



Huge Group Limited

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**Huge Group Limited
Integrated Annual Report**

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Making intelligent investments in sought-after assets

Net Asset Value per share
964.54 cents

(FY2023: 943.85 cents)

EBITDA
R156 million
generated from *PICs
(FY2023: R136 million)

* portfolio investment companies

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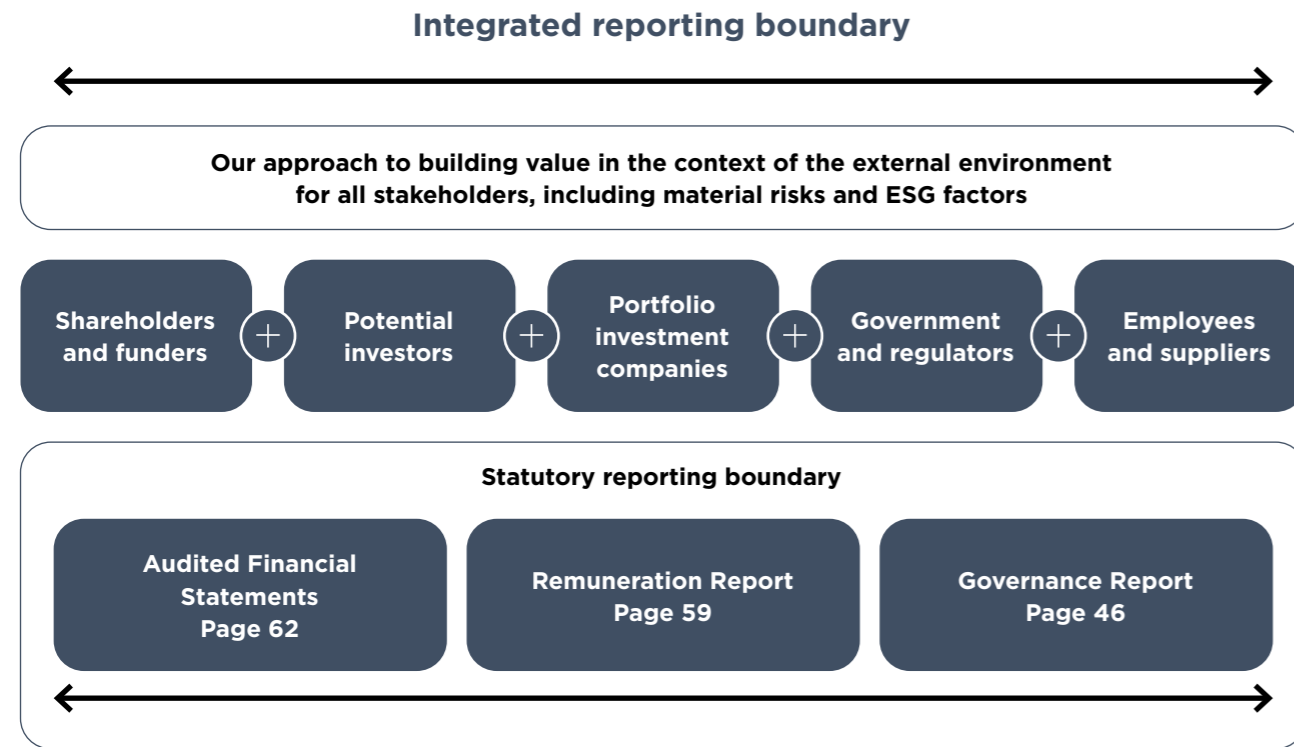
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Our reporting scope and boundary



Our reporting preparation and approach to materiality

Our reporting process is guided by the material factors that the Directors believe are relevant to Huge Group's strategy and its ability to create value in the short, medium, and long term. Materiality is considered and determined by the Board, includes the views of our shareholders, funders, potential investors, the opinion of our external auditors, and the opinions of the members of our internal Investment Team. We consider quantitative and qualitative factors that we believe have or might have a material impact on the usefulness of the information we prepare and present to our stakeholders. We have a robust risk management and governance process which guides our reporting of material risks. We have included in this report content from interviews with our Leadership Teams, supported by input from our Investment Team.

Forward-looking statements

Throughout this report, we provide readers with forward-looking information on the potential challenges we face and the opportunities we may pursue. By their nature, these statements involve uncertainty because they relate to unknown events which might occur, and which might be outside our control and circumstances which have not yet manifested. These events and circumstances can be internal and external in nature. Accordingly, the forward-looking statements have not been reviewed, or reported on, by Huge Group's independent auditor.

Frameworks and assurance

We align with industry best reporting practices, and we are guided by the principles of the International Financial Reporting Standards (IFRS) Accounting Standards, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the King Code on Corporate Governance 2016 (King IV™), the JSE Listings Requirements, and the Companies Act of South Africa (Act 71 of 2008), as amended (the Companies Act). As an investment entity, we apply the requirements pertaining to investment entities as set out in IFRS 10.

The Board of Huge Group Limited has approved the publication of this Integrated Annual Report for the year ended 29 February 2024.

Building an agile ecosystem that can adapt to deliver exponential value

Welcome to Huge Group Limited's Integrated Annual Report for the year ended February 2024.

Over the past decade, we have focused our efforts on building a future-ready investment ecosystem with a solid architectural foundation. We have done so by making carefully selected investments in companies with specific attributes that enable Huge Group to unlock exponential value for its stakeholders. These investments have uniquely positioned Huge Group. As testimony to this, Huge Group had a reported net asset value (excluding goodwill) for the year ending 28 February 2015 of R37 million. For the year ending 29 February 2024, Huge Group's reported net asset value is R1 582 million, representing an almost 50-fold increase over a decade and demonstrating Huge Group's ability to create exponential value.

We feel that we are finally 'coming of age' and we hope that this is reflected in the fresh new design of this Integrated Annual Report. We aim to demonstrate our unique positioning in the market at a time when global macro-economic conditions continue to have an even greater impact on the valuations of companies. The objective of this report is to highlight our purpose, provide insight into the Company's performance, and how we will unlock additional value based on the synergies we know exist across our portfolio companies.

It is our collective ambition to provide shareholders and funders, potential investors, and other interested stakeholders with meaningful insight of our leadership, investment activities, and governance structures and how these support our purpose and contribute to building the value of our investment portfolio while continuing to expand our ecosystem, enhance its agility, and find innovative propositions.

This ambition is cultivated by the collaborative partnership that exists between the entrepreneurs that run our **portfolio investment companies (PICs)**, the network of subject-matter experts, specialists, engineers, technicians with whom we engage, and the many talented people that make up our PICs' aggregate staff complement of approximately 300 employees, who work hand-in-hand with our distributors, resellers, and partners to serve our many individual, SMME, and enterprise customers in South Africa and in other selected locations on the African continent.

We aim to demonstrate our unique positioning in the market at a time when global macro-economic conditions continue to have an even greater impact on the valuations of companies.



Huge Group at a glance

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Huge Group at a glance

Huge Group is a South African investment entity that listed on the AltX in 2007 and moved to the Main Board of the JSE in 2016. With our investment philosophy, we aim to identify high value, specialised, investment opportunities while leveraging our in-depth investment expertise, predominantly in information technology-focused and related sectors.

Our purpose, vision and values

Making intelligent investments in sought-after assets

Our purpose is to grow Huge Group's net asset value by investing in a combination of established cash-generating and high-growth companies, support their growth, and ultimately generate returns to shareholders.

We make **informed, long-term decisions** for our shareholders based on our investment expertise, particularly in the rapidly evolving and converging technology landscape and other areas where we identify opportunities. We have built an ecosystem of companies that can unlock exponential value, leverage economies of scale, and create opportunities through synergy, and we seek to empower them with structure, frameworks, advice, and critical support.

We empower the entrepreneurs that lead our PICs, while trusting in their expertise. Together, we strive to grow our portfolio of investments both organically and through acquisition.

- We provide sound governance oversight and corporate structures to our PICs
- We facilitate liquidity through the responsible allocation of working capital
- We focus on creating and enhancing entrepreneurial excellence
- We leverage economies of scale, facilitate collaboration, and identify synergies that exist among our PICs

 See our Board Members on page 48.


 See our Investment Team and company entrepreneurs on page 16.

 See our strategy and business model from page 11.

Our vision is to amplify value for our shareholders and other stakeholders by investing in a rapidly evolving technological landscape and through our perseverance and informed, specialised insight. We are all poised to make the most of an accelerated, digitally-enabled future.


 See how we have built our company on strong foundations on page 10.

 See insight and perspectives from our Leadership Team from page 38.

 See our approach to ESG from page 18.

Over the past 15 years, our leaders have built a strong investment foundation and helped to shape our frame of reference, while embracing and instilling a set of values that inform our culture and our way of working to support our ambitions.

Our **values** are demonstrated by our meticulous diligence, our genuine foundation of equality, our integrity, and our culture of ethical governance. In everything we do, we encourage innovation and we challenge perceptions in the pursuit of excellence for the benefit of all our stakeholders.

 See how we build relationships with our stakeholders on page 14.

 See our governance structure and how we foster our culture from page 46.

Our investment philosophy

We understand that passionate, intelligent, and driven people ultimately create value – it is this understanding that differentiates us.

We invest in people who inspire us and who will make a positive impact on each other and our investments. People make investment decisions. In selecting PICs, we look for natural leaders who share our values and who are enthusiastic about their businesses.

We make meaningful investments.

We strive to understand every detail about our PICs, learn about the people that manage them, and understand the processes that they have implemented. We identify, review, understand, and analyse every metric applicable to each business in which we are invested. This process ensures that when we make an investment decision, it is an intelligent and objective one, based on the confidence that we can nurture businesses into enterprises that will deliver significant long-term value.

We provide the guidance and structure necessary for innovative entrepreneurs to thrive.

The broader technology landscape is exploding with new opportunities and innovations, with many good ideas floating about. We help to mitigate risks, and we guide and monitor our PICs' progress. We share the experience in technology-related industry sectors, the investment environment, our corporate framework, and the sound governance practices we have built over time. This framework functions as a safety net for entrepreneurs to explore innovative solutions and grow their businesses, while providing each PIC the freedom to manage their own direction and day-to-day operations.

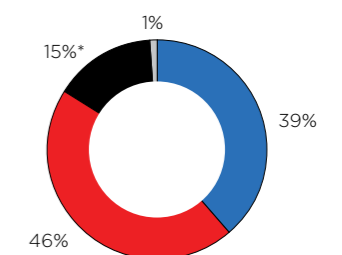
Our FY2024 investment portfolio

Our top portfolio companies make up 98% of our portfolio:





Total fair value of investment portfolio:
R1.582 billion (FY2023: R1.462 billion)

Net asset value per share:
964.54 cents (FY2023: 943.85 cents)



- Huge TNS
- Huge Connect
- *Huge Digital (most recent addition to our portfolio)
- Other portfolio companies

 For more information on our portfolio companies and their performance, from page 39 to 42

 For more information on material matters and the external environment during the financial year, see page 24

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How we unlock and build value over time

Over the past decade, we have made decisions and taken steps to create the foundation on which we will build significant value. Our journey has involved placing the building blocks of a puzzle into position through a series of actions that will collectively bear more fruit over time. Today, we are building an ecosystem poised to thrive in the modern business milieu, and we have the strength, resilience, and the intellectual agility to find exceptional opportunities for enhancement.

Our core principles

Over time, Huge Group has invested in a mix of PICs that generate significant amounts of cash, have significant growth potential, and that create special opportunities. We recognise that the mix of PICs plays an integral part in our technological future over the long term. Our intention is to invest in companies regardless of size or level of shareholding, to invest in companies because of their leadership and latent potential as we seek to enhance them with our own expertise. We are starting to realise the benefits of the puzzle that Huge Group has taken 18 years to build and we are starting to leverage Huge Group's investment ecosystem to unlock exponential value for our PICs.

 Please read our Chief Executive Officer's statement from page 34.

Our investment strategy

We structure our investment strategy around our PICs, which are ring-fenced from risk, and separately monitored. The founders or key management of our PICs hold and retain meaningful interests in their companies or in Huge Group, where they share proportionately in the rewards and risks associated with the company. This ensures that the leaders of our PICs are our co-investors, equally invested in the success and growth of enterprises over the long term.

Invest in companies with entrepreneurial leaders with a demonstrable track record of success



Facilitate collaboration, identify synergies between the PICs, and stimulate growth and innovation



Allocate working capital to the PICs, manage the treasury and corporate governance functions of the PICs, and leverage economies of scale



Develop the PICs so that they can generate sustainable economic growth and returns for our shareholders over the long-term

Our business model and capitals allocation

Our business model is based on a long-term investment approach. We aim to create economies of scale and identify and harness synergy among our PICs, while building firm foundations from which they can achieve these objectives.

Our application of the six capitals

Financial capital

Shareholders and funders provide financial capital to support our strategic goals as an Investment Entity.

Manufactured capital

Our PICs hold significant bases of manufactured capital, which helps create growth opportunities.

Intellectual capital

The people we employ and with whom we engage have extensive experience, talent, and know-how, providing the intellectual capacity to deliver on our strategies.

Social and relationship capital

Our stakeholder universe includes our shareholders and funders, our Board, our Investment Team, the entrepreneurs of our PICs, our external advisors, our suppliers, and our PICs' customers.

Human capital

Huge Group directly employs a small and talented group of people who oversee our PICs and help them thrive. We also have access to a range of external advisors.

Natural capital

As an Investment Entity, we do not have a direct impact on natural capital, nor do we use significant amounts of natural capital. We do look to manage our resources carefully with a minimal impact on our environment, and we support renewable energy initiatives.

To unlock and build value over time for all our stakeholders

Our business activities

- Seek and identify investment opportunities.
- Monitor and evaluate PICs and their leadership.
- Focus on accelerating the business of each PIC, through frequent engagement on strategy and through thought leadership collaboration.
- Provide critical support services, including corporate governance and treasury management to each PIC.
- Identify synergies that exist among the PICs and try extract these to create exponential value.

Our strong capital base is the foundation for harnessing opportunities and unlocking long-term value.

See our audited **Annual Financial Statements** from page 76.

Our PICs use their infrastructure to generate revenue, profits, and value over time.

See the **profiles of our top PICs** on page 17.

Please read the performance commentary of our PICs in our leadership reports from page 39.

Our Board, our Investment Team, and the entrepreneurs of our PICs work closely together to create value.

See the **profiles of our Board members** on page 48, and our **Corporate Governance** from page 46.

Please read about our **thought leadership**, our Investment Team and our top PIC entrepreneurs from page 16.

We understand how shared values, commitments, and knowledge form the basis of our reputation and the trust others can have in us. We strive to be a good corporate citizen as we play our part in our value chain. We have a strong governance structure, which ensures compliance and transparency in our communication with our stakeholders.

See **our stakeholder universe** on page 14.

We strive to build an ethical, supportive, and stimulating culture, which is **diverse and inclusive**. We also create jobs across our supply chain.

See **our ESG governance** from page 19.

One of our key portfolio investment companies distributes **solar equipment** to its wide base of business partners and through its fellow PICs.

See **our approach to ESG** from page 18.

Our stakeholder universe

We are a responsible Investment Entity with multiple stakeholders, including shareholders and funders, potential investors, the customers and employees of our PICs (who are at the centre of our stakeholder universe), suppliers, government, and regulators. We recognise that to create meaningful stakeholder value, our investment activities must have a positive impact on all the stakeholders in our value chain. As such, we place the needs and expectations of all our stakeholders foremost in our business activities.

Our stakeholders	Our mutual value relationship
Our shareholders and funders	<p>Our Board, elected by our shareholders, comprises an extensive range of people with proven experience and talent. The Non-Executive Chairman of our Board and Company Secretary are both independent, and our Board includes an additional three Independent Non-Executive Directors, ensuring a healthy balance.</p> <p>We publish our Annual Integrated Report together with our Audited Annual Financial Statements, which our independent auditors review and assure. We publish our interim results and interim financial statements and deliver a quarterly report-back to our funders. We communicate any important updates promptly via SENS announcements, and we host our annual AGM, where we genuinely listen to feedback and respond accordingly.</p>
Potential investors	<p>We have built a demonstrable positive track-record over the long term. We have a sound investment philosophy and a strong investment strategy, which we communicate in our annual integrated and interim reports and apply to all our investment decisions. Huge Group focuses on long-term investments that will ultimately contribute to socio-economic development of South Africa and the other markets in which PICs operate.</p> <p>Our sector focus is on the rapidly evolving and accelerating technology landscape, where we ensure that our PIC leaders are supported by strong foundations that allow them to build sustainable enterprises. Some of our technology sector-related portfolio companies have been within our stable for 15 years.</p>
Our portfolio investment companies	<p>Huge Group makes investments in companies who strive for entrepreneurial excellence. We select PICs with a strong focus on the exemplary performance of their leaders. We offer extensive support through our oversight framework to enable these entrepreneurs to focus on innovation and daily operations management.</p> <p>Our PIC leaders are essentially our co-investors, who have a mutual desire to build sustainable enterprises. We have frequent and consistent engagement through strategy alignment meetings with the leadership of our PICs. We share best practices across our PICs for their combined benefit and facilitate collaboration to achieve economies of scale, identify and create synergy, and accelerate innovation opportunities for each of them.</p>

Our stakeholders	Our mutual value relationship
Our employees and suppliers	<p>We aim to ensure our employees and suppliers share our values in a mutually beneficial working environment. We continue to develop our Employee Well-being and Productivity Policy, which we distribute to all our PICs for their own implementation.</p> <p>Our Code of Conduct informs our value system. We do not discriminate, and our reach extends to the employees of our PICs, and our SMME suppliers. All employees and suppliers are required to maintain these highest standards in ensuring that our businesses are conducted in an ethical manner. In turn, Huge Group rewards its employees competitively and fairly.</p>
Government and regulators	<p>The JSE's engagement with us is positive. We subscribe to upholding the highest standards of financial reporting, particularly when it comes to the integrity and accuracy of our financial reporting. We also ensure compliance with all applicable laws and regulations in our country, and this is monitored by our Audit and Risk Committees.</p> <p>ICASA regulations have improved the regulatory landscape, with the spectrum allocation conditions unlocking potential explosive growth for our PICs.</p>

Our Investment Team and thought leadership

Supported by our Board of Directors, our Investment Team collaborates closely with the entrepreneurs of our PICs to share best practice across different areas of expertise. In combination, their leadership experience in the technical, business, financial, connectivity and data communications environment represents significant thought leadership.

Our Investment Team

James Herbst

Chief Executive Officer

James is Huge Group's listing founder. He joined the Company in 2006 as its CFO, prior to its listing on the AltX bourse of the JSE in August 2007. He has been a member of the South African Institute of Chartered Accountants since 1997, he has been a charter holder of the CFA Institute (which focuses on the education of investment professionals) since 2000, and he has been involved in the listing of three companies on the JSE. James' investment career spans 26 years, 19 of which have been focused on investments in technology companies.

Zak van de Merwe

Chief Operating Officer

Zak holds a B.Com marketing degree from the University of Johannesburg and has worked across multiple vertical market segments on projects in more than 20 geographic regions across the African continent. He has held numerous executive positions in the telecoms sector, has participated in start-up business initiatives, and he has significant experience in developing and successfully executing business strategies. He has also been an advisor to various African organisations. His primary area of expertise is in the MVNO area. In addition to his role as Group Chief Operating Officer, Zak is also the Managing Director of Huge Digital.

Maria Heraty

Chief Financial Officer

Maria is an entrepreneurially-minded CA(SA) with a demonstrable track record of success in building, growing, and improving the profitability, performance, and value of companies within the Financial Services and Telecommunications sectors. She has a wealth of experience in leading, influencing, and driving the strategic, operational, reporting, and the governance aspects of multi-dimensional financial teams in large organisations. Maria also has experience and insight into the technical aspects of financial and transactional information technology systems.

Tamryn van Tonder

Chief Commercial Officer

Tamryn is a multi-faceted commercial and financial executive with extensive experience in diverse fields ranging from the niche financial services sector (specialising in asset backed lending and short-term insurance) to her more recent experiences in the ICT industry. Tamryn prides herself on improving the performance of entities through strategic engagement, calculated transformation, and mutually beneficial collaboration. Her unwavering commitment to excellence is demonstrated in her achievements to date which includes graduating Cum Laude from the University of Johannesburg (in both her bachelors and honors degree) and placing second in South Africa for both SAICA board exams. The Board recommended the appointment of Ms van Tonder as one of its members, which will be ratified at the Annual General Meeting to be held on 3 July 2024.

Andy Openshaw

Investment Committee Member

Andy has more than 20 years of experience in the telecommunications sector. Before joining Huge Group, Andy operated one of South Africa's leading voice and data service providers. Prior to entering the telecommunications sector, Andy fulfilled senior sales and marketing positions. In addition to his BPharm, Andy has also completed the Advanced Executive Programme at the UNISA School of Business Leadership.

Our FY2024 top portfolio investment company entrepreneurs

Marius Oberholzer

Managing Director, Huge TNS

Marius holds a Doctor of Business Administration degree from the internationally accredited Nelson Mandela University Business school and he is a founder of several companies in South Africa. He is a seasoned managing executive with over 27 years of experience in the telecommunications and information technology industries. Marius enjoys innovative and creative initiatives and is an instigator of adopting alternative approaches to problem solving and identifying opportunities. Marius is known for his skills in strategic business management and business mergers and for his entrepreneurial approach. Marius has built a reputation for long standing trusted relationships with customers, suppliers, and stakeholders.

Keven Sinclair

Managing Director, Huge Connect

Keven possesses a Bachelor of Commerce degree in Management, and has over three decades of rich experience in the telecommunications sector. Presently, he serves as an executive director on the board of Huge Connect. Remarkably, Keven stands as one of the few remaining founding members of Huge Connect, previously known as ConnectNet, post the acquisition by Huge Group in 2017. Within the organisation, Keven holds the position of Managing Director of Huge Connect, reflecting his seniority and expertise in the industry.

Don Cameron

Managing Director, Huge Distribution

Don started his career in the IT sector in 1994, and subsequently went on to be a part of a merged entity that listed on the JSE in 2001. He has co-founded a number of businesses, including gas and energy distribution in Southern African countries. He has been involved in several merger and acquisitions. Don utilises his entrepreneurial experience combined with his ability to work with management teams to create and maintain successful businesses.

Our approach to ESG

Huge Group recognises that the decisions it makes about environmental, social, and corporate governance (ESG) factors are important and can have a bearing on the future of its PICs, their performance, and their long-term sustainability. Accordingly, we give our PICs access to a corporate governance structure, which we use to govern our own investment activities.

Our Board considers the UN sustainable development goals every time it meets, and we believe that our contribution is material in the following ways:

8 DECENT WORK AND ECONOMIC GROWTH



By providing the services we provide, by sharing best practices, and by allocating financial capital to our PICs, we aim to empower them and ensure their **economic sustainability**, allowing them to contribute to broader **socio-economic development** as good corporate citizens. Examples of these long-term contributions include job creation and skills development across our ecosystem.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Our PICs are innovators in the world of information technology, they are providers of connectivity to businesses and people, and they facilitate access to the information highways of this world. They develop **technical infrastructure that makes accessing information simpler and faster**. In the rapidly expanding world of mobile virtual network operators (**MVNOs**), our PICs are innovating while supporting mobile access to the internet across various markets, and they are providing their business customers with innovative tech tools to enhance their productivity. We are involved in the important digitalisation of everything we do, enabling communication in an increasingly connected world.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Our corporate governance structure, risk framework, and the policies we have created comply with all applicable laws, regulations, and standards and we believe that they are best of breed. Our Investment Team ensures that our PICs strictly adhere to the parameters of their financial risk control frameworks. The services we provide to our PICs include access to a range of financial and treasury related services, including loan administration and agency services, access to legal advice, and access to other professional services. Our structure provides a **strong institutional foundation** with common values from which the various PICs can still operate independently.

17 PARTNERSHIPS FOR THE GOALS



We actively foster **cross-collaboration, and we actively seek** to identify **synergies** among our PICs. We give our PICs access to the members of the Board of Directors of Huge Group, who extensively share their skills and experience. We encourage our PICs to partner with each other as suppliers and customers to create synergy. We aim to identify benefits arising from economies of scale that can be achieved if our PICs work together. We encourage the sharing of best practice to create cost savings, efficiencies, and opportunities for enhancement.

ESG governance

We are guided by an **Ethics Policy** and **Code of Conduct**, which are embedded in our culture and extend to our PICs and sometimes even their supply chain. These policies articulate our desire that those with whom we work must adhere to ethical behaviour, and the business practices adopted across our ecosystem must be exemplary and without discrimination. The Board undertakes an annual review of these documents and our employees and the employees of our PICs confirm their commitment annually.


Key principles in our Ethics Policy and Code of Conduct:

- We shall comply with the laws of the countries and industries in which we operate
- We shall demonstrate integrity and professionalism in everything we do
- We shall maintain a zero tolerance outlook to fraud and corruption, both internally and externally
- We shall maintain accurate financial records
- We shall use company resources responsibly
- We shall show mutual respect and tolerance of others
- We shall provide a safe working environment for all our employees
- We shall respect the privacy of others and the confidentiality of information to which we are privy
- We shall be accountable for all our actions
- We shall avoid conflict of interest where possible
- We shall have as minimum a negative impact on the natural world around us as possible

Huge Group also continuously reviews its security controls and processes to ensure that the personal information of our stakeholders is secure.

 See our Protection of Personal Information Policy.

Our **remuneration philosophy** embraces the concept of equal pay for equal work – it helps ensure that no differential compensation applies to gender, race, or location.


 Please see our Remuneration Committee Report on page 59.

Diversity and transformation

The Board recognises the value of diversity as set out in our Diversity Policy. The Board continuously seeks to improve upon its current level of diversity and is supported in this process by its Diversity Policy, as well as the functions of the Nominations Committee and the Social and Ethics Committee. We assist our PICs with their strategies to improve their empowerment and diversity credentials and actively engage in their transformation strategies. The Company is also investigating the possibility of participating in Enterprise Development and Socio Economic Development initiatives to enhance transformation across the value chain.


Our Social and Ethics Committee

Our **Social and Ethics Committee** meets quarterly and reports directly to the Board. In 2023, the Social and Ethics Committee recommended the appointed Ms Boakye as one of its members. The Board approved Ms Boakye's appointment to the Social and Ethics Committee.

 Please see our Social and Ethics Committee Report from page 58.

Succession planning

The Board, with the help of the Nomination Committee, undertakes a comprehensive review of executive and senior management positions on an annual basis to identify key individuals who can fulfil short-term vacancies in positions on an emergency basis, as well as individuals who can provide long-term succession for these positions. We continue to develop plans which are important to the key individuals on whom we rely and the key individuals who might succeed them. By doing so, we ensure that they will be adequately prepared to assume responsibility for the responsibilities of the relevant positions.

 Please see our Governance Report from page 46.

Social and environmental considerations

The Investment Team tries to regularly review the ESG-related UN six principles for responsible investment as outlined in the Principles of Responsible Investment (PRI) and to adjust Huge Group's investment philosophy, where applicable. Our Investment Team aims to establish a working group that will help it identify any material ESG-related risks and opportunities that emanate from investment decisions. We also involve our PICs in various ESG initiatives, some of which are detailed here.

The environmental and social initiatives of some of our top PICs

Huge TNS ESG initiatives

Environmental considerations:

Huge TNS is reducing reliance on paper by digitising the order and storage processes. They have adopted a solar system in one of their offices and dispose of old hardware via accredited e-waste vendors. Their efficient travel route planning avoids unnecessary travel and reduces carbon emissions, and their Company Vehicles Policy limits private travel. Huge TNS also supports upstream providers who implement extensive ESG programmes.

Social considerations:

In partnership with SETA, Huge TNS increased their learnership programmes from five in FY2023 to 20 in FY2024. In addition, as part of the PIC collaboration efforts, Huge TNS increased overall training for all staff and implemented an upskill and on-the-job training programme.

Governance considerations:

In FY2024, Huge TNS renewed and updated its HR Policy to include fraud and corruption and improved its Health and Safety practices through safety training and equipping all branches with first-aid trained staff. Huge TNS is certified compliant with ICASA and CPA, and received clean audits with minimal concerns.

Supporting the supply and distribution of renewable energy

Solar energy is a renewable energy source that creates no harmful greenhouse gas emissions. The carbon footprint of solar panels is small due to their longevity.

One of our PICs — **Huge Distribution** — is already supplying solar panels to the market through business partners and our other PICs. Huge Distribution is in the process of increasing its distribution capability and is in the process of increasing its customer base through the Huge Group ecosystem. In FY2025, Huge Distribution aims to launch **Huge Energy**, which will be the springboard for its renewable energy strategy going forward.

Huge Connect's ESG initiatives

Environmental considerations:

Huge Connect has embraced digitalisation. This means that they are actively reducing their reliance on paper-based documents. Huge Connect has partnered with certified e-waste recyclers for responsible disposal of IT equipment, ensuring compliance with regulations governing the disposal of e-waste and the management thereof. Huge Connect also makes use of the services of reputable recycling companies specialising in the recycling and re-manufacturing of printer cartridges.

Social considerations:

Huge Connect has implemented several initiatives aimed at providing its employees with personal and professional support. One of these initiatives is its **Employee Assistance Programme (EAP)**, which is designed to provide comprehensive support for company staff who may be facing daily challenges. The goal of the programme is enhancing the safety, health, financial stability, and mental well-being of employees.

Another initiative is Huge Connect's partnership with Credit Gateway, to assist employees who may be experiencing financial stress. Credit Gateway specialises in assisting employees (in this instance, Huge Connect's employees) to renegotiate debt levels with personal creditors and in providing financial aid, including loans for those unable to secure financing through traditional banking channels. The aim in collaborating with Credit Gateway is to improve employees' financial health and creditworthiness over the long term.

Community involvement is a Huge Connect priority. It is actively engaging in various philanthropic endeavours, including sponsorship of schools, orphanages, and foundations. One notable contribution is the provision of free internet connectivity services to these organisations and the communities they serve.

Data protection and cybersecurity:

Huge Connect has joined forces with KnowBe4 to enhance its data protection and privacy measures in response to the growing challenges related to cybersecurity. By undertaking comprehensive training and testing, Huge Connect is working to minimise its exposure to cyber-attacks and increase its safeguarding of sensitive information.

Governance considerations:

Governance is integral to the operations of Huge Connect. Huge Connect has formalised its commitment to ethical conduct by adopting comprehensive policies. These policies cover a range of critical areas, including fraud, bribery, and corruption prevention, as well as protocols for addressing harassment, discrimination, and grievances in the workplace. Its Code of Business Conduct sets the standard for ethical behaviour across all levels of its organisation.

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Material themes and focus areas

Pertinent macro-economics factors

The rapid tightening of global credit markets by reserve banks around the world is the single, most significant macro-economic factor to have an impact on Huge Group. Recent remarks by reserve banks wanting to keep rates higher for longer will have a significant impact on growth and valuations, both abroad and locally. The US exceptionalism does not assist either because it has strengthened considerably and continues to do so, thereby increasing imported inflation for other countries.


Since 2023, increasing **global geopolitical** tensions has exacerbated matters, creating more uncertainty and volatility, which ultimately affects financial stability, funding costs, asset values, and the general investment climate or appetite for risk.

The indirect effect of disruptions to global supply chains and commodity markets are also negatively affecting domestic growth and inflation, exacerbated by **national energy shortages** and **pre-election uncertainty**. This has an impact on the foreign exchange rate and the cost of importing foreign goods and services.

Pertinent socioeconomic factors

Skills development is a priority for national government and businesses, particularly around developing **future skills** in an increasingly digitised and connected world. **Affordable access to connectivity** is critical for productivity and growth.

Environmental considerations are increasingly top-of-mind worldwide and, in South Africa, energy shortages and scarce water resources are driving alternative energy and conservation efforts.

 For more information on the macro-economic environment and our growth drivers, please read our Leadership Reports from page 38.

Our focus areas

In the wake of these macro-economic factors, we are focusing our attention on internal areas such as treasury management, risk management, cost savings, efficiencies, productivity increases, identifying and creating synergies, expanding our ecosystem, and maintaining our investment and business track-records. We believe that our portfolio of investment companies is resilient.

We have recently secured additional funding and we are anticipating significant organic growth in our asset base.

Our focus areas

Huge Group, through its PICs, is an enabler and provider of affordable **mobile connectivity**. Its digital business productivity tools and the associated **future-skills development** support **leading entrepreneurs in technical innovation**.

One of our top PICs distributes **solar equipment** to the market, and we seek similar opportunities as they arise.

Sector trends and our PICs

The ICT sector includes information and communication technology hardware and software, telecommunications, and digital services. In South Africa, the market is poised to grow significantly over the next five years, with business collaboration a key feature. Huge Group's PICs operate within this expanded and broader definition of sectors.

People and businesses have an increasing appetite for **fast, effective, and safe data transfer** in an increasingly digitally connected world, which necessitates **affordable connectivity** solutions. At the same time, the world is increasingly characterised by an evolving landscape of convergent and **interconnected** technologies in every field, including innovations in the payments and financial services space and the mobile virtual network operator (MVNO) industry.

The FY2024 strategic positioning and growth drivers of our top PICs



Huge TNS is a network enabler, providing business-to-business solutions and a robust support platform for their home office, SMME and enterprise market needs.

Huge TNS has significantly expanded its market reach in a relatively short space of time.

Turnover
R255 million
(FY2023: R265 million)

GP
51%
(FY2023: 51%)

EBITDA
R90 million
(FY2023: R47 million)



From SMME to enterprise, Huge Connect provides reliable data connectivity solutions across South Africa and some of our neighbouring countries, with a focus on the secure transmission of transactional data.

Turnover
R166 million
(FY2023: R150 million)

GP
55%
(FY2023: 56%)

EBITDA
R60 million
(FY2023: R52 million)




Huge Distribution sources and supplies world-class products and solutions from leading global vendors to South Africa and neighbouring countries, including video conferencing, telephony, and solar equipment.

Huge Distribution is positioned to leverage relationships with our other PICs to distribute existing products and explore new ones, as well as extending solar solutions to a wider customer base.



Huge Digital is Huge Group's most recent investment, providing a cloud-native, turnkey mobile virtual network operator (MVNO) enablement service that represents a quick, affordable, and secure platform-as-a-service solution for businesses based on one of the most sophisticated local-enablement architectures available. It is able to cater for the needs of the largest blue-chip brands through to SMMEs. Huge Digital will be launching its first two major retail anchor-tenants mid-2024, with imminent and exciting opportunities in the pipeline for FY2025.

 For more in-depth commentary on our PICs for FY2024, please see our Leadership Reports from page 39.

Our approach to risk management

Our overall risk management framework focuses on managing the risks related to our PICs to ensure that they continue to operate successfully, continue to grow revenue and profits, continue to innovate and maximise opportunities, with the ultimate goal of creating returns for Huge Group's shareholders.

Huge Group's risk management process aims to manage the risks and mitigate the potential negative effects of them, while providing us with the capacity to meet our objectives and capitalise on any opportunities we encounter.

The Huge Group Board maintains overall responsibility for the determination of the Group's risk management objectives and policies, and delegates authority for designing and operating processes to ensure their effective implementation at each PIC. Risk management is carried out as part of the day-to-day activities of our PICs under approved policies, and each PIC reports to the Huge Group Investment Team on a monthly basis.

The Chairman of our Audit Committee also chairs the Risk Committee. By invitation, members of the Board attend the meetings of both the Audit Committee and the Risk Committee. This provides the Audit Committee with the ability to interact closely with the functions performed by the Risk Committee to ensure that there is an adequate understanding of the risk management processes.


Our risk management process

Risk identification	We conduct an extensive process to identify strategic and operational risks which may affect the delivery of our growth strategy.
Risk evaluation	We assess and measure these risks to determine their likelihood and impact on our growth strategy.
Risk control	We implement risk controls to negate, mitigate, and reduce risks to the delivery of our strategy.
Risk financing	We measure the financial impact of applying the risk controls as part of the risk management process.
Risk monitoring	We continuously monitor risk controls to assess their relative effectiveness in reducing risks in undertaking and implementing our growth strategy.

Risk appetite and tolerance

We define our risk appetite by the risk we face and our tolerance levels as follows:


Crisis management	Extremely cautious, with zero tolerance
Board approval	Cautious, with low tolerance
Managing Director approval	Conservative, with moderate tolerance

 For more information on our risk governance, please see our Audit and Risk Committee Report on page 73.

Combined assurance

Huge Group has regard to the following five lines of assurance:

First line	Line management is responsible for monitoring and managing risk and opportunities.
Second line	Risk managers in each PIC review and consider risks and opportunities.
Third line	Huge Group utilises the services of various external consultants to assist with managing risks related to revenue recognition and regulatory compliance.
Fourth line	The independent auditor considers and reviews the risk management processes we have implemented and elevates any areas of concern which may require further attention.
Fifth line	The Risk Committee and the Audit Committee provide the Board with advice and recommendations in respect of risk management and opportunities.

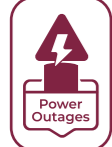
 For more information on our combined assurance, please see our Audit and Risk Committee Report on page 73.

FY2024 key risks and opportunities



Cyber threats are growing worldwide, with cyber breaches of increasing concern.

We conduct proactive monitoring and threat detection, backed up by comprehensive cyber insurance cover. Huge TNS launched a new product suite in 2023, including enhanced cyber security propositions for their customers. **Huge TNS** administers and actively provides thought leadership to its colleagues in other PICs, and educates its employees, customers, and suppliers on prevailing cyber security threats such as phishing and malware. Through structured training and processes, the teams are equipped with the requisite skills to effectively respond to security incidents.



Ongoing disruptions in the grid power supply and potential national power grid collapse

We constantly conduct a thorough analysis to determine the ongoing impact of power interruptions on our business. We also continually assess the likelihood of a grid collapse. Our PICs have adapted well to the challenges of loadshedding and are able to ensure business continuity with offshore shadow-servers in the event of a grid collapse or similar local disasters. Although the likelihood of a complete grid collapse is diminishing, we also have contingency plans in place to ensure employee preparedness.

To mitigate grid supply challenges, there is a **growing market demand for solar and alternative energy sources**. Huge Distribution's solar energy solutions represent significant potential.



Deteriorating macro-economic conditions

We constantly monitor the broader market and the volatility of its components. Our Investment Team in discussions with external, professional advisors, stays abreast of developments both locally and abroad. We maintain a strict financial control environment, seeking out cost savings and efficiencies, economies of scale, and we adopt a conservative approach to treasury management to ensure that we are resilient.



Loss of key PIC personnel

Our PICs update their succession plans regularly and report these updates to the Huge Board. Our Nominations Committee reviews annual succession plans.

Our reputation, established track-record, culture and benefit policies allow us to attract and retain talented people.



Lack of liquidity

We engage with shareholders, potential investors, current lenders, and alternative funders to increase capacity to fund the growth of our PICs and our investment portfolio. We maintain a good relationship with our funders, and we extended our relationship with RMB, where we recently negotiated access to additional funds by carefully managing our financial fundamentals and **delivering on our strategy**.



Legal and regulatory compliance breaches

We consult our experienced internal and external legal counsel on all matters considered material.

We proactively review changes in the regulatory environment at our Board Committee meetings.



Inability to meet strategic objectives

We are constantly trying to build our capacity to facilitate the meeting of our strategic objectives.



Failure to meet South African B-BBEE requirements

Huge Group maintains close relationships and constant communication with B-BBEE consultants to enhance opportunities as they arise, including structured planning on meeting future targets specific to each PIC.



Politically exposed individuals

Huge Group carefully vets potential investment targets and business partners before undertaking an investment.



Perspectives and insights from our leadership

- 32** Our Independent Non-Executive
Chairman's message
- 34** Our Chief Executive Officer's statement
- 38** Messages from our leadership

Our Independent Non-Executive Chairman's message

As an Independent Non-Executive Chairman, my role is to facilitate communication between and among Independent Directors and Management, and to ensure that we maintain a high standard of governance by involving all our stakeholders in conversations about the company and its PICs, from shareholders and investors to bankers, regulatory authorities, and auditors. Our Board is well-structured and is independent. This structure creates an ethical ethos in the Company and its PICs. We have received positive feedback from our major shareholders and funders during the past year about our governance frameworks, processes and our conduct in dealing with risks. We like to have constructive conversations that continually challenge our own mindsets and allow us to grow and find future opportunities.

Beyond paying lip-service to governance, our governance framework is an essential tool in value creation. We have built a strong framework that serves as a solid foundation for our Company and its PICs.



Veran Kathan

Overall, I am especially comfortable that the Board is a healthy, balanced, and productive team of people who are steering the Company and each of its PICs through a challenging environment while continuing to identify areas for growth.

At our Board and Committee meetings, we hold structured and constructive debates to understand the impact of the external environment on our investments and how we can enhance our PICs' resilience. We regularly review our processes to ensure that the Company's activities and those of its PICs conform to sound governance principles. While each of our PICs is represented by their own board of directors, the Huge Group Board carefully considers the governance standards adopted by each of our PICs to ensure a common value system and appropriate alignment.

When new topics of discussion arise, we debate each in depth, taking guidance from our leaders who are seasoned experts in their respective fields, whether it be funding, structuring, auditing, business strategy or matters of a technical nature. Each expert plays a vital role in our discussions, and ultimately, unanimous Board decisions are made.

Our investment portfolio is resilient

South African businesses have experienced a difficult macro-economic environment over the past three to four years, which has been exacerbated by the COVID-19 pandemic, escalating costs, high inflation, rising interest rates, rising oil prices, and loadshedding.

Despite these difficult times, the Board is satisfied that our PICs are resilient, as demonstrated by their stable revenues.

The measures that we have put in place assist us in countering these challenges, while still increasing the value of our investment portfolio. Rising costs will continue to dampen revenue growth to some extent in the short term, but our PICs are heading in the right direction as they navigate changing and challenging times. They do this with discipline and strict cost management, while leveraging unique opportunities for constructive collaboration among each other and by exploring initiatives with their key clients.

For more information on the performance of our top PICs, please read the respective Managing Directors' Commentary from page 39.

Adapting to change

In an uncertain operating environment, 'business as usual' will not be sufficient enough to make one thrive. Our approach is **'business unusual'**, which emphasises the need to continue to adapt. Each of our PICs subscribe to this philosophy. Beyond this, our investment frameworks allow us to leverage economies of scale, and they allow us to innovate. The platforms that our PICs possess bode well for their exponential future growth. We will continue to adapt into the year ahead. I remain positive in my long-term outlook for Huge Group and I know that we will unlock new and exciting opportunities for growth in the future.

For an in-depth analysis of our outlook, please see our Chief Executive Officer's Statement from page 34.

In appreciation

Given the tough macro-economic conditions in which South African businesses have found themselves, I am deeply thankful for our strong Management Teams and all our people – not just at board level but in each of our PICs – who have helped us to adapt, grow, and build our businesses and increase the value of our investments. I am confident that our combined leadership and intellectual capital will continue to guide us through the challenges that lie ahead as we continue to navigate the uncertain landscape. Together, we will grow Huge Group.

Veran Kathan

Independent Non-Executive Chairman

31 May 2024

Our Chief Executive Officer's statement

Internal reflections

I was involved in the listing of Huge Group on the JSE in 2007, I have been involved ever since, and I am heartened that we continue to grow our asset base 17 years after starting this journey. The results of our vision, our long-term planning, our careful investment selection, our resolve, and our resilience are demonstrable. We have created a strong track record even though it is not always appreciated, recognised or reflected in our share price. We have built a platform that will bear much fruit as we continue our journey and it is a platform that we will continue to grow and fortify.



James Herbst

The investment business is about discipline and consistency. To be successful at something requires repetition. The more you do it, the better you become. In the words of Gary Player, “if you hit a thousand golf balls a day, you get luckier.”

It is worth noting that we have grown our net asset value from around R37 million in 2015 to R1 582 million in 2024. This is nearly a 50-fold increase in our asset base in a decade, with limited resources, limited access to capital, and in a tough environment. Our investments in businesses and people have created an impressive foundational platform that will attract more talented people, will allow us to make more and better investments, and positions us to create and unlock even greater value over the next decade.

In the past 18 months, we have faced the fastest rate hiking cycle I have seen since I have been involved in the investment industry. Its impact has been enormous – changes in interest rates have a significant impact on the weighted average cost of our capital, the value of our investments, and our ability to generate returns in excess of the cost of our capital. It also impacts on the ability to raise capital.

Interest rates are outside our control – ‘it is what it is.’ However, interest rates and changes in the fair value of our investment portfolio feed into our performance over any given or discrete periods of time, such as a year, and this means that we are required, in our reporting, to talk to short-term performance over and above long-term value creation.

Even though we focus on growing our net asset value rather than focusing on the annual changes in our net asset value, we do strive to also achieve short-term returns. In our world, these returns comprise interest received, management fees received, dividends received, and realised and unrealised gains on our portfolio of investment companies. However, short-term performance evaluation, particularly in volatile operating and investment environments, does not always reflect on what we have achieved and what we are trying to achieve, which is building and continuing to build a platform for exponential growth and sustainable value creation. Our annual results merely reflect a momentary snapshot of our daily practices, our planning and our decision-making while pursuing exponential growth and significant long-term value creation.

Our focus is less on our income statement and more on our balance sheet and the quality of our asset base, which comprises our investment portfolio. What we try to accomplish is the building of a great investment platform, fortifying it, making good investments, and then leveraging these by identifying synergies and creating value. This is not always a one-day game. It sometimes takes longer than that for which we had hoped. Importantly, if we are successful in our endeavours, we will **unlock exponential growth and create significant value over time**. These points deserve or require an example to understand what we mean: we have been engaging with the various stakeholders of Virgin Mobile South Africa for almost 15 years after recognising its latent potential. Over this time period, we made three unsuccessful business combination proposals, only to succeed on the fourth occasion. In November last year, we closed our acquisition of Virgin Mobile South Africa. The value of this investment will far surpass the cost of making it for the reasons explained on the next page.

Building our platform for growth

Our success involves building a platform and adding to it.

Between FY2018 and FY2024, we made a number of investments that have helped build and fortify our platform. We could have **made more** investments if we had access to more capital. However, we have leveraged and continue to leverage the investments we have been able to successfully close, resulting in success in our pursuits. We have introduced strategies, frameworks, and models to the investments we have made, and we have developed and enhanced them. Again, this takes time. As one great bottle of wine says, it is the 'work of time' and it takes time to build a great investment platform.

Huge Group is indeed a people business. In the last 5 years we have been able to attract talented people who understand the value of a platform and know how to leverage it to create value for all stakeholders. Attracting talented people also takes time and building people capacity is a continual challenge. People come and go for various reasons, and we live through many seasons of relationships. It is fair to say, however, that as the years go by, Huge Group is finding it much easier than ever before to attract talented people.

During quiet periods of investment activity, we use our time to focus more of our attention internally, making sure that the platform we have built is solid.

We are placing the 'pieces of an enormous puzzle' together and in many ways, building the platform is more important than making a specific investment. We think that this focus on 'platform' is what differentiates us from other investment destinations. Our investment in Virgin Mobile South Africa focused on adding to the platform and as I mentioned earlier, putting this piece of the puzzle into place took 15 years to achieve, involved three proposals being rejected, and required a lot of patience.

We closed our acquisition of Virgin Mobile South Africa on 17 November 2023 and we have changed the name of the company from Virgin Mobile South Africa to Huge Digital. Huge Digital owns a tier 1 global telecommunications software-as-a-service platform that will over time replace three home grown software platforms currently owned, operated, and maintained by some of our PICs. Huge Group's investment in Huge Digital marks its entry and involvement in next generation business models, of which platform-as-a-service is one. This investment is more than a platform-as-a-service investment, it is an investment that adds to Huge Group's own 'investment platform.' In the coming months, we will be working with our PICs to leverage Huge Digital's platform. We are also working with our PICs to leverage other assets; we are actively seeking to reduce duplication and we are thinking in non-traditional ways to create opportunities and unlock synergy. I am fortunate to work with teams of talented and tenacious people who have a common purpose.

We have built and continue to build a valuable investment platform and we have and continue to attract exceptionally talented people, making us an attractive investment destination.

It has taken us five years to build the necessary oversight capacity and fortify our philosophy of 'backing the jockey' and 'sharing the risks and rewards' of making investments. One of the challenges we face as the Investment Team is growing our asset base to a level that justifies our cost structure. Our aim is to achieve a cost to asset ratio of less than 1%. This represents a 'chicken and egg' scenario — we cannot attract talented people without a large asset base, and we cannot grow a large asset base without talented people. It follows that attracting talented people to grow and manage our investment portfolio has to balance with the cost of doing so. This is not easy to do. Today, we have a small but talented team of people overseeing Huge Group's investment platform and investment portfolio, which we are hoping to scale. Our investment platform and frameworks allow us to do what we do. It is also an interplay between our Investment Team and the leaders of our PICs and how we pool intellectual capital to produce more than what would ordinarily be produced if each component of the platform operated in isolation.

External reflections

The external factors that impact an investment business include access to capital, credit cycles, and the cost of capital. In the last three to four years, we have experienced the fastest fall and fastest rise in interest rates in 100 years. This volatility is difficult to navigate, even more so for smaller investment businesses. In South Africa, we have additional factors about which we are concerned, such as the political and social backdrops. This year brings with it some pre-election uncertainty. All these factors have a significant impact on the investment environment.

If interest rates rise, our net asset value goes down, and if interest rates fall, our net asset value goes up. In the latter case, the demand for investment opportunities should, all things being equal, increase because of scarcity, a case of too much money chasing too few assets.

Global credit rate cycles have been tightening since 2022 and we are hoping that they will start to ease in 2024. We know that we are well-positioned to benefit from any easing in interest rates because we have spent time strengthening our relationships with our shareholders, we have been building new relationships with potential investors, and we have a strongly supportive funder.

Looking ahead

In looking at what is in store for Huge Group for the next five years, I can tell you that we are excited about our future. We have enormous potential. We have an excellent team of people and a fresh board of Non-Executive Directors who have already added significant, demonstrable value to our business in a short period of time.

Despite macro-economic challenges, we believe we have the intellectual capacity, speed, and agility to succeed, and we are easily able to adapt when pursuing opportunities in South Africa, across the African continent, and even internationally over the longer term, even more so if South Africa becomes attractive for foreign direct investment.

We will continue to focus on our strategy as an investment platform and an asset-based investment business and pursue our long-term goals with zest. The bigger our asset base, the greater the absolute value of our asset growth. To illustrate: a 10% growth off a base of R200 billion is far greater in absolute terms than growth off a base of R2 billion. This is our ultimate goal – growing our assets under management.

We also aspire to becoming an investment destination which has the same investment models as those used by large international investment houses who are able to make investments in companies like Nvidia well ahead of anyone else. While Huge Group is only at the start of this journey, we confidently believe that we have the platform, the framework, the people, and other necessary building blocks that we have put in place over the last 18 years that will ultimately allow us to live up to our name and deliver on the latent potential for self-generation in the decade ahead.

James Herbst

Chief Executive Officer

31 May 2024

Messages from our leadership

Notes from our Chief Financial Officer

Huge Group further strengthened its financial position in FY2024 and continued to generate cash flows, demonstrating the resilience of its investment portfolio and the ongoing success of its investment strategy.

One of the key highlights in FY2024 included the re-negotiation of Huge Group's amortising debt facility to a cumulative redeemable preference share subscription agreement with RMB. This agreement provides Huge Group with access to additional funds to strengthen its financial position and flexibility for future growth opportunities, and is a reflection of the strength of its relationship with RMB.

 For more detailed notes on our Audited Financial Statements, please read from page 62.

Maria Heraty

Chief Financial Officer

Highlights from our Chief Operating Officer

Huge Group has spent the past 18 years identifying companies for inclusion in our portfolio. At the same time, we have also tried to identify talented people to add to our intellectual capacity.

We believe we have built a foundation that will allow us to enter the next exciting phase of value creation, a phase that involves identifying synergies between our existing PICs and other potential investments. It is also a phase involving collaboration to reduce its cost base and materially enhance our bottom line.

Collaborative thinking and action from all our PICs is key. It is vital that everyone is thematically on the same page. As such, the frequent round table discussions between our Investment Team and our PIC leaders is the forum in which we share knowledge and case studies, and where we tap the experience and intellectual property of subject matter experts who are capable of providing guidance and advice.

The Investment Team has formally introduced a new framework that aims to enhance our focus on strategic planning, operational performance, and key metrics. We are empowering our PICs with extensive guidance — we are introducing key metrics and ratios to watch, providing strategic and tactical guidance around the framework to create additional value and facilitating financial restructuring.

In working together, our whole is greater than the sum of our parts. Our collaboration, combined with the resilience, places us in an extremely strong position to create advantages.

I am able to bear testimony to this position as I am both the Chief Operating Officer of Huge Group as well as the Managing Director of Huge Digital. I am playing an important role in introducing Huge Digital's capability of providing a platform-as-a service to each PIC so that they can leverage this for their own internal purposes as well as leveraging it to their market as part of a suite of innovative product and service propositions. Our respective leading entrepreneurs reviews, from page 39, describe many more tangible examples of synergy in action.

Zak van de Merwe,

Chief Operating Officer



Huge TNS

Marius Oberholzer

Managing Director, Huge TNS

We have recently combined our telecoms and networks businesses under our new Huge TNS brand. We are now sixteen months into this journey and we are enjoying an increased customer awareness which is informed by our strong value proposition and brand promotion initiatives.

At Huge TNS, we are embracing our 'new business', borne from two separately managed but well-established businesses. Our key focus for FY2024 involved combining the cultures, business processes, operating models, and structures of the two companies into a streamlined, optimised, and unified combination with a single identity and business model.

In navigating the changes in our environment and our company, the conversations we have had with Huge Group's Investment Team have positively influenced and strengthened our business. We are in the process of developing best practices for a corporate structure and our own entrepreneurial structure, and we are already seeing early positive results from this process.

Our primary challenge as a business is to grow revenue, profits, and cashflows in a mature and saturated market. By identifying synergies and exploiting them and by collaborating with Huge Group's Investment Team, we are positioning ourselves to leapfrog our competitors. Our value propositions and our plans are well underway to do so.

At present, we are emphasising the use of creative tools to add value. One of our strengths and differentiators is our **business platform offering** that we make available to the market, countrywide through our various branches, which has changed our competitive positioning from the single dimension it had previously been to a multi-dimensional one. While this was initially costly to launch, its potential is being well demonstrated in the opportunities that have been created. It helps that we have a national footprint for delivery and distribution, which makes achieving our goals possible. Another one of the tools in our cabinet is our unique and **strong supplier relationships** with companies such as MTN Wholesale and Vodacom Digital, both of which are as important to us and to our customers.

We have built a client portfolio over a long period of time and it has enormous value. Some of our client relationships extend over 15 years, and we aim to significantly grow this base of **sustainable, high-value annuity client relationships**. In FY2024, we gained noteworthy clients in the healthcare and manufacturing environment, and we are building relationships and will play a vital role going forward in other key **industry verticals**.

Change is the only constant in our environment. We navigate this changing landscape through creative differentiation.

Our ever-changing operating environment is a function of the behavioural changes of our end customers. For example, the shift in perception of access to data connectivity as a historical luxury to a modern-day utility has shaped one of the behavioural changes. The decline in 2G/3G bearer technologies and the introduction of 5G bearer technologies is an example of other shifts in our market that has required us to pivot from a traditional GSM provider to a **network enabler** – allowing a customer to access any network of any size at any time.

We are also navigating the cultural changes that have occurred as a result of combining two business. We have implemented new frameworks and identified synergies we intend to leverage, and there is speed to market pressure requiring us to expedite and accelerate our initiatives. We think that turmoil can create opportunity, and we are well-positioned to harness these opportunities as they arise out of the turmoil. In the words of Walt Disney, 'If you do not like change, you will like irrelevance far less'.



Huge Connect

Keven Sinclair

Managing Director, Huge Connect

In early 2023, we started turning the corner following the COVID-19 pandemic and, in FY2024, we were able to grow revenue significantly. Despite the challenges of the external environment that we face, we are realising opportunities and finding creative and useful solutions for our customers.

Huge Connect is subject to the same challenges that all Huge Group's other PICs have experienced. We have had to navigate a similarly-evolving environment, although we provide our products and services to a slightly different market of customers. We primarily provide **services for the credit and debit card transactions of retail financial institutions**. This market is very fluid – industry participants upgrading their terminals, this time around, to android operating systems. We are fortunate that these changes have resulted in increased data volumes which has offset some of the normal retail price erosion that we experience. We have also benefited from decreased data charges, most of which we also pass on to our customers. The margin squeeze on the retail price of data traffic is therefore offset by a larger, disproportionate increase in traffic volumes moving forward.

Our strength lies in the combination of providing best-effort networks with our own proprietary systems and technologies. This allows us to offer committed service levels while we seamlessly transition from one network to another to ensure that the end-user's terminal always has connectivity. We also have multiple data centres with access to multiple networks that ensure that our clients have redundant connectivity and rarely experience downtime. On top of that, we provide administrative tools such as access to a **corporate portal** – giving our clients the ability to conveniently manage elements such as data usage and also allowing our customers to maximize their own results.

This corporate portal management function, which is completely redundant, is one of our key differentiators. Huge Connect already enjoys a strong position in its market segment, a position that it aims to continue growing. Its current market share of close to at least 50% can be grown further. We are consistently, month-on-month, gaining more market share thanks to our unique solutions.

In FY2024, we expanded the features of our products and services further. For example, our customer portal capabilities now include features such as SIM blocking and unblocking. This represents an extremely useful addition to the services we provide for banks which were previously administratively cumbersome and time-consuming. Another essential service we provide to our clients is the ability to combat fraud through advanced location-based IoT services. Customers can, as an example, ring-fence an area that will trigger alarms when a terminal is moved out of the ring-fenced area.

The government-planned shutdown of the 2/3G network, slated for 2027, will require an additional investment in upgrading our current network of deployed technologies, but we are prepared and ready for that. Other environmental realities such as loadshedding also affect our business, particularly in rural areas where merchants may have coverage but cannot achieve data throughput to complete transactions due to the capability on the underlying network. **We have overcome this hurdle through another creative solution** that provides the merchant with the ability to transact through a protocol integrated into the terminal. We populate the transaction through to the financial service provider using our own existing network infrastructure, eliminating the need for these banks or service providers to invest in further technologies and ensuring the reliable completion of the merchants' transactions. Another example of a challenge we have overcome has been to deploy our under-utilised contractor base to provide a financial service provider with the field service support of their card terminals.

All these examples serve to demonstrate our ability to turn challenges into opportunities. We are committed to adapting to identify synergies with Huge Group's other PICs.



Huge Distribution

Don Cameron

Managing Director, Huge Distribution

Huge Distribution, despite being subject to the same macro-economic constraints and an ever-changing landscape as all of Huge Group's other PICs, continues to grow. We have done so by adopting the same thematic approach of pivoting and adapting to challenging conditions to deliver positive outcomes. Our solutions are customer-centric and we have built up the relationships, framework, and the platform to exponentially scale our services.

While our business is a relatively simple process comprising procurement, warehousing, distribution and sale of physical products, it has become a pivotal piece in the bigger 'puzzle' through its role as the **centralised procurement and distribution cluster**. This shift in role has resulted in significantly improved distribution services to Huge Group's other PICs and has meaningfully contributed to the reduction of costs as a direct consequence of our improved collective bargaining and purchase power. These benefits were easy to achieve because we already had the foundation in place. It was therefore easy to adapt with no additional capital outlay.

Our customers include our own business partner network and Huge Group's other PICs. All of these relationships are long-standing ones. As our customers' needs evolve, we provide solutions that meet their changing needs. An example of this is the introduction last year of solar equipment, products, and services to our business partners and Huge Group's other PICs.

Our greatest assets include our people and our infrastructure, both of which have been built over decades from our experience across Africa. This will allow us to scale our services, reduce costs, and streamline our resources. We are also leveraging our relationship with Huge Group's other PICs to distribute our existing products, explore new ones, and to grow our business. We are in the process of extending our solar solutions to Huge TNS' customers and aim to focus on Huge Connect soon thereafter.

With a solid framework that is ripe for scaling, we also aim to extend our relationships to our network partners in Africa going forward. It is often said that South Africa is the gateway to Africa, and we have already built meaningful relationships in some of our neighbouring countries.



Huge Digital

Zak van de Merwe
Managing Director, Huge Digital

I have been a part of the MVNO industry since its inception eighteen years ago. Over this time period, I have learnt, adjusted, and refined my approach as a result of in-depth experiences. There has been a great deal of investment in the MVNO industry in the last eighteen years, with limited traction. This is all set to change with the very recent alignment of the supply, demand, and regulatory components of the industry. Our external environment has shifted towards the positive. On the demand side, the

explosive combination of insatiable end-user demand for data connectivity combined with the necessity for organisations to engage digitally with their customers has resulted in a market poised for demand-led growth with businesses of all sizes eager to enter the space. On the supply side, which has seen equally positive changes, the incumbent operators have now embraced the MVNO model and have recognised their enterprise customers as partners in achieving their own growth aspirations in a largely saturated market. The government's own focus on growing competition in the market has also resulted in an improved regulatory framework, which supports growth in the MVNO industry, with promises of more to come.

Having an upgraded, cloud-native tier 1 technology platform that is both multi-tenant and multi-network capable, combined with our unique strategy – which is informed by nearly two decades of practical, real-world experience in the SA MVNO market – positions us very favourably in providing a unique platform-as-a-service proposition, which we will be launching with our first two major, retail anchor-tenants in mid-2024.

Today, we are privileged to have one of the most sophisticated MVNO propositions in the country, backed by Huge Group's other assets, and based on a technology platform that has few equals in the local market. We also bring almost two decades of experience to bear in offering a cloud-native, full-service, turnkey MVNO enablement service that allows brands to enter the market quickly, securely, and with far less commercial and operational risk than any other model available in SA.

We are poised for imminent and exciting opportunities where there is synergy and an ability to innovate, both with Huge Group and with the broader market.



Abridged Corporate Governance Report

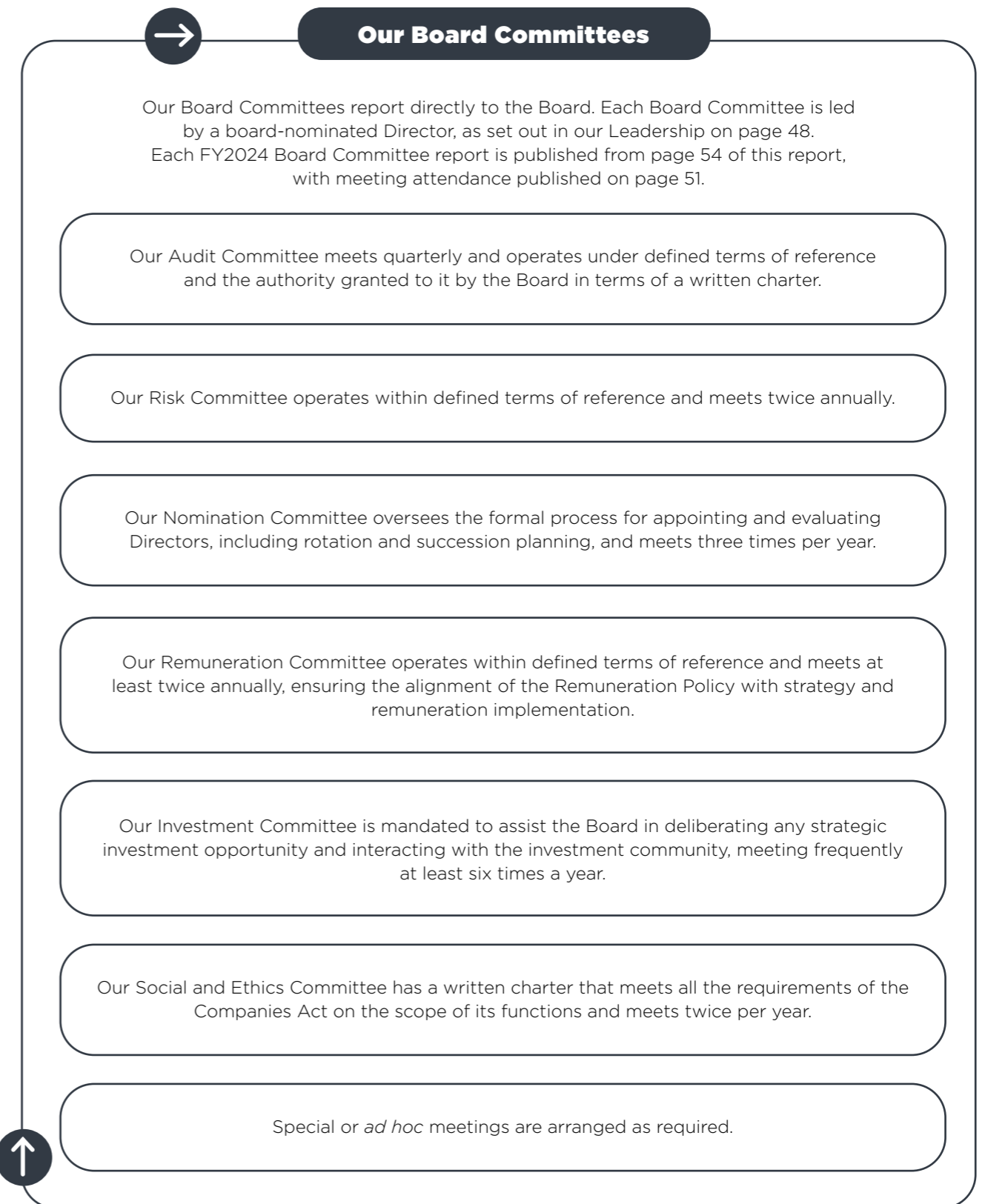
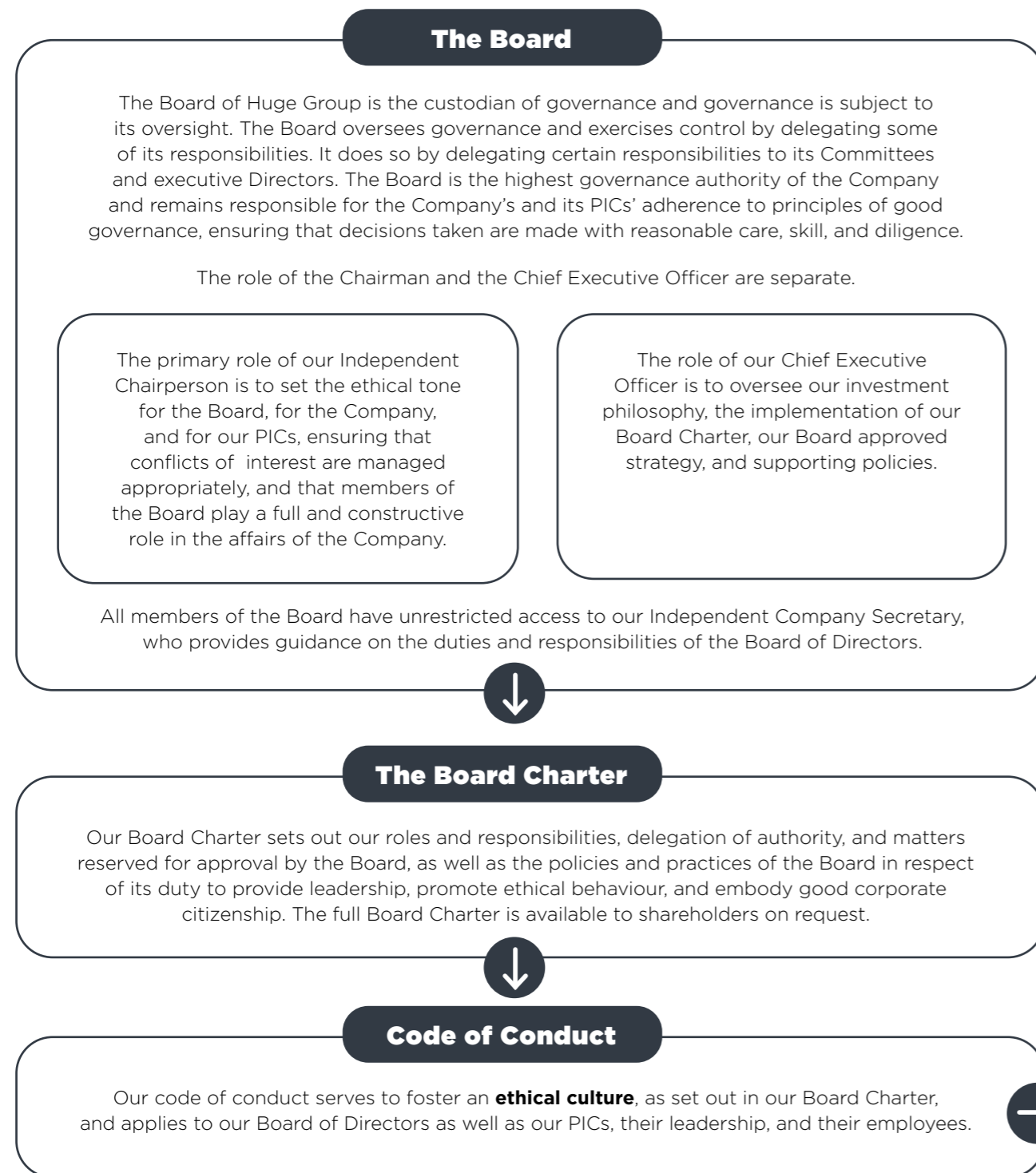
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How we are governed

Huge Group and our PICs uphold the principles of sound corporate governance and this is the way in which we wish to deliver our strategy and meet our commitments to our stakeholders to create value.

Huge Group adheres to the principles of good governance as set out in King IV™ and their application is set out throughout our Integrated Annual Report, including our Annual Financial Statements.

Our Audited Annual Financial Statements are published from page 64 of this report.



Our leadership

Our Board of Directors

Non-Executive Directors

Veran Kathan

CA(SA); B.Compt (Hons); Higher Diploma (Taxation)



Independent Non-Executive Chairman

Veran is an established corporate executive and entrepreneur and is currently a shareholder and the Managing Director of The Specialists Franchise Group, which has been operating since 1978 and has more than 70 branches in Southern Africa who offer pest control, hygiene, and cleaning services. He also currently serves as the Chairman of the Vodacom Group Pension Fund and a member of its Investment Committee and as a member and the Chairman of the Vodacom Group Provident Fund. Previously, Veran held many senior ranking executive positions at Vodacom. During his 15-year tenure at Vodacom, he served as its Managing Executive: Commercial Operations, as the Acting CEO: Vodacom Business, as the CFO: Vodacom Business, and as the Managing Executive: Credit & Risk. While at Vodacom, he also held various Board and Committee roles.

Mike Beamish

B.Comm



Non-Executive Director

Mike is the Founder and Chief Investment Officer of Praesidium Capital Management, an investment company that was founded in 2003. He has extensive experience in the investment management industry, and he has a successful track record in the management of various hedge funds, private equity, venture capital, derivative and listed equity investments. Over the years Praesidium has become a proprietary investor that seeks to form long-term partnerships with outstanding entrepreneurs. Mike specialises in finding fast growing businesses that have global scale. He represents the largest shareholding in Huge Group and, given the recent change by Huge Group to become an Investment Entity, Mike has made himself available to use his skills in this regard by service to the Board. Prior to forming Praesidium, Mike worked for HSBC as the associate Director for proprietary trading. He holds a B.Com majoring in economics, business information systems, and marketing.

Vincent Mokholo

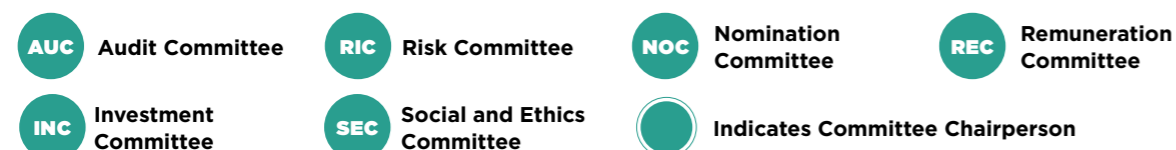
BSc; Telecom BMA (UK)



Non-Executive Director

Vincent has more than 18 years' experience in the telecommunications industry and previously served as the Chairman of Huge Group from January 2013 to March 2016. Vincent joined TelePassport in 1999 and served as Client Services Director at the time of its business combination and merger with Centracell to form Huge Telecom. Prior to the merger, he played a role in the empowering TelePassport, which culminated in Mojaho Trading acquiring 30% of that company. Vincent was instrumental in the development of Huge Telecom following the merger with Centracell and during his time with Huge Telecom, he held the positions of Deputy Managing Director and was responsible for bedding down the operations and service deliverables for the combined entity. In addition, he was part of the team which listed Huge Group on AltX in 2007 and on the Main Board of the JSE in 2016. Vincent was also Director of Ambient Mobile from March 2011 to March 2016, a portion of which he served as its Chief Executive Officer. Vincent is presently the Operations Director of Mano Coal, a significant coal logistics and trading business.

Board Committee Key



Conway Williams

CA(SA); MPhil; B.Bus.Sci; CDFA



Independent Non-Executive Director

Conway has spent the last 13 years working as an Investment Specialist, covering both private/public debt and private equity transactions. During this time, he has been involved in the structuring, negotiating, pricing, and executing of numerous transactions, and the monitoring thereof post execution. Although his key focus has been debt transactions, he has also been able to consider and close private equity transactions. His various roles have allowed him to gain experience as a Director on various portfolio assets and as a member of various company boards and sub-committees. Conway is currently the Head of Credit at Prescient Investment Management Proprietary Limited, a leading asset manager, based in Cape Town. Previously, he was the Head: Listed Credit and the Joint Head: Unlisted Credit at Futuregrowth Asset Management Proprietary Limited and a credit analyst at Old Mutual Investment Group Proprietary Limited. He has had regular contact with counterparty management, rating agencies, deal originators, legal advisors, and internal portfolio managers.

Dennis Gammie

CA(SA)



Independent Non-Executive Director

Dennis served as the CFO of the Aveng Group, the FD at Murray & Roberts Materials, and a subsidiary of the Imperial Group. He also held an acting MD position over a large steel manufacturing and mining subsidiary of the Aveng Group & chaired various board committees. During his tenure, he was instrumental in many of the advancements of the company, including the listing of the Aveng Group on the JSE. In 2001, he successfully secured the first R1 billion. US bond for a construction company, delineated in ZAR, with no currency risk. In addition, Dennis played a key role in implementing Aveng's active global investment strategy, including the acquisition and delisting of McConnell Dowell, which had previously been listed on the Australian Stock Exchange. He also participated in the successful disposal of large listed and unlisted entities as part of this strategy. From the time of joining Aveng Group in 1998 until his retirement in 2010, Dennis oversaw the growth of its revenue base from approximately R5 billion to a cash generative and highly profitable entity with a market cap of R40 billion.

Mary-Ann Boakye

CA(SA); BSc; MCom Development Finance



Independent Non-Executive Director

Mary-Ann Boakye is a registered Chartered Accountant with the South African Institute of Chartered Accountants and holds a Bachelor of Business Science degree in Finance and Accounting, as well as a Postgraduate Diploma in Accounting from the University of Cape Town (UCT). She also holds a Masters in Development Finance from the UCT Graduate School of Business, graduating summa cum laude. Mary-Ann has extensive experience in higher education, training programme development and accreditation. Between 2013 and 2020, Mary-Ann served as a senior lecturer and Deputy Head of Department in academia. From 2021-2023, Mary-Ann worked as a Chief Operating Officer in a mortgage finance institution. As COO, she contributed towards the streamlining of processes and systems, credit, risk, compliance and people management, stakeholder engagement, and fundraising activities. Mary-Ann currently works as an independent consultant to SMMEs.

Executive Directors

James Herbst

Chief Executive Officer

BComm; BAcc; CFA, CA(SA)



James started his investment career as a private client portfolio manager at Fleming Martin Private Asset Management and BoE and entered the mergers and acquisitions space in 2003, facilitating various listings of businesses on AltX including DataPro Group (now Vox Telecom). James has over 25 years of experience in the investment industry, 18 of which have been focused on technology and telecommunications.

James joined Huge Group as its CFO in 2006 and was appointed as CEO in 2008. His appointment as CEO of Huge Group coincided with his appointment as the Managing Director of Huge Telecom, a position he held until 31 March 2018. James was responsible for the initial listing of Huge Group on AltX in 2007 and supported the move to the Main Board of the JSE in 2016. James has also been instrumental in driving the investment strategy for Huge Group, which has resulted in all of its acquisitions.

Zak van de Merwe

Chief Operating Officer

BComm



Zak has worked across multiple vertical market segments on projects in more than 20 geographic regions across the continent. Until recently he was the CEO of Virgin Mobile South Africa, having been approached by its shareholders to step in and facilitate a business turn-around. He oversaw the placement of the business into Business Rescue and after a lengthy process, joined the team of Huge Management as its Commercial and Operations Director. He has held numerous executive positions in the telecoms sector, has participated in start-up business initiatives, and he has considerable experience in developing and successfully executing business strategies. Leading up to his appointment at Huge Management, Zak has held various roles and served as an advisor to various African organisations. His primary area of expertise, apart from his MVNO expertise, is advising large organisations on business, technology, digital transformation, product, innovation and the diversification of revenue and customer engagement strategies.

Maria Heraty

Chief Financial Officer

CA(SA)



Maria is an entrepreneurially-minded CA(SA) with a demonstrable track record of success in building, growing, and improving the profitability, performance, and value of companies within the Financial Services and Telecommunications sectors. She has held senior positions in a number of JSE listed entities, has participated in start-up ventures, and has amassed a wealth of experience in leading, influencing, and driving the strategic, operational, reporting, and governance aspects of multi-dimensional financial teams in large organisations. In addition to her financial and commercial expertise, Maria also has experience and insight into the technical aspects of financial and transactional information technology systems, project and programme management, stakeholder management, governance and controls, risk management, and business transformation.

Tamryn van Tonder

Chief Commercial Officer

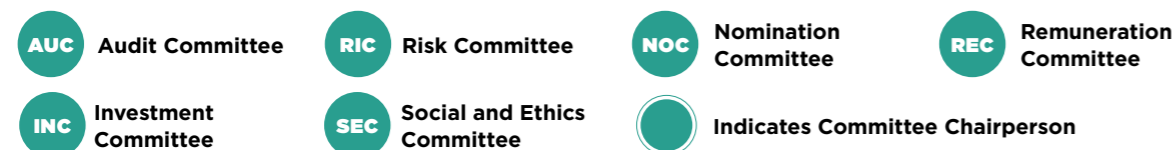
CA(SA)

Tamryn is a multi-faceted commercial and financial executive with extensive experience in diverse fields ranging from the niche financial services sector (specialising in asset backed lending and short-term insurance) to her more recent experiences in the ICT industry. Tamryn's success in commercial finance is attributed to her core purpose of creating long-lasting value from integrated disciplines, including strategic and operational finance, financial reporting and control, technical accounting, tax, as well as financial structuring and more complex acquisition and financial transactions. During FY2024, Tamryn joined the Huge Management team as Commercial Director while concurrently serving as the Financial Director of Huge TNS, Huge Group's largest portfolio investment company. On 27 May 2024, Tamryn was appointed by the Board as Chief Commercial Officer.

Meeting attendance

Director	Board Meetings	AUC Meetings	RIC Meetings	NOC Meetings	REC Meetings	SEC Meetings
Mary-Ann Boakye	3/3	3/3	3/3	-	3/3	2/2
Mike Beamish	4/4	4/4	4/4	1/1	3/3	2/2
Dennis Gammie	4/4	4/4	4/4	1/1	3/3	2/2
James Herbst	4/4	4/4	4/4	1/1	3/3	2/2
Maria Heraty	4/4	4/4	4/4	1/1	3/3	2/2
Veran Kathan	4/4	4/4	4/4	1/1	3/3	2/2
Vincent Mokholo	4/4	4/4	4/4	1/1	3/3	2/2
Zak van de Merwe	4/4	4/4	4/4	1/1	3/3	2/2
Conway Williams	4/4	4/4	4/4	1/1	3/3	2/2

Board Committee Key



Our Board composition

Our Board represents a healthy balance of independence, diversity, age, and range of experience:

40% independent

60% non-independent

Board average age: **52 years**

Executive Directors average service length: **6 years**

Non-Executive Director's average service length: **6 years**

Diversity of skills and experience:

Leadership 9/10

Strategy 8/10

Finance 7/10

Risk 7/10

Technology 5/10

Investment 4/10

Marketing 2/10

FY2024 governance priorities

Good performance

Our Board and Investment Team meet frequently with our PIC entrepreneurs to evaluate performance, discuss strategic opportunities for progress, and make appropriate investment decisions to enhance the long-term sustainability of our business:

 See our performance highlights on page 38.

 Read our performance against strategy in our Chief Executive Officer's statement from page 34.

 See our Audited Financial Statements from page 62.

Ethical culture

The Board regularly reviews the Company's governance framework to ensure effective and ethical leadership and also reviews our Code of Conduct annually to ensure we conduct our affairs as a good corporate citizen.

 Read our Chairman's message from page 32.

 See our approach to ESG governance on page 18.

 See our Social and Ethics Committee Report from page 58.

Effective control

Our corporate governance structure ensures that the Board exercises effective leadership. The Board reviews our Delegation of Responsibility annually to ensure clarity. The Board also reviews our risk matrix and risk checklist annually, as well as our compliance framework:


 See our approach to risk management on page 26 and FY2024 top risks and opportunities on page 28.

 See our Audit and Risk Committee Report from page 73 to 75.

Legitimacy

To ensure accountability to our stakeholders, the Board Charter is reviewed and updated annually. We have enhanced our Integrated Annual Report to include King IV's integrated thinking and stakeholder inclusivity. The Board and independent auditors review the Integrated Annual Report to ensure transparency and that all disclosures are in line with relevant listing and reporting requirements.

 See our Nominations Committee Report from page 57.

 See our Remuneration Policy and Implementation Report from page 59.

The Board is satisfied that it has complied with and discharged all statutory duties in terms of the Companies Act as amended and the JSE Listings Requirements, as well as with the functions and responsibilities assigned to it by the Board Charter, for FY2024.

Group Company Secretary

The Company Secretary is required, *inter alia*, to oversee Board governance and guide the Directors collectively and individually about their duties, responsibilities, and powers. All members of the Board have unrestricted access to the Company Secretary, who provides guidance on the duties and responsibilities of the Directors.

The Board appointed CIS Company Secretaries Proprietary Limited as its Company secretary with effect from 28 July 2023. The motivation for appointing CIS as its Company secretary was based on the Board's desire to enhance the Company's governance structures, with particular emphasis on strengthening the independence of the Company Secretarial function from the Board. Computershare is part of the global Computershare group of companies. In South Africa it holds a level 1 B-BBEE status. The Board is satisfied that as part of a global group, Computershare and CIS have the scale to maintain robust compliance, audit, risk, financial crime, disaster recovery and business continuity planning programmes. The Board has considered and is satisfied with the competence, qualifications and experience of CIS as Company Secretary.

Contact information for the Company Secretary and the Transfer Secretaries can be found on the inside back cover of this report.

Appointment of auditor

The Audit Committee re-appointed Moore Johannesburg Incorporated as its independent auditor for FY2024 and has recommended that Moore Johannesburg Incorporated remain in office in accordance with section 90(1) of the Companies Act. The appointment was approved by shareholders at our Annual General Meeting which was held on 4th July 2023.

 See our Independent Auditors Report from page 66 of our Annual Financial Statements.

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Board Committee Reports

Audit Committee

Mandate and role:

The Audit Committee assists the Board in reviewing the Annual Financial Statements and other financial reports, in overseeing governance, financial risk management processes, and internal financial and non-financial controls, independent audit functions, and statutory and regulatory compliance. Specific roles and responsibilities are set out in the Audit Committee Charter.

FY2024 focus areas:

- Reviewing the Interim and Annual Financial Statements and the associated accounting policies
- Monitoring the effect of internal controls
- Assessing risks facing the company and its PICs
- Assessing the experience and expertise of the CFO
- Discussing the findings and recommendations of the auditors
- Engaging on the JSE's feedback from its Proactive Monitoring
- Reviewing the Companies Act amendments

The Audit Committee regards the CFO, Maria Heraty, as suitably qualified and experienced and the finance function to be operating effectively. The Audit Committee regards the process resulting in the presentation of the Integrated Annual Report to be satisfactory and that the level of combined assurance is appropriate relative to the size of the Company and its identified risks and mitigating controls. It regards the relationship between the external assurance providers and the Company as sound and conducive to optimising the level and quality of assurance and no separate external assurance is necessary on sustainability issues. The Audit Committee does not believe, to the best of its knowledge and belief, that the Company is exposed to known risks for which mitigating actions have not been put in place that will ensure the Company's sustainability. The Audit Committee is of the view that it complied with all its legal, regulatory, and governance responsibilities during the period.

 See our Audit and Risk Committee Report from page 69 of our Annual Financial Statements.

Risk Committee

Mandate and role:

The Risk Committee assists the Board in identifying and managing risks which may have a significant impact on business continuity and the achievement of the Company's strategy. They do this by ensuring that risk management and policies and strategies are in place and reviewing them and the risks they identify on a regular basis. Specific roles and responsibilities are set out in the Risk Committee Charter.

FY2024 focus areas:

- Reviewing risks and the mitigating actions presented in the Huge Group risk register or as identified by the Board
- Monitoring and control of risk management within the defined risk appetite
- Considering the key risks against the control environment
- Monitoring residual risks

 Please see our approach to risk management and FY2024 Risk Register on page 26.

The Board is comfortable with the level of combined assurance obtained from management, the Risk Committee, the external auditors, and its attorneys, when considering the Company's key risks and its control environment.

The Board is of the view that all the risks listed have been mitigated by appropriate actions and that all residual risks are covered by controls and are monitored closely.

The Board is not aware of any impending material risks that have not been disclosed. No matters have come to the attention of the Risk Committee or the Board that causes them to believe that the Company's system of internal controls and risk management is not effective.

 See our Audit and Risk Committee Report from page 69 of our Annual Financial Statements.

Nomination Committee

Mandate and role:

The Nominations Committee assists the Board in applying processes for nominating, electing, and appointing members to the Board and its Committees, rotating them and planning for succession. The Committee also evaluates the suitability and performance of the members of its various bodies. Specific roles and responsibilities are set out in the Nomination Committee Charter. The Nomination Committee reviews the succession plan annually, including the reviewing and monitoring of the application of the Board's Diversity Policy.

FY2024 focus areas:

- Reviewing the succession plan
- Reviewing and monitoring the application of the Board's Diversity Policy

 See our Audit and Risk Committee Report from page 69 of our Annual Financial Statements.

Remuneration Committee


Mandate and role:

The Remuneration Committee assists the Board in ensuring that the disclosure of remuneration matters is accurate, complete, and transparent, and it ensures the consistent application of the Company's Remuneration Policy and Remuneration Implementation Plan. Specific roles and responsibilities are set out in the Remuneration Committee Charter.

FY2024 focus areas:

- Reviewing staff costs
- Recommending Non-Executive Directors' fees against appropriate market reviews
- Evaluating the performance targets of Executive Directors
- Evaluating the performance of its Executive Directors and the leaders of its PICs

The Chairman noted that the Remuneration Policy was approved at the AGM on 4 July 2023.

 See our Remuneration Policy from page 59.

 See our Remuneration Implementation Report from page 60.

Investment Committee

Mandate and role:

The Investment Committee assists the Board in deliberating any strategic investment or potential acquisition opportunity and interacts with the PICs. Specific roles and responsibilities are set out in the Investment Committee Charter.

FY2024 focus areas:

- Considering potential acquisition opportunities
- Reviewing activities related to investor relations and communications
- Reviewing and recommending the appointment of service providers in respect of the Company's investment activities
- Identifying portfolio investment company synergies and opportunities for collaboration to unlock value

 See our Leadership Reports on page 38.

Social and Ethics Committee

Mandate and role:

The Social and Ethics Committee assists the Board in monitoring the Company's compliance with legislative, regulatory requirements, and codes of best practice in respect of social and economic development, corporate citizenship, transformation, environmental matters, health and public safety, stakeholder relationships, and labour and employment. Specific roles and responsibilities are set out in the Social and Ethics Committee Charter.

FY2024 focus areas:

- Monitoring the employment equity of our PICs
- Monitoring the PICs' ESG frameworks
- Monitoring health and safety policies

 See our Approach to ESG on page 18.

Social and Ethics Committee Report to the Shareholders

The Social and Ethics Committee reviewed the Company's standing against the ten United Nations Global Compact Principles, the OECD recommendations regarding corruption, the Employment Equity Act, the B-BBEE Act, good corporate citizenship including the Company's environmental and safety issues, as well as ESG and labour relations. The Committee is satisfied that the Company has carefully considered these issues and has taken the appropriate measures to the extent applicable to its activities.

For the period under review, the Company continued to monitor the employment equity status of its PICs and encouraged them to embark on initiatives to achieve their required B-BBEE levels. Huge Group encourages its PICs to achieve at least a level 4 rating and the Committee's focus area for the FY2025 period is steering policy on the respective B-BBEE levels and the ongoing monitoring of each PIC's respective ESG framework.

The Social and Ethics Committee is of the view that it has met the stated objectives of its charter and will continue to focus on assessing the Company's policies and the implementation thereof.

Vincent Mokholo
Chairman

Remuneration report

Background statement

Huge Group fully endorses the King IV™ principle which states that “the governing body should ensure that the organisation remunerates fairly, responsibly, and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long-term.” It is believed that compensation is a critical ingredient in long-term organisational success.

The Board has ultimate responsibility for the appropriateness of remuneration policies and has delegated oversight of this responsibility to the Remuneration Committee, the composition, and details of which are set out on page 52.

The Remuneration Committee's mandate is to ensure that the Group's remuneration policies:

- are fair, responsible, and transparent;
- target, motivate, reward, and retain human capital;
- promote the achievement of strategic objectives within Huge Group's risk appetite;
- promote positive outcomes; and
- promote an ethical culture and responsible corporate citizenship.

The Remuneration Committee seeks to strike a balance between the interests of shareholders and the executives. The Remuneration Committee assesses the mix of fixed and variable remuneration and long-term incentives to ensure to motivate behaviour that will enhance shareholder value.

Remuneration policy and philosophy

The Remuneration Policy is approved by the Remuneration Committee and the Board. The following principles are applied to remuneration.

- No differential compensation applies to gender, race, or location and the principle of equal work for equal pay is applied;
- Compensation is defined on a cost-to-company basis;
- Huge Group's policy is to pay cost-to-company packages in the median quartile for comparable positions;
- Research and benchmarking are performed from time to time;
- Remuneration is aligned to individual outputs;
- Performance incentives are used to drive strategically aligned behaviour supporting the acquisition, growth, and sale of Investee Entities;
- Long-term share options encourage individual alignment with the Group's long-term goals and is an effective long-term incentive and retention mechanism for key individuals;
- Management's interests are also aligned with those of shareholders relative to share prices;
- Non-Executive Directors receive annual fees for their roles as Directors, as well as for each Board meeting attended, including the committee meetings held.

It is the responsibility of the Remuneration Committee to oversee the implementation and execution of the Remuneration Policy achieves its objectives. The Remuneration Committee believes that the Remuneration Policy has, in the past year, achieved its stated objectives. The Remuneration Policy of Huge Group is committed to maintaining stringent standards of corporate governance, as advocated by King IV™.

The Board considers fair and responsible remuneration a key ingredient to sustainable value creation and has developed specific arrangements to give effect to this objective while ensuring that remuneration is justifiable within the broader context of macro and micro-economic factors affecting the Group and Company.

Remuneration implementation report

Executive director remuneration

Total remuneration outcomes for executive directors

Director	Annual remuneration	Risk, retirement and medical contributions	Total remuneration	Incentives	Total cost to company
JC Herbst	563 814	210 508	774 322	–	774 322
IDJ van de Merwe	492 912	182 088	675 000	–	675 000
AP Openshaw	286 145	103 855	390 000	–	390 000
M Heraty	772 727	77 273	850 000	–	850 000

Ex gratia payments to executive directors

No ex gratia payments were made to Directors during FY2024.

Non-executive director remuneration

During FY2024, the following remuneration was paid to non-executive directors in accordance with the approval of shareholders by the special resolution at the AGM held on 4th July 2023:

Director	Director's fees	Total cost to company
DR Gammie	672 000	672 000
VHT Kathan	852 000	852 000
CIJ Williams	492 000	492 000
MR Beamish	555 572	555 572
VM Mokholo	552 000	552 000
MA Boakye	369 000	369 000
Total	3 492 572	3 492 572

Increase in remuneration payable to Non-Executive Directors

The determination of the fees payable to the Chairman and the Non-Executive Directors considers the risk and responsibility assumed by the non-executive directors, the annual increase applied to employee remuneration, and the outcomes of a benchmarking exercise. The Remuneration Committee has carried out a benchmarking exercise in respect of the Non-Executive Directors' fees, having regard to the applicable reference reports.

Non-Binding advisory vote

The Remuneration Policy (summarised in this Remuneration Report) and the Implementation Report will be presented to shareholders for separate, non-binding advisory votes at the AGM. Should shareholders vote against the Remuneration Policy and the Remuneration Implementation Report by more than 25%, the Remuneration Committee will engage with shareholders. Subsequent to any shareholder engagement, the Group and Company will include the following detail in its next Remuneration Report:

- The number of votes against the Remuneration Policy and Remuneration Implementation Report
- The subsequent engagement process undertaken with shareholders
- The manner of the engagement process
- Reasonable and material issues raised by shareholders
- Actions implemented by the Group and Company to address the issues raised by shareholders

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and its PICs - Entity Information

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Directors approval of the Annual Financial Statements for the year ended 29 February 2024

In terms of the Companies Act of South Africa (Act 71 of 2008), as amended ("the Companies Act"), the Directors are required to maintain adequate accounting records and they are responsible for the content and integrity of the AFS, and related financial information included in this Report. It is their responsibility to ensure that the AFS fairly present the state of affairs of the Group as at the end of the reporting period and the results of its operations and cash flows for the period then ended, in accordance with International Financial Reporting Standards ("IFRS"), the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee, and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council ("FRSC"), the JSE Limited ("JSE") Listings Requirements, and in terms of the requirements of the Companies Act. The independent auditor is engaged to express an independent opinion on the AFS.

The AFS are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these requirements, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. These standards include the proper delegation of responsibilities within a clearly defined framework, and effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring that the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing, and monitoring all known forms of risk across. While operating risk cannot be fully eliminated, the Group endeavours to minimise risk by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal financial control provides reasonable assurance that the financial records may be relied on for the preparation of the AFS. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Group's cash flow forecast for the twelve months that follow the approval of this Report and, in the light of this review and the current financial position, are satisfied that the Group and Company has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The Group's independent external auditor is responsible for independently auditing and reporting on the AFS. The AFS have been examined by the Group's independent auditor and the Independent Auditor's Report is presented on pages 66 to 69.

The Directors further confirm that the Group is operating in compliance with the provisions of the Companies Act, specifically relating to its incorporation and in conformity with its MOI.

The AFS set out on pages 76 to 121, which have been prepared on a going concern basis, were approved by the Board on 31 May 2024 and were signed on its behalf by:

For and on behalf of the Board.

James Herbst
Group Chief Executive Officer

Maria Heraty
Chief Financial Officer

Chief Executive Officer's and Chief Financial Officer's responsibility statement

In line with paragraph 3.84(k) of the JSE Limited Listings Requirements, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) hereby confirm that:

- the Annual Financial Statements (AFS) set out on pages 76 to 121 fairly present in all material respects the financial position, financial performance, and cash flows of the issuer in terms of IFRS Accounting Standards;
- to the best of our knowledge and belief no facts have been omitted, or untrue statements made, that would make the AFS false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries as well as portfolio investment companies have been provided to effectively prepare the AFS of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the AFS, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit Committee and the independent auditor the deficiencies in design and operational effectiveness of the internal financial controls;
- we are not aware of any fraud involving a Director.

James Herbst
Chief Executive Officer

Maria Heraty
Chief Financial Officer

31 May 2024

Preparation and approval of financial statements

These Consolidated and Separate AFS were compiled internally under the ultimate supervision of Maria Heraty CA(SA).

Maria Heraty
Chief Financial Officer

Certificate by the Company Secretary

I certify that, to the best of my knowledge and belief, Huge Group Limited has filed all its returns and notices with the Registrar of Companies and Intellectual Property Commission of South Africa for the year ended 28 February 2023, as required of a public company in terms of section 88(2)(e) of the Companies Act, No 71 of 2008, as amended, and that such returns and notices are true, correct and up to date.

CIS Company Secretaries Proprietary Limited
Company Secretary

Independent Auditor's Report

To the shareholders of Huge Group Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Huge Group Limited (The Group and company) set out on pages 76 to 121 which comprise the consolidated and separate statement of financial position as at 29 February 2024, and the consolidated and separate statement of profit or loss and other comprehensive income, and the consolidated and separate statement of changes in equity, the consolidated and separate statement of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Huge Group Limited as at 29 February 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Valuation of unlisted investments

This key audit matter applies to the consolidated and separate financial statements of the company.

Refer to the following sections of the consolidated and separate financial statements for disclosures related to this key audit matter:

- The Accounting Policies on page 77.
- Note 2 to the consolidated and separate financial statements.

Audit response

In our evaluation of the fair value of unlisted investments, we conducted comprehensive audit procedures to assess the reasonableness of the assumptions and inputs utilised in the respective valuations. The following are the key procedures performed:

- We confirmed the board and audit committee approval of the valuations by attending those meetings.
- We obtained management's valuations, noting that some were supported by Birkett Stewart McHendrie (BSM), an independent valuation expert.

Key audit matter

The group and company hold a number of unlisted investments, which are measured at fair value through profit or loss in accordance with IFRS 9: Financial Instruments. This is in line with the requirements for an investment entity, as per IFRS 10. The fair value of these unlisted investments as of 29 February 2024 is R1,582 million.

The fair values of the unlisted investments, as determined by management and management's consultant and approved by the Board of Directors, are established by applying valuation methodologies required by IFRS 13: Fair Value Measurement. These methodologies include the net asset value of the investment and the free cash flow or dividend discount model, as indicated in Note 2 to the consolidated and separate financial statements.

We considered the fair value of the underlying unlisted investments to be a matter of most significance to the current year audit due to:

- The magnitude of the unlisted investments in relation to the consolidated and separate financial statements, and
- The degree of judgement and estimation applied in determining the fair value of the underlying unlisted investments.

Audit response

- We obtained a signed declaration from BSM to confirm their independence, competency, and experience.
- Using our internal valuation experts, we assessed the inputs and assumptions utilised in the valuation models. This assessment involved the calculation of a comparative peer weighted average cost of capital (WACC), earnings multiples, and transaction multiples, using data from independent and third-party sources. We concluded that the inputs and assumptions used were appropriate.
- We reperformed the calculations and castings of the valuation models and found them to be accurate.
- To assess the reasonableness of the key inputs used in the valuation, we conducted a sensitivity analysis. This analysis considered the extent to which changes in the inputs would impact the fair value of unlisted investments. Based on our assessment, we found management's inputs to be acceptable.
- We obtained the audited earnings before interest, tax, depreciation, and amortisation (EBITDA) of the investee entities and found the cash flow projections to be reasonable.
- The effective tax rates used in the valuation were scrutinised and found to be accurate.
- For investee entities valued on the net asset value (NAV) basis, we obtained the audited financial statements of the underlying companies. We compared the fair value of the investment to the audited net asset value and noted no discrepancies.
- For the investment in preference shares, we used our professional judgment and consulted with our internal valuation experts to assess the required rate of return (RROR) used, and found management's RROR to be appropriate.
- We evaluated the appropriateness of the accounting policies selected and ensured that adequate disclosures were made in the consolidated and separate financial statements, ensuring compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

By performing these detailed procedures, we obtained sufficient evidence to support our conclusion that the group's determination of the fair value of unlisted investments is appropriate and in accordance with applicable accounting standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Huge Group Limited Integrated Annual Report 2024," which includes the Directors' Report, the Audit and Risk Committee's Report, and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements do not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal controls as the directors determine is necessary to enable the preparation of the consolidated and separate financial statements which are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and/or company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Moore Johannesburg Inc. has been the auditor of Huge Group Limited for five years.

Moore Johannesburg Inc

Moore Johannesburg Inc.

Registered Auditors
Per: CA Jenkins
Director
Registered Auditor

31 May 2024
Johannesburg

50 Oxford Road
Parktown
Johannesburg
2193

Directors' Report

as at 29 February 2024

Nature of the business

Huge Group is an investment holding entity.

Composition of the Board of Directors

- VHT Kathan, Chairman (Independent Non-Executive Director)
- JC Herbst, Chief Executive Officer (Executive Director)
- IDJ van de Merwe, Chief Operating Officer (Executive Director)
- M Heraty, Chief Financial Officer (Executive Director)
- DR Gammie, Chairman of the Audit Committee (Independent Non-Executive Director)
- MR Beamish (Non-Executive Director)
- CIJ Williams (Independent Non-Executive Director)
- VM Mokholo (Non-executive Director)
- MA Boakye (Independent Non-Executive Director)

Directors retiring in terms of the Company's MOI, all of whom are eligible and offer themselves for re-election, are DR Gammie and VM Mokholo.

Huge Group announced on:

- 1 June 2023 the resignation of Andy Openshaw from the Board.
- 1 June 2023 the appointment of Maria Heraty to the Board.
- 1 June 2023 the appointment of Mary Ann Boakye to the Board.

Financial results

The AFS have been prepared in accordance with IFRS Accounting Standards, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited (JSE) Listings Requirements, and in terms of the requirements of the Companies Act of South Africa (Act 71 of 2008), as amended ("the Companies Act").

Full details of the financial position, financial performance, and cash flows of the Group are set out in these AFS.

Going concern

The Board has undertaken a detailed review of the going concern capability of the Group and Company (and the portfolio investment companies) with reference to certain assumptions and plans underlying various cash flow forecasts.

Based upon solvency, cash resources, and forecasts, the Board has concluded that the Huge Group and its portfolio investment companies are going concerns and will remain going concerns for the twelve-month period that follows the date of approval of these AFS. Accordingly, Huge Group continues to adopt the going concern basis of preparing these AFS.

Empowerment

A key focus of the portfolio investment companies' individual strategies, supported and aided by Huge Group, is improving their empowerment and diversity credentials.

Borrowing powers

In terms of the MOI of the Company, the Directors may exercise all the powers of the Company to borrow money as they consider appropriate.

During FY2024:

- No Shares were issued or repurchased during the financial year.

During FY2023:

- Huge Telecom sold 2 732 410 Shares at an average price of R3.3787 per Share.
- Huge Group repurchased 500 000 Shares at an average price of R2.9580 per Share.

Directors' interests in the share capital of the Company

As at 29 February 2024, the following Directors of the Company held Shares in the issued share capital of the Company:

2024	Direct	Indirect	Total	%
Number of Shares held				
JC Herbst ¹	268 370	24 504 958	24 773 328	14.356
MR Beamish ²	4 750 000	18 943 520	23 693 520	13.731
	5 018 370	43 448 478	48 466 848	28.087

2023	Direct	Indirect	Total	%
Number of Shares held				
JC Herbst ¹	268 370	24 504 958	24 773 328	14.319
MR Beamish ²	4 750 000	18 853 874	23 603 874	13.643
AP Openshaw	50 000	–	50 000	0.029
	5 068 370	43 358 832	48 427 202	27.991

¹ The indirect shareholding of JC Herbst is non-beneficial and is held by Eagle Creek Investments 223, Pacific Breeze Trading 417, and Silver Meadow Trading 3.

² The indirect shareholding of MR Beamish is a combination of beneficial and non-beneficial interests and is held by Praesidium SA Fund en Commandite Partnership, Peresec Prime Brokers, and Praesidium Family Trust.

As at 29 February 2024, the following Directors of major portfolio investment companies held Shares in the issued share capital of the Company:

2024	Direct	Indirect	Total	%
Number of Shares held				
SM Oberholzer ¹	79 041	5 448 907	5 527 948	3.203
KB Sinclair ²	–	5 550 495	5 550 495	3.217
K Schmulian ³	48 755	1 065 688	1 114 443	0.646
E van Heerden	–	–	–	–
D Cameron	607 272	–	607 272	0.352
	735 068	12 065 090	12 800 158	7.418

As at 28 February 2023, the following directors of major portfolio investment companies held Shares in the issued share capital of the Company:

2023

Number of Shares held	Direct	Indirect	Total	%
SM Oberholzer ¹	79 041	5 448 907	5 527 948	3.195
KB Sinclair ²	–	5 550 495	5 550 495	3.208
K Schmulian ³	48 755	1 065 688	1 114 443	0.646
E van Heerden	2 058	–	2 058	0.001
D Cameron	607 272	–	607 272	0.351
	737 126	12 065 090	12 802 216	7.401

¹ The indirect shareholding of SM Oberholzer, a director of Huge Networks, is held by K2017082648 South Africa Proprietary Limited.

² The indirect shareholding of KB Sinclair, a director of Huge Connect, is held by K2017038086 South Africa Proprietary Limited.

³ The indirect shareholding of K Schmulian, a director of Huge Connect, is held by K2017038099 South Africa Proprietary Limited.

None of the shareholdings cited above are subject to any pledge or encumbrance. From 29 February 2024 and the date of approval of the AFS there were no changes in the Director's shareholding.

Dealings in securities

MR Beamish

From 1 March 2023 to 29 February 2024, associates of MR Beamish acquired 169 066 Shares at an average price of 282 cents per share amounting to R303 886.77 in the open market. Clearance to deal was obtained.

Directors' personal financial interests

The register of personal financial interests of Directors, held in terms of section 75(4) of the Companies Act, is available to the public on request at the Company's registered address.

Litigation

Litigation occurs in the ordinary course of the business of the Company. The Directors have considered all pending and current litigation and are of the opinion that, unless specifically provided, none of these will result in a loss to the Company. All significant litigation which the Directors believe may result in a possible loss has been disclosed.

Dividends

No dividends will be declared for the year ended 29 February 2024 (FY2023: Nil).

Subsequent events (Events after the reporting period)

Other matters

The Directors are not aware of any other significant matters or circumstances arising after the end of the reporting period, which have not otherwise been dealt with in the AFS and which affect the financial position of the Company and the Group or the results of its operations up to the date of this Report.

Governance (Company Secretary and administration)

CIS Company Secretaries Proprietary Limited are the Company Secretary. Contact information for the Company Secretary can be found on the inside back cover of this Report.

Audit Committee

The Directors confirm that the Audit Committee has addressed specific considerations required in terms of section 94(7) of the Companies Act. Further details are contained in the Audit and Risk Committee Report from page 73 of this Report.

Auditors

The Audit Committee appointed Moore Johannesburg Incorporated as its independent auditor for FY2024 and has recommended that Moore Johannesburg Incorporated remain in office in accordance with section 90(1) of the Companies Act.

Audit and Risk Committee Report

Report to the shareholders on the activities of the Audit Committee for the reporting period ended 29 February 2024

The Audit Committee has specific statutory responsibilities to shareholders in terms of the Companies Act. In addition to these responsibilities, the Audit Committee assists the Board by advising and making submissions on the financial reporting, oversight of governance, financial risk management processes, internal financial and non-financial controls, independent audit functions, and statutory and regulatory compliance.

Statutory duties

In executing its duties during the reporting period, the Audit Committee:

- determined the fees and terms of engagement of Moore Johannesburg Incorporated and recommended the re-appointment of Moore Johannesburg Incorporated as its independent auditor;
- nominated C Jenkins (nee Whitefield) from Moore Johannesburg Incorporated for re-appointment as the designated audit partner;
- confirmed its satisfaction that both Moore Johannesburg Incorporated and Mrs Jenkins remain independent of the Company and meet the requirements of the Companies Act, the JSE Listings Requirements, and King IV™;
- is satisfied that while Moore Johannesburg Incorporated has not performed any non-audit services for the Company, any proposed agreements of this nature will require the pre-approval of the Audit Committee; and is satisfied that Moore Johannesburg Incorporated:
 - is independent of the Company, as required by Section 94(8) of the Companies Act and the guidance contained in King IV™;
 - is formally accredited by the JSE;
 - has no conflicts of interest and has sufficient audit resources to meet the Group's financial reporting timetable;
 - and does not have any current or pending legal or disciplinary process being instituted by any professional body of which it is a member or regulator to which it is accountable.

As per policy the audit partner is rotated off the audit after 5 years, this is the current partners' 5th year and will be rotated in FY2025.

In compliance with paragraph 3.84(g)(iii) of the JSE Listings Requirements the Audit Committee has, through discussion with Moore Incorporated Johannesburg, considered, *inter alia*, (i) the findings of any and all recent inspections undertaken on Moore Johannesburg Incorporated by the Independent Regulatory Board of Auditors; (ii) Moore Johannesburg Incorporated's quality control procedures; and (iii) the outcome and summary of any legal or disciplinary proceedings (if any) conducted against Moore Johannesburg Incorporated within the past seven years and instituted in terms of any legislation or professional body to which Moore Johannesburg Incorporated is accountable.

Delegated duties

Financial Statements

The Audit Committee reviewed the accounting policies, including significant areas of judgement, Consolidated and Separate Annual Financial Statements, the Summarised Consolidated and Separate Annual Financial Statements, Short-Form Announcements and accompanying reports to shareholders and other announcements made in respect of the Company's results during the reporting period.

Integrated reporting

The Audit Committee reviewed the disclosure contained in the Integrated Annual Report and the disclosures relating to sustainability. The Audit Committee is satisfied that the information contained in the Integrated Annual Report is reliable and does not conflict with the financial information. The Audit Committee recommended the Integrated Annual Report to the Board for approval.

Internal audit

Due to the historical nature of the Company's legal structure, assets, size and its stage of development, the Audit Committee is of the view that an internal audit function is presently not required. However, this requirement is monitored by the Audit Committee on a regular basis.

Risk management

Whilst the Board has delegated responsibility for risk management to the Risk Committee, the Audit Committee remains responsible for the following areas of risk management:

- Financial risks
- Financial reporting risks
- Internal financial controls
- Fraud risks as they relate to financial reporting
- IT governance

Chief Financial Officer

The Audit Committee has assessed and is satisfied with the appropriateness of the skills, experience, and expertise of Mrs Heraty as the Chief Financial Officer of Huge Group Limited and confirms same to shareholders.

Financial function

The Audit Committee has reviewed and is satisfied with the expertise, resources, and experience of the Company's finance function.

Oversight of risk management

The Chairman of the Audit Committee also chairs the Risk Committee. Members of the Board attend the meetings of both the Audit Committee and the Risk Committee by invitation. This provides the Audit Committee with the ability to interact closely with the functions performed by the Risk Committee to ensure that there is an adequate understanding of the risk management processes.

Internal financial controls

The Audit Committee has ensured that appropriate financial reporting procedures exist and are working, which included considering of all entities forming part of the consolidated group financial statements and that it has access to all financial information of Huge Group to allow Huge Group to effectively prepare and report on the financial statements.

The Audit Committee has reviewed the efficacy of the Group and Company's system of internal financial controls, including assurance received from management and the independent auditor. The Audit Committee has reviewed the material issues raised during the independent audit process. Based on the processes and assurances obtained, the Audit Committee is of the view that the internal financials controls are effective.

Key areas from the year-end audit report

The key audit matters from the year-end audit report are outlined on page 66 to 68.

Combined assurance

The Group and Company continue to work on improving their combined assurance mechanisms, taking cognisance of the recommendations of King IV™ in respect of the five lines of assurance.

The Group and Company has regard to the following five lines of assurance:

First line:	Line management is responsible for monitoring and managing risk and opportunity.
Second line:	Risk management functions in each company, review and consider risk and opportunity.
Third line:	The company utilises the services of various experts to assist with managing risk in respect of revenue recognition and regulatory compliance.
Fourth line:	The independent auditor considers and reviews risk management processes that have been implemented and elevates any areas which may require further attention.
Fifth line:	The Risk Committee and the Audit Committee provide the Board with advice and recommendations in respect of risk management and opportunities.

IT Governance

The Audit Committee is responsible for ensuring that a suitable governance framework is in place to oversee and manage information and technology risks. The Audit Committee reviews the relevant policies which are implemented, including the internal control frameworks adopted in this regard. The Board receives independent assurance on the effectiveness of the aforementioned matters from the Audit Committee and the independent auditor. The Audit Committee is cognisant of the ongoing increase in risks related to information and technology, including the Protection of Personal Information Act 4 of 2013. The Audit Committee will report on developments and improvements in the IT governance processes going forward.

Going concern

The Audit Committee satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the external auditor, that Huge Group can be regarded as a going concern.

Regulatory compliance

The Audit Committee has complied with all its applicable legal and regulatory responsibilities. The Audit Committee has reviewed the AFS prior to approval, both with management and in a separate forum. The Audit Committee reviewed the IAR and the financial statements for the year ended 29 February 2024 and recommended them to the Board for approval.

The Audit Committee is satisfied that it has fulfilled its responsibility in accordance with its terms of reference for the year ended 29 February 2024.

For and on behalf of the Audit Committee

Dennis Gammie

Non-Executive Audit and Risk Committee Chairman

Accounting Policies

for the year ended 29 February 2024

Presentation of Consolidated and Separate Annual Financial Statements

The AFS have been prepared in accordance with IFRS Accounting Standards Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listing Requirements and the Companies Act of South Africa, (Act 71 of 2008) as amended (the Companies Act). The AFS have been prepared on the fair value basis and incorporate the principal accounting policies set out below. The AFS are presented in the functional currency of the Company in South African Rand (“ZAR”).

Basis of preparation

The AFS have been prepared on the going-concern basis, which assumes that the Company and its subsidiary companies will continue in operational existence for the foreseeable future.

These accounting policies applied in preparation of the AFS are accounting policies developed in terms of IFRS Accounting Standards. A number of 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.

The amendment to IAS 1 in respect of the Disclosure of Accounting Policies requires an entity to reconsider its accounting policy information in accordance with IAS 1 paragraphs 117 to 117E. The requirement is to consider policy information based on materiality by amount or nature or both. Management is required to consider the guidance in IFRS Practice Statement 2 in determining entity materiality and then applying such to the financial statements in terms of transaction, other events, or conditions.

The Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 March 2023. Although the amendments did not result in changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the policy information disclosed below in line with the amendments.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is as follows:

 Please refer to Note 7 Deferred Tax and Note 2 Investments held for further information.

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

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 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 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.

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 their consolidated profitability. 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 and for the current reporting period this assessment remains appropriate.

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 factors, Huge Group applied the investment entity exception 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 Group) were deemed to be disposed 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.

New Standards and Interpretations

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2, issued by the IASB, is effective for periods commencing on or after 1 January 2022. The Group is keeping abreast of developments relating to interest rate benchmark reform, as communicated by the relevant financial authorities. As at 29 February 2024, there were no changes to any of the interest rate benchmarks to which the Company is exposed. The Company will continue to assess the impact of interest rate benchmark reform as the revised benchmark rates are published. These amendments had no impact on the measurement of assets and liabilities at the end of this reporting period.

Standards, interpretations, and amendments to published standards that are not yet effective

Management has considered all standards and interpretations that are in issue but not yet effective. The application of these new and revised standards and interpretations, as issued by the International Accounting Standards Board (IASB), are not expected to have any material impact on the Group. Those that are relevant to the Group, but have not been early adopted, are as follows:

Standard	Impact
Definition of Accounting Estimates (Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors)	On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12, Income Taxes)	On 7 May 2021, the IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations, with a focus on reducing diversity in practice. The amendments are effective for annual periods beginning on or after 1 January 2024.
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	On 20 January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 Presentation of Financial Statements based on the contractual arrangements in place at the reporting date. The amendments are effective for annual reporting periods beginning on or after 1 January 2024.
Presentation and Disclosure in Financial Statements (IFRS 18)	On 9 April 2024, the IASB issued IFRS 18 which is set to replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies: Improved comparability in the statement of the comprehensive income through the introduction of three defined categories for income and expenses - operating, investing, and financing; defined performance measures with a requirement for companies to disclose explanations of those company-specific measures that are related to the statement of comprehensive income; more useful grouping of information in the financial statements through enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes, as well as a requirement for companies to provide more transparency about operating expenses. The standard is effective for annual reporting periods beginning on or after 1 January 2027.

Consolidation

Basis of consolidation

The consolidated AFS incorporate the AFS of Huge Group and its subsidiary companies, Huge Management, Huge Soho, and Huge SPV 1 as at 29 February 2024, on the basis outlined below.

Subsidiary company

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries that provide services related to Huge Group's investment activities are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Subsidiaries other than those rendering services related to Huge Group's investment activities are measured at FVTPL (similar to financial assets) as detailed in Accounting Policy Note 2 below.

Inter-company transactions, balances, and unrealised gains/losses on transactions between Huge Group and its subsidiaries that provide services related to Huge Group's investment activities are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Critical accounting judgement – Huge Group's classification of Huge Management, Huge SPV 1 and Huge Soho as a subsidiary

In terms of paragraph 31 of IFRS 10 Consolidated Financial Statements (IFRS10) 'an investment entity shall not consolidate its subsidiaries or apply IFRS 3 when it obtains control of another entity'. However, in terms of paragraph 32 of IFRS 10 'if an investment entity has a subsidiary that is not itself an investment entity and whose main purpose and activities are providing services that relate to the investment entity's investment activities, it shall consolidate that subsidiary...' Huge Management, Huge SPV 1 and Huge Soho are three entities over which Huge Group has control whose main purpose and activities are providing services that relate to Huge Group's investment activities. For this reason, they have been consolidated with Huge Group and form part of the same group of companies.

Goodwill

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Financial assets

The Group's financial assets consist of investments at FVTPL, loans and advances, trade and other receivables, and cash and cash equivalents, as well as standalone loans to a subsidiary.

Classification

Financial assets are classified based on the business model and nature of cash flows associated with the instrument.

Financial assets at amortised cost

A debt instrument is classified in this category if it meets both of the following criteria and is not measured at fair value through profit or loss:

- The asset is held within a business model whose objective it is to hold the financial asset in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows, on specified dates, that are solely payments of principal and interest (SPPI).

Financial assets at FVTPL

Financial assets not measured at amortised cost as described above are mandatorily measured at FVTPL.

Critical accounting judgement – Recognition and measurement of financial assets

Purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Financial assets not carried at FVTPL are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. Financial assets carried at FVTPL are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

Financial assets at FVTPL are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of profit and loss in the period in which they arise. Interest and dividend income arising on financial assets at FVTPL are recognised and disclosed separately in the statement of comprehensive income as part of investment income.

Where available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. The fair values of quoted investments are based on current prices at the close of business on the reporting date. If the market for a financial asset is not active, or if it is unquoted, the Group establishes fair value by using valuation techniques as detailed in Note 17. The Group's main valuation techniques incorporate all factors that market participants would consider and make maximum use of observable market data.

The existence of published price quotations in an active market is the best evidence of fair value. The phrase "quoted in an active market" means that quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

Readily available means that the pricing information is currently accessible and regularly available means that transactions occur with sufficient frequency to provide pricing information on an ongoing basis.

Financial assets classified at amortised cost are measured at amortised cost using the effective-interest method, less any impairment, with income recognised on an effective yield base.

Impairment of financial assets

On a forward-looking basis, the Group assesses the expected credit losses associated with its financial assets carried at amortised cost. Please refer to Note 17 for further information on the forward-looking information that has been used.

Irrespective of whether there is any indication of impairment, the Group also tests goodwill acquired in a business combination for impairment annually.

Expected credit losses are a probability-weighted estimate of credit losses and are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows receivable in accordance with the contract and the cash flows that the Group expects to receive). Refer to Note 3 and Note 4 and Note 17 (Credit Risk).

The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group determines whether the credit risk on a financial asset has increased significantly by comparing the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on the financial asset as at the date of initial recognition, together with reasonable and supporting information that indicates a significant increase in credit risk since initial recognition.

If there is no indication that there has been a significant increase in a financial asset's credit risk since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses. However, if the credit risk on a financial asset has increased significantly since initial recognition, the loss allowances are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial asset, whereas 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date.

For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised upon initial recognition of the receivables. Refer to Note 4 on page 102.

An impairment gain or loss is recognised in profit or loss for the amount of expected credit losses (or reversals) that are required to adjust the loss allowance at the reporting date.

The gross carrying amount of a financial asset is written off and reduced when there is no reasonable expectation of recovering a financial asset, in its entirety or a portion thereof.

Derecognition of financial assets

Financial assets are derecognised when the right to receive cash flows from the financial asset has expired or has been transferred, and the Group has transferred substantially all risks and rewards of ownership.

Treasury shares

Share capital and equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Where Huge Group purchases its own Shares (i.e. treasury shares), the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to owners of the parent until the shares are cancelled, reissued, or disposed. Where Shares are subsequently sold, reissued, or otherwise disposed, any consideration received is included in equity attributable to owners of the parent, net of any directly attributable incremental transaction costs.

Shares which are treasury shares are treated as a deduction from the issued and weighted average numbers of Shares in issue, and the cost of the Shares is deducted from share capital and share premium in the statement of financial position on consolidation. Dividends received on treasury Shares are eliminated on consolidation.

Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Financial liabilities include trade and other payables.

All financial liabilities are initially recognised at fair value. The best evidence of the fair value at initial recognition is the transaction price (i.e. the fair value of the consideration received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

Financial liabilities at amortised cost (such as trade and other payables) are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period using the effective-interest method.

Financial liabilities, or a portion thereof, are derecognised when the obligation specified in the contract is discharged, cancelled, or expired. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and settlement amounts paid are included in the statement of comprehensive income.

Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Revenue recognition

The portfolio investment companies make use of the name 'Huge' and Huge Group's logo. Their profile is raised because Huge Group is a listed company and they are part of a larger community with significantly more investment scale. Huge Group provides each portfolio investment company with access to its relationships, including relationships with service providers and debt providers, and it also gives them access to legal advice, professional services, executive management and the Board of Directors of Huge Group. It is on this basis that Huge Group generates its revenue in the form of dividends, interest income, and fee income.

Fee income

An output based method is used in determining fee income. Fee income is charged based on (i) the profitability of the portfolio investment company, (ii) the asset value of the portfolio investment company, and (iii) time it takes to manage the portfolio investment company. The elements of investment oversight include loan administration and agency services, legal advice and services, professional services, strategic guidance, and portfolio management. Huge Group performs investment oversight throughout the year. Fee income is recognised on presentation of an invoice as this is when the performance obligation is satisfied.

Fee income generally has a 12 month or less payment term and is recognised under current assets.

Investment income

Interest income is recognised using the effective-interest method and included in investment income in the statement of comprehensive income.

Dividend income is recognised when the right to receive payment is established and included in investment income in the statement of comprehensive income.

Finance costs

Finance costs are recognised as an expense in the period in which they are incurred.

Taxation

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries, and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Management is confident that assessed losses will be utilised and have considered the impact of the base broadening measures. However, the effect of the base broadening measures on the Group are unclear at this stage.

Deferred tax is not provided on temporary differences arising on investments in subsidiaries where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Critical accounting judgement – Recognition of deferred tax on investments at FVTPL

Any potential capital gains tax on the disposal of investments at FVTPL is ultimately dependent on the method of realisation (e.g. outright sale) and to what extent such capital gains may be offset against available capital losses. Management expects any capital gains tax payable upon realisation of the investment portfolio to be limited at present. Furthermore, Huge Group controls the timing of the reversal of the temporary differences pertaining to its investments at FVTPL and it is not foreseen that the timing differences will reverse within the next 12 months.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of outstanding Shares (WANOS) during the year (net of treasury Shares), with the WANOS comparative adjusted for bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated on the same basis as basic earnings per share, adjusted for the impact that the issue/release of potential Shares on a holding company would have on earnings and WANOS.

Headline and diluted headline earnings per share

Headline and diluted headline earnings per share are calculated on the same basis set out above and in accordance with The South African Institute of Chartered Accountants (SAICA) Circular 1/2023.

Operating Profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes finance costs, finance income, other income, executive share-based payments, and income taxes. Please refer to Note 10 for further detail.

Segment Reporting

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 Accounting Standards values are reconciled in the tables below. Information on the underlying investment held by Huge Group are also reported to the CODM for the purpose of assessing segment performance. The Investment Committee of Huge Group 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 in Note 1.

Statement of Financial Position

as at 29 February 2024

Figures in Rand	Note(s)	Group		Company	
		2024	2023	2024	2023
Assets					
Non-current assets					
Property, plant and equipment		190 866	275 912	–	–
Goodwill		4 578 644	–	–	–
Investments held	2	1 581 933 121	1 462 489 571	1 581 933 150	1 462 489 571
Loans receivable	3	214 986 512	266 847 258	113 063 068	289 367 951
Trade and other receivables	4	30 059 923	75 333 247	30 059 923	96 890 747
Deferred tax asset	5	16 822 134	5 099 085	8 471 116	8 719 329
		1 848 571 200	1 810 045 073	1 733 527 257	1 857 467 598
Current assets					
Trade and other receivables	4	58 624 972	26 568 262	32 577	42 013
Cash and cash equivalents	6	93 406 457	1 586 199	2 557 049	304 001
		152 031 429	28 154 461	2 589 626	346 014
Total assets		2 000 602 629	1 838 199 534	1 736 116 883	1 857 813 612
Equity and Liabilities					
Equity					
<i>Equity attributable to holders of parent</i>					
Share capital	7	611 099 135	611 099 135	611 099 135	611 099 135
Share-based payment reserve		39 989 500	39 989 500	39 989 500	39 989 500
Accumulated profit		1 012 999 350	977 625 164	921 630 221	857 300 533
		1 664 087 985	1 628 713 799	1 572 718 856	1 508 389 168
Liabilities					
Non-current					
Interest-bearing liabilities	8	300 000 000	156 500 000	–	156 500 000
Deferred tax liability	5	19 132 081	18 849 641	162 886 335	162 614 066
		319 132 081	175 349 641	162 886 335	319 114 066
Current liabilities					
Interest-bearing liabilities		5 337 416	30 000 000	–	30 000 000
Current tax payable		619 361	–	313 655	–
Trade and other payables		11 425 786	4 136 094	198 037	310 378
		17 382 563	34 136 094	511 692	30 310 377
Total liabilities		336 514 644	209 485 735	163 398 027	349 424 443
Total equity and liabilities		2 000 602 629	1 838 199 534	1 736 116 883	1 857 813 612
Net asset value per share (cents)		964.54	943.85	–	–

Statement of Comprehensive Income

for the year ended 29 February 2024

Figures in Rand	Note(s)	Group		Company	
		2024	2023	2024	2023
Net gain/(loss) from financial assets at fair value through profit or loss					
	2	3 381 355	24 784 295	3 381 385	24 774 144
Investment income					
	9	97 831 715	73 548 523	82 661 820	67 657 147
Interest income					
		37 975 040	24 898 803	22 805 145	19 007 427
Interest earned on loans					
		37 540 892	24 488 967	22 665 862	18 623 229
Finance income					
		434 148	409 836	139 283	384 198
Dividends earned					
		59 856 675	48 649 720	59 856 675	48 649 720
Gross profit from sale of services					
	15	59 130 742	33 700 000	–	–
Fee income					
		59 130 742	33 700 000	–	–
Other income					
		2 332 023	1 753 808	2	2 044
Other income					
		2 332 023	1 753 808	2	2 044
Expenses					
		(110 468 698)	(31 272 328)	(1 795 007)	1 545 456
Selling and administration expenses					
		(16 770 933)	(20 850 459)	(274 766)	(433 961)
Executive share-based payment movement					
		–	1 979 417	–	1 979 417
Employee costs					
		(8 774 923)	(12 313 631)	–	–
Provision for impairment on loans					
		(84 780 785)	–	(1 520 241)	–
Depreciation and amortisation					
		(142 057)	(87 655)	–	–
Profit before finance costs and taxation					
		52 207 137	102 514 298	84 248 200	93 978 791
Finance costs					
	11	(25 965 631)	(18 813 881)	(19 084 376)	(18 811 738)
Profit before taxation					
		26 241 506	83 700 417	65 163 824	75 167 053
Income tax (expense)/income					
	12	9 132 680	(3 453 506)	(834 136)	(868 964)
Profit for the year					
		35 374 186	80 246 911	64 329 688	74 298 089
Total Comprehensive income attributable to:					
		35 374 186	80 246 911	64 329 688	74 298 089
Owners of the parent					
		35 374 186	80 246 911	64 329 688	74 298 089
Earnings per share information (cents)					
	13				
Basic earnings per share					
		20.50	46.38	–	–
Diluted earnings per share					
		18.86	46.37	–	–

Statement of Changes in Equity

for the year ended 29 February 2024

Figures in Rand	Share capital R'000	Share premium R'000	Total share capital R'000	Share-based payment reserve R'000	Accumulated profit/(loss) R'000	Total equity R'000
Group						
Balance at 1 March 2022	17 306	612 560 807	612 578 113	41 968 917	897 378 253	1 551 925 283
Total comprehensive income for the year	-	-	-	-	80 246 911	80 246 911
Profit for the year	-	-	-	-	80 246 911	80 246 911
Share buy-back	(50)	(1 478 928)	(1 478 978)	-	-	(1 478 978)
Executive share-based payments raised	-	-	-	(1 979 417)	-	(1 979 417)
Balance at 28 February 2023	17 256	611 081 879	611 099 135	39 989 500	977 625 164	1 628 713 799
Total comprehensive income for the year	-	-	-	-	35 374 186	35 374 186
Profit for the year	-	-	-	-	35 374 186	35 374 186
Balance as at 29 February 2024	17 256	611 081 879	611 099 135	39 989 500	1 012 999 350	1 664 087 985

Note(s) 7 7

Figures in Rand	Share capital R'000	Share premium R'000	Total share capital R'000	Share-based payment reserve R'000	Accumulated profit/(loss) R'000	Total equity R'000
Company						
Balance at 1 March 2022	17 306	612 560 807	612 578 113	41 968 917	783 002 444	1 437 549 474
Profit for the year	-	-	-	-	74 298 089	74 298 089
Share buy-back	(50)	(1 478 928)	(1 478 978)	-	-	(1 478 978)
Executive share-based payments raised	-	-	-	(1 979 417)	-	(1 979 417)
Balance at 28 February 2023	17 256	611 081 879	611 099 135	39 989 500	857 300 533	1 508 389 168
Profit for the year	-	-	-	-	64 329 688	64 329 688
Balance as at 29 February 2024	17 256	611 081 879	611 099 135	39 989 500	921 630 221	1 572 718 856

Note(s) 7 7

Statement of Cash Flows

for the year ended 29 February 2024

Figures in Rand	Note(s)	Group		Company	
		2024	2023	2024	2023
Cash flows from operating activities					
Cash generated from/(used in) operations	14	(14 385 052)	(14 378 320)	5 864 546	2 608 080
Finance income		-	385 205	107 180	359 567
Dividends received		15 750 000	7 055 000	15 750 000	7 055 000
Finance costs		-	(18 316 146)	-	(18 316 146)
Tax paid		-	-	-	-
Net cash generated from/(used in) operating activities		1 364 948	(25 254 261)	21 721 726	(8 293 499)
Cash flows from investing activities					
Purchase of property, plant and equipment		(57 012)	(289 848)	-	-
Purchase of investments	2	(2 308 175)	(46 723 822)	(2 308 175)	(46 723 822)
Proceeds from sale of investments	2	50	44 000 000	50	44 000 000
Advance of loans to portfolio investment companies		(4 241 284)	(80 439 937)	(56 878 915)	(99 659 051)
Repayment of loans by portfolio investment companies		127 092 804	46 167 884	69 049 435	46 472 960
Advance on loan from investee entities		-	-	700 000	-
Repayment of loans receivable		-	(800 000)	-	-
Net cash generated from/(used in) investing activities		120 486 383	(38 085 723)	10 562 395	(55 909 913)
Cash flows from financing activities					
Proceeds from interest-bearing liabilities		3 450 000	216 750 000	3 450 000	216 750 000
Repayment of interest-bearing liabilities		(33 481 073)	(151 745 580)	(33 481 073)	(151 745 580)
Share buy-back		-	(1 478 978)	-	(1 478 978)
Net cash generated from/(used in) financing activities		(30 031 073)	63 525 442	(30 031 073)	63 525 442
Total cash movement for the year		91 820 258	185 458	2 253 048	(677 970)
Cash at the beginning of the year		1 586 199	1 400 741	304 001	981 972
Total cash at the end of the year	6	93 406 457	1 586 199	2 557 049	304 001

Notes to the consolidated and separate annual financial statements

for the year ended 29 February 2024

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 portfolio investment companies 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 Group, the Investment Holding Company;
- Huge Capital (100% held by Huge Group);
- Huge Management Company (100% held by Huge Group);
- Huge SPV 1 (100% held by Huge Group);
- Huge Soho (99.99% held indirectly by Huge SPV 1);
- Huge Global (100% held by Huge Group).

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

- Huge Connect (83.71% held by Huge Group);
- Huge Networks (100% held by Huge Connect);
- Huge Messaging (100% held by Huge Group);
- Huge Technologies (100% held by Huge Group);
- Huge TNS (100% held by Huge Group).

Huge Group as a 100% owner of the issued share capital of Huge TNS, has the following indirect holdings through this investment:

- Huge Services (100% holding);
- Huge Cellular, an associate company of Huge TNS (49% holding).

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

- Huge Media (96% held by Huge Group);
- Huge Software (75% held by Huge Group);
- Huge Payments (100% held by Huge Group);
- Huge Digital (100% held by Huge Group);
- Glovent Solutions (20.46% held by Huge Group).

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

- Huge Distribution (100% held by Huge Group).

Types of products and services per segment

Connectivity and Cloud

Huge TNS

Huge TNS 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 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 TNS (formerly Huge Telecom) 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 and xTech

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.

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.

Huge Media

Huge Media is engaged in the development of software for innovative and affordable real-time, permission based, high-impact, targeted advertising to mobile phone and internet users.

Huge Payments

Huge Payments is engaged in the development of an Intelligent Payment Solution application for individuals, small merchants and retailers.

Distribution

Huge Distribution

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

Major customers

No single customer or group of customers under common control contribute more than 10% of any of the revenue of Huge Group's portfolio investment companies, apart from three customers of Huge Connect. These three customers contribute an aggregate 40% 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 the customers migrating to other suppliers.

Geographic areas

The portfolio investment companies of Huge Group have operations physically located in five local regions, which are Gauteng, Western Cape, Eastern Cape, North West, and Free State.

Services

Huge Group generates its revenue in the form of dividends, interest income, and fee income. Refer to Note 9 page 108 (investment income) and SOPL for further details.

Segment portfolio value movements – 2024

Segment	Investment held at 1 March 2023	Acquisition	Fair value gain/(loss)	Portfolio interest	Investment held at 29 February 2024	Percentage of Portfolio
Connectivity	1 311 304 320	113 774 724	(79 002 816)	–	1 346 076 228	85.09%
Distribution	4 533 345	–	(4 533 345)	–	–	0%
Software and xTech	146 193 291	2 255 369	86 917 516	–	235 366 176	14.88%
Corporate Office	458 615	–	–	32 102	490 717	0.03%
Total	1 462 489 571	116 030 093	3 381 355	32 102	1 581 933 121	100%

Note(s) 2 2 9 2

Segment portfolio value movements – 2023

Segment	Investment held at 1 March 2023	Acquisition	Fair value gain/(loss)	Portfolio interest	Investment held at 29 February 2024	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%

Note(s) 2 2 9 2

Segment portfolio returns – 2024

Segment	Dividend income	Interest income	Fee income	Total
Connectivity	59 856 675	23 392 470	59 053 331	142 302 476
Distribution	–	4 325 257	77 411	4 402 668
Software and xTech	–	9 779 455	–	9 779 455
Corporate Office	–	43 710	–	43 710
Total	59 856 675	37 540 892	59 130 742	156 528 309

Note(s) 9 9 15

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

Note(s) 9 9 15

2. Investments held

Name of company	Held by	% holding 2024	Group		Company	
			Fair value 2024	Fair value 2023	Fair value 2024	Fair value 2023
Huge Capital	Huge Group	100.00%	–	–	–	–
Huge Connect – Ordinary shares held	Huge Group	83.71%	156 500 000	64 261 866	156 500 000	64 261 866
Huge Connect – Preference shares held	Huge Group	100.00%	563 371 512	571 904 887	563 371 512	571 904 887
Huge Digital	Huge Group	100.00%	229 658 359	145 650 785	229 658 359	145 650 785
Huge Distribution	Huge Group	100.00%	–	4 533 345	–	4 533 345
Huge Management	Huge Group	100.00%	–	–	–	–
Huge Media	Huge Soho	76.00%	–	–	–	–
Huge Messaging	Huge Group	100.00%	979 036	973 068	979 036	973 068
Huge Networks	Huge Group	100.00%	13 967 356	9 343 310	13 967 356	9 343 310
Huge Payments	Huge Group	100.00%	–	–	–	–
Huge Software	Huge Group	75.00%	5 707 817	542 506	5 707 817	542 506
Huge Soho ¹	Huge Group	99.99%	–	–	29	–
Huge Technologies	Huge Group	100.00%	–	23 289 625	–	23 289 625
Huge TNS Group	Huge Group	100.00%	611 258 324	641 531 564	611 258 324	641 531 564
Huge TNS	Huge Group	100.00%	607 700 000	641 292 099	607 700 000	641 292 099
Huge Cellular	Huge TNS	49.00%	–	–	–	–
Huge Services	Huge TNS	100.00%	3 558 324	239 465	3 558 324	239 465
Glovent	Huge Group	20.46%	–	–	–	–
Discovery Invest Endowment Plan	Huge Group	–	490 717	458 615	490 717	458 615
Total fair value¹			1 581 933 121	1 462 489 571	1 581 933 150	1 462 489 571

1 During the year Huge SPV 1 acquired 99.99% of Huge Soho. The shareholding of Huge Group in Huge Soho moved from 49% to 99.99% in FY24.

2. All portfolio investment companies are incorporated in South Africa and their principal place of business is in South Africa.

Movement in investments held – Group – 2024

Investments held	Fair value at 1 March 2023	Acquisition ¹ during the year	Fair value gain/(loss) at 29 February 2024	Finance income on endowment	Closing balance – Fair value at 29 February 2024
Unlisted investments	1 462 489 571	116 030 093	3 381 355	32 102	1 581 933 121
Total	1 462 489 571	116 030 093	3 381 355	32 102	1 581 933 121

1. R113 million of this relates to the sale of Huge TNS shares, held by Huge Networks, to Huge Group.

Movement in investments held – Group – 2023

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	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

Movement in investments held - Company - 2024

	Fair value at 1 March 2023	Acquisition during the year	Fair value gain/(loss) at 29 February 2024	Finance income on endowment	Closing balance - Fair value at 29 February 2024
Investments held					
Unlisted investments	1 462 489 571	116 030 093	3 381 385	32 102	1 581 933 150
Total	1 462 489 571	116 030 093	3 381 385	32 102	1 581 933 150

Movement in investments held - Company - 2023

Investments held	Closing balance - Fair value at 1 March 2023	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	1 434 966 974	46 723 822	24 774 144	24 631	(44 000 000)	-	1 462 489 571
Total	1 434 966 974	46 723 822	24 774 144	24 631	(44 000 000)	-	1 462 489 571

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

	1 March 2023 Fair value	Acquisition during the year	29 February 2024 Fair value	Fair value gain/(loss)
Unlisted Investments				
Huge Connect (Ordinary shares)	64 261 866	-	156 500 000	92 238 134
Huge Connect (Preference shares)	571 904 887	-	563 371 512	(8 533 375)
Huge Digital	145 650 785	-	229 658 359	84 007 574
Huge Distribution	4 533 345	-	-	(4 533 345)
Huge Messaging	973 068	-	979 036	5 968
Huge Networks	9 343 310	-	13 967 356	4 624 046
Huge Software	542 506	-	5 707 817	5 165 311
Huge Technologies	23 289 625	-	-	(23 289 625)
Huge TNS Group	641 531 564	113 774 724	611 258 324	(144 047 964)
Huge TNS ¹	641 292 099	113 774 724	607 700 000	(147 366 823)
Huge Services	239 465	-	3 558 324	3 318 859
Glovent	-	2 255 369	-	(2 255 369)
Total Unlisted Holdings	1 462 030 956	116 030 093	1 581 442 404	3 381 355

¹ The acquisition during the year relates to the sale of Huge TNS shares, held by Huge Networks, to Huge Group.

	1 March 2023 Fair value	Acquisition during the year	29 February 2024 Fair value	Fair value gain/(loss)
Listed Investments				
Discovery Invest Endowment Plan	458 615	-	490 717	32 102
Total Holdings	1 462 489 571	-	1 581 933 121	3 413 457

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

	1 March 2023 Fair value	Acquisition during the year	29 February 2024 Fair value	Fair value gain/(loss)
Unlisted Investments				
Huge Connect (Ordinary shares)	64 261 866	-	156 500 000	92 238 134
Huge Connect (Preference shares)	571 904 887	-	563 371 512	(8 533 375)
Huge Digital	145 650 785	-	229 658 359	84 007 574
Huge Distribution	4 533 345	-	-	(4 533 345)
Huge Messaging	973 068	-	979 036	5 968
Huge Networks	9 343 310	-	13 967 356	4 624 046
Huge Software	542 506	-	5 707 817	5 165 311
Huge Soho	-	-	29	28
Huge Technologies	23 289 625	-	-	(23 289 625)
Huge TNS Group	641 531 564	113 774 724	611 258 324	(144 047 964)
Huge TNS ¹	641 292 099	113 774 724	607 700 000	(147 366 823)
Huge Services	239 465	-	3 558 324	3 318 859
Glovent	-	2 255 369	-	(2 255 369)
Total Unlisted Holdings	1 462 030 956	116 030 093	1 581 442 433	3 381 383

	1 March 2023 Fair value	Acquisition during the year	29 February 2024 Fair value	Fair value gain/(loss)
Listed Investments				
Discovery Invest Endowment Plan	458 615	-	490 717	32 102
Total Holdings	1 462 489 571	-	1 581 933 150	3 413 485

¹ The acquisition during the year relates to the sale of Huge TNS shares, held by Huge Networks, to Huge Group.

Fair value of investments held at 29 February 2024

The fair values of Huge TNS, Huge Connect ordinary shares and the Huge Digital commercial go to market recognised as at 29 February 2024 were calculated by an independent expert, Birkett Stewart McHendrie (BSM), in accordance with IFRS 13. The fair values of the remainder of the investments were calculated by management, in accordance with IFRS 13, and were consistent to the methodology applied in prior periods. The valuation assumptions utilised as at 29 February 2024 are detailed below:

Unlisted Investments	Economic interest	Primary valuation method	Fair value hierarchy	Significant and key inputs	Relationship of unobservable inputs	29 February 2024 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 19.90% Terminal growth 1.50% Revenue growth 10.00% Sustainable GP margin 44.90%	156 500 000
Huge Connect (Preference shares)	100.00%	Dividend discount	Level 3	Dividend payable average coupon rate	Required rate of return 10.75%	563 371 512
Huge Digital:						229 658 359
Recapitalisation Assets ¹	100.00%	Income approach	Level 3	Net Present Value of Future Cashflows	WACC 26.33% Terminal growth 1.20%	125 758 359
Commercial Go To Market	100.00%	Income approach	Level 3	Maintainable earnings model	WACC 21.70% Terminal growth 1.50% Sustainable EBIT margin 23.1%	103 900 000
Huge Distribution	100.00%	Income approach	Level 3	Maintainable earnings model	WACC 17.67% Terminal growth 1.20% Revenue growth 27.08% Sustainable GP margin 15.21%	–
Huge Media ²	76.00%	Net assets	Level 3	Attributable NAV		–
Huge Messaging	100.00%	Net assets	Level 3	Attributable NAV		979 036
Huge Networks	100.00%	Income approach	Level 3	Attributable NAV		13 967 356
Huge Payments ³	100.00%	Net assets	Level 3	Attributable NAV		–
Huge Services	100.00%	Net assets	Level 3	Attributable NAV		3 558 324
Huge Software	75.00%	Income approach	Level 3	Maintainable earnings model	WACC 24.51% Terminal growth 1.20% Revenue growth 15.00% Sustainable GP margin 71.45%	5 707 817

Unlisted Investments	Economic interest	Primary valuation method	Fair value hierarchy	Significant and key inputs	Relationship of unobservable inputs	29 February 2024 fair value
Huge Technologies ⁴	100.00%	Net assets	Level 3	Attributable NAV		–
Huge TNS	100.00%	Income approach	Level 3	Maintainable earnings model	WACC 16.90% Terminal growth 1.50% Revenue growth 12.00% Sustainable GP margin 51.40%	607 700 000
Huge Soho ⁵	99.99%	Net assets	Level 3	Attributable NAV		–
Glovent	20.46%	Income approach	Level 3	Maintainable earnings model	WACC 23.95% Terminal growth 1.20% Revenue growth 20.87% Sustainable GP margin 57%	–
Total Unlisted Holdings						1 581 442 404
Discovery Invest Endowment Plan						490 717
Total Holdings						1 581 933 121

- Huge Digital plans to launch new commercial operations in FY2025 and will restructure its balance sheet by way of a recapitalisation. Huge Digital has engaged third parties who are interested in participating in Huge Digital's new growth initiatives by subscribing for an existing class of shares that (i) will have limited rights to participate in the residual value of the company, (ii) will specifically fund the repayment of past loans amounting to c. R4.1 billion and (iii) will leave Huge Global Limited, a company domiciled in Mauritius, itself a wholly owned foreign subsidiary company of Huge Group, as beneficiary of the recapitalisation. Huge Digital's recapitalisation assets valuation represents a series of defined cashflows from these financing activities discounted to their present value, rather than cashflows generated from expected revenue or profit drivers. In this case, no revenue growth or sustainable gross profit margins can be used in this valuation.
- Huge Media is primarily engaged in the development of software for innovative and affordable real-time, permission based, high-impact, targeted advertising to mobile phone and internet users. Based on the life cycle of Huge Media, and the nature of its assets, net assets best represents the value of Huge Media.
- Huge Payments is primarily engaged in the development of a mobile payments solution individuals, small merchants, and large retailers. This mobile payment platform generates instant EFT payments through internet banking and allows users to make secure payments. Based on the life cycle of Huge Payments, and the nature of its assets, net assets best represents the value of Huge Payments.
- Huge Technologies is the holder of a unifies communication network asset for transmission lines and gives Huge TNS the right of use of the asset for a nominal charge, thus NAV is the most appropriate valuation technique to estimate the fair value of Huge Technologies.
- Huge Soho is primarily engaged in managed telecommunications and is a B-BBEE procurement supplier. Based on the life cycle of Huge Soho, and the nature of its assets, net assets best represents the value of Huge Soho.

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

Unlisted Investments	Economic interest	Primary valuation method	Fair value hierarchy	Significant and key inputs	Relationship of unobservable inputs	28 February 2023 fair value
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						458 615
Total Holdings						1 462 489 571

Key valuation components for the investment valuations as at 29 February 2024

- The income approach describes a methodology that calculates the market value of the ordinary shares of a business based on the value of the cash flows that the company to be valued can be expected to generate in the future. The income approach includes both the maintainable earnings model as well as the net present value of future cashflows.
- The dividend discount approach is a quantitative method used for predicting the price of a company's securities based on the theory that its present-day price is worth the sum of all of its future dividend payments when discounted back to their present value. It attempts to calculate the fair value of a security irrespective of the prevailing market conditions and takes into consideration the dividend pay-out factors and the market expected returns. This method falls under the income approach.
- The net asset approach describes the methodology that calculates the market value of the ordinary shares of a business by adjusting the asset and liability balances on the statement of financial position of the company being valued to their market value equivalents. The approach is based on the summation of the individual piecemeal market values of the underlying assets less the market value of the liabilities.

Risk free rate

The risk free rate is the rate that investors would require on a risk free asset. The risk free rate used by BSM of 10.5% is approximated by a blended spot rate of South African Government Bonds, as quoted by the South African Reserve Bank on 29 February 2024. The risk free rate used by management of 8.96% is approximated by the spot rate of a South African Government Bond with a maturity of 5 years, as quoted by the South African Reserve Bank on 29 February 2024.

Systematic risk premium or market premium

The equity market risk premium (EMRP) was obtained from data published by the Statista research department. Market risk premium represents the difference between return on equities and a risk-free investment, which is normally associated with short-term government bonds. Applying this model generates an EMRP for the South African equity market of 9%.

Beta

A beta analysis was conducted based the average Aswath Damodaran Beta for related segments in Emerging Markets, which was re-levered using each portfolio investment company's capital structure and effective tax rate. An unlevered beta of 0.66 was determined by BSM for Huge TNS and Huge Connect ordinary shares as they are linked to services and wireless companies. An unlevered beta of 0.91 for Huge Digital commercial go to market was used by BSM, utilising equipment and wireless companies. The assessments are based on the average beta of 299 listed emerging markets companies in the telecom equipment sector, 140 listed companies in the telecom services sector, and 63 listed companies in the telecom wireless sector. The re-levered beta of each specific entity listed above is calculated based on

the target debt equity ratio of the related entity. An unlevered beta of 1.08 for Huge Distribution was used by management utilising equipment metrics. The assessments are based on the average beta of 66 listed emerging markets companies in the telecom equipment sector. An unlevered beta of 1.27 was determined for Huge Software and Glovent Solutions. This was based on the average beta of 351 emerging markets companies listed in the software systems and application sector. An unlevered beta of 1.09 for Huge Digital recapitalisation assets was used by management utilising wireless companies. This was based on the average beta of 13 emerging markets companies listed in the telecom wireless sector. The re-levered beta of each specific entity listed above is calculated based on the target debt equity ratio of the related entity.

Specific risk (Alpha)

The specific risk for each individual portfolio investment company was considered. Risk premiums related to items such as management's depth of expertise, leverage, access to capital, forecasting risk, customer concentration, nature of revenue, sales model, current and potential competition, supplier concentration and pricing power, product diversification, geographical distribution, internal culture, industry specific regulations, litigation, technology risk and internal control were applied. Specific risk premia for each portfolio investment company as determined and estimated by management are as follows: Huge Distribution 4.05%; Huge Software 7.61%; Huge Digital Recapitalisation Assets 8.80%; and Glovent at 11.13%. Specific risk premia was determined as follows for each entity by BSM: Huge Connect 6.8%; Huge Digital commercial go to market 13.8%; and Huge TNS 6.8%.

Weighting of debt and equity

The target debt equity ratios applied in the respective Weighted Average Cost of Capital (WACC) calculations of the portfolio investment companies are consistent with the ratios applied at FY2023, apart from Huge TNS where the target debt equity ratio was 60%/40% and Huge Digital's commercial go to market ratio was 60%/40%.

Cost of debt

The current terms of the RMB Preference Share Agreement are 90% of Prime for Tranche A Preference Shares (R150 million) and Prime for Tranche B Preference Shares (R150 million). Both tranches have a 15 basis point reduction on Prime. The Prime Rate at the 29 February 2024 valuation date was 11.75%. For FY23, the RMB Facility terms were JIBAR plus 450 basis points. During FY2020 the Executive Management Team created a centralised treasury function. This treasury function operates through Huge Management and is responsible for providing capital to Huge Group's portfolio investment companies. The objectives of this centralised treasury function include reducing the cost of debt and improving the internal oversight of each portfolio investment company's borrowings and lending. The function provides the portfolio investment companies with a single point of contact for their borrowing requirements, and it simplifies processes and allows the portfolio investment companies to focus on important objectives relating to business strategies and growth. It also allows Huge Group to leverage the strong relationships it has with its lenders and the experience of the executive Management Team in cashflow management and funding processes. The debt to equity ratio of the Company is 18.35%.

Sensitivity analysis for the investment valuations as at 29 February 2024

The tables below set out the results for the sensitivity of the valuation to changes in the above variables for the relevant investments held. "High road" and "low road" case scenarios have been applied.

Huge Connect - Ordinary Shares

Assumption	WACC	Terminal Growth Rate	Revenue Growth	Sustainable GP Margin
High road	19.15%	2.50%	plus 15%	plus 1%
Base case	20.15%	1.50%	plus 0%	plus 0%
Low road	21.15%	0.50%	plus -15%	plus -1%

Equity Value	R	R	R	R
High road	167 562 031	162 020 794	165 515 729	164 739 387
Base case	156 500 000	156 500 000	156 500 000	156 500 000
Low road	146 319 408	151 296 390	147 668 927	148 002 695

Based on the assumptions applied in the Base Case with a WACC of between 19.15% and 21.15%, we estimate the value of 83.71% of Huge Connect's Ordinary Shares to be in the range of R167 532 031 and R146 319 408.

Huge Connect - Preference Shares

There is only one valuation input that will have an impact on the value of the Preference Shares, which is the required rate of return applied. This is based on the coupon rate as stipulated in the terms of the Preference Shares, which is linked to the Prime Rate. A 0.25% increase in the assumed Prime Rate will increase the value by R10 629 651, whilst a decrease in the assumed Prime Rate will reduce the value by R10 629 651.

Huge TNS

Assumption	WACC	Terminal Growth Rate	Revenue Growth	Sustainable GP Margin
High road	16.50%	2.50%	plus 20%	plus 1%
Base case	17.50%	1.50%	plus 0%	plus 0%
Low road	18.50%	0.50%	plus -20%	plus -1%

Equity Value	R	R	R	R
High road	644 902 665	629 207 394	633 269 118	624 065 321
Base case	607 700 000	607 700 000	607 700 000	607 700 000
Low road	574 967 672	588 690 439	583 658 421	591 298 549

Based on the assumptions applied in the Base Case with a WACC of between 16.50% and 18.50%, we estimate the value of 100% of Huge TNS to be in the range of R644 902 665 and R574 967 672.

Huge Digital: Commercial Go to Market

Assumption	WACC	Terminal Growth Rate	Revenue Growth	Sustainable GP Margin
High road	21.60%	2.50%	6.00%	6.00%
Base case	22.60%	1.50%	0.00%	0.00%
Low road	23.60%	0.50%	-6.00%	-6.00%

Equity Value	R	R	R	R
High road	113 100 000	107 500 000	113 700 000	113 600 000
Base case	103 900 000	103 900 000	103 900 000	103 900 000
Low road	95 400 000	100 600 000	94 000 000	94 300 000

Based on the assumptions applied in the Base Case with a WACC of between 21.60% and 23.60%, we estimate the value of 100% of Huge Digital commercial go to market to be in the range of R113 100 000 and R95 400 000.

Huge Digital: Recapitalisation Assets

Assumption	WACC	Terminal Growth Rate
High road	25.33%	1.60%
Base case	26.33%	1.20%
Low road	27.33%	0.80%

Equity Value	R	R
High road	128 035 761	126 010 980
Base case	125 758 359	125 758 359
Low road	123 612 443	125 513 653

Based on the assumptions applied in the Base Case with a WACC of between 25.33% and 27.33%, we estimate the value of 100% of Huge Digital recapitalisation assets to be in the range of R128 035 761 and R123 612 443.

3. Loans receivable/(payable)

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Glovent	488 915	209 308	488 915	209 308
Huge Capital	111 325	57 077	-	-
Huge Cellular	-	9 696 105	-	-
Huge Cellular	33 650 000	9 696 105	-	-
Huge Cellular impairment provision	(33 650 000)	-	-	-
Huge Connect ¹	40 069 761	-	(700 000)	-
Huge Digital ²	56 096 933	28 597 768	54 795 463	28 597 768
Huge Distribution ³	6 800 905	30 327 013	6 800 905	15 056 218
Huge Distribution	31 272 270	30 327 013	6 800 905	15 056 218
Huge Distribution impairment provision	(24 471 365)	-	-	-
Huge Global	987 463	-	987 463	-
Huge Management ⁴	-	-	49 154 441	197 563 713
Huge Management	-	-	50 674 681	197 563 713
Huge Management impairment provision	-	-	(1 520 240)	-
Huge Media	46 935	963 034	-	-
Huge Media	8 871 547	7 603 034	-	-
Huge Media impairment provision	(8 824 612)	(6 640 000)	-	-
Huge Networks ⁵	(25 721 967)	-	(25 721 967)	-
Huge Payments	45 664	7 829 041	-	-
Huge Payments	9 163 106	7 829 041	-	-
Huge Payments impairment provision	(9 117 442)	-	-	-
Huge Services	106 388	102 271	-	-
Huge Software	-	6 598 340	-	-
Huge Software	6 802 367	6 598 340	-	-
Huge Software impairment provision	(6 802 367)	-	-	-
Huge Technologies ⁶	75 942 280	69 032 578	27 257 848	27 257 848
Huge TNS ⁷	60 011 910	113 434 723	-	20 683 096
Loans receivable	214 986 512	266 847 258	113 063 068	289 367 951

Non-current and current portion	Group		Company	
	2024	2023	2024	2023
Non-current assets	214 986 512	266 847 258	113 063 068	289 367 951
Current assets	-	-	-	-
Total assets	214 986 512	266 847 258	113 063 068	289 367 951
Non-current liabilities	-	-	-	-
Current liabilities	-	-	-	-
Total	214 986 512	266 847 258	113 063 068	289 367 951

1. Huge Connect

During the year a cession agreement was concluded by Huge TNS and Huge Management where Huge TNS ceded its loan of R40 769 761 against Huge Connect to Huge Management. The loan is unsecured, bears no interests and is repayable on demand.

2. Huge Digital

The loan is secured through the cession and pledge agreement executed on 10 November 2021 between the Company and Tethys Mobile. Tethys Mobile pledged the IT Intellectual Property to Huge Group as a continuing general covering collateral security for the payment in full of all the secured obligations as set out in the agreement. The loan is a secured obligation. During the year the Company advanced R26 120 892, with total interest charged of R8 360 576. During the year the Group advanced R27 420 892, with total interest charged of R8 362 046. Total repayments amounting to R 6 212 774 were received for the financial year by the Company.

3. Huge Distribution

The loan between Huge Distribution and the Company is unsecured, bears interest at JIBAR plus 7% and is repayable on demand. The loan between Huge Distribution and Huge Management, is unsecured, bears interest at JIBAR plus 7% and has no fixed terms of repayment. During the year the Company advanced R1 700 000, with total interest charged of R1 274 688. During the year the Group advanced a total of R17 900 00, with total interest charged of R4 325 257. Huge Distribution repaid R1 1 230 000 to the Company and R21 280 000 to the Group.

4. Huge Management

The loan is unsecured, bears interest at JIBAR plus 2%, and is repayable on demand. During the year the Company advanced R32 176 143, with total interest charged of R15 023 736. Huge Management repaid R194 088 912 to the Company during the year. This was primarily due to the settlement of the RMB facilities agreement.

5. Huge Networks

The loan payable to Huge Networks by the Company equates to the portion remaining to be paid for the sale of Huge TNS shares by Huge Networks. This loan bears no interest and is repayable on demand.

6. Huge Technologies

The loan between Huge Technologies and the Company is unsecured, bears no interest, and is repayable on demand. No advances were made during the year. Total interest charged by the Group was R6 909 702.

7. Huge TNS

The loan between Huge TNS and Huge Management is unsecured, bears interest at JIBAR plus 7%, and is repayable on demand. During the year an advance of R52 756 was made by the Company. The Group advanced a total of R39 137 757, with total interest charged of R13 125 600. Huge TNS repaid R24 552 757 to the Company and R31 266 408 to the Group. In addition, as a result of the business combination Huge TNS ceded R74 419 761 of its rights to loans receivable to the Group, further reducing its outstanding balance.

The value of all the above loans closely approximates their fair values. All loans advanced to the portfolio investment companies are capital investments in order to support the growth of the portfolio investment company.

Financial risk disclosure

The above loans do not expose the Group to any significant amount of interest rate or credit risk. Loss allowances for loans are measured under the general expected credit loss impairment model to the categories detailed below:

Category	Description
Stage 1	These loans are loans which are up-to-date with no indication of significant increase in credit risk as well as loans which are fully secured.
Stage 2	These loans have a significant increase in credit risk but are not credit impaired. A significant increase in credit risk may result from factors such as: <ul style="list-style-type: none"> • The counterparty missing payments or; • The portfolio investment company not performing as expected.
Stage 3	These are loans which have defaulted and have been assessed to be credit impaired as a result of factors such as: <ul style="list-style-type: none"> • Legal proceedings have been instituted to try recover the loan.
Stage 4	Loans are written off when there is no reasonable expectation of further recovery.

Loans and the related loss allowances can be analysed as follows applying the aforementioned categories:

Group – 2024	Stage 1	Stage 2	Total
Gross carrying value	208 093 007	89 759 290	297 852 297
Loss allowances	–	(82 865 785)	(82 865 785)
Opening balance	–	(6 640 000)	(6 640 000)
Charged to profit or loss	–	(76 225 785)	(76 225 785)
Net carrying value	208 093 007	6 893 505	214 986 512

Group – 2023	Stage 1	Stage 2	Total
Gross carrying value	265 884 225	7 603 034	273 487 258
Loss allowances	–	(6 640 000)	(6 640 000)
Opening balance	–	6 640 000)	(6 640 000)
Charged to profit or loss	–	–	–
Net carrying value	265 884 225	963 034	266 847 258

The loans of the Company and Group that fall under stage 1 are i) unsecured, interest-free, and repayable on demand, and ii) fully performing and deemed recoverable and thus no ECL is recognised. The loans of the Company and Group that fall under stage 2 have been provided for as outlined above.

Please refer to Note 17 for further disclosure around credit risk and related party loans.

4. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
Financial instruments:				
Trade receivables ¹	58 407 085	26 383 223	–	–
Trade receivables at amortised cost	58 407 085	26 383 223	–	–
Deposits	65 000	65 000	–	–
Other receivables:	30 059 923	75 333 247	30 059 923	96 890 747
Other long-term receivables ²	–	1 380 000	–	22 937 500
Preference dividends ³	30 059 923	73 953 247	30 059 923	73 953 247
	30 124 923	75 398 247	30 059 923	96 890 747
Non-financial instruments:				
Prepayments	115 694	78 026	1 000	–
VAT	37 193	42 013	31 577	42 013
	152 887	120 038	32 577	42 013
	88 684 895	101 901 509	30 092 500	96 932 760

- Please refer to Note 15 Related party balances for further information.
- Included in other receivables in the prior year was a receivable of R22 937 500 between Huge Group and Huge Management which was eliminated at Group level. This was settled in the current reporting period.
- Included in other receivables for current reporting period are preference dividends receivable from Huge Connect in relation to the preference share subscription agreement concluded in FY2020.

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

	Group		Company	
	2024	2023	2024	2023
At amortised cost	58 624 972	26 568 262	32 576	42 013
Non-financial instruments	30 059 923	75 333 247	30 059 923	96 890 747
	88 684 895	101 901 509	30 092 499	96 932 760

	Group		Company	
	2024	2023	2024	2023
Current	58 624 972	26 568 262	32 576	42 013
Non-current ¹	30 059 923	75 333 247	30 059 923	96 890 747
	88 684 895	101 901 509	30 092 499	96 932 760

- For the Group, non-current trade and other receivables relate to trade and other receivables that are not current in nature as they are not repayable within the next 12 months. Non-current trade and receivables relate to dividends receivable of R30 059 923 (from Huge Connect), which have been classified as non-current because Huge Connect intends to settle this obligation at a time that aligns with its commercial convenience, considering its current focus on prioritising investments in the business and capital expenditures.

Trade and other receivables pledged as security

Huge TNS has ceded, as security, all its rights, title, and interest in and to the Huge TNS book debts to Rand Merchant Bank, a division of FirstRand Bank Limited, for an overdraft facility of R15 million. Utilisation of the facility may not exceed 100% (one hundred percent) of the value of the company's good, ceded debtors, which means any debts not older than 60 days and excluding credit losses, expected credit losses, and any Group losses. Refer to Note 6 page 105 (cash and cash equivalents) for further detail.

Financial risk disclosure – Credit risk

The Group is not exposed to any significant credit risk for any single counterparty or any group of counterparties having similar characteristics. Trade and other receivables relate to (i) the preference dividend receivable from Huge Connect and (ii) management fees receivable from portfolio investment companies (please refer to Note 17 for a further breakdown). The preference dividend has been assessed for recoverability and no risk of default has been identified. The management fees are charged for ongoing services and are repayable on demand. These have been assessed for recoverability and no risk of default has been identified. Each portfolio investment company has the requisite liquid assets to meet their obligations over the next 12 months.

5. Deferred tax

	Group		Company	
	2024	2023	2024	2023
Deferred tax asset	16 822 134	5 099 085	8 471 116	8 719 329
Deferred tax liability	(19 132 081)	(18 849 641)	(162 886 335)	(162 614 066)
	(2 309 947)	(13 750 556)	(154 415 219)	(153 894 737)

Recognition of deferred tax asset

Deferred tax assets are recognised for unused tax losses, unused tax credits, and deductible temporary differences (as applicable) to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be used. The Group is required to make significant estimates in assessing whether future taxable profits will be available.

Future taxable profits are determined based on conservative forecasts and business plans for Huge Group and Huge Management and the probable reversal of taxable temporary differences in future. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The Directors are satisfied that the deferred tax assets will be recovered based on business plans, budgets, and forecasts of the respective entities.

The recoverability of prior year deferred tax assets in respect of tax losses was assessed by the respective portfolio investment company management, taking cognisance of board-approved budgets and growth plans, and found to be adequately supported given the expected taxable income to be generated in future.

Management is confident that the assessed losses will be utilised and have considered the impact of the base broadening measures. However, the effect of the base broadening measures on the Group is unclear at this stage.

Deferred tax was calculated at 27%.

Reconciliation of deferred tax balances

	Group		Company	
	2024	2023	2024	2023
At beginning of year	(13 750 556)	(9 780 518)	(153 894 737)	(153 025 773)
Included in income tax	10 078 918	(3 453 506)	(520 482)	(868 964)
Prior period adjustment	1 361 690	(516 532)	-	-
	(2 309 948)	(13 750 556)	(154 415 219)	(153 894 737)
Composition of deferred tax				
Prior period adjustment	-	(516 532)	-	-
Fair value adjustments on investments held ¹	(28 089 302)	(18 312 043)	(162 886 335)	(162 614 066)
Accrual for leave pay	19 972	-	-	-
Prepayments	(31 237)	(21 066)	-	-
Provisions for credit loss allowances	15 056 446	-	246 279	-
Tax losses available for set-off against future taxable income	10 734 173	5 099 085	8 224 837	8 719 329
	(2 309 948)	(13 750 556)	(154 415 219)	(153 894 737)

¹ Refer to Note 2 (investments held).

6. Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
Cash on hand	1 702	93	-	-
Bank balances ¹	93 430 373	1 601 611	2 557 049	304 001
Bank overdraft	(25 618)	(15 505)	-	-
	93 406 457	1 586 199	2 557 049	304 001
Current assets	93 406 457	1 586 199	2 557 049	304 001
	93 406 457	1 586 199	2 557 049	304 001

1. Included in bank balances is R70 million that is restricted until the following conditions set out by RMB are satisfied:

- RMB have received the audited aggregated annual financials statements for the financial year ended 29 February 2024; and
- the EBITDA evidenced in the above is at least R143 100 000.

The above items are expected to be provided to RMB by 31 May 2024. Management are confident that these conditions will be met based on the performance of the portfolio investment companies for the financial year ended 29 February 2024.

Huge TNS Overdraft facility

Huge TNS (the borrower) has an agreement with Rand Merchant Bank, a division of FirstRand Bank Limited, for the provision of an overdraft facility of R15 million.

The Overdraft Facility is subject to the following material terms and covenants which the Company and Group are party:

Collateral

- a limited cession in *securitatem debiti* in the amount of R15 000 000 given in favour of the bank by the borrower of any and all rights, title, and interest which the borrower may have in its debtors from time to time;
- the borrower is also required to provide the following collateral or further agreements to the bank:
 - a limited cession in *securitatem debiti* in the amount of R15 000 000 given in favour of the bank by the borrower of any and all rights, title, and interest which the borrower may have in CGIC insurance over its debtor's book from time to time;
 - a subordination in favour of the bank by Huge Management of any and all of its interest-bearing loans in the amount of R80 500 000;
 - a subordination in favour of the bank by Huge Cellular of any and all of its intercompany related party loans in the amount of R44 300 000;
 - a first demand guarantee in the amount of R15 000 000 from Huge Group in favour of the bank of any and all obligations of the borrower in respect of the facility listed;
 - Utilisation of the facility may not exceed 100% of the value of the borrower's good ceded debtors;
 - The borrower undertakes to maintain a minimum Net Debt to EBITDA of at least 2.5 times, consolidated EBITDA to Debt Interest ratio of at least 3 times, and a security cover ratio of at least 3 times;
 - The borrower undertakes to maintain a tangible equity of R100 000 000; and
 - The borrower's current ratio shall be at least 1.1 of its current assets.

Discovery Endowments

The Discovery Endowments have been classified at level 3 of the fair value hierarchy for the reporting period in terms of IFRS 13 Fair Value Measurement. The fair value of the Discovery Invest Endowment plan is determined using observable direct inputs provided by Discovery. The value per the statement at year-end is therefore deemed to be the fair value amount as per IFRS 13. Refer to Note 2 (investments held).

Guarantees

No liabilities have been recognised in relation to guarantees.

7. Share capital

	2024	2023
1 000 000 000 Authorised Shares	100 000	100 000
Reconciliation of number of shares in issue		
Issued shares as at 1 March	172 561 721	173 061 721
Share buy-back	-	(500 000)
Issued shares as at 29 February	172 561 721	172 561 721

	Number of Shares	Share capital	Share premium
Issue share capital			
Opening balance at 28 February 2021	162 097 685	16 209	599 930 474
Opening balance at 28 February 2022	173 061 721	17 306	612 560 807
Share buy-back ¹	(500 000)	(50)	(1 478 928)
Closing balance at 28 February 2023	172 561 721	17 256	611 081 879
Closing balance at 29 February 2024	172 561 721	17 256	611 081 879

1. As at 29 February 2024, the Company had 172 561 721 (FY2023: 172 561 721) Shares in issue. 500 000 Shares were repurchased by Huge Group during FY2023, which shares have reverted to the authorised but unissued share capital of Huge Group in accordance with section 35(5) of the Companies Act. The average price paid for the repurchased securities was R2.80 per share.

	2024	2023
Total share capital		
Share capital	17 256	17 256
Share premium	611 081 879	611 081 879
	611 099 135	611 099 135

8. Interest bearing liabilities

	Group		Company	
	2024	2023	2024	2023
RMB R300 million Preference Share Agreement - Held through Huge SPV 1	300 000 000	-	-	-
RMB R240 million Facility - Held by Huge Group	-	186 500 000	-	186 500 000
	300 000 000	186 500 000	-	186 500 000

Rand Merchant Bank R300 million Preference Share Agreement

In August 2023, Huge Group started engaging with Rand Merchant Bank (RMB), a division of FirstRand Bank Limited, to raise finance to (i) replace the current amortising debt facility and to (ii) raise additional finance to fund Huge Group's acquisition aspirations.

Huge Group concluded its negotiations with RMB and secured a R300 million Cumulative Redeemable Preference Share Agreement, R192 million of which was used to settle outstanding obligations (the R240 million RMB Facility held by Huge Group and the R30 million RMB Overdraft Facility held by Huge TNS). The new RMB Cumulative Redeemable Preference Share Agreement was concluded on 6 December 2023.

The RMB Cumulative Redeemable Preference Share Agreement is split into two tranches. A Preference Shares of R150 million bearing a dividend rate of Prime, less a 15 basis point adjustment. B Preference Shares of R150 million bearing a dividend rate of 90% of Prime, less a 15 basis point adjustment. Redemption of capital of both tranches is set out below:

Preference Share A:

Year	Cumulative Capital Redeemed %
The date falling 3 years and 1 day after the issue date	30%
The date falling 4 years after the issue date	47%
The date falling 5 years after the issue date	100%

Preference Share B:

Year	Cumulative Capital Redeemed %
The date falling 5 years after the issue date	100%

The cumulative preference shares pay a fixed rate of dividend and have a mandatory capital redemption at a future date. They are a contractual obligation to deliver cash and, therefore, are recognised as a liability.

The preference share dividends are dividends which are compounded monthly and are payable in June and December. The short-term portion of the redeemable preference share is computed utilising the RMB preference share amortisation schedule. This is what management has estimated to be the most reasonable representation of the current portion of the redeemable preference share dividends.

The preference share dividends payable as at 29 February 2024 are recognised under current liabilities in the Statement of Financial Position.

Covenants:

Debt Service Cover Ratio must be greater than 1.30 times;

Dividend Cover Ratio must be:

- commencing on the Signature Date until and including the first anniversary of the Signature Date, greater than 3 times;
- commencing on the first anniversary of the Signature Date until and including the second anniversary of the Signature Date, greater than 3.50 times;
- commencing on the second anniversary of the Signature Date until and including the third anniversary of the Signature Date, greater than 3.75 times;
- after the fourth anniversary of the Signature Date until the Interim Discharge Date, greater than 4.00 times;

Net Debt to EBITDA 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 2.50 times;
- commencing on the first anniversary of the Signature Date until and including the second anniversary of the Signature Date must be less than 2.00 times;
- commencing on the second anniversary of the Signature Date until and including the third anniversary of the Signature Date must be less than 1.75 times;
- after the fourth anniversary of the Signature Date until the Interim Discharge Date must be less than 1.5 times.

9. Investment income

	Group		Company	
	2024	2023	2024	2023
Interest earned on loans Loans receivable ¹	37 540 892	24 488 967	22 665 862	18 623 229
Total interest earned on loans	37 540 892	24 488 967	22 665 862	18 623 229
Finance income				
Bank	402 045	385 205	107 181	359 567
Discovery endowment	32 103	24 631	32 102	24 631
Total finance income	434 148	409 836	139 283	384 198
Dividends earned from portfolio investment companies ²	59 856 675	48 649 720	59 856 675	48 649 720
Total dividends earned	59 856 675	48 649 720	59 856 675	48 649 720
Total investment income	97 831 715	73 548 523	82 661 820	67 657 147

1. Refer to Note 3 for further details.

2. Preference dividends amounting to R59 856 675 were raised during the current reporting period in terms of the Preference Shares held in Huge Connect (FY2023: R48 649 720) and ordinary dividends of Rnil (FY2023: Rnil). Refer to Note 4 for further details.

10. Operating profit

Operating Profit for the year is stated after accounting for the following:

	Group		Company	
	2024	2023	2024	2023
Depreciation of property, plant, and equipment	142 057	(87 655)	-	-
Total depreciation and amortisation	142 057	(87 655)	-	-
Admin expenses ¹	6 114 475	2 755 169	27 560	12 336
Consulting and professional fees ²	4 490 005	5 418 413	-	154 875
Executive share-based payment expense	-	(1 979 417)	-	(1 979 417)
Insurance expenses ³	1 979 868	1 796 365	-	-
Legal expenses ⁴	2 173 982	5 752 589	40 900	-
Provision for impairment	84 780 785	-	1 520 241	-
Short-term lease charges	1 075 666	980 119	-	-
Statutory and listing fees	936 937	929 104	206 306	266 750
Total	101 551 718	15 652 342	1 795 007	(1 545 456)

	Group		Company	
	2024	2023	2024	2023
Employee costs				
Salaries, wages, bonuses, and other benefits	4 981 110	11 754 209	-	-
Retirement benefit plans: defined contribution expense	190 241	559 422	-	-
Non-executive director fees	3 603 572	3 306 355	-	-
Total employee costs expensed	8 774 923	15 619 986	-	-

1. Admin expenses include operational expenses such as bank charges, advertising, communication and travel expenses.

2. Consulting and professional fees in the current reporting period include costs of R3 000 000 for RMB Financing structuring fees, which are variable in nature.

3. Insurance covers all risks including directors' liability.

4. Legal expenses in the prior reporting period include costs of R3 042 730, which were acquisition related and therefore are variable in nature.

11. Finance costs

	Group		Company	
	2024	2023	2024	2023
Interest bearing liabilities	24 017 178	18 316 145	17 137 433	18 316 146
Trade and other payables	1 946 943	14 006	1 946 943	11 862
Bank	1 510	483 730	-	483 730
	25 965 631	18 813 881	19 084 376	18 811 738

12. Income tax

	Group		Company	
	2024	2023	2024	2023
Current				
Local income tax - current period	946 239	–	313 655	–
	946 239	–	313 655	–
Deferred				
Deferred tax asset	(10 361 358)	(3 461 315)	248 213	(867 222)
Originating temporary differences	(14 810 167)	–	–	–
Reversing temporary differences	4 448 809	(3 461 315)	248 213	(867 222)
Deferred tax liability	282 439	7 809	272 269	(1 742)
Originating temporary differences	(545)	(1 742)	–	(1 742)
Reversing temporary differences	282 984	9 551	272 269	–
	(10 078 919)	(3 453 506)	520 482	(868 964)
Total	(9 132 680)	(3 453 506)	834 136	(868 964)

	Group		Company	
	2024	2023	2024	2023
Applicable tax rate	27%	27.00%	27.00%	27.00%
Exempt income ¹	(57.21%)	(15.31%)	(24.80%)	(17.00%)
Expenses attributable to dividend income ²	0.15%	(0.06%)	0.06%	(0.07%)
Change in tax rate	0.00%	(6.04%)	0.00%	(7.08%)
Capital gains tax effect	(0.24%)	(1.69%)	(0.10%)	(1.88%)
Share-based payments	–	0.00%	–	0.00%
	(30.30%)	3.90%	2.16%	0.97%

1. Exempt income consists of dividends received.

2. Expenses attributable to dividend income relates to expenses that are not deductible at the proportion to which the Company receives income from non-deductible sources such as dividends.

13. 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

2024	Gross	Tax	Net
Profit attributable to owners of the parent	–	–	35 374 186
Headline earnings	–	–	35 374 186
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 R1 979 417 IFRS 2: 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 Accounting Standards charge unrelated to the actual operating performance of the Group.

	2024	2023
Weighted average number of ordinary shares		
Issued shares at 1 March ¹	172 561 721	173 061 721
Outstanding shares 1 March	172 561 721	173 061 721
Weighted average share buy-back – treasury shares held by Huge ²	–	(58 782)
Weighted average number of ordinary shares in issue at 29/28 February (basic, and headline)	172 561 721	173 002 939
Share buy-back anti-dilutive Executive Share Options ³	–	58 782
Weighted average number of ordinary shares in issue at 29/28 February (diluted)	187 561 721	173 061 721
Per share statistics (cents)		
Earnings per share	20.50	46.38
Headline earnings per share	20.50	46.38
Diluted basic earnings per share ⁴	18.86	46.37
Diluted headline earnings per share ⁴	18.86	46.37

1. Refer to Note 7 (share capital) for further detail.

2. The treasury shares held by Huge Group relate to the share buy-backs that took place during the previous reporting period.

3. The Company concluded Executive Share Option Agreements with JC Herbst (the Chief Executive Officer) and AP Openshaw (the Chief Operating Officer) on 29 August 2019 (the Effective Date) which were approved by the shareholders of Huge Group on 26 February 2020 (the Grant Date). The Option Agreement concluded with JC Herbst contemplates the granting by the Company of a right to subscribe for 7 500 000 Shares and the Option Agreement concluded with AP Openshaw contemplates the granting by the Company of a right to subscribe for 7 500 000. Please refer to the prior year Integrated Report for further detail thereon.

4. The Executive Share Options are dilutive and should be included in the weighted average number of shares as at the end of the financial year. The prior year's calculation should have included the Executive Share Options as a dilutive instrument. Accordingly, the prior year comparative is not comparable to the current year. Had the Executive Share Options been included, diluted earnings per share and diluted headline earnings per share would have been 42.67 cents.

Huge Group utilises NAV per share as its key performance metric for trading statement purposes.

14. Cash generated

Notes	Group		Company	
	2024	2023	2024	2023
Profit before taxation	26 241 506	83 700 417	65 163 824	75 167 053
Adjustments for				
Depreciation	142 057	87 655	-	-
Profit on sale of property, plant, and equipment	-	32 161	-	-
Dividends earned	(59 856 675)	(48 649 720)	(59 856 675)	(48 649 720)
Finance income earned	(37 232 995)	(24 897 494)	(22 805 145)	(19 007 427)
Finance costs	25 965 631	18 316 146	19 084 376	18 316 146
Net gain from financial assets at fair value through profit or loss	3 381 355	(24 784 295)	3 381 385	(24 774 144)
Provision for impairments	-	-	1 520 240	-
Deferred tax	(1 688 568)	-	-	-
Share-based payments raised	-	(1 979 417)	-	(1 979 417)
Goodwill	(4 578 644)	-	-	-
Non-cash RMB borrowings (flow of funds agreement)	124 851 311	-	(173 606 360)	-
Non-cash movement in investments held	(120 484 677)	-	(120 484 736)	-
Non-cash movement in loans receivable	(35 736 824)	-	182 633 042	-
Other non-cash items	(1 511)	516 530	-	-
Changes in working capital:				
Trade and other receivables	57 323 290	(19 405 881)	110 946 936	3 573 538
Trade and other payables	7 289 692	2 685 578	(112 341)	(37 949)
	(14 385 052)	(14 378 320)	5 864 546	2 608 080

Reconciliation of cash generated from financing activities related to borrowings:

	Group		Company	
	2024	2023	2024	2023
Borrowings at the beginning of the year	186 500 000	121 495 580	186 500 000	121 495 580
Current	30 000 000	31 436 508	30 000 000	31 436 508
Non-current	156 500 000	90 059 072	156 500 000	90 059 072
Cashflows	118 837 416	65 004 420	186 500 000	65 004 420
Cash	(30 031 073)	65 004 420	(30 031 073)	65 004 420
Proceeds from borrowings	3 450 000	216 750 000	3 450 000	216 750 000
Repayment of borrowings	(33 481 073)	(151 745 580)	(33 481 073)	(151 745 580)
Non-cash	124 851 311	-	(173 606 360)	-
Proceeds from borrowings (flow of funds agreement RMB)	300 000 000	-	(186 500 000)	-
Repayment of borrowings (flow of funds agreement RMB)	(175 148 689)	-	12 893 640	-
Other movements	-	-	-	-
Interest accrued	24 017 178	18 316 146	17 137 433	18 316 146
Interest paid	(24 017 178)	(18 316 146)	(17 137 433)	(18 316 146)
Borrowings at the end of the year¹	305 337 416	186 500 000	-	186 500 000
Current	5 337 416	30 000 000	-	30 000 000
Non-current	300 000 000	156 500 000	-	156 500 000

1. Refer to interest bearing liabilities Note 8 for further detail.

15. Related Parties

Relationships	2024
Subsidiary company	Huge Management Huge Soho Huge SPV 1 Huge Global
Portfolio investment companies	Huge Capital Huge Connect Huge Distribution Huge Digital Huge Media Huge Messaging Huge Payments Huge Software Huge Technologies Huge TNS Glovent
Subsidiary of portfolio investment companies (Huge TNS)	Huge Services
Subsidiary of portfolio investment companies (Huge Connect)	Huge Networks
Associate of portfolio investment company (Huge TNS)	Huge Cellular
Members of key management ¹	JC Herbst IDJ Van De Merwe M Heraty T van Tonder

1. Refer to Note 16 (Directors remuneration) for further detail.

Related party balances

Loan accounts - Owing by portfolio investment companies and subsidiary/associate of portfolio investment companies

Please refer to Note 3 (Loans receivable/(payable)) for further detail.

Trade receivables/(Trade payables) - Owing (to)/by portfolio investment companies and subsidiary/associate of portfolio investment companies

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Huge Cellular ¹	16 215 000	-	-	-
Huge Cellular	(51 000)	-	-	-
Huge Connect ²	26 169 116	75 616	-	-
Huge Distribution	14 837	14 837	-	-
Huge Media	-	115 000	-	-
Huge Networks	14 945	5 708 324	-	-
Huge Networks	(8 803)	(8 803)	-	-
Huge Services	368 575	123 692	-	-
Huge Services	-	(127 737)	-	-
Huge Software	-	1 380 000	-	-
Huge Soho	-	9 200 000	-	-
Huge Technologies	7 175 000	9 405 000	-	-
Huge Technologies Impairment	(7 175 000)	-	-	-
Huge TNS ³	15 261 744	1 740 754	-	-
Huge TNS	(32 696)	(30 463)	-	-
Total⁴	57 951 718	27 596 220	-	-

1. Management fees of R16 215 000 (R14 100 000 ex VAT) were raised during the year. These management fees are payable before 28 February 2025 and are deemed fully recoverable.
2. Management fees of R22 950 763 (R19 957 185 ex VAT) were raised during the year. These management fees are payable before 28 February 2025 and are deemed fully recoverable. Of the management fees raised during the year R831 781 was repaid during the year.
3. Management fees of R20 956 463 (R17 820 643 ex VAT) were raised during the year. These management fees are payable before 28 February 2025 and are deemed fully recoverable. Of the management fees raised during the year R8 848 539 was repaid during the year.
4. Credits are disclosed under loans payable and debits are disclosed under loans receivable.

Dividend receivable - Owing by Investee Company

Please refer to Note 4 (Trade and other receivables) for further detail.

Other receivables owed by subsidiary company

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Huge Management	-	-	-	22 937 500
Total	-	-	-	22 937 500

Interest income - earned from portfolio investment companies and subsidiaries/associated of portfolio investment companies

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Glovent	48 396	1 309	48 396	1 309
Huge Capital	14 247	6 878	-	-
Huge Cellular	1 055 109	1 236 523	-	-
Huge Digital	6 291 047	1 946 579	6 289 577	1 946 579
Huge Distribution	4 325 257	3 546 265	1 274 688	1 703 458
Huge Global	29 464	-	29 464	-
Huge Media	1 268 514	916 266	-	-
Huge Payments	1 294 065	942 616	-	-
Huge Services	15 117	6 271	-	-
Huge Software	877 432	650 691	-	-
Huge Technologies	6 909 702	4 201 433	-	-
Huge TNS	15 412 542	11 034 137	-	-
Total	37 540 892	24 488 967	7 642 125	3 651 346

Interest income - earned from subsidiaries

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Huge Management	-	-	15 023 736	14 971 883
Total	-	-	15 023 736	14 971 883

Dividends earned - from portfolio investment company

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Huge Connect	59 856 675	48 649 720	59 856 675	48 649 720
Total¹	59 856 675	48 649 720	59 856 675	48 649 720

1. Refer to statement of profit and loss - 'Investment Income'.

Fee income earned - from portfolio investment company

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Huge Cellular	14 100 000	-	-	-
Huge Connect	23 479 041	-	-	-
Huge Distribution	77 411	-	-	-
Huge Networks	155 949	9 000 000	-	-
Huge Services	320 500	-	-	-
Huge Technologies	-	9 900 000	-	-
Huge TNS	20 997 841	6 800 000	-	-
Total	59 130 742	25 700 000	-	-

Fee income earned - from subsidiaries

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Huge Soho	-	8 000 000	-	-
Total	-	8 000 000	-	-

Recoveries - from portfolio investment companies and subsidiaries/associated of portfolio investment companies

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Glovent	-	7 552	-	-
Huge Connect	657 535	419 310	-	-
Huge Distribution	64 509	42 978	-	-
Huge Media	-	9 600	-	-
Huge Networks	129 957	387 290	-	-
Huge Payments	-	9 600	-	-
Huge Software	-	933	-	-
Huge TNS	1 276 032	510 877	-	-
Total¹	2 128 033	1 388 140	-	-

1. Recoveries relate to payments for operational costs, for example insurance costs. Refer to statement of profit and loss - 'Other income'.

Recoveries - from subsidiaries

Figures in Rand	Group		Company	
	2024	2023	2024	2023
Huge Soho	-	19 200	-	-
Total¹	-	19 200	-	-

16. Directors' Remuneration

2024	Services to the Company ¹	Incentives	Services to the other Group companies	Services in connection with the affairs of the Company or Group	Risk, retirement and medical contributions paid or payable	Total
JC Herbst	563 814	–	–	–	210 508	774 322
AP Openshaw	286 145	–	–	–	103 855	390 000
M Heraty	772 727	–	–	–	77 273	850 000
IDJ van de Merwe	492 912	–	–	–	182 088	675 000
Total	2 115 598	–	–	–	573 724	2 689 322

2023	Services to the Company ¹	Incentives	Services to the other Group companies	Services in connection with the affairs of the Company or Group	Risk, retirement and medical contributions paid or payable	Total
JC Herbst	4 416 130	–	–	–	579 192	4 995 322
AP Openshaw	2 423 601	305 000	–	–	89 599	2 818 200
SL Sequeira	1 327 500	20 000	–	–	–	1 347 500
IDJ van de Merwe	393 750	–	–	–	–	393 750
Total	8 560 981	325 000	–	–	668 791	9 554 772

1. The services to the Company include UIF and Skills Development Levies.

Non-Executive

2024	Directors' fees	Total
DR Gammie	672 000	672 000
VHT Kathan	852 000	852 000
CIJ Williams	492 000	492 000
MR Beamish	555 572	555 572
VM Mokholo	552 000	552 000
MA Boakye	369 000	369 000
Total	3 492 572	3 492 572

2023	Directors' fees	Total
BC Armstrong	298 000	298 000
DF da Silva	564 000	564 000
DR Gammie	648 000	648 000
CWJ Lyons	352 000	352 000
VHT Kathan	356 908	356 908
CIJ Williams	160 000	160 000
MR Beamish	176 000	176 000
VM Mokholo	490 000	490 000
Total	3 044 908	3 044 908

17. Financial Instruments

The Group's activities expose it to a variety of financial risks: market risk (including cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on managing risks to ensure that the Group continues as a going concern while maximising the return to shareholders.

Risk management is carried out as part of the day-to-day activities by each major portfolio investment company under policies approved by the respective boards of directors. Each major portfolio investment company's board of directors provides principles for overall risk management, as well as policies covering specific areas. Risk areas are discussed in the risk register presented on pages 28 to 29 of the Integrated Annual Report.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and while it retains ultimate responsibility for risk management, has delegated the authority for designing and operating processes that ensure the effective implementation of objectives and policies to Huge Group's Executive Committee. Each portfolio investment company is responsible for their own risk management, which is reported to the Huge Group Executive Committee on a monthly basis.

Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Group – 2024	Note(s)	Financial liabilities at amortised cost	Total	Fair value
Trade and other payables		11 425 786	11 425 786	11 425 786
Interest-bearing liabilities	8	300 000 000	300 000 000	300 000 000
		311 425 786	311 425 786	311 425 786

Group – 2023	Note(s)	Financial liabilities at amortised cost	Total	Fair value
Trade and other payables		4 136 094	4 136 094	4 136 094
Interest-bearing liabilities	8	186 500 000	186 500 000	186 500 000
		190 636 094	190 636 094	190 636 094

Company – 2024	Note(s)	Financial liabilities at amortised cost	Total	Fair value
Trade and other payables		198 037	198 037	198 037
Interest-bearing liabilities	8	–	–	–
		198 037	198 037	198 037

Company – 2023	Note(s)	Financial liabilities at amortised cost	Total	Fair value
Trade and other payables		310 377	310 377	310 377
Interest-bearing liabilities	8	186 500 000	186 500 000	186 500 000
		186 810 377	186 810 377	186 810 377

Fair value estimation

Please refer to Note 2 (Investments held) for detail.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 8 (interest-bearing liabilities), loans as disclosed in Notes 3 (loans receivable/payable), and trade and other payables, as well as equity as disclosed in the statement of financial position.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure, and it adjusts the capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue shares, or sell assets to reduce debt.

There are externally imposed capital requirements. Refer to bank covenants in Notes 6 (cash and cash equivalents) and 7 (interest-bearing liabilities). All of the covenants imposed on Huge Group have been satisfied.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and having access to available funding in terms of an adequate amount of committed credit facilities. Prudent liquidity risk management also applies to the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group's exposure to liquidity risk means there may be insufficient funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities.

The Group manages its liquidity needs by carefully monitoring the scheduled debt servicing payments of long-term interest-bearing financial liabilities as well as forecasting cash inflows and outflows on a day-to-day basis. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis as well as a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day outlook period are identified monthly. Net cash requirements are compared to available borrowing facilities to determine headroom or shortfalls. This analysis indicates whether available borrowing facilities are expected to be sufficient over the outlook period.

To meet its liquidity requirement for the three-month periods referred to above, the Group maintains cash balances at appropriate levels. Funding for long-term liquidity needs is secured by an adequate amount of committed credit facilities.

The two tables below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The disclosure in the below tables is different to prior year disclosures in that this year the time bands are disaggregated in a more granular maturity analysis. The amounts disclosed in the table are the contractual undiscounted cash flows which include capital and interest payments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group	Note(s)	Carrying value	Contractual cash flow	Between one and 12 months	Between one and two years	Between three and five years
Non-current liabilities						
Interest-bearing liabilities	8	300 000 000	440 704 642	31 965 169	31 962 117	376 777 356
Current liabilities						
Trade and other payables		114 257 86	11 425 786	11 425 786	–	–
Interest-bearing liabilities	8	5 337 416	5 337 416	5 337 416	–	–
At 29 February 2024		316 763 202	457 467 844	48 728 371	31 962 117	376 777 356
Non-current liabilities						
Interest-bearing liabilities	8	156 500 000	172 586 437	–	59 380 813	113 205 624
Current liabilities						
Trade and other payables		4 136 094	4 136 094	4 136 094	–	–
Interest-bearing liabilities	8	30 000 000	66 983 397	66 983 397	–	–
At 28 February 2023		190 636 094	243 705 928	71 119 491	59 380 813	113 205 624

Company	Note(s)	Carrying value	Contractual cash flow	Between one and 12 months	Between one and two years	Between three and five years
Non-current liabilities						
Interest-bearing liabilities	8	–	–	–	–	–
Current liabilities						
Trade and other payables		198 037	198 037	198 037	–	–
Interest-bearing liabilities	8	–	–	–	–	–
At 29 February 2024		198 037	198 037	198 037	–	–
Non-current liabilities						
Interest-bearing liabilities	8	156 500 000	172 586 437	–	59 380 813	113 205 624
Current liabilities						
Trade and other payables		310 377	310 377	310 377	–	–
Interest-bearing liabilities	8	30 000 000	66 983 397	66 983 397	–	–
At 28 February 2023		186 810 377	239 880 211	67 293 774	59 380 813	113 205 624

Interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates of interest expose the Group's cash flow to changes in the level of those interest rates. The Group's borrowings are variable rate borrowings which are denominated in Rand. The sensitivity analysis is based on year-end exposures.

At 29 February 2024, if interest rates on Rand-denominated borrowings had been 25 basis points higher/lower with all other variables held constant, pre-tax profit for the year of the Group would have been R414 893 (FY23: R377 765) lower/higher.

At 29 February 2024, if interest rates on Rand-denominated related party receivables had been 25 basis points higher/lower with all other variables held constant, pre-tax profit for the year of the Group would have been R537 466 (FY23:R667 118) lower/higher.

Variable interest rate instruments	Group		Company	
	2024	2023	2024	2023
Cash and cash equivalents	93 406 456	1 586 199	2 557 049	304 001
Related party loans receivable	214 986 512	266 847 258	113 063 068	289 367 951
Interest-bearing liabilities	300 000 000	186 500 000	-	186 500 000
	608 392 968	454 933 457	115 620 117	476 171 952

Credit risk

The table below reflects the Group's maximum exposure to credit risk (being carrying value) by class of asset:

Financial assets	Group		Company	
	2024	2023	2024	2023
Loans receivable	214 986 512	266 847 258	113 063 068	289 367 951
Trade and other receivables	88 684 895	101 901 509	30 092 499	96 932 760
Cash and cash equivalents	93 406 456	1 586 199	8 471 116	304 001
	397 077 863	370 334 966	151 626 683	386 604 712

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The financial assets that expose the Group and Company to credit risk consist of loans receivable, trade and other receivables, and cash and cash equivalents. The Group and Company's credit risk is limited to the carrying amount of these financial assets at the reporting date. Trade and other receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

The Group and Company do not require collateral in respect of trade and other receivables and loans receivable, apart from the collateral provided against the Huge Digital Loan, please refer to Note 3 loans receivable for further detail. These loans receivable relate mainly to advances to portfolio investment companies which have been assessed in terms of recoverability.

Loans to portfolio investment companies are assessed in accordance with IFRS 9. The expected credit losses are calculated using historical and forward-looking potential default risks. Each portfolio investment company in the Huge Group portfolio of portfolio is required to provide a detailed 5-year forecast and to do so on a bi-annual basis (every 6 months). As part of this exercise, it is required to outline the key forecast assumptions informing its forecast. The projections are very detailed and account for forward-looking information, such as inflation, at the entity level. The key forecast assumptions are applied to each individual cost line. In addition, each portfolio investment company applies various other forward-looking assumptions for drivers, such as interest costs, and employee costs. These are taken into consideration during the forecasting process.

Once the respective forecasts are received, they are collated by the CFO of Huge Management, the subsidiary company of Huge Group responsible for the portfolio management of its portfolio investment companies. These comprehensive individual entity level forecasts are then captured into appropriate valuation models. The valuation models incorporate additional forward looking macro-economic factors which test the veracity of these forecast assumptions. Factors such as country specific risk-free rates, market risk equity premiums, unlevered beta ratios, and the entity-specific cost of debt are incorporated.

The data described above is incorporated into the valuation models, which combine the entity specific forecast assumptions, the result of which is a comprehensive assessment of forward-looking factors to determine the enterprise value of each entity. Once the enterprise value has been determined, any intercompany loans and payables relevant to the entity in question are deducted and any receivables due to the entity are added.

Where a portfolio investment company's enterprise value is not sufficient to cover the loans and trade and other receivables payable to the Group then an ECL is recognised for this payable.

Each portfolio investment company has the necessary means to settle its obligations and no risk of default or concern has been identified through the IFRS 9 credit loss allowance process apart from that which has been outlined on page 102 (Stage 2 loss allowance).

The loans advanced, for the current reporting period, do not expose the Group to any significant credit risk.

Cash and cash equivalents

The cash and cash equivalents are held with bank and financial institution counterparties which are rated AA- to AA+, based on Standard & Poor's ratings.

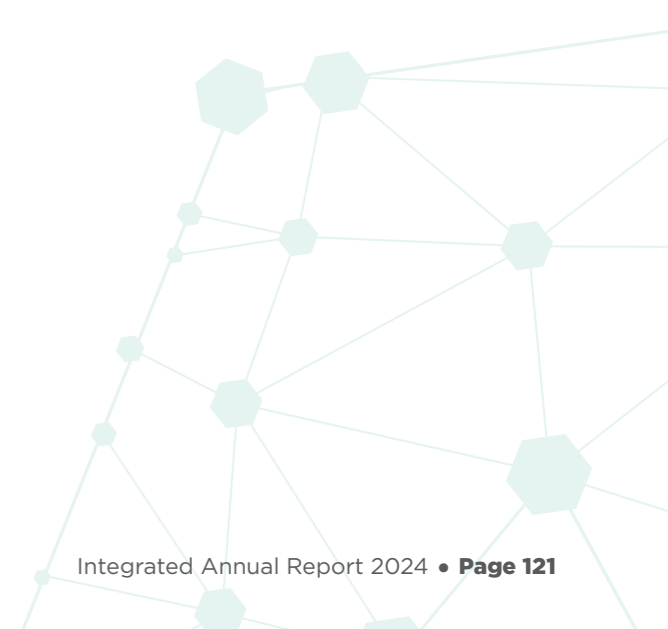
Impairment of cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Reconciliation of provision for impairment of trade and other receivables

The Group is not exposed to any significant credit risk for any single counterparty or any group of counterparties having similar characteristics. Trade and other receivables mainly relate to the preference dividend receivable from Huge Connect. This has been assessed for recoverability and no risk of default has been identified.

18. Going concern

Based upon solvency, cash resources, and forecasts, the Board has concluded that the Huge Group and its PICs are going concerns and will remain going concerns for the twelve-month period that follows the date of approval of these AFS. Accordingly, Huge Group continues to adopt the going concern basis of preparing these AFS.



Shareholder Analysis

	2024		2023	
	Number of Shares	Number of Shareholders	Number of Shares	Number of Shareholders
Public	75 644 560	2 421	76 379 551	2 562
Non-Public	96 917 161	13	96 682 170	15
Total	172 561 721	2 434	173 061 721	2 577

	2024		2023	
	Number of Shares	Number of Shareholders	Number of Shares	Number of Shareholders
Non-public shareholder analysis				
Shareholders related to directors of Huge	5 018 370	2	5 068 370	3
Shareholders related to directors of major subsidiaries	735 068	3	737 126	4
Beneficial direct holdings	5 753 438	5	5 805 496	7
Shareholdings related to directors of Huge Group	18 943 520	1	18 853 814	1
Shareholdings related to the directors of major subsidiaries	12 065 090	3	12 068 090	3
Beneficial direct holdings	31 008 610	4	30 921 904	4
Shareholdings related to directors of Huge Trusts on which directors of Huge are trustees	2 717 408	1	2 717 408	1
Non-beneficial indirect holdings related to directors of Huge	26 018 231	1	25 817 888	1
Associates of directors of Huge	-	-	-	-
Associates of directors of major subsidiaries	-	-	-	-
Non-beneficial indirect holdings	53 240 597	3	53 040 254	3
Treasury shares (Huge TNS)	6 914 516	1	6 914 516	1
Treasury shares relating to entities controlled by Huge	6 914 516	1	6 914 516	1
Total	96 917 161	13	96 682 170	15

	2024		2023	
	Number of Shares	% Shareholding	Number of Shares	% Shareholding
Major Shareholders				
Praesidium SA Fund en Commandite Partnership	37 560 605	21.77	37 271 384	21.50
Pacific Breeze Trading 417	14 260 891	8.26	14 260 891	8.24
Peresec Prime Brokers	10 376 750	6.01	10 191 157	5.89
Stanlib Absolute Plus Fund	9 967 386	5.78	9 967 386	5.76
Eagle Creek Investments 223	9 805 567	5.68	9 805 567	5.67
Government Employees Pension Fund	9 058 164	5.25	9 058 164	5.24
Huge TNS	6 914 516	4.01	6 914 516	4.00
Total	97 943 879	56.76	97 469 065	56.30

	2024		2023	
	Number of Shareholders	Number of Shares	Number of Shareholders	Number of Shares
Size of shareholding				
0 - 1000	1 980	183 951	2 074	212 553
1001 - 5000	211	518 464	233	574 656
5001 - 100 000	183	4 528 464	192	4 673 149
100 000 - 1 000 000	51	17 662 425	52	18 434 109
1 000 001 +	26	149 668 417	26	149 167 254
Total	2 451	172 561 721	2 577	173 061 721



Corporate information

Key information

Company registration number	2006/023578/06
Country of incorporation and domicile	South Africa
JSE Code	HUG
A2X Code	HUG
ISIN	ZAE0000102042
Tax reference number	9378909155

Company information

Nature of business and principal activities	investment entity with a portfolio of investment companies
Executive Directors	<p>CEO: James Herbst (J Herbst, Chief Executive Officer)</p> <p>COO: Zak van de Merwe (Z van de Merwe, Chief Operating Officer)</p> <p>CFO: Maria Heraty (M Heraty, Chief Financial Officer)</p>
Non-executive Directors	<p>Veran Kathan (VHT Kathan, Chairman)</p> <p>Dennis Gammie (DR Gammie)</p> <p>Vincent Mokholo (VM Mokholo)</p> <p>Michael (Mike) Beamish (MR Beamish)</p> <p>Conway Williams (CIJ Williams)</p> <p>Mary-Ann Boakye (MA Boakye)</p>
Registered and postal address	Unit 23, 1 Melrose Boulevard, Melrose Arch, Johannesburg, Gauteng, 2076.
Business address	Unit 23, 1 Melrose Boulevard, Melrose Arch, Johannesburg, Gauteng 2076.

Other information

Auditor	Moore Johannesburg Incorporated
Business address	50 Oxford Road, Parktown, Johannesburg, 2193
Postal address	PO Box 3094, Houghton, 2014.
Company Secretary	CIS Company Secretaries Proprietary Limited
Business address	Computershare Proprietary Limited
Postal address	Registration Number 2000/006082/07
Sponsor	Questco Advisory Proprietary Limited
Business address	Ground floor, Block C, Investment Place, 10th Road, Hyde Park, Johannesburg, 2196.
Transfer Secretaries	Computershare Services Proprietary Limited
Business address	Rosebank Towers, 15 Bierman Avenue, Rosebank, 2196.
Postal address	Private Bag X9000, Saxonwold, 2132.

Company Policies

Ethics Policy

Code of Conduct

Diversity Policy

Investment Policy

Remuneration Policy

Remuneration Implementation Plan

Huge Group, its subsidiary companies, and its PICs – Entity Information

Glovent	Glovent Solutions Proprietary Limited, registration number 2011/132991/07, a 20.46% held PIC of Huge Group, domiciled in South Africa.
Huge Capital	Huge Capital Proprietary Limited, registration number 2018/636769/07, a 100% held PIC of Huge Group, domiciled in South Africa.
Huge Cellular	Huge Cellular Proprietary Limited, registration number 2008/004068/07, a 49% held associate company of Huge TNS, domiciled in South Africa.
Huge Connect	Huge Connect Proprietary, registration number 2004/005721/07, an 83.71% held PIC of Huge Group, domiciled in South Africa.
Huge Digital	Huge Digital Enablement Proprietary, registration number 2004/005291/07, a 100% held PIC of Huge Group, domiciled in South Africa.
Huge Distribution	Huge Distribution Proprietary Limited, registration number 2015/142454/07, a 100% held PIC of Huge Group, domiciled in South Africa.
Huge Global	Huge Global Limited, registration number 194181 GBC, a 100% held PIC of Huge Group, domiciled in the Republic of Mauritius.
Huge Group	Huge Group Limited, registration number 2006/023587/06, a public company listed on the JSE, and domiciled in South Africa.
Huge Management	Huge Management Company Proprietary Limited, registration number 2007/033510/07, a wholly owned subsidiary company of Huge Group, domiciled in South Africa.
Huge Media	Huge Media Proprietary Limited, registration number 2007/004818/07, a 96% held PIC of Huge Group, domiciled in South Africa.
Huge Messaging	Huge Messaging Proprietary Limited, registration number 2008/001288/07, a 100% held PIC of Huge Group, domiciled in South Africa.
Huge Networks	Huge Networks Proprietary Limited, registration number 2014/009214/07, a wholly owned subsidiary company of Huge Connect, domiciled in South Africa.
Huge Payments	Huge Payments Proprietary Limited, registration number 2014/112952/07, a 100% held PIC of Huge Group, domiciled in South Africa.
Huge Services	Huge Services Proprietary Limited, registration number 2006/027671/07, a wholly owned subsidiary company of Huge TNS, domiciled in South Africa.
Huge Software	Huge Software Proprietary Limited, registration number 2005/042514/07, a 75% held PIC of Huge Group, domiciled in South Africa.
Huge Soho	Huge Soho Proprietary Limited, registration number 2002/022642/07, a 99.99% subsidiary of Huge Group, held indirectly through Huge SPV, domiciled in South Africa.
Huge SPV 1	Huge SPV 1 Proprietary Limited, registration number 2023/097221/07, a wholly owned subsidiary company of Huge Group, domiciled in South Africa.
Huge Technologies	Huge Technologies Proprietary Limited, registration number 2008/006066/07, a 100% held PIC of Huge Group, domiciled in South Africa.
Huge TNS	Huge TNS Telecom Proprietary Limited, registration number 1993/003902/07, a 100% held PIC of Huge Group. Huge TNS was formerly known as Huge Telecom but changed its name to Huge TNS with effect from 8 March 2023.

Definitions

In this report, unless it otherwise indicates a contrary intention, an expression which denotes a gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa*, and the expressions in the first column have the meaning stated opposite them in the second column.

A2X markets	A2X Proprietary Limited, a stock exchange licensed in terms of the Financial Markets Act 19 of 2012, on which the Company has a secondary listing.
the Companies Act	the Companies Act of South Africa (Act 71 of 2008), as amended.
AFS	Consolidated Annual Financial Statements in the case of the Group, and Separate Annual Financial Statements in the case of the Company.
AGM	An Annual General Meeting of the Company.
AltX	The Alternative Exchange of the JSE.
B-BBEE	Broad-Based Black Economic Empowerment.
the Board	The board of directors of the Company as constituted from time to time.
Eagle Creek Investments 223	Eagle Creek Investments 223 Proprietary Limited, Registration number 2004/019418/07, a private company controlled by Mrs Herbst, the spouse of Mr Herbst (it is a related party to Huge Group given that Mrs Herbst is the spouse of Mr Herbst, who is a director of the Company).
EBITDA	Earnings before interest, taxation, depreciation and amortisation.
ECA	The Electronic Communications Act, No. 36 of 2005 (ECA).
EPS	Earnings per share.
Executive Committee	Refers to Mr Herbst, Mr van de Merwe, and Mrs Heraty.
Executive Share Option Agreements	The Company concluded Executive Share Option Agreements (the Option Agreements) with JC Herbst (the Chief Executive Officer), AP Openshaw (the former Chief Operating Officer), and SL Sequeira (the former Chief Financial Officer) on 29 August 2019 (the Effective Date) and the Option Agreements were approved by the Shareholders of Huge Group on 26 February 2020 (the Grant Date).
FirstRand Bank	FirstRand Bank Limited, registration number 1929/001225/06.
Futuregrowth	Futuregrowth Asset Management Proprietary Limited, registration number 1996/018222/07, a former funder of Huge Group.
FVPTL	Fair value through profit and loss.
FY20XX	Each respective financial year of Huge Group commencing on 1 March of every year and ending on the last day of February of every year.
Goodwill	the goodwill acquired by Huge SPV1 on the acquisition of Huge Soho.
Group	Collectively, Huge Group, Huge Management, and Huge SPV.
GSM	Global System for Mobile communication and in the context of this Report, refers to a digital mobile telephone system.

HEPS	Headline earnings per share.
Huge Strategy	the board approved comprehensive strategy to grow Huge Group, both organically and by way of acquisition, in the short, medium, and long-term.
ICASA	The Independent Communications Authority of South Africa, established under the ECA.
IASB	International Accounting Standards Board.
IoT	Internet of things.
IRE	Investment return expectation.
IRR	Internal rates of return.
JSE	The Johannesburg Stock Exchange, a stock exchange licensed in terms of the Financial Markets Act 19 of 2012, operated by the JSE Limited, on which the Company has its primary listing.
King IV™	King IV Report on Corporate Governance for South Africa, 2016.
Listings requirements	The Listings Requirements of the JSE.
MOI	Memorandum of Incorporation.
MVNE	Mobile Virtual Network Enabler.
MVNO	Mobile Virtual Network Operator.
Moore Johannesburg Incorporated	Moore Johannesburg Incorporated, the independent external auditor of the Company.
NPV	Net present value.
OECD	The Organisation for Economic Co-Operation and Development.
Pacific Breeze Trading 417	Pacific Breeze Trading 417 Proprietary Limited, registration number 2006/008999/07, a private company controlled by Mrs Herbst, the spouse of Mr Herbst (it is a related party to Huge Group given that Mrs Herbst is the spouse of Mr Herbst, who is a director of the Company).
Peresec Prime Brokers	Peresec Prime Brokers Proprietary Limited, registration number 1999/010976/07, the prime brokers to the Praesidium SA Fund en Commandite Partnership.
PIC	An investment company of Huge Group which forms part of its portfolio of investment companies.
PPE	Property, plant, and equipment.
Praesidium Capital	Praesidium Capital Management Proprietary Limited, registration number 2003/012046/07, a private company controlled by Mr Beamish (it is a related party to Huge Group given that Mr Beamish is a non-executive director of the Company).

Praesidium Family Trust	The trustees for the time being of Praesidium Family Trust, Masters reference No. IT485/2010, a trust duly registered in accordance with the laws of the Republic of South Africa, of which Mr Beamish is a Trustee and a Beneficiary.
Praesidium SA Fund en Commandite Partnership	An en Commandite partnership managed by Praesidium Capital, as the General Partner.
PRI	Principles of Responsible Investment
Questco	Questco Advisory Proprietary Limited, the sponsor to the Company.
RMB	Rand Merchant Bank, registration number 1929/001225/06, a division of FirstRand, the bankers and funders of Huge Group.
RMB Facilities	Preference shares issued by Huge SPV 1 to RMB in the amount of R300 million.
SAICA	South African Institute of Chartered Accountants.
SENS	Stock Exchange News Service.
Shares	Ordinary no par value shares in the share capital of the Company.
Silver Meadow Trading 3	Silver Meadow Trading 3 Proprietary Limited, registration number 2006/006464/07, a private company controlled by Mrs Herbst, who is the spouse of Mr Herbst (it is a related party to Huge Group given that Mrs Herbst is the spouse of Mr Herbst, who is a director of the Company).
SPPI	Solely payments of principles and interest.
Telkom	Telkom SA SOC Limited, registration number 1991/005476/30.
Transactions with non-controlling interests	Once control has been achieved and acquisition accounting applied, any subsequent transactions between the parent and non-controlling interests (both acquisitions and disposals that do not result in a loss of control) are accounted for as equity transactions; consequently, additional goodwill does not arise on any increase in parent interest, and there is no remeasurement of net assets to fair value, and no gain or loss is recognised on any decrease in parent interest.
VAT	Value Added Tax.
WANOS	Weighted Average number of outstanding Shares.
xTech	the opportunity where digital and other emerging technologies converge and transform diverse traditional industry sectors, through new processes, products, channels, and business models.