

2023

PRELIMINARY AUDITED RESULTS

FOR THE YEAR ENDED
28 FEBRUARY 2023



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"On the other side of a storm is the strength that comes from having navigated through it. Raise your sail and begin."

Gregory S. Williams



REGISTRATION NUMBER: 2006/023587/06
SHARE CODE: HUG ISIN: ZAE000102042

Preliminary Results Commentary

Overview

As South Africans, we are no strangers to adversity, and it is critical to bring into focus the tough economic conditions that underpin the financial results of all JSE-listed companies. The ever-present challenges associated with escalating global interest rates and inflation, global political instability and the war in the Ukraine, combined closer to home with the difficulties brought about by factors such as the energy demand management measures imposed by Eskom, our own political climate, the thematic issues of corruption, fraud, and mismanagement of both public and private institutions and the legacy issues faced by a country emerging from the COVID-19 pandemic have all contributed to the unbelievable pressure faced by the boards of directors and executive management of businesses across our country.

Huge Group is an Investment Company that has, despite these difficult circumstances, managed to grow its overall investment portfolio by number of investments and create a platform for growth that will, in the coming months and years, undoubtedly deliver significant stakeholder value.

Investment philosophy and strategy

Huge Group's investment focus is maintaining and growing a portfolio of equity interests in listed and unlisted companies, local and foreign, with sound historical growth records or expected growth prospects that can generate cash and above-average investment returns measured by investment return expectation (IRE), internal rate of return (IRR) and net present value (NPV). Huge Group will also hold cash in any currency, bonds, debt instruments and may also participate in various funds. Depending on market conditions, Huge Group will not be limited by size, spread, and stage of the business lifecycle, availability of suitable opportunities, the investment maturity cycles of its portfolio, excess liquidity not invested in its primary portfolio, and relevant macroeconomic cycles. Huge Group will also engage in corporate finance and acquisition and disposal activities relating to its Investee Entities.

The Board of Directors has remained committed to the investment philosophy and strategy defined in February of 2021 (which is described in more detail in the investment commentary section of the Integrated Annual Report). In the coming financial period, although Huge Group will continue to explore opportunities to invest in businesses that have capable and competent founders and management teams that fall within the three investment sectors on which Huge Group focuses (being Cloud and Connectivity, Software and xTech), our overarching drive will be to focus on 'bedding down' the initiatives Huge Group has taken within its existing portfolio to drive exponential growth.

In particular, the growth plan for Huge TNS – the recent integration of Huge Telecom and Huge Networks (both wholly-owned Huge Group Investee Entities) represents one of our most significant prospects for growth. In this new business, Huge Group has access not only to a national footprint of sales and support engineers, but a new combined product proposition that effectively serves the needs of three particularly large client verticals, being the Enterprise, SMME and consumer segments. The Board of Directors has taken a particular interest in this initiative and will continue to both direct and monitor its progress in the coming financial period.

As our Shareholders will know, in October of 2021, Hugu Group acquired the entity that used to be known as Virgin Mobile South Africa. Virgin was Africa's first Mobile Virtual Network Operator (MVNO) - and for the longest time the only MVNO on the continent. Since then, Hugu Group has transformed this entity into one with a unique, cloud-native platform-as-a-service proposition that works closely with consumer brands to allow them to enter the virtual network operator market quickly, securely and with far less commercial risk than any other model available in South Africa. Hugu Digital represents one of the largest scale growth initiatives undertaken in Hugu Group's history and bedding down the operations of this business in the coming period remains one of our key collective ambitions.

2023 Performance

The Board's concern in relation to the performance of Hugu Telecom was the spark that inspired the business integration of Hugu Networks and Hugu Telecom that resulted in Hugu TNS. The Hugu Telecom business was having difficulty in achieving its sales targets and consistently underperforming against budgeted figures. This was almost entirely a consequence of an ageing, single product proposition that had arguably been replaced by more recent technologies. The business had however, over the years, built an incredibly strong sales channel network and go-to-market capability. Hugu Networks, historically a smaller business, consistently met and exceeded revenue and budgeted targets, predominantly because of its innovative, cutting-edge products and services. The convergence of technologies meant that Hugu Networks' proposition was ultimately representative of the exact technologies that were constraining Hugu Telecom's growth aspirations. The integration of these two businesses therefore aims to combine the positive growth curve demonstrated by Hugu Networks in the past financial year, with the incredible go-to-market and support network that has been built over years in the Hugu Telecom business.

Hugu Connect, a long-standing Hugu Group Investment, has, despite the impact of the COVID-19 pandemic, consistently achieved and exceeded its growth targets. Hugu Group remains very proud of this business in its investment portfolio. The recent trend in the payment services market, to substitute old, more traditional point-of-sale devices with new, Android-based terminals has already had a demonstrable positive impact on this business' revenues and Hugu Group expects a continued positive growth trend.

Although more is expanded on in the Integrate Annual Report, it is worth highlighting one additional growth initiative in Hugu Group's portfolio about which is particularly optimistic. Hugu Distribution, a stable business that services channel partners across South Africa and the SADC region, has recently launched a renewable energy initiative that will see this business import, against an exclusive supplier agreement, solar panels, batteries, inverters, and related technologies for distribution primarily in the South Africa market. It aims to differentiate not only in providing more affordable technologies, but also in combining them with exceptional customer service.

In closing, over the last financial year, the value of Hugu Connect has increased from R563 million to R636 million, the value of Hugu TNS has decreased from R744 million to R641 million, leaving the balance of our investment portfolio with a value of R185 million, which is a decrease of R10 million from R195 million at the end of FY2022. Hugu Group values its total investment portfolio at R1 462 million, or R9.44 per share. Our net asset value increased by 5.3% over the last twelve months.

Huge Group Investment Portfolio

Huge Group has an investment portfolio of over ZAR 1,4 billion and our portfolio structure covers three investment Sectors, as depicted in the diagram set out below. The Group combines investments in businesses across these sectors to unlock synergies between these Investee Entities and accelerate the creation of exponential organic growth.

1. xTECH

xTech represents the opportunity where digital and other emerging technologies converge and transform diverse traditional industry sectors, through new processes, products, channels, and business models.

GLOVENT
SOLUTIONS



SOFTWARE

If you are on your computer or phone – either online or offline – you are using one of many thousands of software applications. These applications provide endless opportunities for innovation, improvements in efficiency and productivity and could even redefine entire industries. Software is everywhere around us and will become more pervasive and important in the future.



2. CLOUD & CONNECTIVITY



The cloud is a vast network of servers around the globe which operate as a single ecosystem. Instead of accessing data from local or personal servers, you can access it online from any connected device at any time, in any location. These servers store and manage data, run applications, and deliver content and services like music and video streaming, webmail, software, and social media. Connectivity is the ability to connect and communicate with other computers, computer systems, or people. Fast, effective, and safe data transfer facilitates modern life, using four dominant data formats – text, voice, audio, and video

OTHER ENTITIES IN HUGE GROUP'S PORTFOLIO

HUGE MANAGEMENT	100%	HUGE CELLULAR*	49%
HUGE NETWORKS*	100%	HUGE SERVICES*	100%
HUGE TECHNOLOGIES	100%	HUGE SOHO	49%
HUGE MESSAGING	100%	HUGE MEDIA	96%
HUGE CAPITAL	100%	HUGE PAYMENTS	100%

* These three investments, are held as subsidiaries of Huge TNS



HUGE TNS

During the financial year, a business combination was authorised in which Huge TNS (previously Huge Telecom) will acquire the business of Huge Networks. The former has a strong presence in the South African B2B market as the largest provider of GSM fixed-mobile and last-mile telephony solutions. Its commitment to delivering affordable business fixed-line connectivity and onsite PBX sales and support is reflected in its extensive customer base, which comprises thousands of SMEs, corporate clients, and residential customers. The latter offers a diverse range of business services such as Business Internet, GSM and IP voice, Networking, and Security Services.

HUGE TNS, emerges as a prominent player in the communications and technology industry. The company is equipped to offer an extensive range of digital and technology solutions to three business verticals, being corporate and enterprise customers, small and medium enterprises (SMEs) in South Africa and residential and home-to-office market.

HUGE TNS prides itself on its commitment to framework, innovation, and customer satisfaction.

2023 HIGHLIGHTS

- Successful launch of the Huge TNS brand to the South African market.
- A new product suite on offer to the market, enabling an increase in the range of goods available for business partners to sell, providing them with an expanded basket of products to offer to their customers
- Expanded corporate customer base.

2023 OPPORTUNITIES

- Maintaining and expanding the customer base – specifically the enterprise market, distribution network, and product suite.
- New products include Fixed LTE, fixed wireless access (FWA), fibre, Integrated telephony (GSM & VoIP), cyber security solutions, SD-WAN, hosted cloud solutions, and turnkey solutions.

2023 KEY RISKS

- Combined businesses' brand reputation
- Market acceptance: Due to numerous competitors in the industry, market acceptance could be slow.
- New products, especially VoIP, could cannibalize GSM revenues, resulting in revenue substitution.
- Revenue concentration from a few key accounts.

TURNOVER
R265m

GP %
51%

EBITDA
R47m



HUGE CONNECT

From SMME to Enterprise, Huge Connect provides reliable data connectivity solutions across South Africa with its primary focus being secure data connectivity for transactional data requirements. The inherent redundancy of its (PCI Compliant) core network infrastructure ensures a guaranteed service utilising multiple networks. It has a strong presence in the retail, financial, and fuel industries. Huge Connect's core network ensures all its clients benefit from a safe, secure, and reliable connectivity environment, from the largest South African banks to the smaller SME's. It also provides a managed wide area network solution enabling the interconnection of multiple access network mediums into a single platform.

Huge Connect's strategic goal is to expand its product offerings to its customer base to include connectivity and failover solutions, voice, and secure data offerings. In addition to this, Huge Connect is expanding its services to reach beyond device management through value added services, ensuring higher connectivity success rates and enabling customers real-time online management of their device estates.

2023 HIGHLIGHTS

- Satisfactory annuity revenue growth
- SIM demand increase from major partners, particularly financial institutions.
- Providing value added services solidified the current relationships with customers and paves the way for further growth

2023 OPPORTUNITIES

- Signed a supply agreement with Teltonika for advanced GSM Routers.
- Developed a portal for customer's to manage their own estate of SIM cards and devices.
- Development of value added software application such as the Transaction Layered Security (TLS) Gateway for financial institutions.

2023 KEY RISKS

- End-to-end encryption from business partners lessens dependency on secure networks.
- Widening gap between private and public APN data rates.
- Customer concentration risk.
- Dependency on 3rd party services.

TURNOVER
R150m

GP %
56%

EBITDA
R52m



HUGE DIGITAL

Huge Digital is Huge Group's latest investment. It is a digital virtual network enabler (VNE). On 6 July 2022, Huge Group announced that it had concluded a series of transactions with the shareholders and creditors of Virgin Mobile South Africa, giving it outright control of the investment opportunity. Virgin Mobile was Africa's first Mobile Virtual Network Operator (MVNO). It has 18 years of experience in offering a cloud-native, cutting edge, full-service, turnkey Virtual Network Operator (VNO) enablement service that allows brands to enter the VNO market quickly, securely and with far less commercial and operational risk than any other model available in SA.

Its goal is to become the VNE of choice for consumer brands in South Africa who wish to own more of the telecommunications value chain into their core businesses. It aims to achieve this by providing a turn key enablement capability and abstracting the technical and operational challenges for clients, with a commercial approach that is unique because of its concept of shared risk and success, bolstered by experienced advisory services and turn-key support in sourcing, implementing, and operating the third-party services as may be required by consumer-led VNO initiatives.

2023 HIGHLIGHTS

- The business was invited to participate in a closed RFP process with one of South Africa's top mobile network operators to provide its services as an accredited provider.
- The business secured its first blue-chip consumer branded MVNO in the form of a local retailer, which will launch in the 2nd half of 2023.

2023 OPPORTUNITIES

- New, upgraded, cloud-native platform with a microservices architecture, developed to run in any cloud environment on any container runtime engine. 5G ready, supports all core GSM services and call routing, full service creation environment, full business process support and digital support.

2023 KEY RISKS

- Dependency on the mobile network operator partnership and its infrastructure.
- Multiple party involvement in complex projects,
- Tough economic conditions persist
- Long sales cycles and implementation timelines.

TURNOVER
Pre-launch

GP %
Pre-launch

EBITDA
Pre-launch



HUGE DISTRIBUTION

Huge Distribution is a distributor of solar, video conferencing, CCTV and PBX equipment in Southern Africa, providing product delivery, effective solutions, and exceptional service to its exclusive network of Business Partners. Its team provides expert guidance in selling its ever-growing product range. Its ever growing base of Business Partners is located across the whole of Southern Africa with Huge Distribution also waving the Huge flag high and proud the neighbouring countries.

A customer focused company with an actively expanding customer base; it has the ability to source and supply world-class products and solutions from leading global vendors in an ever-changing environment where its core focus is service delivery. It is well placed to deliver strong results organically and through strategic acquisitions.

Huge Distribution recently entered into the renewable energy segment of the market, with the objective to import and distribute quality products at competitive pricing to the local market and Southern Africa. Huge Distribution through its external and internal partners offer products, support, and installation services of the highest standard.

2023 HIGHLIGHTS

- Continues to build on the newly laid foundation with an increase in sales and a decrease in expenses.
- Negotiated favourable terms and pricing with key suppliers.
- Obtained exclusive rights to import and distribute high quality renewable energy products in Southern Africa.

2023 OPPORTUNITIES

- Renewable energy products for both the local and International markets.
- Importing and distribution of Panasonic KX-TGC210 that will dominate the cordless phone market. Replacing the Gigaset E630A GO.
- Increased cooperation with key product suppliers in the CCTV/Security segment, increasing sales and margins.

2023 KEY RISKS

- Large legacy bad debts.
- High inventory age of NEC products.
- Risk of current stock becoming obsolete due to the everchanging and evolving telephony market.
- New entrants of distributors to the industry negatively affecting selling prices and products solutions.
- Tough economic conditions persist.

TURNOVER
R20m

GP %
19%

EBITDA
R3m



HUGE SOFTWARE

Huge Software continues to evolve as a software company, developing, implementing, and supporting, an ERP (Enterprise Resource Planning) software solution that centralises an organisation's database of information, automates daily tasks, and simplifies business processes.

Its accounting software solution provides a reliable, stable, and secure platform with user friendly and easy-to-understand menus and prompts. These bespoke systems are developed in-house and have full API integration capability.

Its customer base comprises of businesses in the mid-tier market in manufacturing, engineering, wholesale distribution, and professional services. Huge Software's focus on rebranding of its product as an ERP (Enterprise Resource Planning) solution will bring new customers and sales.

2023 HIGHLIGHTS

- Fixed Asset Module completed.
- New Database upgrade completed, 90% of clients converted.
- New version upgrade has given Huge Software's clients the ability to export to Excel and import directly from Excel thereby increasing efficiencies.
- Mobile app new modules and enhancements.

2023 OPPORTUNITIES

- Asset Management product which gives Huge Software the ability to sell to a wider customer base who already have other ERP systems.
- Inventory Management solution for small businesses who only manage their stock.
- Barcode scanning and printing integration giving Huge Software the opportunity to upsell to existing and new clients.

2023 KEY RISKS

- Tough economic conditions persist.
- Electricity power outages cause connection problems.
- Electricity power outages also cause server downtime.
- the Eskom load shedding crisis and the risk in the event of a grid collapse.

TURNOVER
R4m

GP %
70%

EBITDA
R2.5m



GLOVENT SOLUTIONS

Glovent offers communities a range of tools and services to help them run more efficiently, including a Glovent Community Management System (CMS), a Glovent Visitor Access System (VAS), e-wallet functionality, energy usage and sustainability improvement, utility management, facility management, SOS and emergency response features, direct access to 3rd party service providers through API integration on many levels, directories, classifieds, and even deliveries through partnerships with leading retailers. All of these services and tools are embedded in the Glovent Mobile Application.

Glovent's current customer base consists of predominantly high-end residential estates. It can however serve communities of any size, from schools, to sports clubs, and even entire municipalities.

Glovent's focus is driving marketing and sales to expand the number of communities that use the application's various functionalities, with particular focus on the use of the Glovent e-wallet.

*due to investment in software development resources.

2023 HIGHLIGHTS

- Launch of the Saldanha Bay Municipality as a key client.
- Launch of the Smart City Digital Citizen App.

2023 OPPORTUNITIES

- Visitor management solutions for new verticals like townhouse complexes, office parks and Multiple Dwelling Units.
- Introduction of Marketplace and Digital Wallet.
- Initiating international expansion.
- Expanding into municipalities.

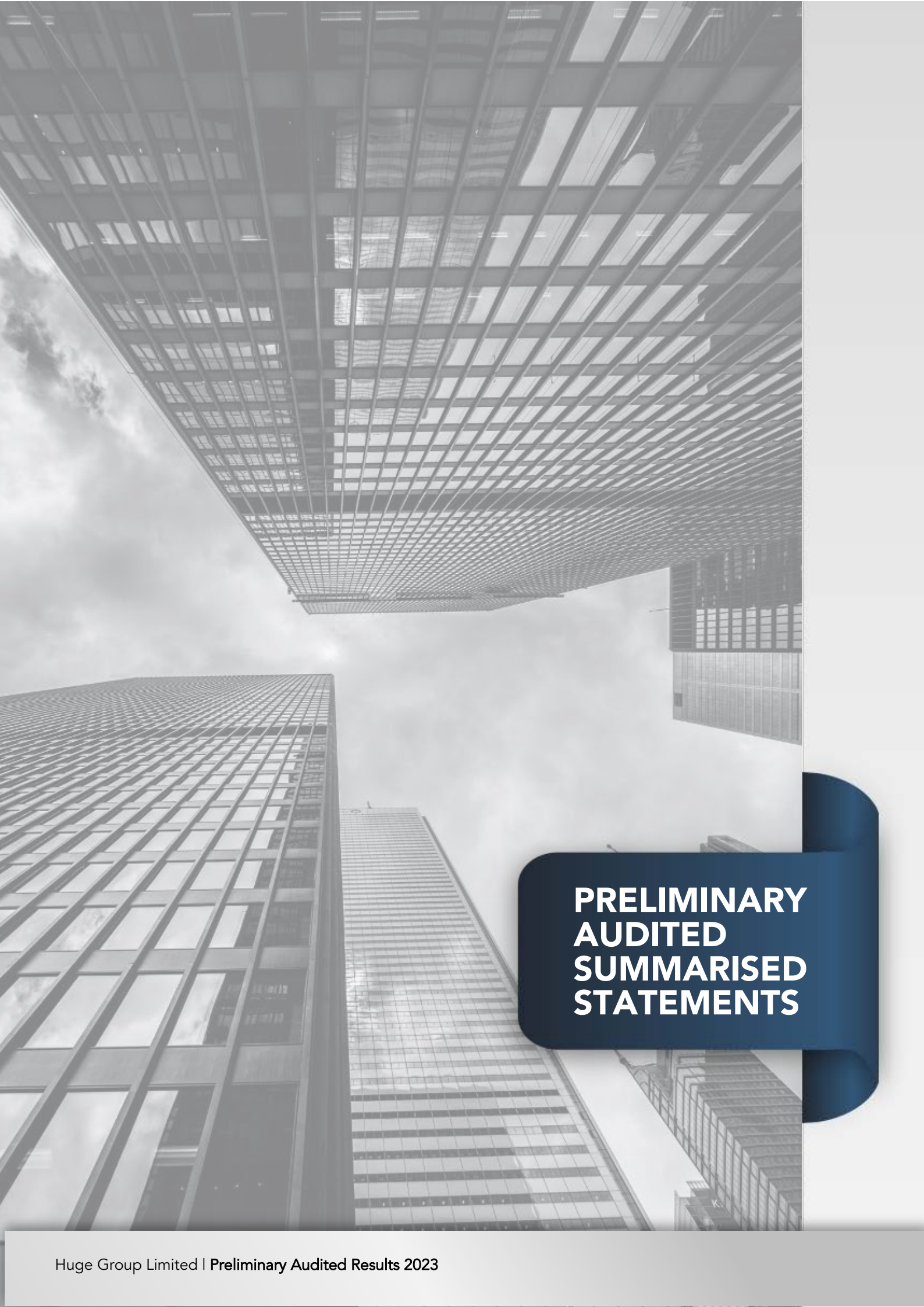
2023 KEY RISKS

- A lack of software developer resources.
- Tough economic conditions persist.
- The Eskom load shedding crisis and risk of a grid collapse.

TURNOVER
R21m

GP %
41%

EBITDA
R0m*



**PRELIMINARY
AUDITED
SUMMARISED
STATEMENTS**

Summarised Consolidated Statement of Financial Position as at 28 February 2023

Figures in Rand	Note(s)	Audited	
		2023	2022
Assets			
Non-current assets			
Property, plant, and equipment		275 912	105 879
Investments held	2	1 462 489 571	1 434 956 823
Loans receivable	3	266 847 258	208 087 546
Trade and other receivables	4	75 333 247	1 380 000
Deferred tax asset		5 099 085	17 548 859
		1 810 045 073	1 662 079 107
Current assets			
Trade and other receivables	4	26 568 262	39 520 908
Cash and cash equivalents		1 586 199	1 400 741
		28 154 461	40 921 649
Total assets		1 838 199 534	1 703 000 756
Equity and Liabilities			
Equity			
Equity attributable to holders of parent			
Share capital		611 099 135	612 578 113
Share-based payment reserve		39 989 500	41 968 917
Accumulated profit		977 625 164	897 378 253
		1 628 713 799	1 551 925 283
Liabilities			
Non-current			
Interest-bearing liabilities	7	156 500 000	90 059 072
Deferred tax liability		18 849 641	27 329 377
		175 349 641	117 388 449
Current liabilities			
Loans payable		-	800 000
Interest-bearing liabilities	7	30 000 000	31 436 508
Current tax payable		-	-
Trade and other payables		4 136 094	1 450 516
		34 136 094	33 687 024
Total liabilities		209 485 735	151 075 473
Total equity and liabilities		1 838 199 534	1 703 000 756
Net asset value per share (cents)		943.85	896.75

Summarised Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended 28 February 2023

Figures in Rand	Note(s)	Audited	
		2023	2022
Net gain from financial assets at fair value through profit or loss	2	24 784 295	119 186 500
Investment income	5	73 548 523	53 362 377
Interest income		24 898 803	14 488 668
Interest received on loans		24 488 967	14 296 899
Finance income		409 836	191 769
Dividends received		48 649 720	38 873 709
Gross profit from sale of goods/services		33 700 000	7 100 000
Fee income		33 700 000	7 100 000
Other income	6	1 753 808	417 593 845
Gain on deemed disposal and reacquisition of subsidiaries at fair value		-	416 114 833
Other income		1 753 808	1 479 012
Expenses		(31 272 328)	(39 755 826)
Selling and administration expenses		(20 850 459)	(16 507 100)
Executive share-based payment movement		1 979 417	(7 359 215)
Employee costs		(12 313 631)	(15 488 708)
Loss on sale of investments held		-	(308 823)
Depreciation and amortisation		(87 655)	(91 980)
Profit before finance costs and taxation		102 514 298	557 486 896
Finance costs		(18 813 881)	(9 250 220)
Profit before taxation		83 700 417	548 236 676
Income tax expense		(3 453 506)	(30 593 537)
Profit for the year		80 246 911	517 643 139
Total Comprehensive Income Attributable to:		80 246 911	517 643 139
Owners of the parent		80 246 911	517 643 139
Earnings per share information (cents)	8		
Basic earnings per share		46.38	299.85
Headline earnings per share		46.38	58.81
Diluted earnings per share		46.37	297.78

Summarised Consolidated Statement of Changes in Equity for the year ended 28 February 2023

Figures in Rand	Share capital	Share premium	Total share capital	Share-based payment reserve	Change in holding reserve	Revaluation reserve	Accumulated profit/(loss)	Equity attributable to holders of the parent	Non-controlling interest	Total equity
Group										
Balance at 1 March 2021	16 209	599 930 474	599 946 683	34 609 702	52 474 210	21 862 656	305 398 248	1 014 291 499	(49 970 594)	964 320 905
Total comprehensive income for the year	965	1 182 191	1 183 156	-	-	-	517 643 139	518 826 295	49 970 594	568 796 889
Profit for the year	-	-	-	-	-	-	101 528 306	101 528 306	-	101 528 306
Subsidiaries deconsolidated ¹	965	1 182 191	1 183 156	-	-	-	416 114 833	417 297 989	49 970 594	467 268 583
Issue of shares	358	20 396 836	20 397 194	-	-	-	-	20 397 194	-	20 397 194
Share buy-back	(216)	(8 486 329)	(8 486 545)	-	-	-	-	(8 486 545)	-	(8 486 545)
Specific repurchase of shares	(10)	(462 365)	(462 375)	-	-	-	-	(462 375)	-	(462 375)
Executive share-based payments raised	-	-	-	7 359 215	-	-	-	7 359 215	-	7 359 215
Transfer between reserves	-	-	-	-	(52 474 210)	(21 862 656)	74 336 866	-	-	-
Balance at 28 February 2022	17 306	612 560 807	612 578 113	41 968 917	-	-	897 378 253	1 551 925 283	-	1 551 925 283
Total comprehensive income for the year	-	-	-	-	-	-	80 246 911	80 246 911	-	80 246 911
Profit for the year	-	-	-	-	-	-	80 246 911	80 246 911	-	80 246 911
Share buy-back	(50)	(1 478 928)	(1 478 978)	-	-	-	-	(1 478 978)	-	(1 478 978)
Executive share-based payments raised	-	-	-	(1 979 417)	-	-	-	(1 979 417)	-	(1 979 417)
Balance as at 28 February 2023	17 256	611 081 879	611 099 135	39 989 500	-	-	977 625 164	1 628 713 799	-	1 628 713 799

Summarised Consolidated Statement of Cash Flows for the year ended 28 February 2023

Figures in Rand	Note(s)	Audited	
		2023	2022
Cash flows from operating activities			
Cash generated from/(used in) operations	9	(14 378 320)	(9 367 207)
Finance income		385 205	25 893
Dividends received		7 055 000	29 850 000
Finance costs		(18 316 146)	(9 202 840)
Net cash generated /(used in) operating activities		(25 254 261)	11 305 846
Cash flows from investing activities			
Purchase of property, plant, and equipment		(289 848)	(70 877)
Proceeds from disposal of property, plant, and equipment		-	2 586
Purchase of investment held	2	(46 723 822)	(3 000 000)
Proceeds from sale of investment	2	44 000 000	17 405 411
Advance of loans to Investee Entities		(80 439 937)	(47 476 700)
Repayment of loans by Investee Entities		46 167 884	29 144 284
Advance on loan receivable		(800 000)	800 000
Cash and cash equivalents deconsolidated upon change in status to that of an investment entity		-	(15 045 913)
Net cash used in investing activities		(38 085 723)	(18 241 209)
Cash flows from financing activities			
Proceeds from interest-bearing liabilities		216 750 000	-
Repayment of interest-bearing liabilities		(151 745 580)	-
Specific repurchase of shares		-	(462 282)
Share buy-back		(1 478 978)	(8 486 545)
Net cash generated from /(used in) financing activities		63 525 442	(8 948 827)
Total cash movement for the year		185 458	(15 884 190)
Cash at the beginning of the year		1 400 741	17 284 931
Total cash at the end of the year		1 586 199	1 400 741

Supplementary Information

1 Basis of preparation

The audited summarised consolidated financial statements have been prepared in accordance with the framework concepts and the recognition and measurement criteria of the International Financial Reporting Standards (IFRS) and the South African Institute for Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), and as a minimum, contains the information required by IAS 34: Interim Financial Reporting and comply with the Listing Requirements of the JSE Limited (JSE) and the Companies Act of South Africa (Act No. 71 of 2008) (Companies Act).

The full consolidated financial statements from which these summarised consolidated financial statements were derived are available on request from the Group's registered office.

These summarised consolidated financial statements and the full consolidated financial statements have been prepared under the supervision of Mrs M Heraty, CA (SA) and were approved by the Board of Directors (Board) on 31 May 2023.

2 Accounting Policies

These accounting policies applied in preparation of the AFS are in terms of IFRS; however, the accounting policies applied are materially different from those previously applied as detailed below. A number of other new standards and/or interpretations are effective from 1 March 2023, but they have no material effect on the Group or Company's financial statements.

2.1 Application of the investment entity exemption in terms of IFRS 10 Consolidated Financial Statements

2.1.1 Investment entity status

An investment entity is typically an entity that i) obtains funds from one or more investors for the purpose of providing such investor(s) with investment management services, ii) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and iii) measures and evaluates the performance of substantially all of its investments on a fair value basis.

IFRS 10 lists typical characteristics of an investment entity as i) it has more than one investment, ii) it has more than one investor, iii) it has investors that are not related parties of the entity, and iv) it has ownership interests in the form of equity or similar interests. Huge Group exhibits all of these characteristics.

Huge Group's Strategy is centred on acquiring and expanding its portfolio of companies, and generating returns from the receipt of interest and dividends as

well as the disposal of investments at a profit. Its approach is that of investment entity as opposed to consolidated operating group. Huge Group's vision, strategy, and policies (particularly its investment policy) are those of an investment entity. Its structure, the skills, background, and experience of its directors (regarding deal making and mergers and acquisitions) and its conduct no longer justified treating Huge Group as a consolidated group as from 1 March 2021.

Huge Group's focus on value creation for its shareholders has not changed. The performance of its investment portfolio is accordingly measured with reference to the fair value of such investments rather than the consolidated profitability of Huge. Fair value is ultimately dependent on a range of factors such as the investee's market rating, growth prospects, operational performance, profitability, and marketability.

Critical accounting judgement – Huge Group's classification as an investment entity. Management concluded that, with effect from 1 March 2021, Huge Group meets the criteria to be classified as an investment entity. This is continuously reassessed.

2.1.2 Accounting treatment for an investment entity

IFRS 10 contains special accounting requirements for an investment entity. Where an entity meets the definition of an investment entity, it does not consolidate its subsidiaries, but rather measures subsidiaries at fair value through profit or loss (FVTPL). However, an investment entity is still required to consolidate subsidiaries that provide services related to the investment entity's investment activities (i.e. those wholly owned subsidiaries comprising Huge Group's head office operations).

IFRS 10 requires a parent that becomes an investment entity to account for the change in its status prospectively from the date on which the change in status occurred. Having considered various factors, including the timelines and decision-making processes leading up to aforementioned disposals, Huge Group's application of the investment entity exception was effective from 1 March 2021. Accordingly, on such date the group's existing subsidiaries (other than the aforementioned wholly owned head office subsidiaries providing investment activities to Huge) were deemed to be disposed of and re-acquired at fair value, with the resultant gain being recognised as a non-headline item in the statement of comprehensive income. Such investments were subsequently measured at FVTPL.

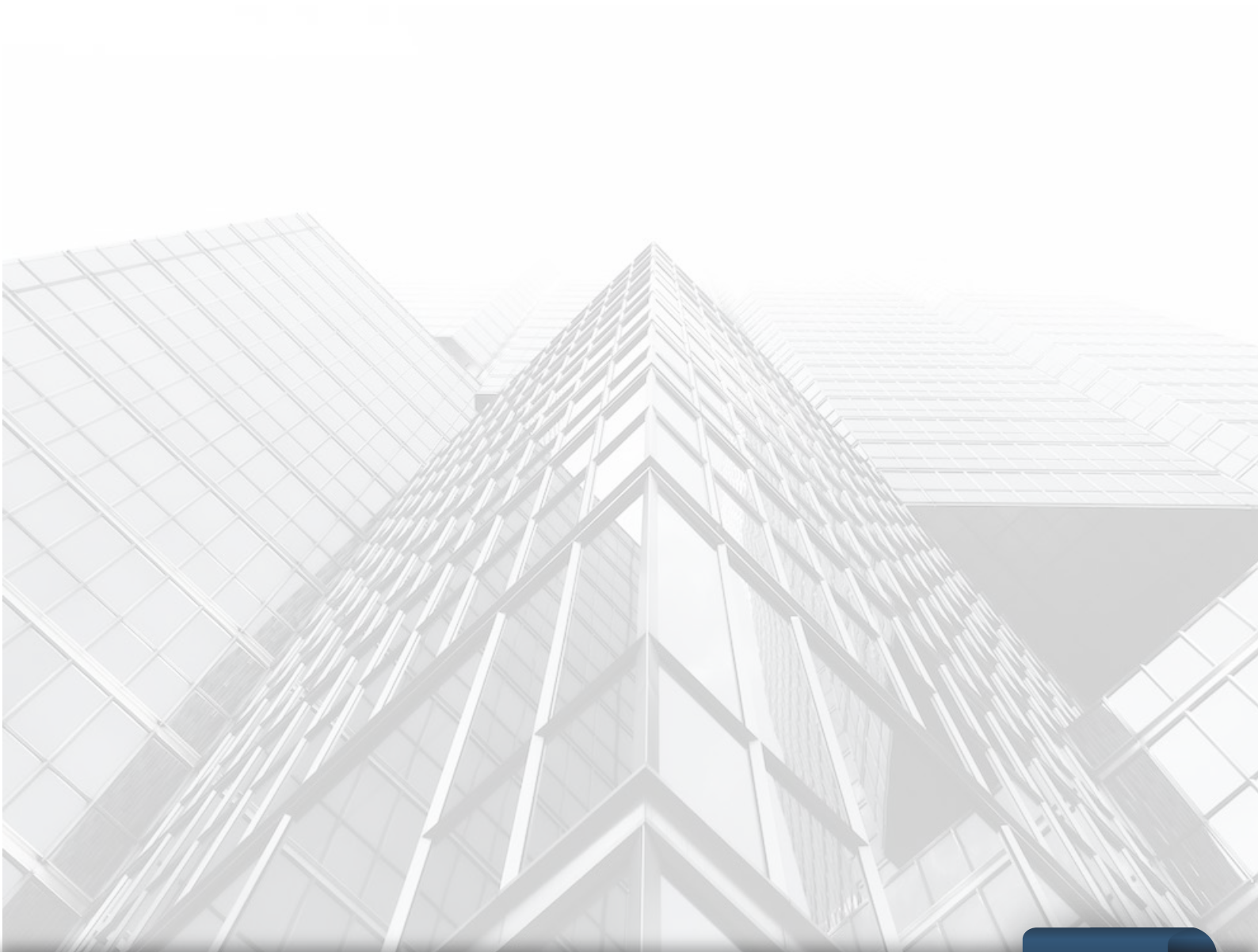
2.2 Segment Reporting

Since the Company holds investments in connectivity and cloud, software and xTech, the investments held are reported in these associated operating segments as defined in terms of IFRS 8, Operating Segments.

The operating segment's results are reviewed regularly by the Executive Committee, under the authority delegated by the Board (which is the Chief Operating Decision-Maker or **CODM**) to make decisions about resources to be allocated to each segment and to assess each segment's performance, and for which discrete financial information is available.

The fair value movement, as evaluated by the CODM, represents the measure of the segment performance. The IFRS values are reconciled in the tables below. Information on the underlying investment held by Huger are also reported to the CODM for the purpose of assessing segment performance. The Investment Committee of Huger reports to the CODM in terms of the guidelines on the investment portfolio valuation and reporting processes as set out in the Investment Policy.

The basis of segment reporting has been set out on the following page.



1 Segment Reporting

The Directors have considered IFRS 8 Operating Segments and are of the opinion, based on the information provided to the Executive Committee, being the Chief Operating Decision-Maker, under the authority delegated by the Board, that the current operations of the Company can be split into four main segments based on the investments held: a Corporate Office Grouping, Cloud and Connectivity Grouping, Software and xTech Grouping and a Distribution Grouping. The summarised information included below is in line with the requirements of IFRS 8. The revenue generated by the Group and the Investee Entities as well as services provided by them are generated on a countrywide basis, with no geographical differentiation.

Operating segments during the current and previous reporting period

In terms of Huge Group's Segment Report, the **Corporate Office Grouping** comprises the following companies:

- Huge itself;
- 100% held Huge Capital;
- 100% held subsidiary Huge Management, the holding company of which is Huge.

The **Connectivity and Cloud Grouping** comprises the following companies:

- 83.71% held Huge Connect;
- 100% held Huge Messaging;
- 100% held Huge Technologies;
- 100% held Huge TNS (previously Huge Telecom);
 - 100% held Huge Networks; held indirectly, through the investment in Huge TNS. Huge TNS is the 100% shareholder of Huge Networks.
 - 100% held Huge Services; held indirectly, through the investment in Huge TNS. Huge TNS is the 100% shareholder of Huge Services.
 - 49% held in Huge Cellular, held, indirectly, through the investment in Huge TNS. Huge TNS is the 49% shareholder of Huge Cellular; Huge Cellular is an associate company of Huge TNS.
- 49% held Huge Soho. Huge Soho is an associate company of Huge.

The **Software and xTech Grouping** comprises the following companies:

- 96% held Huge Media;
- 75% held Huge Software;
- 100% held Huge Payments;
- 100% held Huge Digital;
- 13.63% held Glovent Solutions.

The **Distribution Grouping** comprises the following companies:

- 100% held Huge Distribution.

Types of products and services per segment

Connectivity and Cloud

Huge TNS

Huge TNS, with the addition of the products and services of Huge Networks, caters for the technology services needs of businesses in the Corporate, SMME and Work-from-Home segments. Huge TNS provides Connectivity, Voice, WAN Management, Aggregation, Cyber Security, PBX, Cloud and hosting services to customers in these segments, generating both annuity revenue and usage-based revenue.

Huge Distribution

Huge Distribution is an importer and distributor serving channel partners across Southern Africa and into the SADC region with telecommunications, CCTV and PABX products and equipment as well as more recently renewable energy products, such as solar panels, batteries and inverters.

Huge Connect

Huge Connect, provides dependable internet access and secure connectivity for payment systems across South Africa, including customer SIM card solutions, bulk messaging solutions, 2G/3G/4G mobile data connectivity, fixed mobile voice solutions and hosted PBX.

Huge Technologies

Huge Technologies houses the network asset that has, over 18 years, been purpose-built for the requirements of Huge Telecom (now Huge TNS) and it derives its revenue from usage fees.

Huge Messaging

Huge Messaging houses the SMS and messaging technology platforms leveraged by Huge TNS to provide its customers with bulk- and text-to-SMS services and it, similarly, derives its revenue from usage fees.

Software

Huge Software

Huge Software is a software company that develops, maintains, implements and supports an ERP (Enterprise Resource Planning) and accounting software solution that centralises an organisation's database of information, automates daily tasks, and simplifies business processes. Its customer base comprises of businesses in the mid-tier market in manufacturing, engineering, wholesale distribution, and professional services.

xTech

Huge Digital

Huge Digital, born from the acquisition of Virgin Mobile South Africa, is a Mobile Virtual Network Enabler (MVNE), offering a cloud-native, full-service, enablement service that allows South African businesses in the consumer and enterprise segments to enter the VNO market quickly, securely and with far less commercial and operational risk than any other model available in SA. It derives its

revenue from providing a turnkey proposition that encompasses advisory services, managed operations, and technology enablement services.

Major customers

No single customer or group of customers under common control contribute more than 10% of any of Huge Group's Investment Entity's revenue, apart from two customers of Huge Connect. The two customers contribute an aggregate 32% of Huge Connect's revenue. The risk of loss of these customers is substantially mitigated by the agreed contract periods and the operational difficulty of both customers migrating to other suppliers.

Geographic areas

The Investee Entities of Huge Group have operations physically located in five local regions, which are Gauteng, Western Cape, Eastern Cape, North West and Free State. The former Fintech and Telecom Groupings also operate outside of South Africa in Botswana, Namibia, Zambia, Eswatini and Lesotho.

Services

Huge Group generates its revenue in the form of dividends, interest income and fee income.

Segment portfolio value movements – 2023

Segment	Investment held at 1 March 2022	Acquisition	Fair value gain/(loss)	Portfolio interest	Investment held at 28 February 2023	Percentage of Portfolio
Connectivity	1 411 050 814	-	(99 746 494)	-	1 311 304 320	89.66%
Distribution	17 012 127	-	(12 478 782)	-	4 533 345	0.31%
Software and xTech	6 459 898	2 723 822	137 009 571	-	146 193 291	10.00%
Corporate Office	433 984	-	-	24 631	458 615	0.03%
Total	1 434 956 823	2 723 822	24 784 295	24 631	1 462 489 571	100.00%

Segment portfolio value movements – 2022

Segment	Investment held at 1 March 2021	Acquisition	Fair value gain/(loss)	Portfolio interest	Investment held at 28 February 2022	Percentage of Portfolio
Connectivity	1 294 744 219	-	116 306 595	-	1 411 050 814	98.36%
Distribution	8 583 476	-	8 428 651	-	17 012 127	1.19%
Software	6 297 641	3 000 000	(2 837 743)	-	6 459 898	0.45%
Corporate Office	448 509	-	(28 044)	13 519	433 984	0.00%
Total	1 310 073 845	3 000 000	121 869 459	13 519	1 434 956 823	100.00%

Segment portfolio returns – 2023

Segment	Dividend income	Interest income	Fee income	Total
Connectivity	48 649 720	16 478 364	33 700 000	98 828 084
Distribution	-	3 546 265	-	3 546 265
Software and xTech	-	4 457 460	-	4 457 460
Corporate Office	-	6 878	-	6 878
Total	48 649 720	24 488 967	33 700 000	106 838 687

2 INVESTMENTS HELD

Nature of company	Held by	Audited		Fair value ¹	Fair value
		% holding 2023	2023	2022	
Huge Capital	Huge	100.00 %	-	-	
Huge Connect – Ordinary shares held	Huge	83.71 %	64 261 866	106 173 816	
Huge Connect – Preference shares held	Huge	100.00 %	571 904 887	457 075 000	
Huge Distribution	Huge	100.00 %	4 533 345	17 012 127	
Huge Digital	Huge	100.00 %	145 650 785	-	
Huge Management	Huge	100.00 %	-	-	
Huge Media	Huge	96.00 %	-	-	
Huge Messaging	Huge	100.00 %	973 068	704 360	
Huge Payments	Huge	100.00 %	-	-	
Huge Software	Huge	75.00 %	542 506	3 459 898	
Huge Technologies	Huge	100.00 %	23 289 625	103 217 674	
Huge TNS ¹ Group	Huge	100.00 %	650 874 874	743 879 964	
Huge TNS ¹	Huge	100.00 %	641 292 099	676 849 896	
Huge Cellular	Huge TNS	49.00 %	-	-	
Huge Networks ¹	Huge TNS	100.00 %	9 343 310	66 854 667	
Huge Services	Huge TNS	100.00 %	239 465	175 401	
Huge Soho	Huge	49.00 %	-	-	
The CI Trust	Huge	100.00 %	-	-	
GloVent	Huge	13.63 %	-	3 000 000	
Discovery Invest Endowment Plan	Huge	-	458 615	433 984	
Total fair value²			1 462 489 571	1 434 956 823	

- During the financial year, a business combination was authorised in which Huge Telecom would acquire the business of Huge Networks. This combination is advantageous because it will generate value by leveraging the synergies that arise from merging the businesses and expanding the range of products offered. The business combination involves Huge Telecom purchasing the business of Huge Networks and changing its name to Huge TNS. As of the date of these preliminary audited results, certain aspects of both businesses have been consolidated. However, the completion of the sale of the business agreement, which involves the transfer of Huge Networks' assets to Huge TNS, is still pending the fulfilment of specific conditions that will be met during the next financial year. The value attributed to Huge TNS mentioned above represents the combined value of Huge TNS enlarged by Huge Networks. An aggregate forecast was prepared and approved to evaluate the value of Huge TNS as the valuation method used is forward-looking.
- All Investee Entities are incorporated in South Africa and their principal place of business is in South Africa. There are no significant restrictions on the ability of the above Investee Entities to transfer funds to Huge in the form of cash dividends or the repayment of loans or advances. There are no commitments or intentions to provide financial or other support to an Investee Entity. Support is provided as and when required through the required approval processes.

2 INVESTMENTS HELD CONTINUED

Movement in investments held

Investments held	Fair value at 1 March 2022	Acquisition during the year	Fair value gain/(loss) at 28 February 2023	Finance income on endowment	Sold during the year	Loss on sale	Closing balance - Fair value at 28 February 2023
Unlisted investments	1 434 956 823	46 723 822	24 784 295	24 631	(44 000 000)	-	1 462 489 571
Total	1 434 956 823	46 723 822	24 784 295	24 631	(44 000 000)	-	1 462 489 571

Net gain from financial assets at fair value through profit or loss

Unlisted Investments	1 March 2022 Fair value	Acquisitions during the year	28 February 2023 Fair value	Fair value gain/(loss)
Huge Capital	-	-	-	-
Huge Connect (Ordinary shares)	106 173 816	-	64 261 866	(41 911 950)
Huge Connect (Preference shares)	457 075 000	-	571 904 887	114 829 887
Huge Distribution	17 012 127	-	4 533 345	(12 478 782)
Huge Digital	-	-	145 650 785	145 650 785
Huge Media	-	-	-	-
Huge Messaging	704 360	-	973 068	268 708
Huge Payments	-	-	-	-
Huge Software	3 459 898	-	542 506	(2 917 392)
Huge Technologies	103 217 674	-	23 289 625	(79 928 049)
Huge TNS Group	743 879 964	-	650 874 874	(93 005 090)
Huge TNS	676 849 896	-	641 292 099	(35 557 797)
Huge Cellular	-	-	-	-
Huge Networks	66 854 667	-	9 343 310	(57 511 357)
Huge Services	175 401	-	239 465	64 064
Huge Soho	-	-	-	-
GloVent	3 000 000	2 723 822	-	(5 723 822)
Total Unlisted Holdings	1 434 522 839		1 462 030 956	24 784 295
Listed Investments	1 March 2022 Balance	Additions during the year	28 February 2023 Balance	Finance Income
Discovery Invest Endowment Plan	433 984	-	458 615	24 631
Total Holdings	1 434 956 823		1 462 489 571	24 808 926

2 INVESTMENTS HELD CONTINUED

Fair value of investments held at 28 February 2023

The fair value of the investments retained as at 28 February 2023 were calculated by an independent expert, Managhan Proprietary Limited, in accordance with IFRS 13. The valuation assumptions utilised as at 28 February 2023 are detailed below:

Unlisted Investments	Economic interest	Primary valuation method	Fair value hierarchy	Significant and key inputs	Relationship of unobservable inputs	28 February 2023 fair value
Huge Capital	100.00%	Net assets	Level 3	Attributable NAV		-
Huge Cellular	49.00%	Net assets	Level 3	Attributable NAV		-
Huge Connect (Ordinary shares)	83.71%	Income approach	Level 3	Maintainable earnings model	WACC 20.00% Terminal growth 1.43% Revenue growth 10.80% Sustainable GP margin 56.25%	64 261 866
Huge Connect (Preference shares)	100.00%	Dividend discount	Level 3	Dividend payable average coupon rate	Required rate of return 10.85%	571 904 887
Huge Distribution	100.00%	Income approach	Level 3	Maintainable earnings model	WACC 15.75% Terminal growth 1.40% Revenue growth 43.23% Sustainable GP margin 19.89%	4 533 345
Huge Digital	100.00%	Income approach	Level 3	Maintainable earnings model	WACC 29.90% Terminal growth 1.40%	145 650 785
Huge Media	96.00%	Net assets	Level 3	Attributable NAV		-
Huge Messaging	100.00%	Net assets	Level 3	Attributable NAV		973 068
Huge Networks	100.00%	Net assets	Level 3	Attributable NAV		9 343 310
Huge Payments	100.00%	Net assets	Level 3	Attributable NAV		-
Huge Services	100.00%	Net assets	Level 3	Attributable NAV		239 465
Huge Software	75.00%	Income approach	Level 3	Maintainable earnings model	WACC 26.78% Terminal growth 1.40% Revenue growth 15.92% Sustainable GP margin 70.51%	542 506
Huge TNS	100.00%	Income approach	Level 3	Maintainable earnings model	WACC 16.81% Terminal Growth 1.43% Revenue Growth 10.13% Sustainable GP margin 56.62%	641 292 099
Huge Technologies	100.00%	Net assets	Level 3	Attributable NAV		23 289 625
Huge Soho	49.00%	Net assets	Level 3	Attributable NAV		-
GloVent	13.63%	Income approach	Level 3	Maintainable earnings model	WACC 24.38% Terminal Growth 1.40% Revenue Growth 24.41% Sustainable GP margin 44.52%	-
Total Unlisted Holdings						1 462 030 956
Discovery Invest Endowment Plan			Level 3			458 615
Total Holdings						1 462 489 571

3 LOANS RECEIVABLE/(PAYABLE)

	Audited	
	2023	2022
GloVent	209 308	-
Huge Capital	57 077	50 200
Huge Cellular	9 696 105	19 109 082
Huge Digital	28 597 768	5 901 121
Huge Distribution	30 327 013	30 625 748
Huge Management	-	-
Huge Media	7 603 034	6 652 832
Huge Networks	-	-
Huge Payments	7 829 041	7 166 425
Huge Services	102 271	-
Huge Software	6 598 340	5 947 649
Huge Technologies	69 032 578	34 831 145
Huge Telecom	113 434 723	104 443 344
Total	273 487 258	214 727 546
Impairment of Huge Media	(6 640 000)	(6 640 000)
Loans receivable	266 847 258	208 087 546
Huge Messaging	-	(800 000)
Loans payable	-	(800 000)

The value of all the above loans closely approximate their fair values. All loans advanced to Investee Entities are capital investments in order to support the growth of the Investee Entity.

4 TRADE AND OTHER RECEIVABLES

	Audited	
	2023	2022
Financial instruments:		
Trade receivables	26 383 223	5 565 042
Trade receivables at amortised cost	26 383 223	5 565 042
Deposits	65 000	-
Other receivables:	75 333 247	33 738 527
Other long term receivables ¹	1 380 000	1 380 000
Preference dividends ²	73 953 247	32 358 527
	75 398 247	39 303 569
Non-financial instruments:		
Prepayments	78 026	109 352
VAT	42 013	1 487 987
	120 038	1 597 339
	101 901 509	40 900 908

1. Included in other receivables is a receivable of R22 937 500 between Huge Group and Huge Management which is eliminated on Group level.

2. Included in other receivables for current reporting period are preference dividends receivable from Huge Connect by Huge Group in relation to the preference share subscription agreement concluded in FY2020.

5 INVESTMENT INCOME

	Audited	
	2023	2022
Interest received on loans		
Loans to associate companies	-	1 357 769
Loans receivable ¹	24 488 967	12 939 130
Total interest received on loans	24 488 967	14 296 899
Finance income		
Bank	385 205	25 892
Discovery endowment	24 631	13 518
Other receivables	-	152 359
Total finance income	409 836	191 769
Dividends received		
Investment companies ²	48 649 720	38 873 709
Total dividends received	48 649 720	38 873 709
Total investment income	73 548 523	53 362 377

1. Refer to note 3 for further details.

2. Preference dividends amounting to R48 649 720 were raised during the current reporting period in terms of the Preference Shares held in Huge Connect (FY2022: R38 873 709) and ordinary dividends of Rnil (FY2022: Rnil).

6 OTHER INCOME

	Audited	
	2023	2022
Gain on deemed disposal and reacquisition of subsidiaries at fair value ²	-	416 114 833
Gain on loss of control of subsidiary companies	-	416 114 833
Other income ¹	1 753 808	1 479 012
Total other income	1 753 808	417 593 845

1. Other income includes items such as operational recoveries, income from foreign exchange etc.

2. Gain on deemed disposal and reacquisition of subsidiaries at fair value relate to the change in nature of the business of Huge Group. In accordance with IFRS10 (B101), when an entity becomes an investment entity, it shall cease to consolidate its subsidiaries at the date of the share in status. This gain relates to this deemed disposal of subsidiary companies.

7 INTEREST-BEARING LIABILITIES HELD AT AMORTISED COST

	Audited	
	2023	2022
Futuregrowth – held through Huge	-	121 495 580
The loan bears interest compounded quarterly at three-month JIBAR plus 4.0%. The final repayment date is the 5th anniversary of the first utilisation date. There was a capital moratorium for calendar year 2021. This loan approximates the fair value.		
Covenants:		
Group EBITDA to Debt Interest Ratio shall not be less than 3 times;		
Group EBITDA to Debt Service Ratio shall not less than 1.5 times;		
Group Debt to Group EBITDA Ratio shall be between 0 and 2.5 times;		
A Security Cover Ratio which is equal to or greater than 3.		
RMB – Held through Huge	186 500 000	-
The loan bears interest compounded quarterly at three-month JIBAR plus 4.5%. This loan approximates the fair value.		
	186 500 000	121 495 580

7 INTEREST-BEARING LIABILITIES HELD AT AMORTISED COST CONTINUED

Rand Merchant Bank R240 Million Facility

The RMB Facilities were concluded on 26 May 2022. The facility of R240 million facility is secured, R150 million was used to settle outstanding obligations to Futuregrowth (the R200 Million Futuregrowth Facility held by Huge Group and the R30 Million Futuregrowth Facility held by Huge Technologies).

The short-term portion of the interest-bearing liability has been computed utilising the RMB Facility amortisation schedule. This is what management has estimated to be the most reasonable representation of the current portion of interest-bearing liabilities. These liabilities are classified at amortised cost.

Covenants:

Debt Service Cover Ratio must be greater than 1.25 times;

Interest Service Cover Ratio must be greater than 4 times;

Net Debt to EBIDTA Ratio in respect of any Measurement Period which ends during the period:

- commencing on the Signature Date until and including the first anniversary of the Signature Date, must be less than 2 times;
- commencing on the first anniversary of the Signature Date until and including the second anniversary of the Signature Date must be less than 1.75 times;
- after the second anniversary of the Signature Date must be less than 1.5 times.

8 EARNINGS AND HEADLINE EARNINGS PER SHARE

Basic earnings and headline earnings per share are calculated by dividing the relevant earnings amount by the weighted-average number of shares in issue. Diluted earnings and diluted headline earnings per share are calculated by dividing the relevant earnings by the weighted-average number of shares in issue after taking the dilutive impact of potential ordinary shares to be issued into account.

Earnings and headline earnings per share

2023	Gross	Tax	Net
Profit attributable to owners of the parent adjusted for ¹	-	-	80 246 911
Headline earnings	-	-	80 246 911

1. The basic earnings per share includes the R 1 979 417 IFRS2: share-based payment reversal relating to the Executive Share Option Agreements. The Board is of the view that the expense is a non-cash IFRS charge unrelated to the actual operating performance of the Group.

2022	Gross	Tax	Net
Profit attributable to owners of the parent adjusted for ¹	-	-	517 643 139
Gain on deemed disposal and reacquisition of subsidiaries at fair value ²	(416 114 833)	-	(416 114 833)
Headline earnings	(416 114 833)	-	101 528 306

1. The basic earnings per share includes the R7 359 215 IFRS2: share-based payment expense relating to the Executive Share Option Agreements. The Board is of the view that the expense is a non-cash IFRS charge unrelated to the actual operating performance of the Group.

2. Gain on deemed disposal and reacquisition of subsidiaries at fair value relate to the change in nature of the business of Huge Group as detailed in note 2 (investments held). In accordance with IFRS10 (B101), when an entity becomes an investment entity, it shall cease to consolidate its subsidiaries at the date of the share in status. This gain relates to this deemed disposal of subsidiary companies.

8 EARNINGS AND HEADLINE EARNINGS PER SHARE CONTINUED

	Audited	
	2023	2022
Weighted average number of ordinary shares		
Issued shares at 1 March	173 061 721	173 663 766
Less: Treasury Shares	-	(11 566 081)
Outstanding shares 1 March	173 061 721	162 097 685
Weighted average share buy-back – treasury shares held by Huge	(58 782)	(1 200 066)
Weighted average treasury shares returned to external shares	-	9 646 926
Weighted average shares issued during the current reporting period	-	2 087 887
Weighted average number of ordinary shares in issue at 28 February	173 002 939	172 632 432
Share buy-back anti-dilutive	58 782	1 200 066
Weighted average number of ordinary shares in issue at 28 February (diluted)	173 061 721	173 832 498
Per share statistics (cents)		
Earnings per share	46.38	299.85
Headline earnings per share	46.38	58.81
Diluted basic earnings per share	46.37	297.78
Diluted headline earnings per share	46.37	58.41

Huge Group confirms that it utilises HEPS and EPS as its key performance metrics for trading statement purposes.

9 CASH GENERATED FROM/(USED IN) OPERATIONS

	Audited	
	2023	2022
Profit before taxation	83 700 417	548 236 676
Adjustments for:		
Depreciation	87 655	91 980
Profit on sale of property, plant and equipment	32 161	-
Dividends received	(48 649 720)	(38 873 709)
Finance income received	(24 897 494)	(14 488 668)
Finance costs	18 316 146	9 250 220
Net gain from financial assets at fair value through profit or loss	(24 784 295)	(119 186 500)
Gain on deemed disposal and reacquisition of subsidiary companies at fair value	-	(416 114 833)
Other non-cashflow items	516 530	-
Loss on sale of investments held	-	308 824
Lease modification	-	(498 554)
Share-based payments raised/(reversed)	(1 979 417)	7 359 215
Changes in working capital:		
Trade and other receivables	(19 405 881)	19 646 998
Trade and other payables	2 685 578	(5 098 856)
	(14 378 320)	(9 367 207)

Reconciliation of cash arising from financing activities related to borrowings:

	Audited	
	2023	2022
Borrowings at the beginning of the year	121 495 580	152 040 034
Current	31 436 508	51 263 351
Non-current	90 059 072	100 776 683
Cashflows	65 004 420	-
Proceeds from borrowings	216 750 000	-
Repayment of borrowings	(151 745 580)	-
Other movements	-	(30 544 454)
Interest accrued	18 316 146	9 249 574
Interest paid	(18 316 146)	(9 202 840)
Change in investment entity status	-	(30 591 188)
Borrowings at the end of the year	186 500 000	121 495 580
Current	30 000 000	31 436 508
Non-current	156 500 000	90 059 072

10 Events after reporting Period

Since the end of the financial reporting period on the 28th February 2023 no significant events have been noted.

11 Approval of financial statements

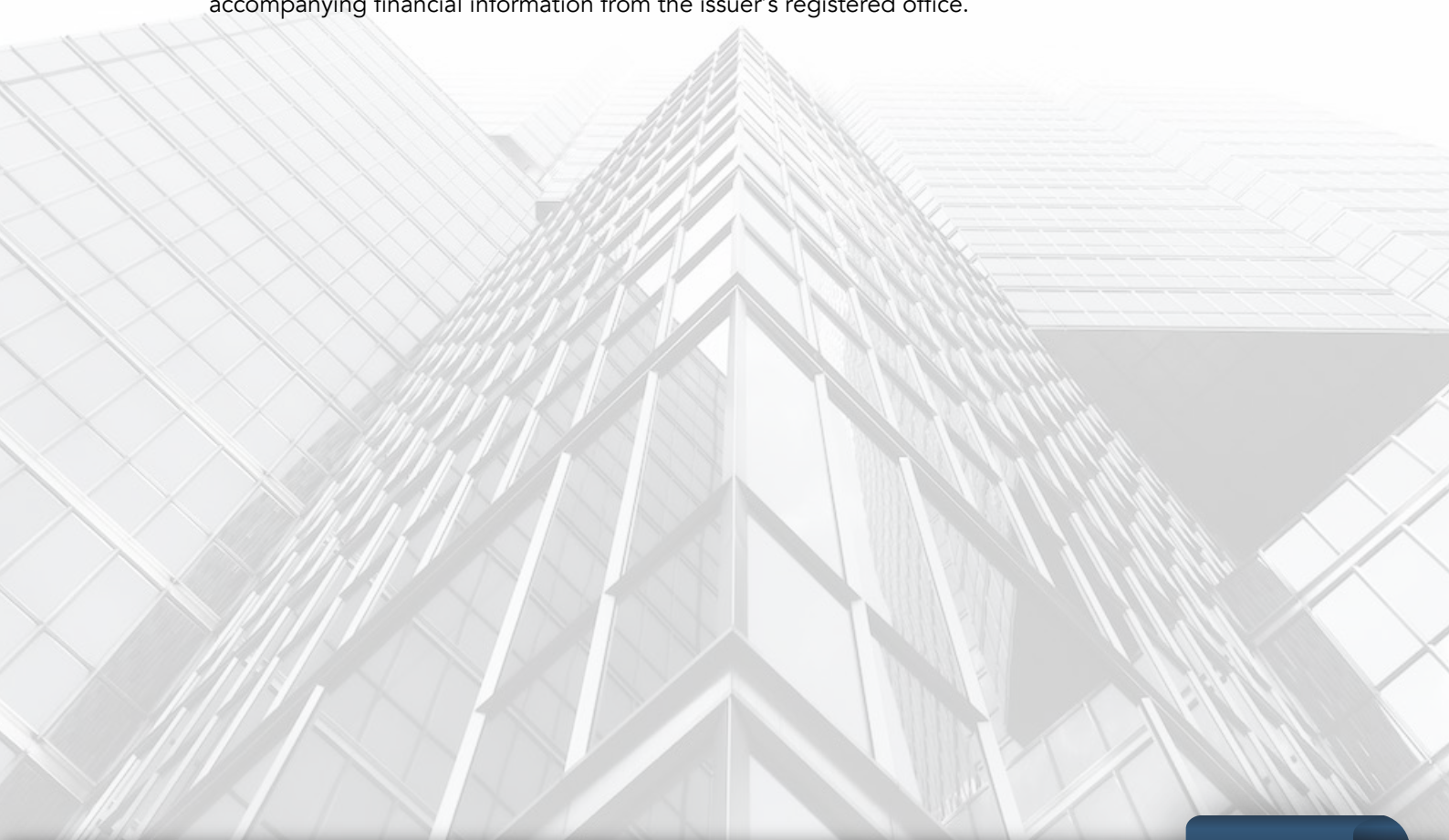
The consolidated financial statements were approved by the Board on 31 May 2023.

12 Audit Opinion

These summarised consolidated financial statements for the year ended 28 February 2023 have been audited by Moore Johannesburg Inc. (Moore), who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the full consolidated financial statements for the year ended 28 February 2023 from which these summarised consolidated financial statements were derived.

A copy of the auditor's report on the summarised consolidated financial statements and the auditor's report on the full consolidated and separate financial statements are available for inspection at the Company's registered office, together with the financial statements identified in the respective auditor's reports. Moore has not audited future financial performance and expectations expressed by management included in the commentary in the summarised consolidated financial statements and accordingly do not express an opinion thereon. The auditor's report does not necessarily report on all of the information contained in the summarised consolidated financial statements.

Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.



CORPORATE INFORMATION

KEY INFORMATION

Company registration number	2006/023587/06
Country of incorporation and domicile	South Africa
JSE Code	HUG
A2X Code	HUG
ISIN	ZAE000102042
Tax reference number	9378909155

COMPANY INFORMATION

Nature of business and principal activities	Investment holding entity holding investments in Investee Entities operating in the connectivity and cloud, software, and xTech markets
Executive directors	James Herbst (Chief Executive Officer)
	Zak Van De Merwe (Chief Commercial Officer)
	Andy Openshaw (Chief Operating Officer)
Non-executive directors	Veran Kathan (Independent Chairperson)
	Dennis Gammie (Independent Non-Executive)
	Conway Williams (Independent Non-Executive)
	Mike Beamish (Non-Executive)
	Vincent Mokholo (Non-Executive)
Registered address	Unit 23, 1 Melrose Boulevard, Melrose Arch, Johannesburg, Gauteng, 2076
Business address	Unit 23, 1 Melrose Boulevard, Melrose Arch, Johannesburg, Gauteng, 2076
Postal address	PO Box 262, Melrose Arch, 2076

CORPORATE INFORMATION

OTHER INFORMATION

Auditor	Moore Johannesburg Incorporated
Business address	50 Oxford Road, Parktown, Johannesburg 2193
Postal address	PO Box 3094, Houghton, 2041
Company Secretary	Rokeya Hansa
Business address	Unit 23, 1 Melrose Boulevard, Melrose Arch, Johannesburg, Gauteng, 2076
Postal address	PO Box 262, Melrose Arch, 2076
Sponsor	Questco Advisory Proprietary Limited
Business address	Ground floor, Block C, Investment Place, 10 th Road, Hyde Park, Johannesburg, 2196
Transfer Secretaries	Computershare Services Proprietary
Business address	Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
Postal address	Private Bag X9000, Saxonwold, 2132
Email	web.queries@computershare.co.za



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