

Purplebricks Doubles Down on U.S. Investment

- Secures \$177 Million Equity Investment, Committing \$71 Million to Accelerate U.S. Expansion -

- To Launch in New York Designated Market Area on April 3, 2018, Three Months Ahead of Schedule -

- Committed Capital to Support U.S. Operations and Expansion Now Stands at ~\$142 Million -

NEW YORK, NY (March 26, 2018) – Purplebricks Group plc (AIM: PURP) (“Purplebricks” or “the Company”), the pioneering next-generation real estate agency, today announced that it has secured a growth equity investment of \$177 million from Axel Springer SE, Europe’s leading digital publisher. The strategic investment will accelerate Purplebricks’ expansion into new target markets, advance technological innovation and expand the Company’s service offering. \$71 million of the proceeds will be used to fuel Purplebricks’ growth in the U.S., which roughly doubles the Company’s financial commitment to the market approximately six months after entry. Purplebricks also announced that it will launch operations in the New York Designated Market Area (“DMA”) on April 3, 2018, nearly three months ahead of schedule. The Company’s regional headquarters will be located in Midtown Manhattan.

Since its launch in the United Kingdom in 2014, followed by its entry into Australia in 2016, Purplebricks has offered home buyers, home sellers and real estate agents an unparalleled value proposition that has served as the catalyst for its impressive growth. After launching in Los Angeles in September 2017 and successfully building a strong reputation for simplifying both the purchase and sale of homes with an unmatched level of convenience, transparency and cost-effectiveness, Purplebricks expanded into Fresno, Sacramento and San Diego in January 2018. In aggregate, Purplebricks has saved home sellers in these markets thousands of dollars in commission fees. The Company is now poised to bring its unique offering to the East Coast when it launches in the New York DMA on April 3. To accelerate Purplebricks’ rollout across the U.S. and best position the enterprise for long-term success, proceeds from the equity investment will be used to support and enhance the Company’s infrastructure, technology, management depth, advertising and marketing, and recruiting and training.

Michael Bruce, Founder and Group CEO of Purplebricks, said: *“Axel Springer’s strategic investment in Purplebricks’ platform is a clear endorsement and a reflection of confidence in our business model and global ambitions. This investment will serve to more quickly bring our highly-differentiated, cost-effective and consumer-centric model to buyers and sellers in new markets across the U.S. Furthermore, Axel Springer’s experience and success scaling its business should make Purplebricks’ continued growth more efficient and effective. Moreover, Axel Springer’s strengths in digital technology and the significant resources it has deployed in IT development should also benefit Purplebricks as we continue to innovate and offer our customers enhanced functionality and engagement.”*

U.S. CEO Eric Eckardt added: *“Since launching in the U.S in September 2017, we have achieved tremendous success and recognition in what we consider to be some of the most highly competitive residential real estate markets in the world. Our platform has been well received in all four California markets, and we are excited by the promising opportunity we see in the New York DMA. The \$71 million from this investment will be utilized to bring on strategic hires that will bolster our growth, support technological updates and enhance our marketing and advertising programs, giving us expanded visibility in the region.”*

With Purplebricks, home sellers in the U.S. only need to pay a flat fee of \$3,200 to list their home and, upon closing, pay the buyer's agent commission, which is standard in U.S. residential real estate transactions. The flat fee is the same for homes of all values. Purplebricks' offering can save home sellers thousands of dollars compared to paying the standard real estate brokerage commission of 5 to 6 percent. Home sellers who choose Purplebricks receive the following at no additional cost:

- A dedicated licensed real estate professional with experience selling homes in the local area;
- A comparative marketing analysis to determine the optimal selling price;
- Professionally produced photography and signage;
- Online marketing and advertising campaigns targeting buyers;
- A listing on Purplebricks' website, the local MLS and major online marketplaces such as Realtor.com, Zillow and Trulia;
- An immersive 3D virtual tour, allowing buyers to experience the home from all angles;
- Access to a highly intuitive technology platform, providing complete control and transparency over the entire sales process; and
- 24/7 support available via phone or through the click of a button through Purplebricks' customer service center.

In the New York DMA, which includes more than 20 million people in select counties across New York, New Jersey and Connecticut, real estate commissions reach as high as seven percent and an average home sells for approximately \$560,000¹, making this market particularly well suited for Purplebricks' value proposition. Transaction volumes for homes within this price range are double the national average, reflecting the area's strong economy. Furthermore, the area's high population density and transaction volume should allow for accelerated brand awareness, which will be fueled by Purplebricks' "always-on" TV-led marketing and multi-channel advertising campaign. A New York DMA homeowner selling a \$560,000 home would save \$13,600 with Purplebricks compared to the paying the standard real estate brokerage commission. Expanding into the East Coast via the New York DMA advances Purplebricks' strategic plan to penetrate key U.S. housing markets.

Upon closing of the equity investment, which is conditional on the passing of certain resolutions at a general meeting of the Company's shareholders to be held on or around April 18, 2018, Axel Springer will own approximately 11.5 percent of Purplebricks' outstanding shares. Furthermore, Nick Discombe and Will Whitehorn, who served as non-executive directors of the Company since before its floatation on AIM, will retire from the Board on or before June 30, 2018, and the following highly experienced professionals will be appointed non-executive directors to the Board:

- Dr. Andreas Wiele, an executive board member of Axel Springer and President Classifieds Media;
- Adrian Blair, Global Chief Operating Officer at Just Eat plc;
- Simon Downing, founder and Executive Chairman of Civica Group Limited; and
- Michael Wroe, former Group Chief Financial Officer of Just Eat plc.

Messrs. Wiele, Blair, Downing and Wroe bring to Purplebricks direct relevant skills, knowledge and expertise that complement the Company's strategy to further scale its proven platform in established international markets and enter new markets that are supported by strong long-term fundamentals.

About Purplebricks

Purplebricks, with offices in three major real estate markets including the United Kingdom, Australia and now the United States, is the pioneering next-generation real estate brokerage, combining highly

¹ CoreLogic

experienced and professional Local Real Estate Experts with an innovative and intuitive technology platform to make the entire process of selling and buying homes much more convenient, transparent and cost effective. Purplebricks is transforming the way people perceive real estate agencies, while in the process helping sellers save thousands of dollars, affording buyers greater transactional flexibility and control and offering agents the chance to build and grow their own profitable businesses.

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