the issued share capital of the Company:

Director	Direct Beneficial		Indirect Beneficial	
	Current	Current %	Current	Current %
PD Rutherford	–	–	141 818 182	11.43%
MA Barnes	21 960 321	1.73%	105 546 240	8.5%
B Mohale	–	–	120 239 128	9.69%
G van Dyk	24 310 197	1.91%	–	–
C Savage	32 162 561	2.53%	–	–
Craig Carter	1 932 366	0.15%	–	–

9.3.1 Share options were issued to G van Dyk and MA Barnes between 31 August 2022 and the Last Practicable Date of this Rights Offer Circular. Please see SENS Announcement dated 12 December 2022.

### 9.4 Directors', prescribed officers and company secretary dealings as a result of the Rights Offer

PD Rutherford indirectly through Base SPV Partnership A (see paragraph 4.3 above) has made a commitment to follow his respective rights in terms of the Rights Offer. MA Barnes indirectly through Business Venture Investments (see paragraph 4.3 above) has made a commitment to follow his respective rights in terms of the Rights Offer.

None of the remaining Directors or Prescribed Officers, as set out above and at the Last Practicable Date, have made a commitment to follow their respective rights in terms of the Rights Offer.

The company secretary will not participate in the Rights Offer.

### 9.5 Directors' Interest in Transactions

None of the Directors of Purple Group, including Directors who have resigned in the 18 months prior to this Rights Offer Circular, have any material direct or indirect beneficial interest in any transaction that was effected by the Purple Group during the current, immediately preceding financial year or earlier financial year, which remains in any respect outstanding or unperformed.

### 9.6 Directors' Information

The executive and non-executive Directors and management of Purple Group, whose details are set out in the Rights Offer Circular, will not change as a result of the Rights Offer.

## 10. DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors of Purple Group, whose names are given in paragraph 9.1 on page 28 of this document collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the circular contains all information required by law and the Listings Requirements.

## 11. MATERIAL LOANS AND BORROWINGS

Purple Group has an overdraft facility totalling R14 500 000 (fourteen million five hundred thousand Rand) with Mercantile Bank, with zero of the facility utilised at the Last Practicable Date. The overdraft is secured by an unlimited pledge and cession of Purple Group's 60% investment in First World Trader Proprietary Limited.

Purple Group has a loan outstanding with the Industrial Development Corporation of South Africa Limited which bears interest at prime +1% (one percent) per annum, compounded monthly and is repayable in monthly instalments with a final balloon payment of R2 200 000 (two million two hundred thousand



Rand) due on 31 August 2023, to be funded out of ordinary working capital. The value of the loan was R8 438 000 (eight million four hundred and thirty eight thousand Rand) at 31 August 2022. Total payments of R6 400 000 (six million four hundred thousand Rand) were made during the 2022 Financial year of which R5 500 000 (five million five hundred thousand) was for capital and R900 000 (nine hundred thousand Rand) was for interest. The current value of the loan is R4 689 000 (four million six hundred and eighty nine thousand) as at 28 February 2023.

## 12. MATERIAL RISKS

### 12.1 Shareholder Alignment Risk

The Group has a diverse range of major shareholder groups that have invested capital into the business for a variety of reasons at various points in time during the growth journey of the business. Given the diversity of the major shareholder groups, their intent, strategic priorities, risk appetite, capital allocation plan and term structure may not be in alignment with that of the Group. This may result in capital constraints and could derail the business growth plans of the Group if shareholders' strategic priorities and expectations of the Group are not aligned with the Group's plans.

Executive management actively engages with current major shareholder groups as well as prospective new shareholders to communicate the Group's strategic priorities, risk appetite, capital requirements and term structure to ensure it is understood and supported. The Group capital plan is regularly reviewed and updated routinely to ensure capital needs are well understood and communicated to major shareholder groups.

### 12.2 Change – Culture, Governance and Controls Risk

With the Group's strategy focused on growth through scaling South African and international operations by investing in building the team, platform and partnerships, there is a risk of the change impacting the Group culture, governance structure and control environment. Change management plans aim to preserve and build on the well-entrenched agile culture; adding additional governance guardrails and configuring the scaled corporate structure; and enhancing the IT, financial and operational controls as the Group grows both locally and globally.

The Group subscribes to good corporate governance principles, which are maintained and monitored by the Chief Financial Officer, Chief Risk Officer and Company Secretary. A breakdown in good corporate governance as the Group expands in size and geographically could have negative reputational impacts on the Group and potential liability claims, if severe. As such, ensuring effective controls, well-defined processes and procedures are in place to maintain a high standard of governance is a priority.

### 12.3 Cyber Security and IT Systems Risk

Cyber security risk is a central risk in an increasingly digital and global business landscape. With the online nature of the businesses in the Group, a compromise of digital assets, which includes systems and data, due to a cyber-attack could have a significant impact on the business, potentially resulting in a widespread disruption to operations, with financial and/or reputational impacts.

The Group has a robust cyber security risk management programme which includes access controls, firewalls and anti-virus software which are applied across all access points throughout the business. The programme includes periodic reviews and monitoring of user access rights, weekly internal vulnerability security scans, annual penetration tests performed to identify vulnerabilities, and an extensive cyber security training programme for all staff utilising the services of a specialist Cyber training firm.

Due to the digital nature of each of the businesses in the Group, being online investing and trading platforms, the scalability, compatibility and sustainability of the Group's IT systems and enterprise architecture is critical. To grow the business in line with the Group's strategy, the technological and operational processes need to be scaled cost-effectively.

To ensure that the technology deployed is suitable to meet current requirements and achieve the Group's strategic growth plans, significant changes have been made to the Group enterprise architecture, including infrastructure upgrades, enterprise licenses, increasing the number of servers and improving system resilience.

#### 12.4 **Partner Delivery Risk**

The Group attributes a large amount of its success on its ability to partner and its ability to deliver on those partnerships for mutual benefit. As the Group executes on new partnerships, it is critical that it can deliver on the new partnerships while continuing to deliver on existing partnerships. At the same time, the Group must ensure that clients continue to receive the same level of attention and quality while delivering them new products.

To ensure that the Group delivers on each of its partnerships, key team members have been assigned to develop and maintain each partner relationship. From an IT development and support perspective, a partner enablement team has been formed, under the leadership of the Chief Technology Officer, which solely focuses on development work for the Group's partners and the maintenance and support of those systems and platforms.

#### 12.5 **Reputation Risk**

The Group has built up a range of well-known brands over the years (which are known by both clients and industry peers). As the Group's reputation becomes more renowned as it expands its operations internally and its product range horizontally, the higher the risk that actions taken by the Group, its clients, partners, competitors, or adversaries may result in reputational damage to the Group, dependent on how those actions might be perceived by the market, shareholders, and other stakeholders of the Group.

The Group has a wide range of diverse stakeholders with differing expectations from the business, failing to meet those expectations within the desired timelines and at the required level of quality may result in reputational damage. Stakeholder management plans aim to ensure stakeholders are regularly engaged with, their expectations are well known, tracked, and delivered on; and the Group protects its reputations as it continues to expand in size and geographically.

#### 12.6 **Fraud Risk**

The Group has identified an increase in the number of attempted fraud incidents, primarily through the business' deposit channels, which has the potential to impact the business through information breaches and financial losses.

The systems and control environment implemented within the Group's businesses are of paramount importance to mitigate this risk. The business has several measures and controls in place to protect the business against fraud, which include but are not limited to an advanced Anti-Money Laundering and Fraud Detection system, withdrawal lock-up periods, daily reconciliations of EFT and credit card deposits together with system and manual checks when processing refunds.

In addition, the Group has Crime and Civil Liability insurance cover to protect it against losses due to fraud or error that results in financial loss.

#### 12.7 **Compliance Risk**

The businesses within the Group operate in highly regulated environments. The risk of failing to comply with the laws and regulations, together with their license requirements could have detrimental impacts to the business ranging from reputational damage, financial losses due to fines and penalties, legal claims, and regulatory sanctions.

The Group's compliance function, managed by the Chief Risk Officer, monitors legislation changes and continuously updates the business on any new requirements as well as ensure compliance within existing regulations. In respect of any new product launches or significant change in legislation, the Group secures the advice and services of its external legal advisors and compliance specialists.

#### 12.8 **Under-resourced Risk**

The ability of the Group to deliver on growth opportunities through new products and entry into new jurisdictions is dependent on having suitably skilled and an adequate number of resources to do so. Most resources are currently engaged on business-as-usual initiatives and driving new partner execution in South Africa. Expanding the business into new jurisdictions and delivering new products may be at risk if the business is not sufficiently staffed to deliver on these plans. It is expected that the new products will significantly add to the bottom line over the medium term and expansion into new jurisdictions include Africa, Asia and Europe would secure the longer-term growth and sustainability of the Group.

Capital plans detailing the resources required to pursue new products and jurisdictions are regularly reviewed and updated to secure the required capital, deploy resources and mitigate this risk.

## 12.9 **Succession Risk**

Succession planning is important to guard the Group against business disruptions and the risk of not being able to execute on its strategy. For business continuity, the Group must ensure it has sufficient resources in place to perform all critical functions, including business-as-usual tasks and executing on the Group's growth strategy.

Key-man dependencies across the Group have been identified and each executive has a cluster of resources that they mentor, coach and upskill to secure succession planning for key and crucial roles.

## 12.10 **Skills Attraction and Retention Risk**

Retaining key and critical staff that have gained invaluable experience while employed by the Group is extremely important for business continuity and to execute its growth strategy. The business' culture has been nurtured and developed intensely over several years and key and critical staff that have grown with the business are essential to retain to ensure the culture is fostered to secure the continued success of the business. Experience gained in the Fintech space by key and critical staff in their specific areas of expertise is highly transportable and becoming increasingly sought after across the globe.

A new share incentive scheme has been approved by the board and is ready to be implemented. The Group's previous share option scheme proved to reduce the risk of key and critical staff leaving, and it is believed that the new scheme will have the same mitigating impact by aligning management with shareholders and rewarding performance.

Executive salaries are largely aligned to market related compensation levels and management salaries have also been aligned to be closer to market-related salaries.

Further information regarding the material risks and the mitigating actions can be found in the Risk Management Process for the year ended 31 August 2022 available on the website, [www.purplegroup.co.za](http://www.purplegroup.co.za).

## 13. **CONSENTS**

The Sponsor, the Underwriter, legal advisor to the Underwriter, the legal advisor to Purple Group and the Transfer Secretaries to Purple Group have given and have not, prior to the Last Practicable Date, withdrawn their written consents to the inclusion of their names and, where applicable, their reports in the form and context in which they appear in this Rights Offer Circular.

## 14. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection by Shareholders during normal business hours at the Company's registered office the details of which appear in the "Corporate Information" section of this Circular, from the date of issue of this Circular. The documents will also be electronically available by making an email request to the Company Secretary at [purple@4axregistry.co.za](mailto:purple@4axregistry.co.za).

- the MoI of Purple Group and its major Subsidiaries;
- the Annual Report which incorporates the audited consolidated financial statements for Purple Group for the financial years ended 31 August 2022, 31 August 2021 and 31 August 2020;
- interim results for six months ended 28 February 2023;
- a copy of this Circular, including all annexures hereto;
- copies of any service agreements with Directors, managers, secretaries, vendors and promoters entered into during the last three years;
- copies of relevant material agreements;
- a copy of the Underwriting Agreement;

- copies of the Purple Group Undertaking and the SIH Undertaking;
- copies of the irrevocable undertakings of Shareholders contemplated in paragraph 4.3.1;
- written consents of the Transfer Secretaries, Underwriter, the legal advisor to the Underwriter, the legal advisor to Purple Group and Sponsor to the inclusion of their names in this Rights Offer Circular in the context and form they appear; and
- a resolution of the Board authorising the Rights Offer and the signing of this Rights Offer Circular.

SIGNED at Braamfontein Werf, Johannesburg on behalf of the Board on Wednesday, 17 May 2023 by way of resolutions.

By order of the Board

**Charles Savage**  
*Chief Executive Officer*

---

**TABLE OF ENTITLEMENT**


---

The number of Rights Offer Shares to which Qualifying Shareholders will be entitled is set out below, based on 10.20567 (ten point two zero five six seven) Rights Offer Shares for every 100 Purple Group Shares held. Shareholders' Rights Offer entitlements will be rounded up or down, as appropriate with fractions of 0.5 and above being rounded up and fractions below 0.5 being rounded down to the nearest whole number resulting in allocations of whole numbers of Rights Offer Shares, in accordance with the Listings Requirements.

<b>Number of Purple Shares held</b>	<b>Number of Rights Offer Shares to which a Purple Group Shareholder is entitled</b>	<b>Number of Purple Shares held</b>	<b>Number of Rights Offer Shares to which a Purple Group Shareholder is entitled</b>	<b>Number of Purple Shares held</b>	<b>Number of Rights Offer Shares to which a Purple Group Shareholder is entitled</b>	<b>Number of Purple Shares held</b>	<b>Number of Rights Offer Shares to which a Purple Group Shareholder is entitled</b>
<b>1</b>	0.10206	<b>34</b>	3.46993	<b>67</b>	6.83780	<b>100</b>	10.20567
<b>2</b>	0.20411	<b>35</b>	3.57198	<b>68</b>	6.93986	<b>200</b>	20.41134
<b>3</b>	0.30617	<b>36</b>	3.67404	<b>69</b>	7.04191	<b>300</b>	30.61701
<b>4</b>	0.40823	<b>37</b>	3.77610	<b>70</b>	7.14397	<b>400</b>	40.82268
<b>5</b>	0.51028	<b>38</b>	3.87815	<b>71</b>	7.24603	<b>500</b>	51.02835
<b>6</b>	0.61234	<b>39</b>	3.98021	<b>72</b>	7.34808	<b>600</b>	61.23402
<b>7</b>	0.71440	<b>40</b>	4.08227	<b>73</b>	7.45014	<b>700</b>	71.43969
<b>8</b>	0.81645	<b>41</b>	4.18432	<b>74</b>	7.55220	<b>800</b>	81.64536
<b>9</b>	0.91851	<b>42</b>	4.28638	<b>75</b>	7.65425	<b>900</b>	91.85103
<b>10</b>	1.02057	<b>43</b>	4.38844	<b>76</b>	7.75631	<b>1,000</b>	102.05670
<b>11</b>	1.12262	<b>44</b>	4.49049	<b>77</b>	7.85837	<b>2,500</b>	255.14175
<b>12</b>	1.22468	<b>45</b>	4.59255	<b>78</b>	7.96042	<b>5,000</b>	510.28350
<b>13</b>	1.32674	<b>46</b>	4.69461	<b>79</b>	8.06248	<b>7,500</b>	765.42525
<b>14</b>	1.42879	<b>47</b>	4.79666	<b>80</b>	8.16454	<b>10,000</b>	1020.56700
<b>15</b>	1.53085	<b>48</b>	4.89872	<b>81</b>	8.26659	<b>25,000</b>	2551.41750
<b>16</b>	1.63291	<b>49</b>	5.00078	<b>82</b>	8.36865	<b>50,000</b>	5102.83500
<b>17</b>	1.73496	<b>50</b>	5.10284	<b>83</b>	8.47071	<b>75,000</b>	7654.25250
<b>18</b>	1.83702	<b>51</b>	5.20489	<b>84</b>	8.57276	<b>100,000</b>	10205.67000
<b>19</b>	1.93908	<b>52</b>	5.30695	<b>85</b>	8.67482	<b>250,000</b>	25514.17500
<b>20</b>	2.04113	<b>53</b>	5.40901	<b>86</b>	8.77688	<b>500,000</b>	51028.35000
<b>21</b>	2.14319	<b>54</b>	5.51106	<b>87</b>	8.87893	<b>750,000</b>	76542.52500
<b>22</b>	2.24525	<b>55</b>	5.61312	<b>88</b>	8.98099	<b>1,000,000</b>	102056.70000
<b>23</b>	2.34730	<b>56</b>	5.71518	<b>89</b>	9.08305	<b>100,000,000</b>	10205670.00000
<b>24</b>	2.44936	<b>57</b>	5.81723	<b>90</b>	9.18510		
<b>25</b>	2.55142	<b>58</b>	5.91929	<b>91</b>	9.28716		
<b>26</b>	2.65347	<b>59</b>	6.02135	<b>92</b>	9.38922		
<b>27</b>	2.75553	<b>60</b>	6.12340	<b>93</b>	9.49127		
<b>28</b>	2.85759	<b>61</b>	6.22546	<b>94</b>	9.59333		
<b>29</b>	2.95964	<b>62</b>	6.32752	<b>95</b>	9.69539		
<b>30</b>	3.06170	<b>63</b>	6.42957	<b>96</b>	9.79744		
<b>31</b>	3.16376	<b>64</b>	6.53163	<b>97</b>	9.89950		
<b>32</b>	3.26581	<b>65</b>	6.63369	<b>98</b>	10.00156		
<b>33</b>	3.36787	<b>66</b>	6.73574	<b>99</b>	10.10361		

---

---

## INFORMATION ON THE UNDERWRITER

---

The Rights Offer has been partially underwritten by the Underwriter. Details pertaining to the Underwriter as required by the Listing Requirements are set out below:

**SANLAM INVESTMENT HOLDINGS PROPRIETARY LIMITED**

1998/022648/07

1. **NATURE OF BUSINESS**

Investment Holding Company

2. **DIRECTORS**

Imraan Essop Bacus  
Paul Brendan Hanratty  
Mohamed Iqbal Khan  
Renganayagee Kisten  
Temba Irvine Mvusi  
Jason Patrick Quinn  
Carl Christiaan Roothman  
Preston Eugene Speckmann  
Johannes Hendrik Petrus Van Der Merwe

3. **COMPANY SECRETARY**

Mbusowemvelo Bhekumthetho Mtshali

4. **DATE AND PLACE OF INCORPORATION**

13 November 1998  
Cape Town

5. **REGISTRATION NUMBER**

1998/022648/07

6. **REGISTERED OFFICE**

55 WILLIE VAN SCHOOR AVENUE  
BELLVILLE  
7530

7. **AUDITORS**

KPMG INC

8. **BANKERS**

ABSA BANK LIMITED

9. **AUTHORISED SHARE CAPITAL**

- 120,000 (one hundred and twenty thousand) Ordinary Shares of no par value;
- 1 (one) Preference A Share of no par value;
- 10,000 (ten thousand) Preference B Shares of no par value;
- 1 (one) Preference C Share of no par value;
- 1 (one) Preference D Share of no par value;
- 1 (one) AFS Internal Clients Clawback Share of no par value;
- 1 (one) SIH Internal Clients Clawback Share of no par value;
- 1 (one) AFS DC Clawback Share of no par value; and
- 1 (one) SIH Holdings DC Clawback Share of no par value.

10. **ISSUED SHARE CAPITAL**

- 1 (one) Preference A Share of no par value;
- 94 367 (ninety four thousand three hundred and sixty seven) Ordinary Shares of no par value; and
- 5633 (five thousand six hundred and thirty three thousand) Preference B Shares of no par value.

## SHARE PRICE HISTORY OF PURPLE GROUP

The highest, lowest and closing price of the Shares of Purple Group on the JSE for each day over the 30 business days preceding the Last Practicable Date and for each month over the 12 months prior to the Last Practicable Date, are set out below:

<b>Date</b>	<b>Close (Cents)</b>	<b>High (Cents)</b>	<b>Low (Cents)</b>	<b>Volume (Shares)</b>
<b>Month ended</b>				
30 April 2022	299	350	266	28 943 318
31 May 2022	270	302	216	31 674 095
30 June 2022	212	270	188	12 913 502
31 July 2022	215	222	187	7 556 949
31 August 2022	200	226	194	31 110 910
30 September 2022	190	215	190	9 067 881
31 October 2022	182	195	158	7 790 087
30 November 2022	173	188	157	11 819 144
31 December 2022	173	179	161	6 358 086
31 January 2023	165	175	161	5 930 848
28 February 2023	129	169	125	15 780 351
31 March 2023	127	142	115	8 643 955
30 April 2023	125	140	100	10 888 077
<b>Day</b>				
20 March 2023	126	132	120	1 387 385
22 March 2023	123	126	122	426 926
23 March 2023	123	128	120	213 031
24 March 2023	122	123	115	335 477
27 March 2023	126	127	115	588 190
28 March 2023	130	130	120	291 764
29 March 2023	140	142	129	827 712
30 March 2023	131	140	131	364 928
31 March 2023	127	135	127	204 320
03 April 2023	135	135	126	218 430
04 April 2023	135	135	130	127 944
05 April 2023	135	138	127	138 620
06 April 2023	130	138	127	110 206
11 April 2023	135	140	127	1 347 417
12 April 2023	139	139	125	793 781
13 April 2023	137	137	131	406 959
14 April 2023	127	137	127	365 566
17 April 2023	126	132	122	354 435
18 April 2023	129	129	124	252 623
19 April 2023	134	134	123	621 694
20 April 2023	132	133	125	145 808
21 April 2023	124	130	123	234 435
24 April 2023	113	123	106	2 223 253
25 April 2023	103	118	100	1 302 801
26 April 2023	116	121	105	1 108 951
28 April 2023	125	126	112	1 135 154
02 May 2023	124	129	120	475 032
03 May 2023	124	129	124	367 324
04 May 2023	127	128	120	414 023



<b>Date</b>	<b>Close (Cents)</b>	<b>High (Cents)</b>	<b>Low (Cents)</b>	<b>Volume (Shares)</b>
05 May 2023	119	127	118	468 234
08 May 2023	121	124	118	322 407
09 May 2023	125	125	121	326 442
10 May 2023	121	125	119	509 509
11 May 2023	105	122	105	927 807
12 May 2023	115	118	106	360 167
15 May 2023	116	120	115	445 167
16 May 2023	122	125	118	359 565

Source: Sharenet

