

# 2025



## Integrated Annual Report



2025

Huge Group Limited Integrated Annual Report

www.hugegroup.com

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# Contents

## 1 Huge Group encapsulated

4	Our core principles
6	FY2025 investment portfolio

## 2 Huge Group investment strategy and model

8	Our investment strategy
8	Our investment model

## 3 Huge Group in context

12	Material matters
14	Risks and opportunities
16	Our stakeholder universe
17	Our approach to sustainability

## 4 Strategic insight

20	Independent non-executive Chairman's message
21	Chief Executive Officer's report
23	Our Chief Operating Officer's perspective
24	Message from our Chief Commercial Officer

## 5 Top PIC performance overview

26	Huge TNS
27	Huge Connect
28	Huge Distribution
29	Huge NXTGN

## 6 Governance and leadership

32	Our governance framework
33	Our leadership
36	Board and committee reports
38	Remuneration Policy and remuneration implementation report

## 7 Annual Financial Statements

42	Independent auditor's report
45	Director's report
47	Audit and Risk Committee report
49	Financial statements
56	Notes to the financial statements
79	Shareholder analysis

## 8 Corporate information

81	About this report
81	Definitions and corporate information

### Navigating this report:

Digital navigation enables ease of movement between pages and sections.

To do so, click on the icons at the top of each page, or wherever you see the page icon





# Huge Group encapsulated

4	Our core principles
6	FY2025 investment portfolio



# Huge Group encapsulated

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. Huge Group's investment portfolio is overseen by the Investment Committee of the Board, and is actively administered and managed by the executive team of Huge Management Company, a wholly-owned subsidiary.

Our company has evolved from its roots as a listing of a single company operating in the telecommunications industry to a listed investment holding company with assets under management of R1.463 billion. Our **investment portfolio comprises five PICs** (portfolio investment companies). Our evolutionary process has engrained a set of values and a distinct philosophy into Huge Group's investment ethos that defines the boundaries of a framework which strives to create value for all our stakeholders.

## Our core principles

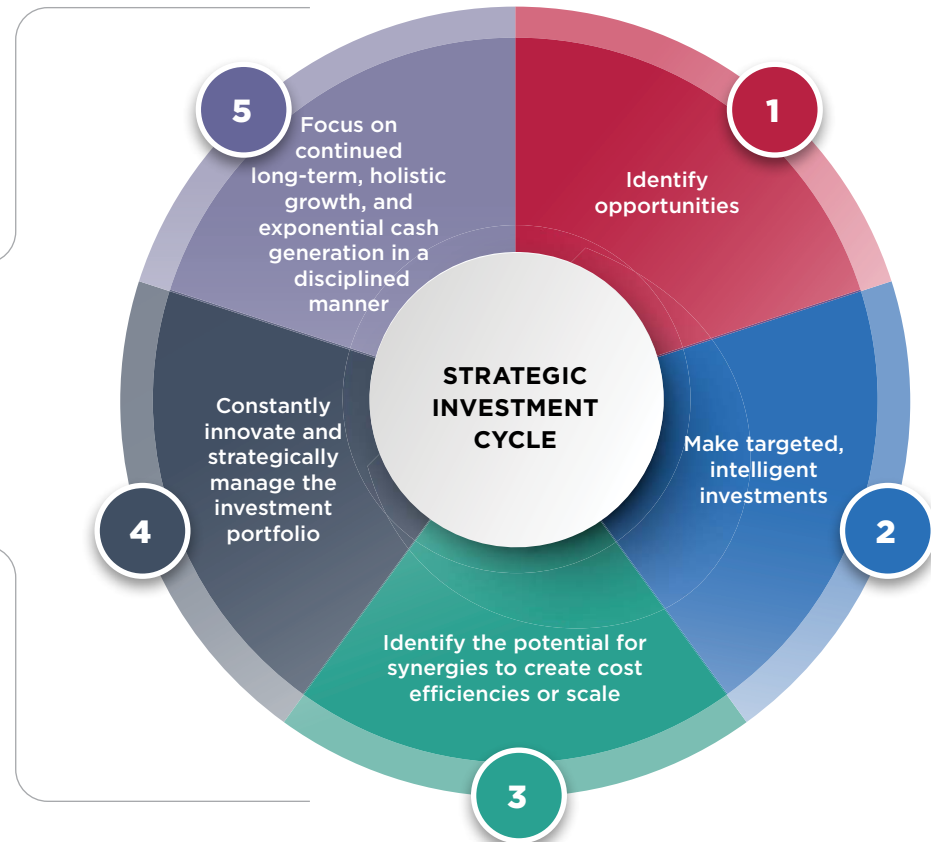
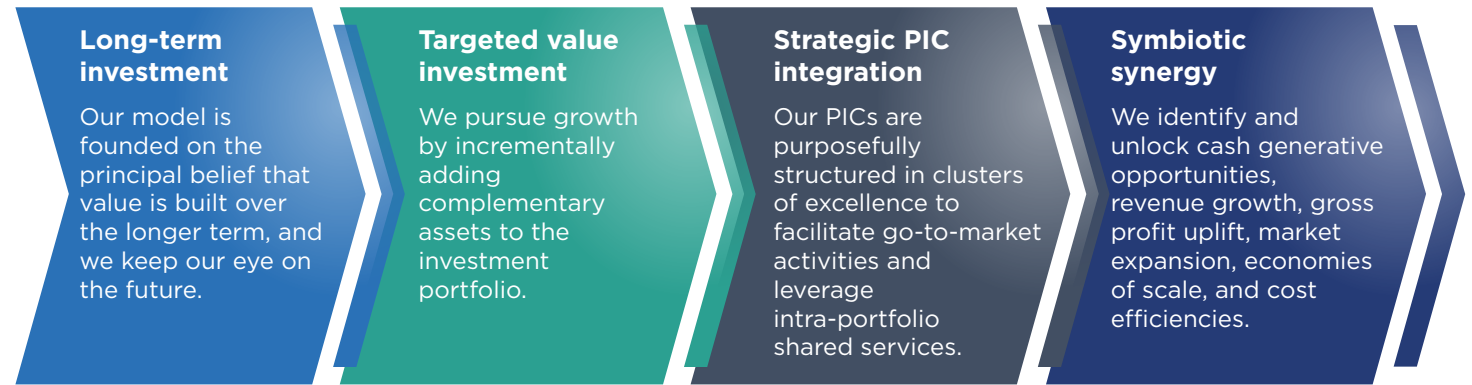
Huge Group's investment philosophy is informed by in-depth investment expertise built from decades of actively pursuing multiple transactions. We aim to make targeted, high value, specialised investments that complement our existing PICs.

We make informed, long-term decisions for our shareholders based on our hard-earned investment expertise. Our current focus is on the rapidly evolving services landscape where the technology, retail, and financial services sectors converge.

***Our purpose is to create exponential value for our shareholders by making intelligent investments in carefully curated opportunities that complement, benefit, and add exponential value to our integrated ecosystem of PICs.***

In a rapidly shifting global economy, with new business models changing and disrupting entire industries overnight, we understand the importance of keeping an eye on the future while driving the active growth curves of today. We continually tweak and, where necessary, redesign our integrated ecosystem of investments to maximise the return we generate from our existing PICs, whilst ensuring that we are optimally positioned to continue to do so in the future.

## A SHARED-VALUE ECOSYSTEM OF STRATEGICALLY INTEGRATED INVESTMENTS



## A purpose-led culture of innovation

We care more about multi-faceted, intelligent investments in sought after assets rather than simply one dimensional investment transactions.

As such, we achieve our purpose by:

- Investing in leaders and the people who **inspire** us;
- Actively and constantly evolving the **integrated ecosystem** we have created;
- Investing in opportunities that we believe will complement our existing investments, and add **exponentially** to our investment portfolio's value in the future;
- Supporting our PICs' growth through a cycle of constant **innovation**;
- Collaborating closely with the **entrepreneurs** who run the PICs in our investment portfolio to provide strategic guidance and to facilitate growth;
- Tactically applying **working capital** in support of their continued, individual growth curves;
- Affording our PICs the ability to unlock **economies of scale** by leveraging our established integrated ecosystem of systems, capabilities, and resources;
- Leveraging the integrated ecosystem's **collective** intellectual property, expertise, systems, capabilities, structure, and reach; and
- Creating a collective aggregated yield and return on investment that **exceeds the sum of the individual entities in our portfolio**.

## A clear vision

Our ambition is to create **meaningful, long-term value** for all our stakeholders. We manage the creation and preservation of long-term organic value by carefully identifying and guiding the executive teams of our PICs and by facilitating their efforts in leveraging the inherent symbiotic synergy across our composite portfolio. To understand this approach, one must begin by understanding that each investment can be considered a 'piece' on our larger chess board, playing a strategic role in our long-term strategy of creating value.

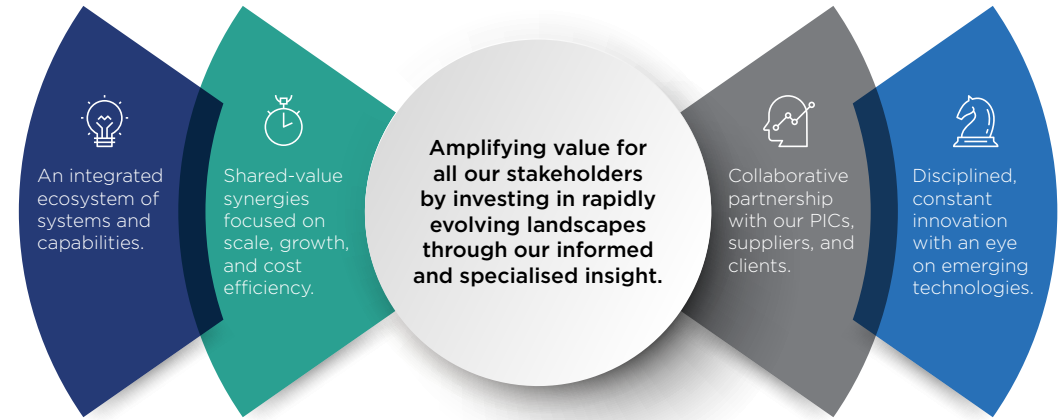
Our vision, flowing directly from our purpose to create meaningful, long-term value, is focused on:

- Identifying extraordinary investments in complementary assets to those already in our portfolio;
- Structuring and negotiating non-traditional and intelligent transactions with a focus on our rights as shareholders;
- Focusing the PICs in our portfolio on cash generation, and allocating these funds to maximise long-term value creation; and
- Identifying and facilitating economies of scale, cost efficiencies, and revenue growth through the synergies that exist between these investments, ultimately driving long-term value for shareholders.

**We do not believe that the success of the past guarantees success in the future. We believe that competing in today's market requires constant innovation and creativity.**

We have combined all our intellectual property, resources platforms and systems capabilities with our technical and commercial assets to create an evolved and integrated ecosystem of capabilities that, in turn, assist our PICs and their clients in accessing sophisticated services in a quick, affordable,

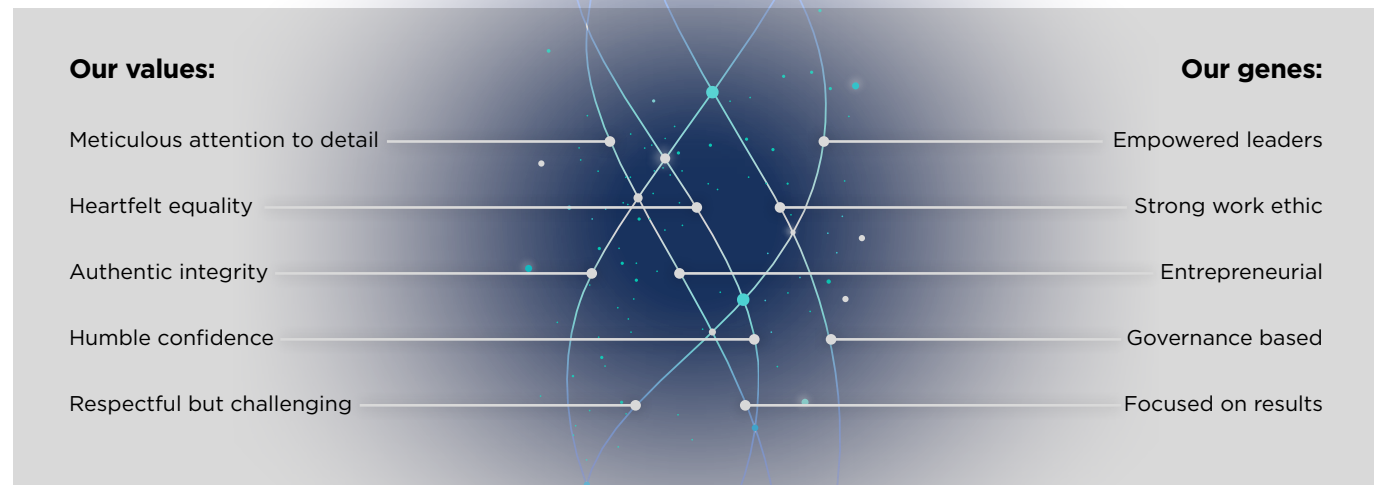
and secure manner. We challenge the entrepreneurs who run our PICs to apply **next-generation thinking** in the evolution of their strategies, to ensure that our ecosystem is not only future-proof, but that we can position our portfolio to thrive in the markets we will compete in tomorrow.



## Underpinned by our values

Over the past two decades, our leaders have helped shape our frame of reference and have instilled in us a set of values that underpin our culture and our way of investing. We aim to learn something from every new experience, from every person we meet on our journey, and we actively seek to apply these experiences in our investment strategy, and in the operational strategies that guide our PICs.

We hold ourselves to high standards, constantly striving to be better, to grow, and to improve. We aspire to humility in all we do, we act with integrity and respect, and we encourage all our colleagues to be direct, authentic, and willing to challenge the *status quo*, in themselves and in others.



## Our investment philosophy

1

### Our foundation is our people-first approach, which differentiates us.

The Company's approach to investing can be described as people-centric. Our philosophy is about investing in more than a company's shares or assets, by investing in the entrepreneurs and leaders who are building the **digital economy of tomorrow**.

2

### We follow a disciplined strategic approach to investing.

We have built a demonstrable track record of investing in cash generative, growth businesses with a focus on **next-generation technologies and business models**. We identify, review, and analyse every metric applicable to each opportunity in which we wish to invest or have invested. This detailed, rigorous, and disciplined process empowers us with the insight necessary to help nurture thriving enterprises.

3

### We strategically integrate our investments and continuously innovate to unlock synergies.

We collaborate with the leadership teams of our PICs to integrate our individual investments, while continually innovating to unlock synergies.

4

### We perpetually build, enhance, and upgrade our integrated ecosystem.

We view our portfolio as an integrated ecosystem. We select investments based on their prospects of significantly contributing to our portfolio or integrated ecosystem.

5

### We provide a safe space to grow and scale.

Our entrepreneurs face an increasingly innovative and disruptive broader technology landscape. We help them mitigate the risks they face in their businesses as they scale according to their individual growth vectors. We share our collective experience, expertise, and intellectual property within a well-defined corporate framework, providing a safety net with which entrepreneurs can explore innovative ideas and grow their businesses, while managing their own day-to-day operations.

## FY2025 investment portfolio

Our larger PICs account for 98% of the value of our investment portfolio. As at 28 February 2025, the combined fair value of our investment portfolio is R1.463 billion, with a net asset value of 928.69 cents per share, which has declined by 4% from the 964.54 cents per share reported on 29 February 2024.

**Total fair value of the investment portfolio:**

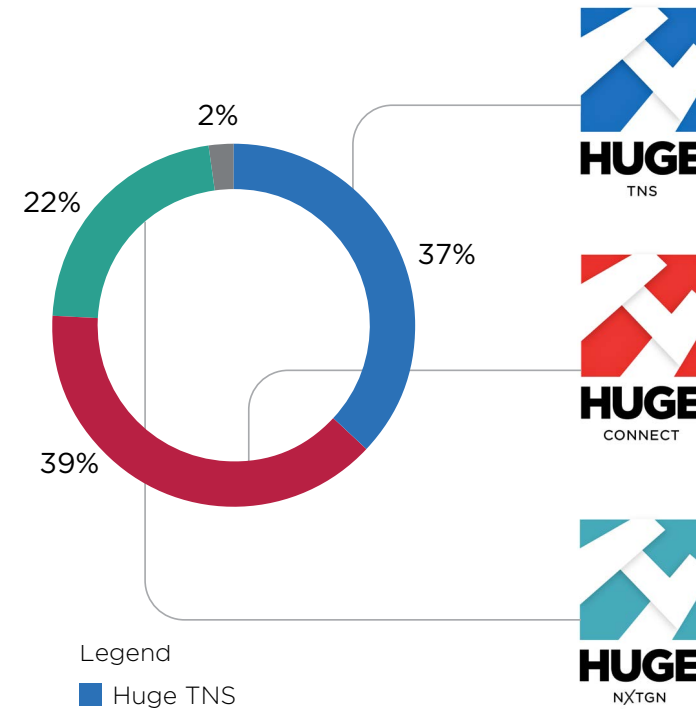
**R1.463 billion**

(FY2024: R1.582 billion)

**Net value asset per share:**

**928.69 cents**

(FY2024: 964.54 cents)



Legend

- Huge TNS
- Huge Connect
- Huge NXTGN go-to-market cluster
- Other portfolio companies



# Huge Group investment strategy and model



8	Our investment strategy
8	Our investment model



# Our investment strategy

**Each company in our investment portfolio plays a strategic role in the ecosystem.**

Huge Group ensures that growth does not only come from innovative investments in **individual** transactions or a single company, but rather from the incremental addition of **complementary** assets. We identify synergies, economies of scale, cost efficiencies, and revenue growth from the synergies that exist between our investments.

**We embrace a principle of shared value.**

We guide the executive teams in our investments to leverage the inherent **symbiotic synergy** of the composite portfolio. This approach reduces duplication of capital and operational expenditure.

## Shared value

Our portfolio entities are collectively structured in **clusters of excellence**, focused on either go-to-market activities, intra-portfolio shared services, or a small number of special purpose entities with functions that range from procurement and the management of risk, through to vehicles created to support specialised investment transactions.

## Strategic integration

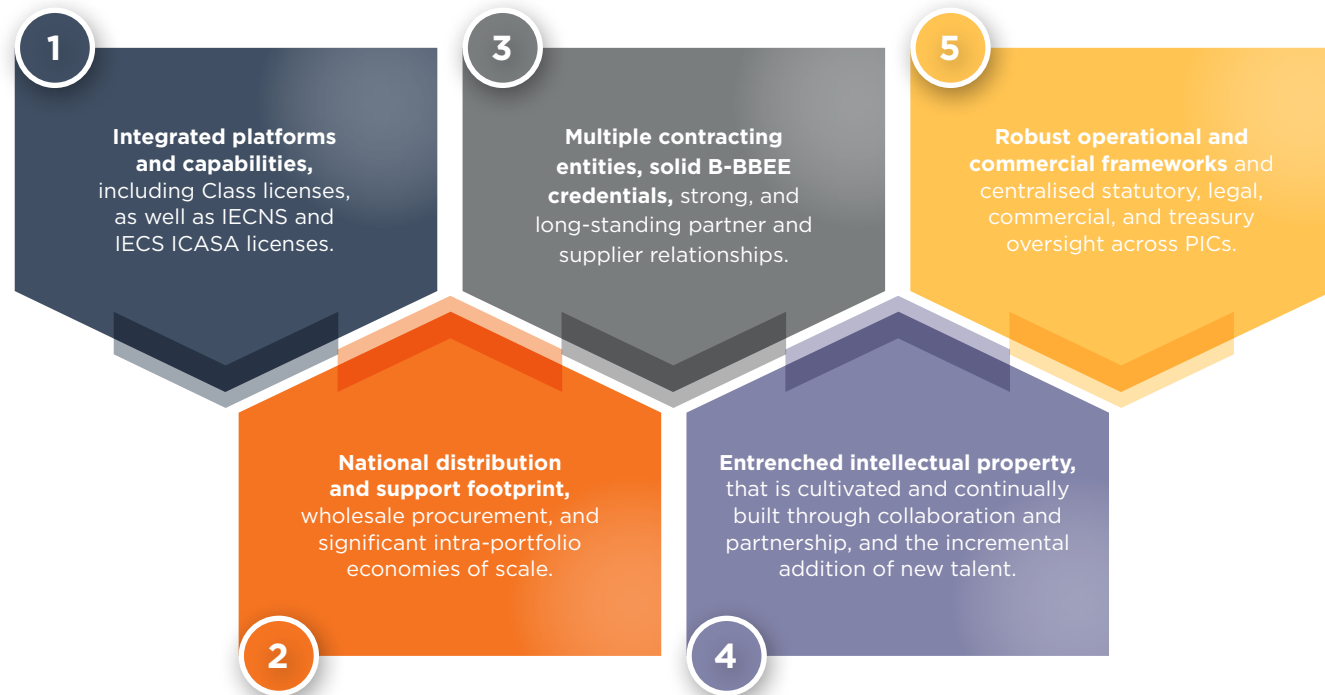
Our PICs serve as the individual chess pieces in our integrated ecosystem and represent incremental units of value. We perpetually build, enhance, and upgrade this ecosystem collaboratively.

# Our investment model

**Huge Group has invested in five go-to-market entities. These PICs have been carefully structured and integrated within the broader investment portfolio.**

Our model is founded on the principal belief that value is built over the long term. Everything we do is **focused on the future**. We achieve growth through the incremental addition of complementary assets, identifying and **unlocking economies of scale, cost efficiency, and revenue growth** because of the synergies that exist between our investments, whilst keeping an eye on the technologies and business models of the future.

Collectively, our PICs present an ecosystem of platforms and capabilities that boast, amongst other elements, a national distribution footprint, an established partner and supplier network, and significant and unique entrenched intellectual property and expertise. We support our PICs by providing strategic guidance, ongoing support and advice, as well as by providing centralised oversight and support services such as statutory, legal, commercial, and treasury functions.



## Our portfolio structure

Our carefully designed portfolio structure ensures that our go-to-market entities are supported by shared service companies and special purpose entities, creating a whole that is **greater than the sum of its parts**.

## Our clusters of excellence



## Our investment activities and outputs

Our **investment activities and outputs are focused on relevant go-to-market propositions within our portfolio.**

Activities	Outputs
<b>Huge Management Company</b>	<b>Huge Group's PICs collectively:</b>
<ul style="list-style-type: none"> <li>- Oversees the day-to-day management of the investment portfolio;</li> <li>- Functions as the 'fund manager', mandated by the Board to administer the investment portfolio;</li> <li>- Conceptualises strategy, oversees implementation, and monitors performance; and</li> <li>- Makes recommendations to the Board on prospective investments or divestments.</li> </ul>	<ul style="list-style-type: none"> <li>- Hold multiple ICASA licenses;</li> <li>- Leverage centralised multi-tenant, multi-network capable systems and platforms;</li> <li>- Operate through a national operating footprint across South Africa;</li> <li>- Benefit from centralised procurement; and</li> <li>- Offer a wide range of propositions that include satellite, fibre and fixed wireless connectivity, enterprise MVNO enablement, voice communication and secure transmission services, as well as cyber security products, services, and solutions.</li> </ul>
<b>Our go-to-market PICs:</b>	<b>Huge NXTGN represents the newest growth vector in the investment portfolio, and is an incubation hub for next-generation propositions:</b>
<ul style="list-style-type: none"> <li>- The dedicated executive teams run the day-to-day operations;</li> <li>- Each have their own boards of directors;</li> <li>- Share in a framework of standardised MOIs, Shareholder Agreements, and Delegations of Authority, and benefit from selective and proportionate funding from Huge Group.</li> </ul>	<ul style="list-style-type: none"> <li>- Platform-as-a-service</li> <li>- Outsourced operations-as-a-service</li> <li>- Advisory services</li> <li>- Technical enablement services</li> </ul>

For more detailed information on our portfolio structure, please refer to page 81 at the back of this report.

### Shared-value

We have pooled all our intellectual property, resources platform and systems capabilities, and our technical and commercial assets to create an **evolved, integrated ecosystem of capabilities** that allow our clients access to sophisticated services in a quick, affordable, and secure manner.



- Enterprise, SMME, and SoHo distribution platform
- IECNS and IECS licenses
- FTTH, fixed-wireless and voice propositions (GSM and VoIP)
- Cyber-security, SD WAN, and other connectivity propositions

- PCI-compliant secure connectivity with a 470k active SIM card base
- Field support capabilities for installations
- IoT capabilities, systems, and solutions

- Centralised procurement and warehousing in South Africa, avoiding cost-duplication
- Pan-African network of relationships for distribution and procurement in the ICT and renewable energy sectors
- Established distribution arrangements in China

- 18 years of VNO intellectual property
- Centralised VNO resources
- Large-brand VNE capability, including advisory and outsourced operations-as-a-service
- Incubation platform for next-generation propositions

### The capitals

Capital type	Inputs	Outcomes
<p><b>Financial Capital</b></p>	<p>Our shareholders and funders provide financial capital to assist us in achieving our strategic goals as an investment entity. We continuously reinvest cash generated by the go-to-market PICs in our investment portfolio.</p>	<p>Our investment model aims to allocate capital for growth, whilst ensuring long-term financial resilience and sustainability.</p> <p><b>FY2025:</b></p> <ul style="list-style-type: none"> <li>- Investment into renewable energy: R34 million</li> <li>- Investment into VNE system development: R23 million</li> </ul>
<p><b>Human Capital</b></p>	<p>Huge Group, through Huge Management Company, directly employs a small and talented investment team who provide our PICs with governance frameworks, and advisory and treasury services. We also give our PICs access to a range of external advisors.</p>	<p>We cultivate a purpose-led culture and innovative leadership. Huge group provides entrepreneurial support, and our investment portfolio in turn provides stable employment to a collective 297 people.</p>

Capital type	Inputs	Outcomes
<p><b>Social and Relationship Capital</b></p>	<p>Our stakeholder universe includes our shareholders and funders, our Board, our investment team, the entrepreneurs, teams and customers of our PICs, our external advisors, our suppliers, and regulatory bodies.</p>	<p>By allocating working capital to our PICs, they sustain and create jobs and generate economic growth. Our policies and frameworks ensure our PICs adopt responsible business practices, combined with rigorous cyber security measures. Our investment in stakeholder relationships fosters mutually beneficial returns, collaborative business, and sound governance practices.</p>
<p><b>Intellectual Capital</b></p>	<p>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.</p> <ul style="list-style-type: none"> <li>- Bespoke, specialised investment model</li> <li>- Shared-value, integrated ecosystem and portfolio structure</li> <li>- Reporting and governance oversight frameworks</li> <li>- Experienced investment team</li> <li>- Credible and experienced Board</li> </ul>	<p>Through cultivating and unlocking portfolio synergies, we drive value and cost savings across the investment portfolio.</p> <ul style="list-style-type: none"> <li>- Focused portfolio wide strategies</li> <li>- Thought leadership</li> <li>- Shared clusters of excellence</li> <li>- Ethical governance</li> <li>- Cross-collaboration and knowledge sharing</li> </ul>
<p><b>Technological Capital</b></p>	<p>The convergence of technologies, industries, and business models, and our own constant awareness of these trends, perpetually creates opportunities to leap-frog the competitors of our PICs by applying bleeding-edge innovations to improve the efficiency, productivity, and capabilities of the companies in our investment portfolio. We actively seek next-generation opportunities.</p>	<p>Collectively, our PICs provide sophisticated, <b>easy-to-access connectivity and IT communication solutions</b> for a range of businesses from corporate to SME and home office.</p> <p>Our PICs leverage cloud-native, multi-tenant, and multi-network PaaS supporting both VNE and ICT propositions.</p>
<p><b>Natural Capital</b></p>	<p>As an investment entity, we do not have a direct impact on the environment, but we recognise that we indirectly impact the world we live in through our investment activities. We do look to manage our resources carefully, with minimal impact on our environment, and we support initiatives designed to reduce the natural impact of the industries within which we operate.</p>	<p>Our top three PICs, representing 98% of the value of our investment portfolio, report on their respective environmental initiatives, as outlined in the ESG section in this report. One of our PICs – Huge Distribution – focuses on the distribution of <b>renewable energy solutions</b> across its network in Africa.</p>



# 3

## Huge Group in context

12	Material matters
14	Risks and opportunities
16	Our stakeholder universe
17	Our approach to sustainability



# Material matters

**Huge Group’s Board conducts an annual review of material macro and socioeconomic trends, identifying factors that could influence our investment portfolio and integrated ecosystem in the short and medium term, with continual reassessment throughout the year.**

## 1. Research and analysis

The investment team monitors macro-trends in the operating environment through desktop research, media and peer reviews, stakeholder feedback sessions, and engagement with third party advisors.

## 2. Prioritise and focus

We recognise that not all matters are relevant to Huge Group’s Investment Model. As such, we prioritise those that have relevance to our Investment Philosophy and PICs, or those that may materially increase the risks faced within our investment portfolio.

## 3. Validate and rank

The Board considers the most pertinent matters and ranks them according to their significance and their individual and collective potential impact on our current strategy.

## FY2025 material themes and focus areas

Material theme	Our focus areas	Description
1. <b>Socio-economics</b>	<ul style="list-style-type: none"> <li>- Treasury management;</li> <li>- Optimal capital allocation;</li> <li>- Strategic portfolio management;</li> <li>- Risk management.</li> </ul>	Macro-economic conditions are closely linked to geopolitical conditions, and we remain cognisant of changes or potentially changing trends globally with this perspective in mind. Heading into 2025, the world faced <b>heightened levels of economic uncertainty</b> , exacerbated by a global geopolitical environment in flux. This is reflective of a volatile landscape in which vigilance is required in terms of the monitoring of liquidity, the strategic allocation of capital, the optimisation of performance, and the maximising of cash flows.
2. <b>Data insights</b>	<ul style="list-style-type: none"> <li>- Leveraging accurate data, insights, and automation to improve decision-making;</li> <li>- Solidifying <b>clusters of excellence</b> to provide thought leadership;</li> <li>- Providing insight and making available necessary measures required to provide support to our PICs.</li> </ul>	In today’s rapidly evolving business landscape, making business decisions based on accurate, real-time or near real-time data, has emerged as a key component of success. Implementing data-supported decision-making is critical to ensure the formulation of timely and accurate insights and analyses, and to inform decisive action. By utilising relevant data available across our investment portfolio, whilst being mindful of data privacy rules and the protection of these data sets, we aim to improve our strategic choices and to create customised, bespoke solutions to emerging business challenges, and we aim to give our clients access to significant insights, ultimately aiding them in driving innovation and enhancing efficiency. The <b>internet of things (IoT)</b> and cloud computing are both representative of fast-developing sectors and strategies, and contribute significantly to the collection of <b>inter-related</b> data, delivering more accurate, meaningful insights to customers.
3. <b>Growth strategies</b>	<ul style="list-style-type: none"> <li>- Ongoing monitoring and building capabilities to be flexible and adaptable;</li> <li>- Advancing our growth strategy through disruption;</li> <li>- Huge NXTGN <b>innovation hub</b>.</li> </ul>	Global trends in innovation, and the emergence of disruptive technologies such as artificial intelligence (AI), are examples of disruptive trends that have the potential to directly impact South African companies and their business models in the near-term. For some time already, AI has been effectively applied by larger and smaller enterprises in South Africa to facilitate more accurate and consistent decision-making. By analysing large datasets without the risk of human error, executive teams are freed up to focus on their core business, thereby creating a competitive advantage. AI can also help businesses to deliver <b>innovative new revenue models</b> , disrupting the landscape at a fast pace and requiring careful monitoring. Disruption as a growth strategy is critical to remaining relevant and ahead of the curve.
4. <b>Productivity initiatives</b>	<ul style="list-style-type: none"> <li>- Introducing process level efficiencies and economies of scale;</li> <li>- Centralising procurement and shared service functions;</li> <li>- Unlocking scale through synergies.</li> </ul>	Given the constraints of a slow-growing economy, heightened macroeconomic uncertainty, and minimal GDP growth in 2024, South African businesses are increasingly looking towards initiatives aimed at improving productivity and reducing costs. In 2025, businesses are adapting to a slower growth environment by mitigating the proportionate increase in risk by leveraging economies of scale, building operational resilience and cost efficiency, while driving innovative solutions to enhance productivity, including automation in the procurement of timely and accurate business data.



## Material matters

### FY2025 material themes and focus areas (continued)

Material theme	Our focus areas	Description
<b>5. Corporate governance structures and leadership</b>	<ul style="list-style-type: none"> <li>- Maintaining sound governance practices;</li> <li>- Developing our governance framework including refinement of policies and procedures;</li> <li>- Fostering a culture of responsible corporate entrepreneurialism.</li> </ul>	In 2025, geopolitical trends, and potential local policy changes will shape the economic landscape of the short-, and medium-term future. A sluggish economy and income growth, combined with regulatory pressure, requires careful governance by organisations. In addition, in times of both economic uncertainty and a rapidly <b>evolving landscape</b> , governance structures and frameworks are increasingly important to enable resilience, adaptivity, and relevance. For creative entrepreneurs, a solid structure enhances their efficiency and facilitates more reliable access to capital.
<b>6. Future skills development and people empowerment</b>	<ul style="list-style-type: none"> <li>- Bolstering the investment team’s capabilities and resources;</li> <li>- Entrepreneurial interaction with PICs.</li> </ul>	Technological change is expected to shape and transform the landscape within which our PICs operate, driven by broadening digital access, and fuelled by an ever-increasing demand for technology-related skills. Critical thinking, problem solving, active learning, creativity, and specialisation in emerging digital skills are expected to grow in importance over the next five years. Simultaneously, succession planning and talent retention strategies remain critical in maintaining a stable pipeline of future skills.
<b>7. Resilience and collaboration</b>	<ul style="list-style-type: none"> <li>- Continue improving the resilience of our PICs through intra-portfolio collaboration;</li> <li>- Leveraging of portfolio wide positions to enhance purchasing power and mitigate risk.</li> </ul>	As industries undergo constant and frequent change, business leaders are required to navigate through an increasingly complex, ever-evolving landscape of technological advancements. Scenario planning and proactive risk management are key tools used to ensure business continuity. In this rapidly changing business landscape, collaborative resilience is at the forefront of activities aimed at mitigating risk and successfully navigating a path to success despite the challenging times faced in South Africa.
<b>8. Sustainable, next-generation business models</b>	<ul style="list-style-type: none"> <li>- Strategic incorporation of bleeding-edge technologies across the investment portfolio.</li> </ul>	In a fast-paced technological environment characterised by blistering change, early adopters of technologies have the advantage of testing and contributing to the development thereof, and are given the opportunity to customise it to their needs and to ultimately create sustainable competitive advantages. <b>Next-generation business models</b> are characterised by continual efforts to improve and simplify customer journeys and business processes, through the application of advanced technologies and process-improvement methodologies.
<b>9. Sector trends</b>	<ul style="list-style-type: none"> <li>- Innovative, high demand propositions, including MVNO enablement;</li> <li>- PoS and IoT communication;</li> <li>- eSim onboarding;</li> <li>- Next-generation customer experience.</li> </ul>	<p>The ICT sector includes a broad range of information and communication technology hardware and software, connectivity, transactional and financial capabilities, and sophisticated digital services. Huge Group’s PICs operate within this expanded and broader definition of the sector. There is an increasing demand for reliable, affordable, and secure connectivity, a demand that has increased exponentially as a result of the rise of e-commerce and digital transformation processes across businesses, in large part due to the inflection point in consumer and client behaviour brought about by the COVID 19 pandemic. This evolving landscape of converging and interconnected technologies necessitates constant cycles of innovation. Significant compound growth has recently been noted in 5G, LTE, fibre, cybersecurity, IoT and mobile virtual network operator (MVNO) enablement propositions.</p> <p>The MVNO model has also evolved. The industry has largely moved away from price-led strategies and business models. Instead, consumer brands have started focusing on the provision of added value bundled propositions through integrated services, particularly in sectors like banking and retail. The increasing adoption of eSIM technology is also facilitating easier onboarding processes for customers, whilst the constantly increasing capability of network technologies such as 5G infrastructure being deployed by incumbent South African MNO’s has also led to material growth in the volume of data and connectivity consumed by end customers.</p>

# Risks and opportunities

**Huge Group’s risk management processes aim to identify and maintain awareness of key risks affecting the Group and its investment portfolio. Measures that mitigate the potential negative consequences of these risks are introduced where possible, without constraining the PICs’ individual ability to take advantage of opportunities, or to achieve their respective strategic objectives.**

The Board maintains overall responsibility for the determination of the Group’s risk management policies, and delegates authority in relation to the conceptualisation, design, and effective implementation of operating processes and mechanisms for the mitigation of identified risks to the executive leadership teams of each PIC. Risk management forms part of the day-to-day operational activities of each of our go-to-market PICs, governed by Board sanctioned and approved policies. The executive teams of each of our go-to-market PICs are required to report directly to the investment team on a monthly basis.

The Chairman of our Audit Committee also chairs the Risk Committee. By invitation, members of the Board attend meetings of both the Audit Committee and the Risk Committee, providing the Audit Committee with the ability to remain engaged and aware, and to interact closely with the functions performed by the Risk Committee.

## Our risk management process



### Our risk appetite and tolerance

Huge Group’s **low to medium risk appetite** and **low tolerance levels** are reflected in the boundaries of our Investment Model, our clearly defined and shareholder approved Investment Policy, as well as in our ongoing investment management procedures.

Huge Group applies a combined assurance model with various levels of assurance obtained by line management review, senior management oversight and governance, external counsel and expertise, the external audit conducted by the independent auditor, and oversight by the Huge Group Risk Committee and Audit Committee.

For more information, please refer to our Board Risk Committee report on page 47.



## FY2025 key risks and opportunities

Description	Controls and mitigation	Opportunities
<b>1. Cybersecurity</b>		
<p>Cyber threats are growing worldwide, with cyber breaches of increasing concern.</p>	<p>Cybersecurity is an ongoing process that requires vigilance, education, and collaboration. Huge Platforms (formerly Huge Messaging), as the portfolio's representative IT Cluster of Excellence, manages cybersecurity for Huge Group, and aligns our PICs operations to best practices.</p>	<p>Enhancement of existing PIC cybersecurity propositions to mitigate cybersecurity risks for customers.</p>
<b>2. National infrastructure</b>		
<p>Despite a reduction in loadshedding in 2024, ongoing disruptions in the grid power supply and potential national power grid collapse remains a business continuity risk. There are also potential disruptions in water supply in regions across the country, together with an ageing water supply infrastructure.</p>	<p>The likelihood of a complete grid collapse has significantly diminished, but contingency plans remain in place to ensure preparedness.</p> <p>Huge Group's PICs are considering measures which are feasible and commercially viable to prepare for disruptions in the national water supply.</p>	<p>Expansion of Huge Group's PIC response plans and processes, and continued operational deployment and growth in Huge Distribution's alternative energy source propositions across Africa.</p> <p>Continual awareness of the SA National water supply status and industry trends.</p>
<b>3. Liquidity and access to capital for growth</b>		
<p>Risk of constraints on portfolio growth as a result of liquidity.</p>	<p>Constant engagement with shareholders, potential investors, current lenders, and alternative funders to increase the capacity to fund the growth of our PICs and the investment portfolio.</p> <p>A good relationship with our funders is maintained, including access to additional funds where necessary, and we maintain careful management of financial fundamentals.</p>	<p>Greater insight into PIC performance and working capital requirements to direct capital allocation strategies.</p>
<b>4. Loss of key PIC personnel</b>		
<p>Risk of business interruption as a result of loss of key PIC personnel.</p>	<p>The PICs update their succession plans regularly and report these updates to the Board; the Nominations Committee reviews annual succession plans.</p> <p>Huge Group's reputation, established track record, and culture and benefit policies enable us to attract and retain talented people.</p>	<p>Ongoing insight in relation to our PICs' employee strategies and structures.</p>
<b>5. Volatile macroeconomic conditions</b>		
<p>Performance risk in light of deteriorating macroeconomic conditions, compounded by local and international political instability, lack of economic growth and stagnation, volatile inflation and interest rate environment, and high levels of unemployment.</p>	<p>Constant monitoring of the broader economic environment and the volatility of its components. The investment team, in discussions with external, professional advisors, stays abreast of global and local developments.</p> <p>A strict financial control environment is maintained, seeking cost savings, efficiencies and economies of scale, and a conservative approach is adopted regarding treasury management to ensure resilience.</p>	<p>Potential to attract investment (both local and international) in South Africa with attractive returns.</p>

# Our stakeholder universe

## Our shareholders and funders

**Relationship status:** **Good, regular engagement**

Shareholders play a pivotal role in our ecosystem, voting on corporate matters and approving major policies. Shareholders benefit from long-term investments. Over the past 18 years, we have built a resilient and defensive portfolio that will continue to yield returns based on our unique Investment Model. Huge Group has partnered with RMB as its principal lender.

**Engagement and key topics FY2025**

We publish our interim and annual results, and promptly communicate important announcements via SENS. We listen to feedback at our AGM and maintain regular engagement with our funding partners.

## Potential investors

**Relationship status:** **Good, regular engagement**

Huge Group's investment portfolio demonstrates the potential of delivering significant value, based on our portfolio ecosystem and ability to unlock synergies. Our **investment team** has in-depth experience and expertise in the converging, technological landscape, including next-generation business models and bleeding-edge technologies.

**Engagement and key topics FY2025**

The investment team engages regularly with potential investors, and a key focus area is demonstrating the investment portfolio's value.

## Our PICs

**Relationship status:** **Excellent, frequent engagement**

Huge Group's investment model is people-driven. As such, the entrepreneurial leaders of our PICs are essential to our mutual success. The investment team encourages **frequent intra-portfolio engagement** and helps to determine synergies for unlocking value.

**Engagement and key topics FY2025**

There has been refinement of reporting frameworks cultivating increased engagement and strategic discussions with PIC leadership, including monthly oversight of business updates and performance by the investment team. The Investment Committee conducts a quarterly review of performance, and the Risk Committee conducts a quarterly analysis of each PIC's specific risks and opportunities.

## Our employees and suppliers

**Relationship status:** **Excellent, frequent engagement**

Huge Group maintains a small, agile and highly motivated investment team who manage the day-to-day activities of the investment portfolio, monitors performance, and makes prospective investment recommendations to the Board. Our PICs, in turn, employ specific IT and other professionals appropriate to their respective focus areas. Our top PICs deploy **enterprise development solutions** for suppliers across their value chains.

**Engagement and key topics FY2025**

Development of the Huge Group Remuneration Policy, as well as development of the Huge Group Social and Ethics Policy, which were approved by the Board on 26 September 2024, ensure appropriate and fair market related remuneration and compensation strategies with performance based incentives. Huge Group maintains oversight of key supplier agreements to ensure that contractual relationships are sound and align with our Code of Ethics.

## Government and regulators

**Relationship status:** **Good, regular engagement**

South Africa needs to attract the substantial investment needed to help drive more robust and inclusive economic growth. In January 2025, the President reaffirmed the Government Business Partnership's commitment to achieving their shared ambition of significantly growing the economy. However, effective functioning of the Government of National Unity and refinement of South Africa's foreign policy is critical for progress and stability.

**Engagement and key topics FY2025**

The Board reviewed the Companies Amendment Acts of 2024, partially effective on 27 December 2024, including amendments to remuneration disclosures and social and ethics committee reports. In accordance with the Enhanced Auditor Reporting (EAR) rule, effective post December 2024, we placed more focus on reporting our areas of risk and materiality.

Huge Group and the investment portfolio are regulated by various governing bodies, including the JSE, the Commissioner of Companies and Intellectual Property Commission (CIPC), the South African Revenue Service (SARS), ICASA, and the B-BBEE Commission, amongst others.

Engagement with the JSE regarding Huge Group's classification in the General Segment of the Main Board effective from 8 November 2024, as well as dispensation granted for Tamryn van Tonder to act as interim financial director until 31 March 2025.



# Our approach to sustainability

**By providing governance services, sharing best practices, and allocating financial capital to our PICs, we aim to empower them, their employees, and their value chains, ensuring their economic sustainability. Ultimately, our aim is to ensure that our PICs balance immediate returns with long-term benefits and responsible business practices to facilitate the ongoing and sustainable creation of jobs.**

Responsible innovation for growth	Collaboration
<p>Our PICs are innovators in information technology and next generation business models. They provide connectivity to businesses and people, and they facilitate access to information through technical infrastructures.</p> <ul style="list-style-type: none"> <li>- Empowering people with skills for the future;</li> <li>- Employment and wealth creation;</li> <li>- Continuous innovation through bleeding-edge technologies; and</li> <li>- Protecting data and privacy.</li> </ul>	<p>Huge Group has created a shared value, integrated ecosystem in which knowledge and expertise are shared and synergies are created through clusters of excellence.</p> <ul style="list-style-type: none"> <li>- Synergies of innovation and scale; and</li> <li>- Promoting responsible and inclusive procurement.</li> </ul>

## Environmental, social, and governance considerations

As responsible fund managers, we encourage our PICs in their pursuit of inclusive ethical, social, and environmentally sound objectives.

### Huge TNS

Environmental	Social	Governance
<p>Huge TNS launched a project to upgrade and repurpose certain voice and connectivity Customer Premises Equipment (CPE), this includes routers, PBX, and related hardware in <b>support of hardware recycling</b>.</p> <p>Huge TNS maintains <b>water usage mindfulness</b>, but given the nature of the business, water consumption is limited to minimal employee and guest usage.</p> <p>The reduction in loadshedding in 2024 resulted in decreased use of diesel power for backup generators.</p> <p>All Huge TNS regional offices are <b>certified as compliant</b> with <b>Health and Safety standards</b>.</p>	<p>Huge TNS strengthened its commitment to skills development and employee well-being by permanently employing five learners through its <b>learnership programme</b>.</p> <p>Additionally, Huge TNS is actively exploring the implementation of an <b>Employee Assistance Programme (EAP)</b> to provide comprehensive support to employees.</p> <p>Huge TNS implemented a <b>skills development plan</b> for employees that includes targeted training to address developmental needs and growth opportunities.</p> <p>Huge TNS established an <b>Employment Equity Committee</b>, ensuring progress with employment equity strategies.</p> <p>Huge TNS also remains dedicated to <b>community engagement</b> by contributing to a children's home in East London on a monthly basis.</p>	<p>Huge TNS' risk management processes include consideration of <b>ESG-related factors</b> such as staff welfare, cybersecurity, and environmental considerations.</p> <p>Relevant policies are kept up to date, including the <b>IT Policy</b>, which specifically addresses measures and controls to minimise risks associated with cyber-related threats and ensure the protection of personal information (POPIA) compliance. <b>No breaches were experienced in FY2025.</b></p>

## Huge Connect

Environmental	Social	Governance
<p>Huge Connect adopted an <b>Environmental Sustainability Policy</b> during the year, actively embracing digitisation and reducing reliance on paper-based documents. Huge Connect partners with <b>certified e-waste recyclers</b>, ensuring responsible disposal of IT equipment in compliance with regulations.</p> <p>Given the nature of the business, water consumption is minimal and limited to employees usage.</p> <p>Huge Connect's <b>Health and Safety Policy</b> is regularly updated to ensure that it is fully compliant with all relevant legislative and regulatory changes. All employees, line management, and Health and Safety Committee members are up-dated and trained accordingly.</p>	<p>Huge Connect is committed to the achievement of its <b>Employment Equity plan</b>.</p> <p>Huge Connect invests in <b>ongoing training initiatives</b> that support scarce skills in the industry. In its pursuit of skills development, tertiary education benefits are offered to permanent employees, aligned with their roles or future career paths within the company. Huge Connect sponsors up to four unemployed or disabled learners annually, providing them with training and valuable work experience.</p> <p>Huge Connect's <b>Employee Assistance Programme (EAP)</b> is designed to provide comprehensive support by enhancing the safety, health, financial stability, and mental well-being of employees. The programme includes a partnership with Credit Gateway to aid employees' financial stability.</p> <p>Huge Connect provides <b>free connectivity services</b> to selected and disadvantaged schools, orphanages, foundations, and the communities they serve.</p>	<p><b>ESG risk</b> identification, assessment, prioritisation, controls, and monitoring form part of each line manager's KPIs and is a standing item on the agenda of <b>monthly Executive Committee meetings</b>.</p> <p><b>Huge Connect's committees</b> that oversee and manage specific sustainability risks include the Health and Safety Committee, Ethics Committee, and Employment Equity Committee. Quarterly meetings are held with formal feedback being provided to the Managing Director.</p> <p>Huge Connect is committed to ethical conduct and has adopted a <b>comprehensive ethics policy framework</b> that covers a range of critical areas, including fraud, bribery, corruption, conflict of interest, as well as procedures for addressing harassment, discrimination, and grievances in the workplace.</p> <p>Huge Connect is engaged in regular training programs with its employees to ensure <b>compliance with data protection and privacy measures as well as cybersecurity</b>. By undertaking comprehensive training and testing, Huge Connect aims to minimise its exposure to cyber-attacks and increase its safeguarding of sensitive information.</p> <p>Huge Connect has also contracted the services of an independent, external whistleblowing third-party service provider to facilitate anonymous, secure, and confidential employee concerns. These complaints are immediately directed to the Managing Director and referred to the Ethics Committee.</p>

## Huge Distribution

Solar power is an important renewable energy alternative for furthering clean energy development in Africa. Although loadshedding was suspended for the last three quarters of 2024, power infrastructure challenges remain amid escalating power costs. The alternative energy industry is focused on product type and quality, and the credibility of importers, distributors, and installers. The demand for solar energy is expected to increase in 2026 and beyond, given the cost factors of carbon energy, combined with a desire for use of cleaner energy sources and ensuring a more sustainable future. Huge Distribution focuses on the sourcing, supply, distribution, and installation of solar solutions across Africa, broadening the depth and breadth of the market segments within which we seek to grow and expand.

## Social and Ethics Committee report

The Social and Ethics Committee maintained oversight in relation to the Company's social and ethical standing considering relevant legislation, and underlying principles of good corporate citizenship.

The Committee has:

- Reviewed and approved updates to the Social and Ethics Policy;
- Maintained oversight of annual B-BBEE engagements across the portfolio, including review of B-BBEE Reports and the employment equity status of the PICs;
- Assessed and engaged on human resource reports and labour relation matters; and
- Engaged on environmental and social matters, including climate change, impending water shortages, employee relations and sustainable labour practices and fair remuneration.

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. The Company encourages the PICs to align their B-BBEE strategies with specific commercial business requirements, advocating a minimum level 4 B-BBEE rating.

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 implementation of policy.

**Vincent Mokholo**  
*Chairman*



## Strategic insight



20	Independent non-executive Chairman's message
21	Chief Executive Officer's report
23	Our Chief Operating Officer's perspective
24	Message from our Chief Commercial Officer



# Independent non-executive Chairman's message

**VERAN KATHAN**



## Overview

The South African operating environment has been much tougher for businesses this year. Following the May 2024 elections and the establishment of the Government of National Unity (the GNU) in South Africa, business sentiment momentarily improved. Coupled with this positive political outcome, the expectation of declining global and local inflation and interest rates suggested that the prospects for 2024/2025 were better. However, this turned out to be somewhat of a false dawn. The GNU has faced challenges, global and local services inflation has been much stickier than expected (resulting in interest rates falling far slower than expected), and global geopolitical tensions have continued to rise. All these factors have conspired to dampen business sentiment, which feeds into consumer and business demand and spending. As a result, we have seen active cost-cutting measures made by many businesses.

South African GDP growth is slow, with the 0.6% growth in 2024 being disappointing to say the least – and the slowest growth since 2020. Forecasts for recovery are mixed and will be dependent on the implementation of policies that drive foreign direct investment, economic expansion, and enable job creation.

***Notwithstanding a challenging operational backdrop, Huge Group's PICs have collectively maintained the same level of performance as the previous year and are well positioned to grow in the coming year.***

A tough operating environment generally makes for a tough investment environment with reduced investment activity, but it is during these times that we focus more of our time on our governance and investment frameworks. We also are afforded time to review our investment philosophy, approach, models, and style, and look for ways to innovate.

During this past financial year, we have reflected on some of the innovations of our time, such as Uber, the Apple App Store, and Booking.Com, and identifying the factors that made them great innovations, understanding the foundations on which they were built, and considering the ways in which Huge Group could do the same, or at least position itself to do the same. What we came to realise is that these great innovations have various characteristics in common: they all involve an ecosystem where the elements work seamlessly together, they are all enabling, they all use technology, they all play a role in connecting historically disparate parties together, and they all have the common themes of convenience, customer experience, and shared value.

Instead of searching for new innovations, we realised how well Huge Group and its PICs are already positioned to innovate, and we realised that we have the ecosystem and technology to connect consumer brands to consumers in a cost-effective way, where convenience is a theme, where all the parties have a great experience, and where value is shared – and so Huge NXTGN was born. In pursuit of this innovation, we deployed considerable capital to Huge NXTGN.

***We believe that Huge NXTGN has the potential to be the virtual network enabler of choice by many.***

## Governance

At each meeting of the Company that I have attended this year, whether formal or informal, whether at meetings of the Board, meetings of any of the Board's Committees, or meetings with the Executives and staff,

I was grateful to be part of structures that function in a healthy and cohesive manner, with a strong sense of purpose. On each occasion, I was impressed by the passion, dedication, hard work, and commitment to excellence displayed and exhibited by our executives and the members of their teams. I was also comforted by the courage they display in their constant, never-ending drive to evaluate, to introspect, to be decisive, to adapt, and to proactively strive for improvement.

In the world within which we operate, change is the only constant as the truism states. In August 2024, Maria Heraty resigned as Huge Group's Chief Financial Officer and Tamryn van Tonder, Huge Group's Chief Commercial Officer, stepped in to fulfill her role and duties. I would like to thank Tamryn for the responsibility she has assumed. In February 2025, Michael (Mike) Beamish resigned as a director of Huge Group, as the Chairman of the Investment Committee, and as a member of the Nomination Committee and the Risk Committee. Mike represents a significant group of shareholders of the Company and stepped in to support the Company in October 2022. I would like to extend my sincere appreciation and gratitude to Mike for climbing aboard at that time, having previously made a similar contribution on his journey with Huge Group (one which is now eighteen years old).

I believe the Huge Group Board and its Committees are well-functioning, are very capably fulfilling their governance roles, that we have a diverse team and a healthy balance of executive, non-executive, and independent directors responsible for the making and oversight of decisions.

## Appreciation

I would like to express my heartfelt appreciation and thanks to the Huge Group's executive team, the leadership teams, and the employees of all our PICs for the enormous efforts they made this year in delivering positive outcomes in a difficult operating environment. I would also like to thank my fellow Board Members for their insight, counsel, and support during the year. I am looking forward to exciting prospects in the year ahead.

**Veran Kathan**

*Independent Non-Executive Chairman*

# Chief Executive Officer's report

**JAMES HERBST**



## Overview

In reflecting on Huge Group's results over the past three years, I am reminded that success is not always swift. It requires patience, resolve, and unwavering resilience. Over the past decade, we have focused our efforts on building an investment platform with a solid foundation by carefully making investments in companies that share specific attributes. In our past published results, we have often spoken of this single-minded purpose.

Over the years, we have progressed from being an investor in telecommunications companies, to an **investment company** focused on acquiring and managing a portfolio of strategically integrated investments, and, recently, investing in ecosystems and enablement opportunities. Our ambition has always been to build an investment platform that enables growth by bringing together people who share the same vision and passion, and who believe in the principle of shared value.

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***Our story is one of discipline, dedication, reinvention, evolution, and strategic conviction.***

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## Investing in ecosystems

Huge Group's origins lie in the telecommunications sector, when it listed on the Johannesburg Stock Exchange. Since our listing in August 2007, we have significantly grown our interests in telecommunications. We have also been selective in making investments in unique opportunities, which has created an ecosystem that offers consumers access to a national footprint of licensed and unlicensed networks, connectivity, and technology products and services. We created this ecosystem with a firm resolve, and an eye on the future.

Over time, however, telecommunications services have become increasingly commoditised and, for some time, we have believed that the value of a telecoms' investment lies not in the commodities themselves, but rather in their **enabling potential** – how they are ultimately used; how they can be leveraged to empower commerce, deepen customer relationships, and drive digital transformation; how they can enable propositions by bringing together disparate parties by using technology.

In late 2023, we made a strategic acquisition that has served as the catalyst for the creation of another inflection point in our history; it has also served as a catalyst for our current trajectory. The acquisition of the entity that used to be known as Virgin Mobile South Africa was focused on acquiring an opportunity rather than acquiring a business or assets. This was not vanity or a marketing ploy, but rather a deliberate and structured strategic acquisition of a company that we believed could and would bring substantial value to the investment portfolio.

In the second half of this financial year, another inflection point was reached, with the potential for a profound transformation. We decided to transform Huge Group's investment approach of making individual, stand-alone

investments to one of identifying, acquiring, building, and developing enabling ecosystems into which investments are strategically placed. The advantage of an **ecosystem approach** to investing is the synergy that can be created by combining intellectual property, resources, platform and system capabilities, and technical and commercial assets.

The acquisition by Huge Group of Virgin Mobile South Africa – a transaction which was initiated in October 2021 and which was closed in November 2023 – ignited the change in Huge Group's investment approach to one focused on investing in and building enabling ecosystems.

In progressing this initiative, we realized that Huge Group's existing PICs could bring reciprocal value to the table, and so the concept of ecosystem investing was born. The confluence of changes in regulation in the virtual network operator space, obligating network operators to embrace aspiring virtual network operators, together with an increase in the demand by brands for network enablement propositions and digital enablement capabilities, and the increase in demand from customers for digital inclusivity and greater customer convenience and experience, have all converged to highlight the value of investing in enabling ecosystems.

Our current investment focus is enhancing the digital technology enablement ecosystem in our investment portfolio, which we believe is very well positioned to deliver sophisticated digital enablement services in a quick, affordable, and secure manner.

## Chief Executive Officer’s report

### Investing in enablement

At Huge Group, we have been on a two-decade long journey to identify, categorize, and label investments that are unique in their delivery of exceptional value; we have come to realise that all these investments have one primary element in common; they all involve some form of enablement.

This is best demonstrated by examples: Uber provides an enablement ecosystem that connects drivers and riders using a technology platform and the Apple App Store is an enablement ecosystem that connects developers and app users using a technology platform. Huge NXTGN (pronounced Next-Gen) is our enablement ecosystem that connects organisations (many with significant brands, many others with lesser-known brands, and still others with no brand at all) to the people who follow them (for example, the people who follow a football club or famous tennis player), or the consumers who make use of their services (for example, consumers who require banking services) or buy their products (for example, consumers who buy motor vehicles), using a technology platform. Huge NXTGN connects market participants with their customers in ways that were previously too costly or complex to scale. Huge NXTGN is creating a win-win situation where everyone in the value chain benefits. In essence, it is a shared-value philosophy, and it is the driving force behind our growth projections.

Over the past two years, we incorporated the acquisition of Virgin Mobile South Africa into our investment portfolio and transformed it into the centrepiece of our new vision – Huge NXTGN.

At first glance, Huge NXTGN may look like another mobile virtual network enabler or MVNE. However, it is far more than that – it is a bleeding edge enablement ecosystem that allows brands – whether retailers, banks, insurers, or logistics companies to name but a few – to digitally connect to their customers by launching sophisticated embedded connectivity and technology engagement strategies where convenience is a key theme, without the need to become technology companies themselves. Huge NXTGN enables brands to talk to their customers, transact with them, offer significant value, and learn from them, through a channel that is always on, always personal, and always present – their mobile device or cellphone.

Huge NXTGN offers brands a sophisticated enablement-as-a-service proposition, backed by real infrastructure, proven technology, and deeply entrenched intellectual property. Huge Group acquired Virgin Mobile South Africa while in a business rescue process, so our entry investment cost is low, and our expected return on capital employed is far superior to that of our potential competitors who are burdened with significant historical balance sheet commitments. Where others saw failure, Huge Group saw potential.

***Our recent investment transformation is not just a strategic one – it is a philosophical one.***

### Investing for outcomes

As a South African investment company, we operate in a challenging environment. SA’s small-cap sector has suffered from prolonged neglect. High interest rates, global and local political uncertainty, and a profoundly limited institutional appetite have all weighed on market sentiment. It is in this light that the outcomes Huge Group has achieved are remarkable.

Like many of our peers, Huge Group’s market price also trades at a substantial discount to its NAV – a reflection of the current investment environment, small-cap sentiment, technical share imbalances (where the supply of small-cap shares exceeds the demand for them), rather than a reflection of the fundamental value of its investment portfolio. The valuation gap which is currently extant, which is represented by the discount at which our shares trade to their net asset value, will begin to narrow as investors and analysts begin to understand our investment approach.

### The future

With the opportunities we have at hand, the ecosystem we have created, the growth vectors we are pursuing, and the capabilities we possess, I am optimistic about the future. We have made sure that Huge Group is resilient, and we have deployed our capital intelligently. We are strategically agile, we apply tactical thinking, and our operating model is lean. Our approach to investing in ecosystems and enablement opportunities, our strategically integrated investments, our ability to scale disproportionately relative to the capital we employ, and our shared-value philosophy positions us in good stead for the future. We are not dependent on traditional commoditised revenue models which are exposed to price wars, customer churn, and shrinking margins. We are investing differently. We are unique.

### Appreciation

To our Board, our PIC executive teams, and our own executive team – thank you for your unwavering dedication, creativity, and belief in what we are building. I appreciate your counsel and advice and the clarity your bringing has a profound impact on our journey.

To our shareholders – thank you for your trust and your patience over the years. Our approach to investing in ecosystems and enablement opportunities should bring the substantial increases in value you have for so long been expecting.

To our staff, our partners, and our clients and customers – thank you for your ongoing loyalty. We exist to enable your success, and we will continue to evolve, invest, and innovate to support your requirements.

Steve Jobs, the late CEO of Apple, once stated that the arrogance of success is believing that what you did in the past will be enough to succeed in the future. At Huge Group, we pride ourselves on never losing sight of the truth in this statement. We are focused on building tomorrow’s capabilities – ecosystems that enable, empower, connect, and deliver value. This is our mission. This is our passion. This is the road on which we are walking – it’s all about innovation, collaboration, and sharing of value.

**James Herbst**  
Chief Executive Officer

# Our Chief Operating Officer's perspective

**ZAK VAN DE MERWE**



## Overview

This past financial year has been another challenging one because the operating environment continues to be beset with obstacles. Energy security concerns and their impact on electronic communications networks have been significant and have had a dampening effect on sentiment, which indirectly impacts the revenue of our PICs. It also exacerbates the inflation of operating costs, which creates additional pressure in a deflationary revenue environment. It is the worst of two worlds, where declining prices per unit meet increasing costs per unit – in other words, a world of substantial margin squeeze. Today, our PICs are also predominantly technology companies, so the ever-present threat of cyber security attacks adds to their pressures. During this past financial year, one of our PICs also faced supply chain constraints, which also had a negative impact.

However, we are pleased, amongst other outcomes, with the results our PICs have delivered in the circumstances – they continue to demonstrate that they are resilient. Over the past eighteen months, we have accelerated our initiatives to upgrade our technology platforms by incorporating advanced digital functionality. In the latter part of 2024, this culminated in the first ever migration of customers from one MVNE to another MVNE, undertaken by Huge NXTGN.

Our PICs have collaborated with our enterprise partners and with local and international suppliers of technology solutions in building a robust technology ecosystem that fortifies our vast enablement capabilities, which unlocks our ability to deliver innovative, scalable, and replicable next generation propositions, including, amongst other propositions, lightning-fast, secure, consumer self-RICA and eSIM onboarding functionality. These capabilities allowed us to enable one of our large retail virtual network operator clients. Other achievements are also notable, such as the deployment of a centralised, portfolio-wide, reporting capability with associative data modelling.

Huge Group's people-centric philosophy and approach, supported by our strong governance frameworks, oversight, and our proactive approach to risk management, emboldens our confidence levels and our belief that the entities in our investment portfolio will continue to adapt, innovate, and deliver consistently and sustainably for the years ahead.

## Active operational risk management and mitigation

We are grateful that we have access to entrepreneurial, experienced, capable, talented, and intelligent people who occupy leadership and other roles in our PICs.

The leadership teams across our PICs have implemented a comprehensive operational risk management framework appropriate for their businesses, which is fortified by Huge Group's governance, policy frameworks and methodologies, which are continually and collaboratively reviewed, improved, and developed so that we can be agile and can easily adapt to the constantly changing and dynamic environments within which we operate.

Our leadership teams periodically assess their operational risk frameworks; these risk management efforts are important in maintaining a risk-aware culture across our investment portfolio. The sharing of case studies and insights and the thought leadership of the executives in our PICs enhances our ability to identify, assess, and mitigate risks proactively and effectively.

## Unlocking synergies

The acquisition of Virgin Mobile South Africa has given our PICs access to a tier-1 telecommunications platform, which can be used to replace multiple existing, inhouse developed billing and CRM platforms which have been expensive to maintain. This will help us eliminate duplication in general and, more specifically, it will remove duplicate costs, and it will ultimately deliver more value to our stakeholders.

One of Huge Management Company's roles is to provide strategic oversight and support to our PICs and to help them identify and remove duplication of effort and costs, effectively leveraging the cost base, eliminating process inefficiencies, and simultaneously building, upgrading, and enhancing the digital platforms in use to deliver next-generation capabilities. Wholesale licensed services are being aggregated, customer acquisition costs are being reduced, support and services are being improved.

It is these initiatives, which are portfolio-wide, that will ultimately deliver measurable results, which will translate into improved cash generation and the growth in value of our investment portfolio. We have already seen material, demonstrable successes by our PICs after adopting the guidelines and frameworks we have provided, and we regularly collaborate with them to craft a roadmap of

further milestones that can result in exponentially lower costs, enhanced functionality, and ultimately a paradigm of constant evolution and reinvention; all of which are expected to create positive outcomes.

Our digital technology enablement ecosystem is dynamic and is constantly changing and evolving in parallel with the landscape of modern businesses, and so a mindset of continually challenging paradigms and measuring efforts against international best practice is a necessity which sets the foundation for active, focused, and disciplined investment in research, development, and innovation.

## Driving growth

We believe that the ecosystem in which we operate will be more effective in driving growth in revenues, profits, and cashflows in the PICs because the greater the collaboration, the more time and effort can be invested in understanding various customer propositions, and there is a greater probability that synergies will be identified, and technical capabilities can be leveraged.

Currently, the PICs in our digital technology enablement ecosystem have various initiatives underway to leverage next-generation capabilities that can drive and deliver growth, create more efficient sales and support activities, and improve customer experience. In the past financial year, Huge Management Company has acquired more strategic portfolio management capacity, which has created and will create more time for collaboration and the sharing of knowledge with our PICs.

## Appreciation

It is a daily privilege to work with the talented people Huge Group has been able to attract. Their passion and work ethic are evident in the early morning starts and the late-night finishes, all to tirelessly achieve positive outcomes, drive the evolution of our investment ecosystem, work towards delivering superior customer experiences, or collaborate to mitigate the impact of the environmental, operational, and commercial challenges we face. I am grateful and proud of the huge feats we have achieved this past year.

**Zak Van De Merwe**  
Chief Operating Officer

# Message from our Chief Commercial Officer

**TAMRYN VAN TONDER**



## Overview

For the current financial year, although Huge Group’s PICs have been resilient and maintained their level of performance, Huge Group and its investment portfolio have experienced mixed outcomes because of the impact of both positive and negative factors. The delays in deploying capital into Huge Group’s new and exciting growth initiatives have had a negative impact, as the delayed deployment of capital directly translates into delayed returns.

## HIGHLIGHTS

**The fair value of our investment portfolio as at the end of our financial year is R1.463 billion**

*(FY2024: R1.582 billion)*

**Our net asset value per share as at the end of our financial year is 928.67 cents**

*(FY2024: 964.54 cents)*


## Investment performance

Given general market sentiment and volatility this year, we have opted for a more conservative approach to valuing the investments within our investment portfolio, despite falling interest rates, which ordinarily have a positive impact on valuations.

Our investment performance was also negatively impacted by delays in the deployment of loan capital to our existing PICs. The deployment of loan capital reduces equity values relative to enterprise values to the extent that the loan capital deployed is generating less offsetting returns (cash inflows and forecast future cash inflows) when compared with the loan capital that is receivable today.

Accordingly, while our PICs have performed admirably, the delays in deploying capital have had a negative impact on our investment portfolio’s overall valuation. The decision to deploy more loan capital is in line with our strategy to allocate loan capital to growth initiatives that align with our future value generation expectations.

This includes the deployment of capital into our renewable energy and enterprise technology enablement platform initiatives, which occurred towards the end of the financial year, following the lifting of cash restrictions by our funding partner. Our PICs have made significant strides in generating returns on the loan capital which we have deployed, and so we are confident in our expectation of the value that will be unlocked in the future.

 Refer to our audited Annual Financial Statements from page 41.

## Looking forward

We remain resolute in our commitment to continue investing in our ecosystems, while remaining equally focused on active cash management, the optimising of our investment portfolio’s cost base, as well as initiatives focused on unlocking synergies and efficiencies across our investment portfolio.

**Tamryn van Tonder**

*Chief Commercial Officer*



## Top PIC performance overview

26	Huge TNS
27	Huge Connect
28	Huge Distribution
29	Huge NXTGN





## Key indicators

### FY2025 EBITDA

**R83 million**

(FY2024 EBITDA: R90 million)

### FY2025 revenue

**R250 million**

(FY2024 revenue: R255 million)

### FY2025 operating costs

**R64 million**

(FY2024: R61 million)

### FY2025 gross profit margin

**57%**

(FY2024: 58%)

# Huge TNS

 <https://hugetns.com/>

## MARIUS OBERHOLZER

Chief Executive Officer

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.

## Profile:

Huge TNS is a **network enabler** offering a comprehensive suite of data, voice, and network services, along with ICT hardware solutions for corporate businesses, small and medium enterprises (SMEs), and small home offices (SOHO). The channel to market primarily consists of business partners, resellers, and an expanding direct sales team.

**148 employees across 7 regional centres across South Africa serving 15 955 customers with 42 897 services.**

## Performance overview

Huge TNS delivered stable results amidst tough trading conditions. Key top line focus areas for the year included cross-selling initiatives to convert GSM to other connectivity propositions and VoIP, the sale of high demand data products and services, particularly fixed LTE, VoIP and fibre, as well as planning for the roll out of an enterprise enablement MVNO proposition in FY2026. Revenue was negatively impacted by unavoidable service instability experienced by a key network partner, and downtime from June to August 2024, the impact of which was reduced, to some extent, by operational cost efficiencies.

## Strategic objectives and growth opportunities

- Innovative high demand propositions including **enterprise MVNO enablement** for B2B partnerships, data and connectivity solutions, and the upgrading to 4G capabilities;
- Leveraging process automation, data automation and insight development, the centralization of procurement, and intra-portfolio opportunities for cross- and up-selling of services;
- Leveraging platform technology by adopting a **unified systems platform** structure, prioritising **customer service capabilities**, and introducing **e-commerce**; and
- Continued drive to achieve enhanced **process efficiencies**.



## Key indicators

### FY2025 EBITDA

**R64 million**

(FY2024 EBITDA: R60 million)

### FY2025 revenue

**R171 million**

(FY2024 revenue: R166 million)

### FY2025 operating costs

**R31 million**

(FY2024: R31 million)

### FY2025 gross profit margin

**55%**

(FY2024: 55%)

# Huge Connect

 <https://hugeconnect.co.za/>

## KEVEN SINCLAIR

Managing Director

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 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, reflecting his seniority and expertise in the industry.

## Profile:

Historically, Huge Connect has focused predominantly on the secure transmission of transactional data, offering secure payment systems to South African retail banks, but has more recently embarked on a process of pivoting the business to incorporate a much broader, full-service **IoT proposition** for enterprise and SMME clients.

**108 employees, 1 787 services, and  
466 308 connected devices and SIMs.**

## Performance overview

Huge Connect delivered consistent results with a focus on annuity revenue growth, cost efficiencies, and service excellence through reliable network coverage and the expansion of customer self-care capabilities. Key top line focus areas for the year included higher demand for data associated with the shift to Android point of sale terminals, combined with activities focused on bolstering Huge Connect's field service capabilities for customer installation and support on behalf of financial institutions.

## Strategic objectives and growth opportunities

- Enhanced proposition offering associated with PoS and IoT communication, expanding the field service offering, introducing eSIM capabilities, and laying the groundwork for growth into Africa; and
- Cost of sale efficiencies, digitisation, and automation of services.



## Key indicators

### FY2025 EBITDA

**R3 million**

(FY2024 EBITDA: R0.2 million)

### FY2025 revenue

**R53 million**

(FY2024 revenue: R25 million)

### FY2025 gross profit margin

**13%**

(FY2024: 17%)

### FY2025 investment in renewable energy

**R34 million**

# Huge Distribution

 <https://hugedistribution.co.za/>

## DON CAMERON

Managing Director

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 several businesses, including gas and energy distribution in Southern African countries. He has been involved in several mergers and acquisitions. Don utilises his entrepreneurial experience combined with his ability to work with management teams to create and maintain successful businesses.

## Profile:

Huge Distribution is a customer-centered, channel-only telecommunications and renewable energy solutions distributor serving the South African and African market. It is also the Procurement Cluster of Excellence for the integrated portfolio ecosystem. Huge Distribution is positioning itself as a leading importer and distributor of alternative energy products and solutions, including solar panels, inverters, and lithium batteries.

**An agile and innovative team of 8 people  
serving 98 customers.**

## Performance overview

Huge Distribution delivered strong financial performance with favourable year on year growth because of renewable energy sales in Africa, together with synergies from centralised procurement. Huge Distribution maintains an entrepreneurial culture, adapting and embracing new technologies and opportunities with a low fixed cost base.

## Strategic objectives and growth opportunities

- Exploring bespoke alternative energy solutions for the manufacturing and industrial markets;
- Securing additional exclusive distributor agreements for top brands in SA; and
- Building strategic supply partnerships with distributors and key installers.



## Key indicators

### Enabling outsized growth through enterprise enablement

### Next-generation platform-as-a-service

*(Including eSIM and 5G capabilities)*

### Rapid-deployment, white-labeled mobile applications

*(Including seamless, under 10-minute self RICA)*

### Shared risk charging model

*(Low CAPEX, OPEX based cost structure)*

### First ever MVNE-to-MVNE migration in SA

*(Completed in October 2024)*

# Huge NXTGN

 <https://hugenxtgn.com/>

## JASON HARMTSEN

Managing Director

A veteran of the African MVNO sector, Jason possesses a Bachelor of Commerce in Economics, and has over 28 years of specialised experience in the telecoms industry. He has a diverse background that includes experience in general management, strategic planning, mergers and acquisitions, operations, sales, customer service, and retail and logistics across the African continent. Jason engages with a customer centric mindset looking to extract fair value and develop symbiotic business relationships. He has been a driving force in the MVNO sector since its inception in South Africa in 2005.

### Profile:

The latest addition to Huge Group's portfolio introduced a highly sophisticated enterprise network enablement capability into the portfolio and served as the inflection point for the evolution of its strategy in addressing the rapidly evolving needs of enterprise and SMME clients. Huge Group acquired the business formerly known as Virgin Mobile South Africa in October 2022 and over a period of two years integrated the business into its broader investment portfolio; invested in upgrading its technical platform and capabilities, and transformed the business into a business that today provides agile cloud-native, turnkey enterprise enablement capabilities that represent a quick, affordable, and secure platform-as-a-service solution underpinned by one of the most sophisticated local-enablement architectures available.

**Huge NXTGN's first two enterprise clients, Pick n Pay and Boxer were migrated to production in October 2024, driven by our agile MVNO specialist team of 9 employees.**

### **Next-generation embedded connectivity**

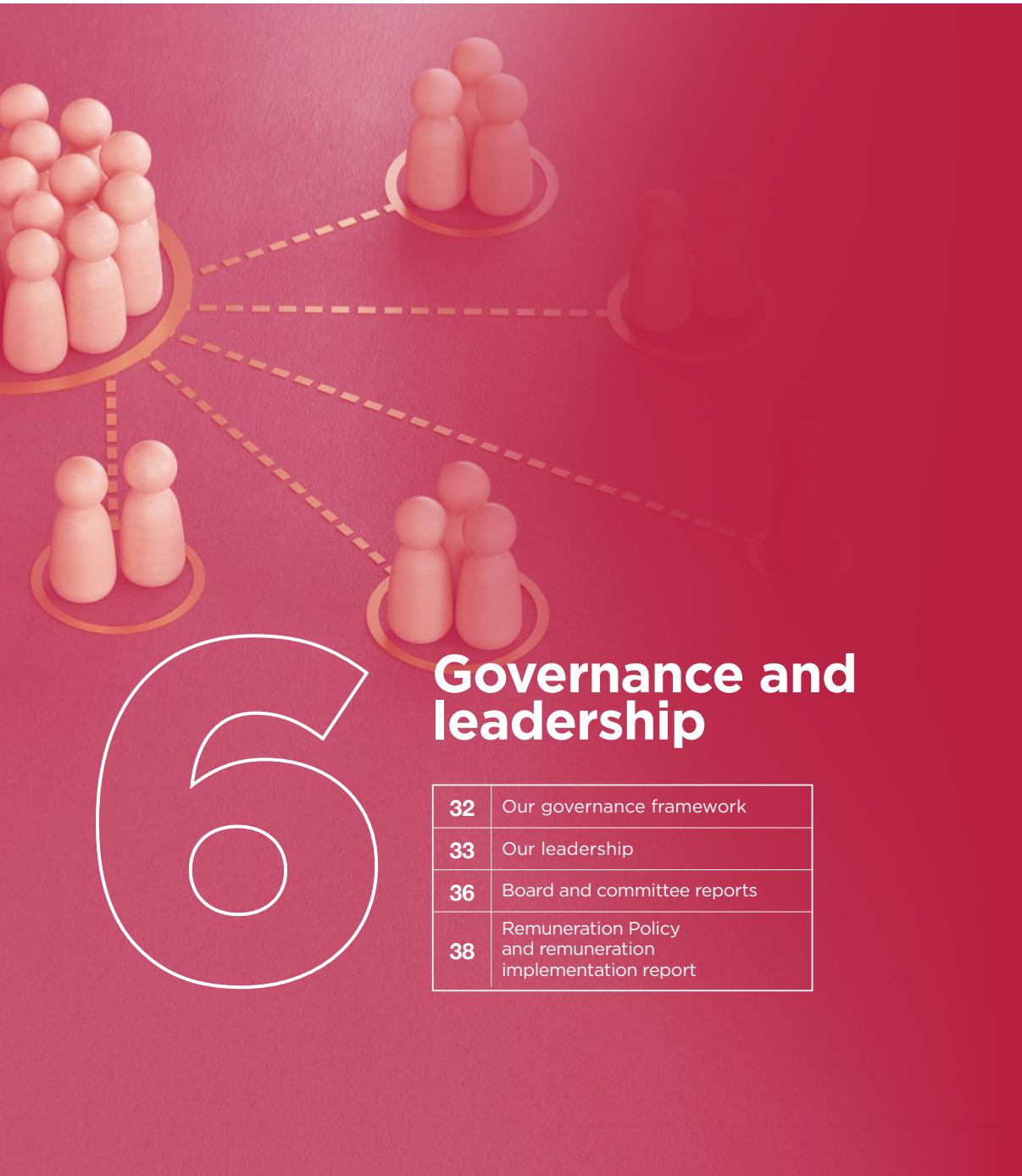
Unlike traditional MVNEs, Huge NXTGN offers a unique, evolved enablement capability that functions almost like a toolkit for businesses wishing to offer branded connectivity services that strengthen their existing brand, build on their value proposition and help them better understand their customer.

As a portfolio investment company in Huge Group Limited's portfolio of investments, Huge NXTGN has access to the broader skills, infrastructure, and technology across entities in the investment portfolio, giving it an incredible foundation within which to innovate. This has allowed the business to create an ecosystem of digital, telecommunications and technology services that enables any company – from small communities and SMMEs through to large enterprises – to participate in the digital telecommunications economy without the burden of traditional barriers to entry.

### **Strategic objectives and growth opportunities**

- Disproportionate near-term focus on the growth of subscribers under management, top line revenue, and the acquisition of large-brand client bases;
- The introduction of enhanced integration and digital front-end capabilities aimed at exponentially reducing the barriers-to-entry and cost of access to virtual network capabilities for South African companies; and
- The introduction of next-generation customer experience and engagement, payment and transactional capabilities, and converged services capabilities to broaden the impact and capabilities of Huge NXTGN providing its enterprise clients with sophisticated, cost-effective embedded connectivity propositions.

**Whether Huge NXTGN's clients choose to build, launch, and run their embedded connectivity services internally or to leverage global and local partners to do so, Huge Group is confident in the team's ability to assist SMMEs and enterprise clients in delivering solutions that work.**



# 6

## Governance and leadership

32	Our governance framework
33	Our leadership
36	Board and committee reports
38	Remuneration Policy and remuneration implementation report



# Governance and leadership

Beyond good governance, proactive governance **places people at the centre** of development processes. Huge Group strives to maintain an active and responsive governance structure to ensure that the Group and its PICs remain **focused, effective, and accountable**.

## Engagement and collaboration

In all our mutual actions and decisions, our **Code of Conduct** serves to foster an ethical culture and applies to our Board as well as our PICs, their leadership, and their employees. While we seek expert guidance and legal counsel on relevant matters, the **Board** is ultimately responsible for ensuring that the Group is:

- Accountable;
- Responsible and ethical;
- Compliant with all applicable laws and regulations; and
- Fair in our treatment of all stakeholders.

## Communication and reporting

We strive to communicate a clear understanding of complex issues. While our governance framework is supported by a system of rules, practices, and processes, our **Board** strives for open and concrete communication with stakeholders that is driven by:

- Transparency;
- Accuracy; and
- Timely and balanced information for decision-making.

## Strategic portfolio management

Huge Group's primary purpose is to allocate financial capital for growth and manage the investment portfolio to achieve maximum value creation. Further to this, the Board provides strategic support, expertise, and a sound governance framework to ensure:

- Optimal allocation of capital;
- A resilient and robust investment portfolio; and
- Sound financial performance. Our detailed Audited Financial Statements are published from page 41 of this report.

## Board and committee meeting attendance

	Board meetings	Audit Committee	Risk Committee	Nomination Committee	Remuneration Committee	Investment Committee	Social and Ethics Committee
<b>Veran Kathan</b>	4 out of 4	4 out of 4	4 out of 4	3 out of 3	4 out of 4	2 out of 2	2 out of 2
<b>Dennis Gammie</b>	4 out of 4	4 out of 4	4 out of 4	3 out of 3	4 out of 4	2 out of 2	-
<b>Conway Williams</b>	4 out of 4	4 out of 4	4 out of 4	-	-	2 out of 2	-
<b>Mary-Ann Boakye<sup>1,2</sup></b>	4 out of 4	4 out of 4	4 out of 4	-	-	-	2 out of 2
<b>Vincent Mokholo</b>	4 out of 4	-	4 out of 4	-	4 out of 4	2 out of 2	2 out of 2
<b>Mike Beamish<sup>3</sup></b>	3 out of 3	-	3 out of 3	2 out of 2	-	1 out of 1	-
<b>James Herbst<sup>1</sup></b>	4 out of 4	-	4 out of 4	-	-	-	-
<b>Zak Van De Merwe<sup>1</sup></b>	4 out of 4	-	4 out of 4	-	-	-	2 out of 2
<b>Tamryn van Tonder<sup>1</sup></b>	3 out of 3	-	2 out of 2	-	-	-	-
<b>Maria Heraty<sup>4</sup></b>	1 out of 1	-	1 out of 1	-	-	-	-

1. Appointed to the Investment committee effective 25 February 2025  
 2. Appointed to the Nomination committee effective 20 March 2025  
 3. Resigned effective 7 February 2025  
 4. Resigned effective 1 September 2024

## Our governance framework

Our **Board Charter** sets out our roles and responsibilities, delegation of authority, and matters reserved for approval by the Board, as well as the policies and practices of the Board in respect of its duty to provide leadership, promote ethical behaviour, and embody good corporate citizenship. The full Board Charter is available to shareholders on request.

### The role of the Chairman and the Chief Executive Officer are separate.

The primary role of our Independent Chairperson is to set the ethical tone, ensure that conflicts of interest are managed appropriately, and that members of the Board play a full and constructive role in the affairs of the Company. The role of our Chief Executive Officer is to oversee our investment philosophy and strategy, the implementation of our Board Charter, and supporting policies. All members of the Board have

unrestricted access to our Independent Company Secretary, who provides guidance on the duties and responsibilities of the Board. Special or *ad hoc* meetings are arranged as required. The Board has considered and is satisfied with the competence, qualifications and experience of the Company Secretary, and the Company Secretary has an arms length relationship with the Board.

Huge Group Board	Audit Committee	Investment Committee	Nomination Committee	Remuneration Committee	Risk Committee	Social and Ethics Committee
The Board of Huge Group is the custodian of governance, and governance is subject to its oversight. The Board exercises control by delegating certain responsibilities to its committees and the executive directors.	Our Audit Committee meets quarterly and operates under defined terms of reference and the authority granted to it by the Board in terms of a written charter.	Our Investment Committee is mandated to assist the Board in oversight of the investment portfolio and deliberating strategic investment opportunities, meeting at least quarterly.	Our Nomination Committee oversees the formal process for appointing and evaluating Directors, including rotation and succession planning, and meets at least twice per year.	Our Remuneration Committee operates within defined terms of reference and meets quarterly, ensuring the alignment of the Remuneration Policy with strategy and remuneration implementation.	Our Risk Committee operates within defined terms of reference and meets quarterly.	Our Social and Ethics Committee has a written charter that meets all the requirements of the Companies Act on the scope of its functions and meets at least twice per year.
<b>Chairman</b>						
Veran Kathan	Dennis Gammie	James Herbst	Veran Kathan	Veran Kathan	Dennis Gammie	Vincent Mokholo
<b>Independent non-executive directors</b>						
Dennis Gammie Conway Williams Mary-Ann Boakye	Veran Kathan Conway Williams Mary-Ann Boakye	Veran Kathan Dennis Gammie Conway Williams Mary-Ann Boakye	Dennis Gammie Mary-Ann Boakye	Dennis Gammie	Veran Kathan Conway Williams Mary-Ann Boakye	Veran Kathan Mary-Ann Boakye
<b>Non-executive directors</b>						
Vincent Mokholo	-	Vincent Mokholo	-	Vincent Mokholo	Vincent Mokholo	-
<b>Executive Directors</b>						
James Herbst Zak Van De Merwe Tamryn van Tonder	-	Zak Van De Merwe Tamryn van Tonder	-	-	James Herbst Zak Van De Merwe Tamryn van Tonder	Zak Van De Merwe

# Board of Directors

## Non-executive directors



**Veran Kathan**  
***Independent non-executive Chairman***

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

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.



**Vincent Mokholo**  
***Non-executive director***

BSc; Telecom MBA (UK)

Vincent has more than 25 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 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 position 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.



**Dennis Gammie**  
***Independent non-executive director***

CA(SA)

Dennis served as the CFO of the Aveng Group, the FD of Murray & Roberts Materials, and FD of 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, and chaired various board committees. During his tenure at Aveng Group, he was instrumental in many of the advancements, 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.

# Board of Directors

## Non-executive directors



**Mary-Ann Boakye**  
**Independent non-executive director**

CA(SA); BSc; MCom Development Finance

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, and 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.

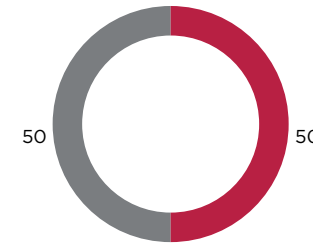


**Conway Williams**  
**Independent non-executive director**

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

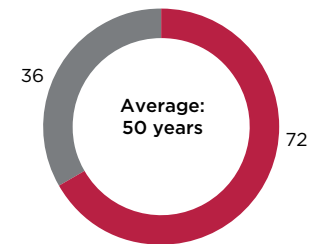
Conway has spent the last 18 years working as an Investment Specialist, covering both private/public debt and private equity transactions. During this time, he has been involved in structuring, negotiating, pricing, and executing numerous transactions, and the monitoring thereof post execution. Although 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.

**Independence (%)**



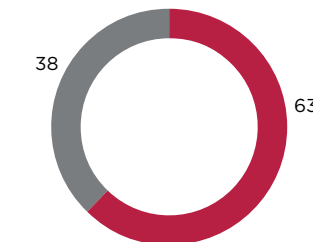
Legend  
■ Independent  
■ Non-independent

**Average age (%)**



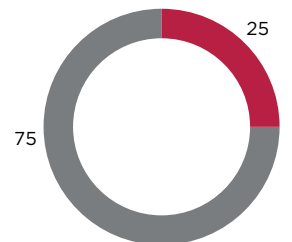
Legend  
■ Oldest member: 72 years  
■ Youngest member: 36 years

**Tenure (%)**



Legend  
■ 0-3 years  
■ 11+ years

**Gender (%)**



Legend  
■ Female  
■ Male

# Board of Directors

## Executive directors



**James Herbst**  
**Group 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 26 years of experience in the investment industry, 19 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**  
**Group Chief Operating Officer**

BComm

Zak is an experienced director, executive leader, and strategist. He holds a B.Com Marketing degree from the University of Johannesburg, and a diploma from the University of the Free State. He has been active in the telecoms sector in South Africa since 2001, and previously held executive roles at MTN Group and Virgin Mobile. He has an established track record that ranges from start-up business initiatives to serving as an executive in multi-national corporate enterprises, and he has significant experience in developing and successfully implementing next-generation business strategies. He has been actively engaged in the MVNO sector since its inception on the African continent in 2005, and has advised large enterprise on business strategy, technology, digital transformation, product, innovation, and the diversification of revenue and customer engagement strategies. He also currently serves as a non-executive director on the board of a Namibian listed company.






**Tamryn van Tonder**  
**Group Chief Commercial Officer**

BComm; 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 its Chief Commercial Officer.

# Board and committee reports

Huge Group Board of Directors		Audit Committee		Risk Committee	
<b>Mandate and role:</b>	<p>Specific roles are detailed in the Board Charter.</p> <p>Our Board evaluates performance, discusses strategic opportunities, and makes appropriate investment decisions. The governance framework and our Code of Conduct is regularly reviewed to ensure effective and ethical leadership, as is our Delegation of Authority.</p> <p> Please see our Director’s report from page 45 of our Annual Financial Statements.</p>	<b>Mandate and role:</b>	<p>Specific roles are detailed in the Audit Committee Charter.</p> <p>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.</p> <p> Please see our Audit Committee report from page 47 of our Annual Financial Statements.</p>	<b>Mandate and role:</b>	<p>Specific roles are detailed in the Risk Committee Charter.</p> <p>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 policies and strategies are in place and reviewing them and the risks they identify on a regular basis.</p> <p> Please see our Risk Committee report, from page 47 of our Annual Financial Statements, and our Risk management process and risk register from page 15.</p>
<b>FY2025 focus areas:</b>	<ul style="list-style-type: none"> <li>- Monitoring and assessing the impact of ongoing market volatility on business stability and long-term strategy.</li> <li>- Ensuring robust governance and compliance oversight for Huge Group, including adherence to regulatory requirements and corporate best practices.</li> <li>- Overseeing Huge Group’s strategic direction and key portfolio objectives, including oversight of operational efficiencies, human resources, and financial performance across Huge Group and its PICs.</li> <li>- Reviewing and approving investment decisions as recommended by the Investment Committee, particularly in relation to PICs.</li> <li>- Oversight of reporting, and financial and operational frameworks implemented by the investment team to ensure transparency and accountability.</li> <li>- Oversight of the Delegation of Authority (DOA) framework, and enhancement thereof, to align with evolving business needs and governance structures.</li> <li>- Ensuring effective oversight of Huge Group policies and procedures, including the governance of PIC specific policies to maintain alignment with corporate objectives.</li> <li>- Conducting and reviewing self-evaluation assessments to enhance board effectiveness and governance practices.</li> <li>- Identifying and addressing emerging governance priorities to support continuous business improvement.</li> </ul>	<b>FY2025 focus areas:</b>	<ul style="list-style-type: none"> <li>- Reviewing and confirming pertinent legal and regulatory compliance.</li> <li>- Oversight of the internal control environment, including execution of operational and reporting frameworks by the investment team to manage and mitigate risk.</li> <li>- Recommending the appointment of the external auditor and review and approval of the external audit plan.</li> <li>- Review and oversight of external audit findings and recommendations across Huge Group and the investment portfolio.</li> <li>- Reviewing the Group’s interim results and annual financial statements.</li> <li>- Reviewing portfolio fair value assumptions, methodologies, and resulting fair values.</li> <li>- Reviewing the Group’s accounting policies and practices.</li> <li>- Reviewing the Group’s quarterly covenant certificates and financial reports submitted to funders.</li> <li>- Reviewing the Memorandum of Incorporation (MOI).</li> <li>- Conducting and reviewing self-evaluation assessments to enhance committee effectiveness and governance practices.</li> </ul>	<b>FY2025 focus areas:</b>	<ul style="list-style-type: none"> <li>- Development of the Huge Group Risk Management Policy and plan.</li> <li>- Review of the Huge Group risk register, material risks and mitigating controls.</li> <li>- Reviewing quarterly abridged PIC risk registers detailing material risks, mitigating controls, and opportunities to ensure alignment with Huge Group’s strategy.</li> <li>- Considering and recommending appropriate levels of risk appetite and risk tolerance to the Board.</li> <li>- Reviewing cybersecurity and IT governance.</li> <li>- Conducting and reviewing self-evaluation assessments to enhance Committee effectiveness and governance practices.</li> </ul>

Nomination Committee		Investment Committee	
<b>Roles and responsibilities:</b>	<p>Specific roles are detailed in the Nomination Committee Charter.</p> <p>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. The Nomination Committee reviews the succession plan annually, including the reviewing and monitoring of the application of the Board's Diversity Policy. The Nomination Committee has adopted and supports the Board's Diversity Policy, taking into account gender, race, culture, experience, and other aspects, in its assessments and monitoring thereof.</p>	<b>Roles and responsibilities:</b>	<p>Specific roles are detailed in the Investment Committee Charter.</p> <p>The Investment Committee assists the Board in deliberating any strategic investment or potential acquisition opportunities, the portfolio ecosystem structure, and interacts with the PICs.</p> <p> Please see our Leadership reports from page 20.</p>
<b>FY2025 focus areas:</b>	<ul style="list-style-type: none"> <li>- Performing assessments and providing recommendations to the Board in relation to appointment of Directors, Committee chairpersons and committee members, where appropriate.</li> <li>- Evaluating and confirming the Board's diversity of qualifications, skills and experience.</li> <li>- Proposing enhanced succession planning and training.</li> <li>- Conducting and reviewing self-evaluation assessments to enhance committee effectiveness and governance practices.</li> </ul>	<b>FY2025 focus areas:</b>	<ul style="list-style-type: none"> <li>- Oversight of portfolio fair value assumptions, methodologies, and resulting fair values.</li> <li>- Oversight of key business strategies, including investment portfolio performance and annual strategic engagement with PIC leadership.</li> <li>- Approval and review of investment decisions for recommendation to the Board.</li> <li>- Conducting and reviewing self-evaluation assessments to enhance committee effectiveness and governance practices.</li> </ul>

Remuneration Committee		Social and Ethics Committee	
<b>Roles and responsibilities:</b>	<p>Specific roles are detailed in the Remuneration Committee Charter.</p> <p>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 report.</p> <p> Please see our Remuneration Policy and remuneration implementation report from page 38.</p>	<b>Roles and responsibilities:</b>	<p>Specific roles are detailed in the Social and Ethics Committee Charter.</p> <p>The Social and Ethics Committee assists the Board in monitoring the Company's compliance with legislative matters, 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.</p> <p> Please see our Social and Ethics Committee report from page 18.</p>
<b>FY2025 focus areas:</b>	<ul style="list-style-type: none"> <li>- Development of the Remuneration Policy, plan and remuneration implementation report.</li> <li>- Oversight and recommendations of PIC remuneration policies and processes in light of Huge Group's Remuneration Policy.</li> <li>- Conducting and reviewing self-evaluation assessments to enhance Committee effectiveness and governance practices.</li> </ul>	<b>FY2025 focus areas:</b>	<ul style="list-style-type: none"> <li>- Development of the Social and Ethics Policy.</li> <li>- Recommending a Whistleblower Policy.</li> <li>- Oversight of each PIC's human resource activities (staff turnover, leave, disciplinary matters, employment equity, and remuneration, amongst others)</li> <li>- Oversight of transformation plans.</li> <li>- Conducting and reviewing self-evaluation assessments to enhance committee effectiveness and governance practices.</li> </ul>

# Remuneration Policy and remuneration implementation report

## Remuneration Policy

On behalf of the Board, we are pleased to present an extract and the highlights of our revised Remuneration Policy (the **Policy**), which has been formulated for shareholder voting at the upcoming AGM. This Policy reflects our ongoing commitment to fair, responsible, and transparent remuneration practices aligned with regulatory requirements, corporate governance principles, and the Company's strategic objectives.

### 1. Governing principles and legislation

- 1.1 Our remuneration strategy remains subject to applicable South African legislation, including the Companies Act, JSE Listings Requirements, and our internal corporate governance protocols. In formulating this Policy, the Board and Remuneration Committee have considered best practices, including the King IV report, which emphasises fair, responsible, and transparent remuneration to drive sustainable, strategic outcomes. Principle 14 of King IV guides our approach to:
  - 1.1.1 attract, motivate, reward, and retain human capital;
  - 1.1.2 promote the achievement of the Strategic Objectives of the Company within the Company's risk appetite;
  - 1.1.3 promote positive remuneration outcomes; and
  - 1.1.4 promote an ethical culture and responsible corporate citizenship.

### 2. Application of the Policy

- 2.1 As an investment holding company, we do not employ personnel directly, and our remuneration obligations are limited to our directors. The administration and management of the Company are delegated to Huge Management Company, where the Policy applies to relevant personnel. Additionally, where the Company holds decision-making authority over PICs, the Policy is applied as appropriate.

### 3. Delegation of Authority

- 3.1 The Board has ultimate responsibility for the appropriateness of the Company's compensation strategies and has delegated oversight of this responsibility to the Remuneration Committee. In terms of such delegation, the Remuneration Committee is required to prepare the report and implementation plan on an annual basis.
- 3.2 The authority of the Remuneration Committee must be exercised with due regard and consideration to the authority which has been delegated to the Nomination Committee to make recommendations to the Board with respect to the appointment of Directors, and the objectives of the Nomination Committee to ensure that the Board is comprised of individuals, which will bring the most value to the Company.
- 3.3 The final determination of the appointment of directors and the compensation payable to such directors is made by the Board in terms of the prevailing provisions of the MOI.

However, the decisions of the Board are informed by the recommendations of both the Nomination Committee and the Remuneration Committee. In developing the remuneration implementation report, the Remuneration Committee is required to consider the objectives, responsibilities, and strategies of the Nomination Committee and specifically the strategic objectives of the Company.

### 4. Background statement

- 4.1 The Company believes that compensation is a critical ingredient in long-term organisational success and sustainable value creation. The Company's compensation strategy seeks to strike a balance between the social and economic interests of the personnel within the broader context of macro and microeconomic factors in the environment in which the Company operates, with the view to achieve long-term sustainability.
- 4.2 Compensation is also considered with reference to both fixed remuneration and variable remuneration. The Company aims to accurately gauge and apply fixed remuneration to adequately motivate personnel, but make variable remuneration available to reward the executives and key employees. The Company seeks to develop a suitable remuneration mix to attract, retain, motivate, and reward high-caliber talent, while ensuring that the strategic objectives of the Company are maintained.

### 5. The principles

- 5.1 The Company adopts the principles as the underlying philosophy and foundational basis upon which the Company's compensation practices are formulated and which are to be applied by the Company when formulating its compensation strategy.

<b>Principle 1:</b>
Promoting fair and equal compensation.
<b>Principle 2:</b>
Promoting responsible and sustainable value creation.
<b>Principle 3:</b>
Promoting high levels of team and individual performance.
<b>Principle 4:</b>
Observing best practices.



## Remuneration implementation report

### Executive director remuneration

Total remuneration outcomes for executive directors

Director	Services to the Company salary R'000	Risk, retirement, and medical contributions paid or payable R'000	Total short term employee benefits R'000
JC Herbst	607	184	791
IDJ Van De Merwe	465	227	692
T van Tonder	600	8	608
M Heraty <sup>1</sup>	149	59	208
<b>Total</b>	<b>1 821</b>	<b>478</b>	<b>2 299</b>

1. M Heraty resigned as CFO effective 1 September 2024.

No *ex gratia* payments were made to Directors during FY2025.

### Non-executive director remuneration

During FY2025, the following remuneration was paid to non-executive directors in accordance with the approval of shareholders by special resolution at the AGM held on 11 July 2024:

Director	Director's Fees R'000	Board Meeting Fees R'000	Total Remuneration R'000
VHT Kathan	780	72	852
DR Gammie	600	72	672
MR Beamish <sup>1</sup>	480	54	534
VM Mokholo <sup>2</sup>	720	72	792
CIJ Williams	420	72	492
MA Boakye	420	72	492
<b>Total</b>	<b>3 420</b>	<b>414</b>	<b>3 834</b>

1. MR Beamish resigned effective 7 February 2025.

2. VM Mokholo received director fees of R240 000 from Huge Connect for the current financial year.

### 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 remuneration 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 details in its next Remuneration report, where applicable:

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

### Employee benefits

On an annual basis, the Remuneration Committee maintains general oversight of remuneration policies and remuneration practices of Huge Management Company and the PICs, noting that Huge Group does not have employees. This includes oversight of reasonability of costs, fairness, and the meeting of employees' needs. In FY2025, benefits included: group risk insurance, including funeral cover; membership of a medical aid scheme; and pension or provident scheme participation.

## Annual Financial Statements

42	Independent auditor's report
45	Directors' report
47	Audit and Risk Committee report
49	Financial statements
56	Notes to the financial statements
79	Shareholder analysis



# Directors approval of the Annual Financial Statements

for the year ended 28 February 2025

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 42 to 44.

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 45 to 78, which have been prepared on a going concern basis, were approved by the Board on 30 May 2025 and were signed on its behalf by:

For and on behalf of the Board.

**James Herbst**

*Group Chief Executive Officer*

**Tamryn van Tonder**

*Chief Commercial Officer*

# Chief Executive Officer's and Chief Commercial Officer's responsibility statement

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

- the Annual Financial Statements (AFS) set out on pages 45 to 78 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.

For and on behalf of the Board.

**James Herbst**

*Group Chief Executive Officer*

**Tamryn van Tonder**

*Chief Commercial Officer*

30 May 2025

# Preparation and approval of financial statements

These Consolidated and Separate AFS were compiled internally under the ultimate supervision of Tamryn van Tonder CA(SA).

**Tamryn van Tonder**

*Chief Commercial 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 2025, 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 49 to 78 which comprise the consolidated and separate statements of financial position as at 28 February 2025, and the consolidated and separate statements of comprehensive income, and the consolidated and separate statements of changes in equity, the consolidated and separate statements 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 28 February 2025, 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.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

### Final materiality

The scope of our audit was determined by our assessment of materiality. In determining the extent of our audit procedures, we applied specific quantitative thresholds supported by qualitative factors to guide the scope, timing, and nature of our work. Materiality also informed our evaluation of the impact of identified misstatements both individually and collectively on the consolidated and separate financial statements as a whole.

Exercising our professional judgment, we established materiality for the consolidated and separate financial statements as a whole as follows:

	Consolidated financial statements	Separate financial statements
<b>Final materiality (‘000)</b>	R34 000	R30 000
<b>How we determined materiality</b>	1.8%* of Total assets	1.8%* of Total assets
<b>Rationale for the materiality benchmark applied</b>	<p>Total assets were selected as the benchmark for materiality as they reflect the Group’s and Company’s primary objective of holding and managing investments. The value of assets is a key indicator of performance and financial position for stakeholders and provides a consistent basis for evaluating the Group’s and Company’s investment activities.</p> <p>A 1.8% threshold was applied based on professional judgement, ensuring that potential misstatements are identified and addressed while maintaining relevance to the Group’s and Company’s operating environment.</p> <p>We determined materiality consistently with the previous financial year.</p>	

\* Rounded

### Group audit scope

The consolidated financial statements were considered to meet the definition of ‘Group financial statements’ as they represent the financial information of more than one component. The Group audit scoping and Group auditor oversight sections were applied to the audit of both the consolidated and separate financial statements.

We tailored the scope of our audit to perform sufficient work to enable us to provide an opinion on the consolidated and separate financial statements, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group and Company operate.

We performed risk assessment procedures to determine which of the Group’s components are likely to include risks of material misstatement to the consolidated financial statements and which further audit procedures to perform of these components to address these risks. Our judgement included assessing the size of the components and the nature of the balances and transactions within the components.

In establishing the overall audit approach for the Group audit, we identified the necessary procedures to be performed on the components by our audit team.

To obtain sufficient appropriate audit evidence, we performed audit work on specific classes of transactions, account balances, and disclosures of the consolidated and separate financial statements, as well as specified procedures for Group reporting purposes.

### 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.



**Independent auditor’s report (continued)**

In terms of the EAR Rule, we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter	Audit response
<p><b>Valuation of unlisted investments</b></p> <p>This key audit matter applies to the consolidated and separate financial statements of the company.</p> <p>Refer to the following sections of the consolidated and separate financial statements for disclosures related to this key audit matter:</p> <ul style="list-style-type: none"> <li>- The Accounting Policies on page 49.</li> <li>- Note 2 to the consolidated and separate financial statements.</li> </ul> <p>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 28 February 2025 is R1.463 billion.</p> <p>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.</p> <p>We considered the fair value of the underlying unlisted investments to be a matter of most significance to the current year audit due to:</p> <ul style="list-style-type: none"> <li>- The magnitude of the unlisted investments in relation to the consolidated and separate financial statements, and</li> <li>- The degree of judgement and estimation applied in determining the fair value of the underlying unlisted investments.</li> </ul>	<p>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:</p> <ul style="list-style-type: none"> <li>- We confirmed the board and audit committee approval of the valuations by attending those meetings.</li> <li>- We obtained management’s valuations, noting that some were supported by Birkett Stewart McHendrie (BSM), an independent valuation expert.</li> <li>- We obtained a signed declaration from BSM to confirm their independence, competency, and experience.</li> <li>- We performed a thorough background analysis on BSM and found their work to be appropriate for audit purposes.</li> <li>- With the assistance of our internal valuation experts, we obtained an understanding of the methodologies applied in the valuation models, as indicated in note 2 to the consolidated and separate financial statements and compared these to appropriate industry guidance. We noted no inconsistencies in this regard.</li> <li>- 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.</li> <li>- We reperformed the calculations and castings of the valuation models and found them to be accurate.</li> <li>- 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.</li> <li>- 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.</li> <li>- The effective tax rates used in the valuation were scrutinised and found to be accurate.</li> <li>- 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. Our internal valuation experts were engaged to evaluate the appropriateness of the valuation methodology applied to these investee entities.</li> <li>- 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.</li> <li>- 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.</li> </ul> <p>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.</p>

**Independent auditor’s report (continued)**

**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 2025,” 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 does 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 are 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 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 preclude 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**

**Audit Tenure**

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 6 years.

**Audit fees**

In terms of the EAR Rule, we disclose the following fee-related matters:

Fee	Amount
Audit fees paid or payable to the firm	<b>R2 530 000</b>
Audit fees paid or payable to network firms	-
Other fees paid or payable to firm and network firms	-

**MOORE JOHANNESBURG INC.**

**Moore Johannesburg Inc.**

Registered Auditors  
Per: A Carneiro  
Director  
Registered Auditor

30 May 2025

50 Oxford Road  
Parktown  
Johannesburg  
2193



# Directors' report

as at 28 February 2025

## Nature of the business

Huge Group is an investment holding entity.

## Composition of the Board of Directors

The following were Directors and prescribed officers of the Company during the current financial year unless otherwise indicated:

Executive directors	Independent non-executive directors	Non-executive directors	Prescribed officers
JC Herbst (Chief Executive Officer)	VHT Kathan (Chairperson)	MR Beamish <sup>3</sup>	
IDJ van de Merwe (Chief Operating Officer)	DR Gammie	VM Mokholo	
T van Tonder (Chief Commercial Officer) <sup>1</sup>	CIJ Williams		
M Heraty (Chief Financial Officer) <sup>2</sup>	MA Boakye		

Committee	Committee Chairman
Main Board	VHT Kathan
Audit Committee	DR Gammie
Risk Committee	DR Gammie
Social and Ethics Committee	VM Mokholo
Remuneration Committee	VHT Kathan
Nomination Committee	VHT Kathan
Investment Committee	JC Herbst

- <sup>1</sup> T van Tonder was appointed as Chief Commercial Officer effective 27 May 2024.
- <sup>2</sup> M Heraty resigned as Chief Financial Officer effective 1 September 2024.
- <sup>3</sup> MR Beamish resigned as Director effective 7 February 2025.

Directors retiring in terms of the Company's MOI, all of whom are eligible and offer themselves for re-election, are MA Boakye and C Williams.

## 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 financial statements.

## Going concern

The Board has undertaken a detailed review of the going concern capability of the Group and Company (and the Portfolio Investment Companies).

Based upon solvency, cash resources, and forecasts, the Board has concluded that 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.

## Share issues or repurchases

No Shares were issued or repurchased during the current and previous financial years.

## Directors' interests in the share capital of the Company

As at 28 February 2025, the following Directors of the Company held Shares in the issued share capital of the Company:

2025 Number of Shares held	Direct	Indirect	Total	%
JC Herbst <sup>1</sup>	268 370	24 604 958	24 873 328	14.41
MR Beamish <sup>2</sup>	2 500 000	18 960 921	21 460 921	12.44
	<b>2 768 370</b>	<b>43 565 879</b>	<b>46 334 249</b>	<b>26.85</b>

2024 Number of Shares held	Direct	Indirect	Total	%
JC Herbst <sup>1</sup>	268 370	24 504 958	24 773 328	14.36
MR Beamish <sup>2</sup>	4 750 000	18 945 251	23 695 251	13.73
	<b>5 018 370</b>	<b>43 450 209</b>	<b>48 468 579</b>	<b>28.09</b>

- <sup>1</sup> 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.
- <sup>2</sup> The indirect shareholding of MR Beamish is a combination of beneficial and non-beneficial interests and is held by Praesidium SA Fund en Praesidium Capital Management, and Praesidium Family Trust.



## Directors' report (continued)

As at 28 February 2025, the following Directors of major portfolio investment companies held Shares in the issued share capital of the Company:

2025 Number of Shares held	Direct	Indirect	Total	%
SM Oberholzer <sup>1</sup>	79 041	5 448 907	5 527 948	3.20
KB Sinclair <sup>2</sup>	-	5 550 495	5 550 495	3.22
K Schmulian <sup>3</sup>	48 755	1 065 688	1 114 443	0.65
D Cameron	607 272	-	607 272	0.35
	735 068	12 065 090	12 800 158	7.42

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

2024 Number of Shares held	Direct	Indirect	Total	%
SM Oberholzer <sup>1</sup>	79 041	5 448 907	5 527 948	3.20
KB Sinclair <sup>2</sup>	-	5 550 495	5 550 495	3.22
K Schmulian <sup>3</sup>	48 755	1 065 688	1 114 443	0.65
D Cameron	607 272	-	607 272	0.35
	735 068	12 065 090	12 800 158	7.42

- <sup>1</sup> The indirect shareholding of SM Oberholzer, a director of Huge Networks, is held by K2017082648 South Africa Proprietary Limited.
- <sup>2</sup> The indirect shareholding of KB Sinclair, a director of Huge Connect, is held by K2017038086 South Africa Proprietary Limited.
- <sup>3</sup> 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 28 February 2025 and the date of approval of the AFS there were no changes in the Directors' shareholding.

## Dealings in securities

### MR Beamish

From 1 March 2024 to 7 February 2025 (the date of resignation of MR Beamish as a Director), associates of MR Beamish acquired 30 460 Shares at an average price of 190 cents per share amounting to R57 874 in the open market and disposed of 6 518 475 Shares off-market at an average price of 180 cents per share amounting to R11 733 255. Clearance to deal was obtained.

### MR Herbst

From 1 March 2024 to 28 February 2025, associates of MR J Herbst acquired 100 000 Shares at an average price of 185 cents per share amounting to R185 000 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

Huge Group is not involved in any litigation that is not disclosed in the consolidated and separate financial statements.

### Dividends

No dividends were declared for the current and prior financial year.

## 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 recognised and disclosed in the AFS, and which affect the financial position of the Group and the Company, 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.

### 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 47 of this report.

### Auditors

The Audit Committee appointed Moore Johannesburg Incorporated as its independent auditor for its 2025 financial year 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 year ended 28 February 2025

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 Americo Carneiro from Moore Johannesburg Incorporated as the new designated audit partner for 2025 financial year;
- confirmed that both Moore Johannesburg Incorporated and Mr Carneiro 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;
- 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 every five years, this is the current partners' second year on the audit, and will required to be rotated in FY2029.

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, the 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. 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 Company's legal structure, assets, size and business operations, 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; and
- IT governance.

#### Financial Director and Chief Commercial Officer

The Audit Committee has assessed and is satisfied with the appropriateness of the skills, experience, and expertise of Mrs van Tonder as the Interim Financial Director, and Chief Commercial 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.

**Audit and Risk Committee report (continued)****Internal financial controls**

The Audit Committee has ensured that appropriate financial reporting procedures exist and are working, including 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 42 to 43.

**Combined assurance**

The Group and Company continue to work on improving their combined assurance framework, 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:

<b>First line:</b>	Line management is responsible for monitoring and managing risk and opportunity.
<b>Second line:</b>	Risk management functions in each company, review and consider risk and opportunity.
<b>Third line:</b>	The Company utilises the services of various experts to assist with managing risk in respect of revenue recognition and regulatory compliance.
<b>Fourth line:</b>	The independent auditor considers and reviews risk management processes that have been implemented and elevate any areas which may require further attention.
<b>Fifth line:</b>	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 28 February 2025 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 28 February 2025.

**For and on behalf of the Audit Committee****Dennis Gammie**

*Non-executive Audit and Risk Committee Chairman*



# Accounting Policies

for the year ended 28 February 2025

## Basis of preparation and presentation of Consolidated and Separate Annual Financial Statements

These annual financial statements have been prepared using accounting policies compliant with IFRS® accounting standards as issued by the International Accounting Standards Board (IASB) including IFRIC interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guide as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited's Listings Requirements, and the requirements of the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, with the exception of certain accounting standards requiring measurement at on a fair value basis. The annual financial statements have been prepared on a going concern basis. The annual financial statements are presented in South African Rand, which is Huge Group's functional currency and presentation currency. All financial information presented in Rand has been rounded off to the nearest thousand.

Details of the Group's material accounting policies are set out below and are consistent with those applied in the previous financial year except for the adopted standards and amendments as listed below.

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:

## 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.

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.

Huge Group's strategy is centred on acquisition and expansion of its investment portfolio, generating cash inflows in the form of dividends, interest, loan repayments as well as proceeds from the disposal of investments at a profit. Its approach is that of an investment entity as opposed to a 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 and cashflow generation capabilities rather than their consolidated profitability. Fair value is ultimately dependent on a range of factors such as the entity's market rating, growth prospects, operational performance, profitability, and marketability.

It is a critical accounting judgement that Huge Group is classified 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.



## Accounting Policies (continued)

### Application of new and revised IFRS accounting standards

The Company has applied all new and revised accounting standards and interpretations that are relevant to its operations and effective for the current financial year.

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:

#### New standards and interpretations effective in the current year:

Standard	Description
<b>Amendments to IAS 1 Presentation of Financial Statements</b>	The amendments to IAS 1 clarify the classification of liabilities as current or non-current, emphasising that only covenants that must be complied with on or before the reporting date affect this classification. Additionally, entities are now required to disclose material accounting policy information rather than significant accounting policies. The amendments provide guidance and examples to assist in identifying what constitutes material policy information. Furthermore, the amendments introduce guidance on disclosing risks in the notes, particularly where non-current liabilities with covenants could become repayable within twelve months. The adoption of the amendment is not anticipated to have a significant impact on the financial statements.
<b>Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:</b>	The amendment introduces enhanced disclosure requirements for supplier finance arrangements, mandating companies to provide detailed information that allows users of financial statements to evaluate the impact of such arrangements on the company's liabilities, cash flows, and liquidity risk exposure. The adoption of the amendment is not anticipated to have a significant impact on the financial statements.

#### New and revised standards and interpretations in issue and not yet effective:

Standard	Description
<b>Presentation and Disclosure in Financial Statements (IFRS 18)</b>	<p>On 9 April 2024, the IASB issued IFRS 18, which will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces three key changes aimed at enhancing the presentation of financial performance and improving comparability for investors:</p> <ul style="list-style-type: none"> <li>– Improved comparability in the statement of comprehensive income through the introduction of three defined categories for income and expenses: operating, investing, and financing;</li> <li>– Enhanced transparency through the requirement to disclose and explain company-specific performance measures that relate to the statement of comprehensive income; and</li> <li>– More effective presentation of information in the financial statements, supported by strengthened guidance on the organisation of information and clearer distinctions between what should be presented in the primary financial statements versus the notes. Additional disclosures are also required to increase transparency of operating expenses.</li> </ul> <p>This standard is effective for annual reporting periods beginning on or after 1 January 2027.</p>

### Consolidation

The consolidated AFS incorporate the AFS of Huge Group and its subsidiary companies, Huge Management, Huge Soho, and Huge SPV 1 as at 28 February 2025, on the basis outlined below. These entities have been consolidated in accordance with accounting policies consistently applied in both the current and prior financial years, where relevant.

### 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 as detailed in the notes to the annual financial statements.

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 subsidiaries

In terms of paragraph 31 of IFRS 10 Consolidated Financial Statements (IFRS 10) '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.

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



## Accounting Policies (continued)

### Financial assets

The Group's financial assets consist of investments at fair value through profit and loss (FVTPL), loan receivables, 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*

Debt instruments that meet the following conditions are measured at amortised cost:

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

#### *Financial assets at FVTPL*

Financial assets that do not qualify to be measured at amortised cost as described above are measured at FVTPL.

### Recognition and measurement

#### *Recognition and measurement of financial assets at FVTPL*

Financial assets at FVTPL consists of investments held in portfolio investment companies disclosed in Note 2 of the AFS which are classified and measured at FVTPL. The investments are initially recognised at fair value excluding transaction costs that are directly attributable to the acquisition of the investment and are subsequently remeasured at fair value.

Gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income 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 2 and in accordance with IFRS 13 fair value principles. 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.

All investments held by the Group are classified as level 3 in the fair value hierarchy.

### Recognition and measurement of financial assets at amortised cost

The financial assets consists of loan receivables, trade and other receivables and cash and cash equivalents.

These financial assets are held to collect contractual cash flows which represent SPPI. Interest income from these financial assets is included under interest income and is calculated using the effective interest method in the statement of comprehensive income.

For cash flow purposes, these investments are classified as investing activities.

#### Modification of financial assets

When the contractual terms of a financial asset are modified without resulting in derecognition, the Group recalculates the asset's gross carrying amount as the present value of the modified cash flows, discounted at the original effective interest rate. The resulting gain or loss from the modification is recognised in profit or loss. Any fees or costs that are directly related to the modification are adjusted against the carrying amount and amortised over the remaining term of the asset.

During the year, the terms of certain loan receivables were modified from interest-bearing to interest-free, while remaining repayable on demand. In accordance with IFRS 9 the modification did not result in derecognition of the financial asset and there was no modification gain or loss recognised.

#### Impairment of financial assets

The Group assesses impairment of loan receivables and other receivables using the general expected credit loss model. The Group applies the three-stage model to measure expected credit losses based on changes in credit risk since initial recognition. 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. Refer to Note 3 for further details on the impairment stages applied under the general approach model.

In assessing expected credit losses on loan receivables from portfolio investment companies, the Group considers both historical default experience and forward-looking information. This includes financial and qualitative indicators relating to the portfolio companies' performance and expected performance. One of the key considerations in the assessment is the estimated value of the Group's enterprise and equity interests in the respective companies, which serves as an indicator of their ability to pay. These valuations, along with other available information, are used to inform judgements around the expected recoverability of the loan balances. Forward-looking adjustments are made where appropriate to reflect changes in expected future conditions. The expected credit loss assessments are reviewed regularly to ensure they incorporate the most up-to-date and supportable information available. Refer to Note 2, Note 3 and Note 17 for more detail.

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.

The Group assesses impairment of trade receivables using the simplified approach credit loss model. Under this approach, a lifetime expected credit loss is recognised for these assets, regardless of whether there has been a significant increase in credit risk since initial recognition. Similar principles applied in assessing expected credit losses on loan receivables are applied to trade and other receivables from portfolio investment companies. Refer to Note 4 for more detail.



## Accounting Policies (continued)

An impairment gain or loss is recognised in the statement of comprehensive income for the amount of expected credit losses, or reversal of expected credit losses, that are required to adjust the loss allowance at the reporting date.

Write-off is a derecognition event. Loans are written off when it has been determined that no reasonable expectation of recovery exists and all efforts to collect have ceased. Cash inflows after write-off are disclosed as bad debts recovered.

### 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.

## 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, loan payables as well as interest bearing liabilities.

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 in less than one year. If not, they are presented as non-current liabilities.

## Stated capital

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.

## 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

The Group provides investment oversight services and management services under formal service agreements to portfolio investment companies throughout the year.

These services include:

- (i) general management and strategic oversight,
- (ii) access to internal professional resources, and
- (iii) recovery of agreed costs incurred on behalf of the portfolio investment companies.

An output-based method is used to determine management services fee income. Fee income is based on specific factors related to each portfolio investment company, including:

- (i) the profitability of the portfolio investment company,
- (ii) the asset value of the portfolio investment company, and
- (iii) the time and resources required to manage the portfolio investment company.

Control is transferred over time, as services are continuously provided and the portfolio investment companies progressively benefit from the Group's oversight and management.

Performance obligations are satisfied throughout the year, and revenue is recognised in accordance with the service agreements over time.

### Dividend income

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

### Interest income

Interest income on loan receivables from portfolio investment companies is recognised in the statement of comprehensive income using the effective interest method, in accordance with IFRS 9 Financial Instruments.

During the current year, Huge Management Company amended the terms of certain loans receivable from bearing interest to interest free and repayable upon demand with 12 months notice.

## Finance costs

Finance costs are recognised as an expense in the period in which they are incurred based on the effective interest method.



## Accounting Policies (continued)

### 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.

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.

Deferred tax on investments is raised at the effective capital gains tax rate for corporates. 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 of the investment portfolio, 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 investments 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.

### Events after the reporting period

Huge Group assesses events after the reporting period in line with IAS 10. Adjusting events, which provide evidence of existing conditions at the reporting date, are incorporated into the financial statements. Non-adjusting events, arising after the reporting period, are disclosed if material to users. No such events; adjusting or non-adjusting; occurred after the reporting date.



# Statement of financial position

as at 28 February 2025

	Note(s)	Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
<b>Assets</b>					
<b>Non-current assets</b>					
Goodwill		4 579	4 579	-	-
Property, plant and equipment		144	191	-	-
Investments held	2	1 463 001	1 581 933	1 463 001	1 581 933
Loans receivable*	3	344 939	240 707	146 346	138 785
Trade and other receivables	4	84 468	30 060	84 402	30 060
Deferred tax asset	5	20 911	16 822	-	8 471
<b>Total non-current assets</b>		<b>1 918 042</b>	<b>1 874 292</b>	<b>1 693 749</b>	<b>1 759 249</b>
<b>Current assets</b>					
Trade and other receivables	4	14 737	58 625	29	33
Current tax receivable		166	-	21	-
Cash and cash equivalents	6	1 825	93 406	142	2 557
<b>Total current assets</b>		<b>16 728</b>	<b>152 031</b>	<b>192</b>	<b>2 590</b>
<b>Total assets</b>		<b>1 934 770</b>	<b>2 026 323</b>	<b>1 693 941</b>	<b>1 761 839</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Stated capital	7	611 099	611 099	611 099	611 099
Share-based payment reserve		39 989	39 989	39 989	39 989
Accumulated profit		951 485	1 012 999	888 464	921 631
		<b>1 602 573</b>	<b>1 664 087</b>	<b>1 539 552</b>	<b>1 572 719</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Interest bearing liabilities	8	300 000	300 000	-	-
Deferred tax liabilities	5	-	19 132	128 394	162 886
Loans payable*	3	25 722	25 722	25 722	25 722
<b>Total non-current liabilities</b>		<b>325 722</b>	<b>344 854</b>	<b>154 116</b>	<b>188 608</b>
<b>Current liabilities</b>					
Interest bearing liabilities	8	4 804	5 337	-	-
Current tax payable		-	619	-	314
Trade and other payables		1 671	11 426	273	198
<b>Total current liabilities</b>		<b>6 475</b>	<b>17 382</b>	<b>273</b>	<b>512</b>
<b>Total liabilities</b>		<b>332 197</b>	<b>362 236</b>	<b>154 389</b>	<b>189 120</b>
<b>Total equity and liabilities</b>		<b>1 934 770</b>	<b>2 026 323</b>	<b>1 693 941</b>	<b>1 761 839</b>
<b>Net asset value per share (cents)</b>		<b>928.69</b>	<b>964.54</b>	<b>-</b>	<b>-</b>

\* Refer to Note 3 for further details.

# Statement of comprehensive income

for the year ended 28 February 2025

	Note(s)	Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
<b>Net gain/(loss) from financial assets at fair value through profit or loss</b>	2	<b>(118 959)</b>	3 381	<b>(118 959)</b>	3 381
<b>Investment income</b>	9	<b>65 543</b>	97 832	<b>61 262</b>	82 662
<b>Dividend income</b>		<b>61 142</b>	59 857	<b>61 142</b>	59 857
<b>Interest income</b>		<b>4 401</b>	37 975	<b>120</b>	22 805
Interest earned on loans		<b>34</b>	37 541	<b>34</b>	22 666
Finance income		<b>4 367</b>	434	<b>86</b>	139
<b>Net fee Income</b>	15	<b>12 599</b>	59 131	-	-
Fee income		<b>47 349</b>	59 131	-	-
Fee expense		<b>(34 750)</b>	-	-	-
<b>Other income</b>		<b>22</b>	2 332	<b>14</b>	-
Foreign exchange gain		<b>12</b>	-	<b>14</b>	-
Other income		<b>10</b>	2 332	-	-
<b>Expenses</b>	10	<b>(12 112)</b>	(110 469)	<b>(1 505)</b>	(1 795)
Selling and administration expenses		<b>(13 259)</b>	(16 771)	<b>(164)</b>	(275)
Employee costs		<b>(3 890)</b>	(8 775)	-	-
Reversal/(Provision) for impairment on financial assets		<b>5 143</b>	(84 781)	<b>(1 341)</b>	(1 520)
Depreciation and amortisation		<b>(106)</b>	(142)	-	-
<b>Profit or (loss) before finance costs and taxation</b>		<b>(52 907)</b>	52 207	<b>(59 188)</b>	84 248
Finance costs	11	<b>(31 517)</b>	(25 966)	-	(19 084)
<b>Profit or (loss) before taxation</b>		<b>(84 424)</b>	26 241	<b>(59 188)</b>	65 164
Income tax expense	12	<b>22 910</b>	9 133	<b>26 021</b>	(834)
<b>Profit or (loss) for the year</b>		<b>(61 514)</b>	35 374	<b>(33 167)</b>	64 330
<b>Total comprehensive income or (loss) attributable to:</b>		<b>(61 514)</b>	35 374	<b>(33 167)</b>	64 330
Owners of the parent		<b>(61 514)</b>	35 374	<b>(33 167)</b>	64 330
<b>Earnings per share information (cents)</b>	13				
Basic earnings per share		<b>(35.65)</b>	20.50	-	-
Diluted earnings per share		<b>(32.80)</b>	18.86	-	-



## Statement of changes in equity

for the year ended 28 February 2025

	Group			
	Total stated capital R'000	Share-based payment reserve R'000	Accumulated profit R'000	Total equity R'000
<b>Balance at 1 March 2023</b>	611 099	39 989	977 625	1 628 713
Total comprehensive income for the year	-	-	35 374	35 374
<b>Balance as at 29 February 2024</b>	611 099	39 989	1 012 999	1 664 087
Total comprehensive loss for the year	-	-	(61 514)	(61 514)
<b>Balance as at 28 February 2025</b>	<b>611 099</b>	<b>39 989</b>	<b>951 485</b>	<b>1 602 573</b>

Note(s)

7

	Company			
	Total stated capital R'000	Share-based payment reserve R'000	Accumulated profit R'000	Total equity R'000
<b>Balance at 1 March 2023</b>	611 099	39 989	857 301	1 508 389
Total comprehensive income for the year	-	-	64 330	64 330
<b>Balance as at 29 February 2024</b>	611 099	39 989	921 631	1 572 719
Total comprehensive loss for the year	-	-	(33 167)	(33 167)
<b>Balance as at 28 February 2025</b>	<b>611 099</b>	<b>39 989</b>	<b>888 464</b>	<b>1 539 552</b>

Note(s)

7

## Statement of cash flows

for the year ended 28 February 2025

	Note(s)	Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
<b>Cash flow from operating activities</b>					
Cash generated from/(used in) operations	14	<b>36 549</b>	(14 386)	<b>(237)</b>	5 864
Interest income received	9	<b>4 339</b>	-	<b>58</b>	107
Dividend income received	9	<b>6 800</b>	15 750	<b>6 800</b>	15 750
Finance costs paid	8	<b>(32 050)</b>	-	<b>-</b>	-
Tax paid		<b>(1 096)</b>	-	<b>(335)</b>	-
<b>Net cash generated from/(used in) operating activities</b>		<b>14 542</b>	1 364	<b>6 286</b>	21 721
<b>Cash flows from investing activities</b>					
Purchases of property, plant and equipment		<b>(59)</b>	(57)	<b>-</b>	-
Purchase of investments		<b>-</b>	(2 308)	<b>-</b>	(2 308)
Advance of loans to portfolio investment companies	3	<b>(260 477)</b>	(4 241)	<b>(125 148)</b>	(56 879)
Repayment of loans by portfolio investment companies	3	<b>155 113</b>	127 093	<b>117 147</b>	69 049
Repayment of loans to portfolio investment companies	3	<b>(700)</b>	-	<b>(700)</b>	-
Advance on loan from investee entities		<b>-</b>	-	<b>-</b>	700
<b>Net cash generated from/(used in) investing activities</b>		<b>(106 123)</b>	120 487	<b>(8 701)</b>	10 562
<b>Cash flows from financing activities</b>					
Proceeds from interest bearing liabilities		<b>-</b>	3 450	<b>-</b>	3 450
Repayment of interest bearing liabilities		<b>-</b>	(33 481)	<b>-</b>	(33 481)
<b>Net cash generated from/(used in) financing activities</b>		<b>-</b>	<b>(30 031)</b>	<b>-</b>	<b>(30 031)</b>
<b>Total cash movement for the period</b>		<b>(91 581)</b>	<b>91 820</b>	<b>(2 415)</b>	<b>2 252</b>
<b>Cash at the beginning of the period</b>		<b>93 406</b>	<b>1 586</b>	<b>2 557</b>	<b>304</b>
<b>Total cash at the end of the period</b>		<b>1 825</b>	<b>93 406</b>	<b>142</b>	<b>2 557</b>



# Notes to the consolidated and separate Annual Financial Statements

for the year ended 28 February 2025

## 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: Corporate Office, Cloud and Connectivity, Software and xTech and Distribution. The summarised information included below is in line with the requirements of IFRS 8. The revenue generated by the Group and the PICs 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 and its subsidiaries including:
  - Huge Management Company;
  - Huge Soho; and
  - Huge SPV 1.
- Other investments:
  - Huge Global; and
  - Huge Capital.

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

- Huge Connect;
- Huge Networks;
- Huge Technologies; and
- Huge TNS.

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

- Huge Services; and
- Huge Cellular, an associate company of Huge TNS.

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

- Huge Platforms (formerly Huge Messaging);
- Huge NXTGN (formerly Huge Media);
- Huge Software;
- Huge Payments,
- Huge Digital Enablement (Huge Digital); and
- GloVent Solutions.

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

- Huge Distribution.

## Types of products and services per segment

### **The Connectivity and Cloud Segment**

#### **Huge TNS**

Huge TNS caters for the cloud, connectivity, and related technology services needs of businesses in the Corporate, SMME and Work-from-Home segments. Huge TNS provides a comprehensive catalogue of products and services that includes Connectivity, Voice, SD-WAN Management, Connectivity 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 holds the network assets that have been purpose-built for the requirements of Huge TNS.

### **The Software and xTech Segment**

#### **Huge Software**

Huge Software is a software company that develops, maintains, implements, and supports an ERP (Enterprise Resource Planning) and accounting software solution. It services the Huge Group investment portfolio, together with customers in the mid-tier market in manufacturing, engineering, wholesale distribution, and professional services.

#### **Huge NXTGN and Huge Digital**

Huge NXTGN is a next-generation enterprise network enablement partner that provides a cloud-native, turnkey virtual network operator (**VNO**) enablement service to large enterprises and smaller SMME consumer brands. It provides a quick, affordable, and secure platform-as-a-service solution based on one of the most sophisticated local-enablement architectures available, and derives its revenue from services that encompass a full turn-key enablement capability, ranging from professional advisory services through to managed operations and technology enablement services.

Huge Digital, established from the acquisition of Virgin Mobile South Africa, provides Mobile Virtual Network Enabler (**MVNE**) support services to Huge NXTGN.

#### **Huge Payments**

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

#### **Huge Platforms**

Huge Platforms is an IT and platforms-as-a-service provider servicing various PICs across the Huge Group portfolio.

### **The Distribution Segment**

#### **Huge Distribution**

Huge Distribution is in the process of transforming its business model from a traditional ICT distributor into an innovative, multi-product importer and distributor. The Company is focused on building a sustainable product portfolio tailored to meet the needs of growth industries and emerging markets in South Africa and across Sub-Saharan Africa.



## Notes to the consolidated and separate Annual Financial Statements (continued)

### 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 45% (2024: 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 PICs 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.

### Segment portfolio value movements – 2025

Segment	Investments held at 1 March 2024 R'000	Acquisition <sup>1</sup> R'000	Fair value gain/loss R'000	Portfolio interest R'000	Investments held at 28 February 2025 R'000	Percentage of portfolio %
Connectivity and Cloud	1 346 076	(979)	(218 469)	-	1 126 628	77.01
Distribution	-	-	1 656	-	1 656	0.11
Software and xTech	235 366	979	97 854	-	334 199	22.84
Corporate Office	491	-	-	27	518	0.04
<b>Total</b>	<b>1 581 933</b>	<b>-</b>	<b>(118 959)</b>	<b>27</b>	<b>1 463 001</b>	<b>100.00</b>
Notes	2		2	9	2	

1. Huge Platforms was reclassified from the Connectivity and Cloud segment to the Software and xTech segment to align with its operational focus in the current year.

### Segment portfolio value movements – 2024

Segment	Investments held at 1 March 2023 R'000	Acquisition R'000	Fair value gain/loss R'000	Portfolio interest R'000	Investments held at 29 February 2024 R'000	Percentage of portfolio %
Connectivity and Cloud	1 311 304	113 775	(79 003)	-	1 346 076	85.09
Distribution	4 533	-	(4 533)	-	-	0.00
Software and xTech	146 193	2 255	86 918	-	235 366	14.88
Corporate Office	459	-	-	32	491	0.03
<b>Total</b>	<b>1 462 489</b>	<b>116 030</b>	<b>3 382</b>	<b>32</b>	<b>1 581 933</b>	<b>100.00</b>

### Segment portfolio returns – 2025

Segment	Dividend income R'000	Interest income R'000	Finance income R'000	Net Fee income R'000	Total R'000
<b>Income</b>					
Connectivity and Cloud	61 142	-	-	17 851	78 993
Distribution	-	-	-	76	76
Software and xTech	-	63	-	29 159	29 222
Corporate Office	-	(29)	4 367	263	4 601
<b>Expense</b>					
Software and xTech	-	-	-	(34 750)	(34 750)
<b>Total</b>	<b>61 142</b>	<b>34</b>	<b>4 367</b>	<b>12 599</b>	<b>78 142</b>

### Segment portfolio returns – 2024

Segment	Dividend income R'000	Interest income R'000	Finance income R'000	Net Fee income R'000	Total R'000
<b>Income</b>					
Connectivity and Cloud	59 857	23 392	-	59 053	142 302
Distribution	-	4 326	-	78	4 404
Software and xTech	-	9 779	-	-	9 779
Corporate Office	-	44	434	-	478
<b>Total</b>	<b>59 857</b>	<b>37 541</b>	<b>434</b>	<b>59 131</b>	<b>156 963</b>



## Notes to the consolidated and separate Annual Financial Statements (continued)

### 2. Investments held

Segment	Held by	Group		Company	
		Fair value 2025 R'000	Fair value 2024 R'000	Fair value 2025 R'000	Fair value 2024 R'000
Huge Capital	Huge Group	-	-	-	-
<b>Huge Connect</b>		<b>564 255</b>	719 872	<b>564 255</b>	719 872
Huge Connect – Ordinary shares held	Huge Group	107 180	156 500	107 180	156 500
Huge Connect – Preference shares held	Huge Group	457 075	563 372	457 075	563 372
Huge Distribution	Huge Group	1 656	-	1 656	-
Huge Networks	Huge Connect	14 693	13 967	14 693	13 967
<b>Huge NXTGN Go-to-market cluster</b>	Huge Group	<b>321 686</b>	229 658	<b>321 686</b>	229 658
Huge Digital	Huge Group	126 052	125 758	126 052	125 758
Huge NXTGN	Huge Soho	195 634	103 900	195 634	103 900
Huge Platforms	Huge Group	903	979	903	979
Huge Software	Huge Group	11 609	5 708	11 609	5 708
Huge Technologies	Huge Group	-	-	-	-
<b>Huge TNS cluster</b>	Huge Group	<b>547 681</b>	611 258	<b>547 681</b>	611 258
Huge TNS	Huge Group	543 785	607 700	543 785	607 700
Huge Services	Huge TNS	3 896	3 558	3 896	3 558
<b>Total unlisted investments fair value</b>		<b>1 462 483</b>	1 581 442	<b>1 462 483</b>	<b>1 581 442</b>
Discovery Invest Endowment Plan	Huge Group	518	491	518	491
<b>Total listed investments fair value</b>		<b>518</b>	491	<b>518</b>	<b>491</b>
<b>Total investments fair value</b>		<b>1 463 001</b>	<b>1 581 933</b>	<b>1 463 001</b>	<b>1 581 933</b>

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

2. The following legal entity name changes have taken place in the current year:

- Huge NXTGN, formerly Huge Media in 2024; and
- Huge Platforms, formerly Huge Messaging in 2024.

3. GloVent, Huge Cellular, Huge Global, Huge Payments and Huge Technologies are held at nil fair value in both the current and prior year.

### Movement in investments held – Group and Company – 2025

Investments held	Fair value at 1 March 2024 R'000	Acquisition/ (Sale) during the period R'000	Fair value gain/(loss) at 28 February 2025 R'000	Finance income on endowment R'000	Closing balance – Fair value at 28 February 2025 R'000
Unlisted investments	1 581 442	-	(118 959)	-	1 462 483
Listed investments	491	-	-	27	518
<b>Total investments</b>	<b>1 581 933</b>	<b>-</b>	<b>(118 959)</b>	<b>27</b>	<b>1 463 001</b>

Shares in Huge Capital and Huge Payments were disposed of during the year with no profit or loss on sale and continue to be held at nil fair value.

### Movement in investments held – Group and Company – 2024

Investments held	Fair value at 1 March 2023 R'000	Acquisition/ (Sale) during the period R'000	Fair value gain/(loss) at 29 February 2024 R'000	Finance income on endowment R'000	Closing balance – Fair value at 29 February 2024 R'000
Unlisted investments	1 462 031	116 030	3 381	-	1 581 442
Listed investments	459	-	-	32	491
<b>Total Investments</b>	<b>1 462 490</b>	<b>116 030</b>	<b>3 381</b>	<b>32</b>	<b>1 581 933</b>



## Notes to the consolidated and separate Annual Financial Statements (continued)

### Net gain or loss from financial assets at fair value through profit or loss – Group and Company – 2025

	1 March 2024 Fair value R'000	28 February 2025 Fair value R'000	Fair value gain/(loss) R'000
<b>Huge Connect</b>	719 872	564 255	(155 617)
Huge Connect – Ordinary shares held	156 500	107 180	(49 320)
Huge Connect – Preference shares held	563 372	457 075	(106 297)
Huge Distribution	-	1 656	1 656
Huge Networks	13 967	14 693	726
<b>Huge NXTGN Go-to-market cluster</b>	229 658	321 686	92 028
Huge Digital	125 758	126 052	294
Huge NXTGN	103 900	195 634	91 734
Huge Platforms	979	903	(76)
Huge Software	5 708	11 609	5 901
<b>Huge TNS cluster</b>	611 258	547 681	(63 577)
Huge TNS	607 700	543 785	(63 915)
Huge Services	3 558	3 896	338
<b>Total unlisted investments</b>	<b>1 581 442</b>	<b>1 462 483</b>	<b>(118 959)</b>

### Fair value of investments held at 28 February 2025

The fair values of the investments held as at 28 February 2025 were calculated by management in accordance with IFRS 13 and were consistent with the methodology applied in prior periods. The fair values of Huge TNS and Huge Connect ordinary shares were subject to an independent valuation performed by Birkett Stewart McHendrie (BSM) to support the values calculated by management. The assumptions informing the final valuations as at 28 February 2025 have been detailed beside:

Unlisted investments	Economic interest	Primary valuation approach	Fair value hierarchy	Valuation method	Key Unobservable Inputs	28 February 2025 Fair value R'000
Huge Capital <sup>4</sup>	49.00%	Net assets	Level 3	Attributable NAV		-
<b>Huge Connect</b>						
Huge Connect – Ordinary shares held	83.71%	Income approach	Level 3	Maintainable earnings model	WACC 20.32% Terminal growth 1.30% Revenue growth 12.30% Sustainable GP margin 46.30%	107 180
Huge Connect – Preference shares held	100.00%	Dividend discount	Level 3	Dividend payable average coupon rate	Required rate of return 12.00%	457 075
Huge Distribution	100.00%	Income approach	Level 3	Maintainable earnings model	WACC 17.28% Terminal growth 1.30% Revenue growth 21.53% Sustainable GP margin 16.82%	1 656
Huge Networks <sup>4</sup>	100.00%	Net assets	Level 3	Attributable NAV		14 693
Huge Global <sup>4</sup>	100.00%	Net assets	Level 3	Attributable NAV		
<b>Huge NXTGN Go-to-market cluster</b>						
Huge Digital <sup>2</sup>	93.00%	Income approach	Level 3	Net Present Value of Future Cashflows	WACC 22.03%	126 052
Huge NXTGN <sup>3</sup>	76.00%	Income approach	Level 3	Maintainable earnings model	WACC 17.41% Terminal growth 1.30% Revenue growth 85.00% (see note) Sustainable EBIT margin 42.63% (see note)	195 634
Huge Payments <sup>4</sup>	48.99%	Net assets	Level 3	Attributable NAV		-
Huge Platforms <sup>4</sup>	100.00%	Net assets	Level 3	Attributable NAV		903
Huge Software	75.00%	Income approach	Level 3	Maintainable earnings model	WACC 24.73% Terminal growth 1.30% Revenue growth 15.58% Sustainable GP margin 76.39 %	11 609
Huge Technologies <sup>4</sup>	100.00%	Net assets	Level 3	Attributable NAV		-



Notes to the consolidated and separate Annual Financial Statements (continued)

Unlisted investments	Economic interest	Primary valuation approach	Fair value hierarchy	Valuation method	Key Unobservable Inputs	28 February 2025 Fair value R'000
<b>Huge TNS cluster</b>						
Huge TNS	100.00%	Income approach	Level 3	Maintainable earnings model	WACC 17.20% Terminal growth 1.30% Revenue growth 16.22% Sustainable GP margin 44.39%	543 785
Huge Cellular <sup>4</sup>	49.00%	Net assets	Level 3	Attributable NAV		-
Huge Services <sup>4</sup>	100.00%	Net assets	Level 3	Attributable NAV		3 896
GloVent	20.46%	Income approach	Level 3	Maintainable earnings model	WACC 22.70% Terminal growth 1.30% Revenue growth 24.22% Sustainable GP margin 51.59%	-
<b>Total unlisted holdings</b>						<b>1 462 483</b>
Discovery Invest Endowment Plan			Level 3			518
<b>Total Holdings</b>						<b>1 463 001</b>

Notes:

- There have been certain changes in effective shareholding by Huge Group in its investments during the year:
  - **Huge Capital** is 49.00% held (100% at 29 February 2024); and
  - **Huge Payments** is 48.99% held (100% at 29 February 2024).
- Huge Digital** holds Mobile Virtual Network Enabler (MVNE) intellectual property and provides MVNE support services to Huge NXTGN. Huge Digital's valuation represents a series of defined cashflows discounted to their present value (revenue growth and sustainable gross profit margins are not relevant for this valuation). The forecast cashflows are derived from the commercial asset held by this entity which is a recapitalisation asset. The recapitalisation asset will be realised through a balance sheet restructure (and recapitalisation) by way of an issue of equity in order to repay loans owing.
- Huge NXTGN** was previously referred to as Huge Digital Commercial Go to Market in the fair value disclosures. In the current year, Huge Media has been rebranded as Huge NXTGN and as a result of the change in business to the MVNE go-to-market entity of the portfolio, there has been a change in valuation methodology from Attributable NAV in the prior year, to Maintainable earnings model in the current year. Given the nature of the business model and high levels of growth expected, the average revenue growth and EBIT margin is higher in earlier forecast years which increases the general average over the 5 year forecast period.
- The following entities are special purpose entities or shared services companies within the portfolio and are valued based on the net asset value approach which is the most appropriate valuation technique based on the nature of their operations, life cycle, and the nature of their asset base:
  - **Huge Capital** is a special purpose credit and capital services entity as well as a procurement supplier in the managed telecommunications industry servicing various PICs across the Huge Group portfolio.
  - **Huge Cellular** is a procurement supplier in the managed telecommunications industry primarily servicing Huge TNS.
  - **Huge Global** is a special purpose investment holding company domiciled in Mauritius.
  - **Huge Networks** is engaged in supplier management in the managed telecommunications industry on behalf of Huge TNS. This entity also holds IECNS and IECS licences with ICASA. Huge Group holds a legal interest of 83.71% in Huge Networks, while retaining a 100% economic interest in the entity.
  - **Huge Payments** is engaged in the development of a mobile payments solution for individuals, small merchants, and large retailers. This entity is also a procurement supplier in the managed telecommunications industry primarily servicing Huge Connect.
  - **Huge Platforms** is an IT and platforms-as-a-service provider servicing various PICs across the Huge Group portfolio with a current focus on the development of technology in the MVNE space.
  - **Huge Services** is a special purpose entity providing commercial property related services to the Huge Group portfolio.
  - **Huge Technologies** is the holder of network assets and gives Huge TNS the right of use of the assets for a charge.

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 approach	Fair value hierarchy	Valuation method	Key Unobservable Inputs	29 February 2024 Fair value R'000
Huge Capital	100.00%	Net assets	Level 3	Attributable NAV		-
<b>Huge Connect</b>						
Huge Connect - Ordinary shares held	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
Huge Connect - Preference shares held	100.00%	Dividend discount	Level 3	Dividend payable average coupon rate	Required rate of return 10.75%	563 372
Huge Distribution	100.00%	Income approach	Level 3	Maintainable earnings model	WACC 17.67% Terminal growth 27.08% Sustainable GP margin 15.21%	-
Huge Networks	100.00%	Net assets	Level 3	Attributable NAV		13 967
Huge Global	100.00%	Net assets	Level 3	Attributable NAV		-
<b>Huge NXTGN Go-to-market cluster</b>						
Huge Digital (formerly Recapitalisation Assets)	100.00%	Income approach	Level 3	Net Present Value of Future Cashflows	WACC 26.33% Terminal growth 1.20%	125 758
Huge NXTGN (formerly Huge Media and Commercial go-to-market)	76.00%	Income approach	Level 3	Maintainable earnings model	WACC 21.70% Terminal growth 1.50% Sustainable EBIT margin 23.1%	103 900



## Notes to the consolidated and separate Annual Financial Statements (continued)

Unlisted investments	Economic interest	Primary valuation approach	Fair value hierarchy	Valuation method	Key Unobservable Inputs	29 February 2024
						Fair value R'000
Huge Payments	100.00%	Net assets	Level 3	Attributable NAV		-
Huge Platforms (formerly Huge Messaging)	100.00%	Net assets	Level 3	Attributable NAV		979
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%	5 708
Huge Technologies	100.00%	Net assets	Level 3	Attributable NAV		-
<b>Huge TNS cluster</b>						
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
Huge Cellular	49.00%	Net assets	Level 3	Attributable NAV		-
Huge Services	100.00%	Net assets	Level 3	Attributable NAV		3 558
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%	-
Huge Soho	99.99%	Net assets	Level 3	Attributable NAV		-
<b>Total unlisted holdings</b>						<b>1 581 442</b>
Discovery Invest Endowment Plan			Level 3			491
<b>Total Holdings</b>						<b>1 581 933</b>

### Primary valuation approaches applied

- The Income approach describes a methodology that calculates the market value of the ordinary shares of an entity based on the value of the cash flows that the entity is expected to generate in the future. This is also referred to as the maintainable earnings valuation method and the net present value of future cashflows method.
- A further category within the Income approach is the dividend discount approach. This is a quantitative method used for predicting the price of an entity'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.
- The net asset approach describes the methodology that calculates the market value of the ordinary shares of an entity by adjusting the asset and liability balances on the statement of financial position of the entity 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. This is also referred to as the attributable NAV valuation method.

### Key valuation components in determination of the Weighted Average Cost of Capital (WACC)

#### 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 management of 9.13% 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 28 February 2025. (2024: 8.96%, and 10.5% for Huge TNS, Huge Connect ordinary shares and Huge Digital go to market valuations).

#### Systematic risk premium or market premium

The equity market risk premium (**EMRP**) was obtained from data published by the Aswath Damodaran (NYU Stern Professor). 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 8.35% (2024: 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 companies' capital structure and effective tax rate.

- Huge Connect, Huge TNS, Huge NXTGN and Huge Digital: unlevered Beta of 0.56 for the services and wireless telecommunications sector across 32 and 11 emerging market companies, respectively (2024: 0.66 for Huge TNS and Huge Connect, 0.91 for Huge NXTGN, 1.09 for Huge Digital).
- Huge Distribution: unlevered Beta of 0.95 for the equipment telecommunications sector across 61 emerging market companies (2024: 1.08).
- Huge Software and GloVent: unlevered Beta of 1.22 for the software systems and applications telecommunications sector across 333 emerging market companies (2024: 1.27).



## Notes to the consolidated and separate Annual Financial Statements (continued)

### Specific risk (Alpha)

The specific risk for each individual PIC 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, internal controls were applied. Specific risk premium for each PIC are as follows:

- Huge TNS 12.88% (2024: 6.80%)
- Huge Connect 10.60% (2024: 6.80%)
- Huge Digital 9.50% (2024: 8.80%)
- Huge Distribution 8.15% (2024: 4.05%)
- Huge NXTGN 13.40% (2024: 13.80%)
- Huge Software 9.61% (2024: 7.61%)
- GloVent 11.13% (2024: 11.13%)

### Weighting of debt and equity

The target debt equity ratios applied in the respective Weighted Average Cost of Capital (WACC) calculations of the PICs are consistent with the prior year and generally range from 60% debt/40% equity for the higher geared investments, to 30% debt/70% equity for the lower geared investments.

### Cost of debt

The current terms of the RMB (Rand Merchant Bank) (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 28 February 2025 valuation date was 11.00% (2024: 11.75%). Huge Group operates a centralised treasury function through Huge Management and is responsible for providing capital to Huge Group's PICs. The objectives of this centralised treasury function include reducing the cost of debt and improving the internal oversight of each PICs' borrowings and lending. The function provides the PICs with a single point of contact for their borrowing requirements, and it simplifies processes and allows the PICs 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 Group is 20.73% (2024: 18.35%).

### Sensitivity analysis for the investment valuations: portfolio investment companies

The tables below set out the results of the sensitivity analysis performed in relation to changes in the variables used in the valuations prepared for the relevant investments held. "High road" and "Low road" case scenarios have been applied and the percentage change to the variable has been depicted in the assumption tables.

#### Huge Connect – Ordinary Shares

Assumption	WACC %	Terminal growth rate %	Revenue growth %	Sustainable GP margin %
High road	plus (1%)	plus 1%	plus 5%	plus 1%
Base case	plus 0%	plus 0%	plus 0%	plus 0%
Low road	plus 1%	plus (1%)	plus (5%)	plus (1%)

Equity value	WACC R'000	Terminal growth rate R'000	Revenue growth R'000	Sustainable GP margin R'000
High road	122 802	115 506	147 970	115 272
Base case	107 180	107 180	107 180	107 180
Low road	93 186	99 686	66 390	99 088

#### 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 Contract, which is linked to the Prime Rate. The Coupon Rate and the Required Rate of Return are equally linked with reference to the Prime Rate and therefore do not impact on the fair value of the investment.

#### Huge TNS

Assumption	WACC %	Terminal growth rate %	Revenue growth %	Sustainable GP margin %
High road	plus (1%)	plus 1%	plus 5%	plus 1%
Base case	plus 0%	plus 0%	plus 0%	plus 0%
Low road	plus 1%	plus (1%)	plus (5%)	plus (1%)

Equity value	WACC R'000	Terminal growth rate R'000	Revenue growth R'000	Sustainable GP margin R'000
High road	584 149	567 213	640 890	563 702
Base case	543 785	543 785	543 785	543 785
Low road	508 344	523 130	446 680	523 868



## Notes to the consolidated and separate Annual Financial Statements (continued)

### Huge NXTGN

Assumption	WACC %	Terminal growth rate %	Revenue growth %	Sustainable GP margin %
High road	plus (1%)	plus 1%	plus 5%	plus 1%
Base case	plus 0%	plus 0%	plus 0%	plus 0%
Low road	plus 1%	plus (1%)	plus (5%)	plus (1%)

Equity value	WACC R'000	Terminal growth rate R'000	Revenue growth R'000	Sustainable GP margin R'000
High road	218 104	209 431	217 133	199 934
Base case	195 634	195 634	195 634	195 634
Low road	175 972	183 449	174 135	191 334

### Huge Digital

Assumption	WACC %	Equity Value R'000
High road	plus (1%)	128 753
Base case	plus 0%	126 052
Low road	plus 1%	123 537

### Huge Distribution

Assumption	WACC %	Terminal growth rate %	Revenue growth %	Sustainable GP margin %
High road	plus (1%)	plus 1%	plus 5%	plus 1%
Base case	plus 0%	plus 0%	plus 0%	plus 0%
Low road	plus 1%	plus (1%)	plus (5%)	plus (1%)

Equity value	WACC R'000	Terminal growth rate R'000	Revenue growth R'000	Sustainable GP margin R'000
High road	2 507	2 135	13 037	4 223
Base case	1 656	1 656	1 656	1 656
Low road	906	1 234	(9 725)	(911)

### 3. Loans receivable/(payable)

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
GloVent	-	489	-	489
GloVent	2 861	489	2 861	489
GloVent loan impairment provision	(2 861)	-	(2 861)	-
Huge Capital	171	111	-	-
Huge Cellular	-	-	-	-
Huge Cellular loan	42 250	33 650	-	-
Huge Cellular loan impairment provision	(42 250)	(33 650)	-	-
Huge Connect	66 500	40 070	-	(700)
Huge Digital	49 888	56 097	-	54 795
Huge Distribution	30 201	6 801	-	6 801
Huge Distribution loan	54 672	31 272	-	6 801
Huge Distribution loan impairment provision	(24 471)	(24 471)	-	-
Huge Global	1 125	987	1 125	987
Huge Management Company loan	-	-	145 221	49 155
Huge Management Company	-	-	145 221	50 675
Huge Management Company loan impairment provision	-	-	-	(1 520)
Huge NXTGN (formerly Huge Media)	9 447	47	-	-
Huge NXTGN loan	9 447	8 872	-	-
Huge NXTGN loan impairment provision	-	(8 825)	-	-
Huge Payments	-	46	-	-
Huge Payments loan	8 513	9 163	-	-
Huge Payments loan impairment provision	(8 513)	(9 117)	-	-
Huge Platforms (formerly Huge Messaging)	22 417	-	-	-
Huge Services	426	106	-	-
Huge Software	-	-	-	-
Huge Software loan	6 802	6 802	-	-
Huge Software loan impairment provision	(6 802)	(6 802)	-	-
Huge Technologies	74 057	75 942	-	27 258
Huge Technologies	74 057	75 942	-	27 258
Huge TNS	90 507	60 012	-	-
Other	200	-	-	-
<b>Loans receivable*</b>	<b>344 939</b>	<b>240 707</b>	<b>146 346</b>	<b>138 785</b>
Loan balance	429 836	323 573	149 207	140 305
Loan impairment provision	(84 897)	(82 866)	(2 861)	(1 520)
Huge Networks*	(25 722)	(25 722)	(25 722)	(25 722)
<b>Loans payable*</b>	<b>(25 722)</b>	<b>(25 722)</b>	<b>(25 722)</b>	<b>(25 722)</b>
<b>Total net loans receivable</b>	<b>319 217</b>	<b>214 985</b>	<b>120 624</b>	<b>113 063</b>

\* Loans payable to Huge Networks, amounting to R25.7 million, has been classified as non-current liabilities in the AFS (for both the current and prior year). In the prior year AFS, this amount was disclosed as a liability, which reduced the loans receivable balance on the Statement of Financial Position and in the note. The total net loan balance for 2024 remains unchanged.



## Notes to the consolidated and separate Annual Financial Statements (continued)

### 3. Loans receivable/(payable) continued

The value of all the above loans closely approximates their fair values.

#### 1. Material loan movements:

Increases in loans receivable in the current year are for working capital requirements, including renewable energy in Huge Distribution, the development of MVNE platform in Huge Platforms,

#### 2. Loan terms:

During the current year, Huge Management Company amended the terms of certain loans receivable from bearing interest to interest free and repayable upon demand with 12 months notice. All loans are unsecured unless mentioned otherwise.

Prior year interest rate:	Loan receivables (Entity names):
JIBAR plus 7%	<ul style="list-style-type: none"> <li>- GloVent,</li> <li>- Huge Cellular,</li> <li>- Huge Distribution,</li> <li>- Huge NXTGN,</li> <li>- Huge Payments,</li> <li>- Huge Software,</li> <li>- Huge Technologies (in relation to its loan from Huge Management),</li> <li>- Huge TNS,</li> <li>- Huge Capital, and</li> <li>- Huge Services.</li> </ul>
JIBAR plus 2%	<ul style="list-style-type: none"> <li>- Huge Management Company.</li> </ul>
Interest free	<ul style="list-style-type: none"> <li>- Huge Connect,</li> <li>- Huge Technologies (in relation to its loan from Huge Group),</li> <li>- Huge Networks, and</li> <li>- Huge Global.</li> </ul>
Prime Rate plus 2%	<ul style="list-style-type: none"> <li>- Huge Digital, and</li> <li>- Huge Platforms.</li> </ul>

#### Other notable loan terms includes:

- **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.
- **Huge Management Company and Huge Group:** Huge Group consolidated loans receivable from Huge Digital, Huge Distribution and Huge Technologies with Huge Management Company, given Huge Management Company's role of treasury management entity across the portfolio.

#### 3. Expected credit loss assessment:

Loans receivable balances have been assessed in relation to the Group's credit risk policy. The detailed factors considered have been disclosed in the credit risk disclosure below.

Investment valuations are a key element in assessing expected credit losses. The enterprise value is the total value of a company, which includes both debt and equity investors. The equity value of our investments is calculated by deducting net debt from the enterprise value. The carrying amount of reported loans payable to the Group in this Note 3 is therefore supported by investment valuations. See Note 2 for more information on investment valuations.

#### Financial risk disclosure

##### Credit risk

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
<b>Stage 1</b>	Financial assets are up-to-date with no indication of significant increase in credit risk.
<b>Stage 2</b>	Financial assets 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"> <li>- The counterparty missing payments or;</li> <li>- The portfolio investment company not performing as expected; or</li> <li>- The portfolio investment company enterprise value is lower than the carrying value of the financial asset.</li> </ul>
<b>Stage 3</b>	Financial assets are assessed as credit impaired as a result of factors such as: <ul style="list-style-type: none"> <li>- Legal proceedings have been instituted to recover the loan;</li> <li>- Significant financial difficulties experienced by the borrower; or</li> <li>- Prospects of repayment assessed as remote.</li> </ul>
<b>Write off</b>	Financial assets are written off when there is no reasonable expectation of further recovery and all recovery activities have ceased.

*A financial asset that is in default is defined as an asset where the prospects of recovery are assessed as remote.*



## Notes to the consolidated and separate Annual Financial Statements (continued)

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

Group – 2025	Stage 1 R'000	Stage 2 R'000	Stage 3 <sup>1</sup> R'000	Total R'000
<b>Gross carrying value</b>	<b>314 738</b>	<b>112 237</b>	<b>2 861</b>	<b>429 836</b>
Loss allowances	-	(82 036)	(2 861)	(84 897)
Opening balance	-	(82 865)	-	(82 865)
Charged to profit or loss	-	829	(2 861)	(2 032)
<b>Net carrying value</b>	<b>314 738</b>	<b>30 201</b>	<b>-</b>	<b>344 939</b>

1. *GloVent has been assessed as a credit impaired financial asset in the current year.*

Please refer to Note 15 and 17 for further disclosure around credit risk and related party loans.

Group – 2024	Stage 1 R'000	Stage 2 R'000	Total R'000
<b>Gross carrying value</b>	233 814	89 759	323 573
Loss allowances	-	(82 866)	(82 866)
Opening balance	-	(6 640)	(6 640)
Charged to profit or loss	-	(76 226)	(76 226)
<b>Net carrying value</b>	<b>233 814</b>	<b>6 893</b>	<b>240 707</b>

Company – 2025	Stage 1 R'000	Stage 2 R'000	Stage 3 <sup>1</sup> R'000	Total R'000
<b>Gross carrying value</b>	<b>146 346</b>	<b>-</b>	<b>2 861</b>	<b>149 207</b>
Loss allowances	-	-	(2 861)	(2 861)
Opening balance	(1 520)	-	-	(1 520)
Charged to profit or loss	1 520	-	(2 861)	(1 341)
<b>Net carrying value</b>	<b>146 346</b>	<b>-</b>	<b>-</b>	<b>146 346</b>

Please refer to Note 15 and 17 for further disclosure around credit risk and related party loans.

Company – 2024	Stage 1 R'000	Stage 2 R'000	Total R'000
<b>Gross carrying value</b>	89 630	50 675	140 305
Loss allowances	-	(1 520)	(1 520)
Opening balance	-	-	-
Charged to profit or loss	-	(1 520)	(1 520)
<b>Net carrying value</b>	<b>89 630</b>	<b>49 155</b>	<b>138 785</b>

## 4. Trade and other receivables

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
<b>Non-current assets</b>	<b>84 468</b>	<b>30 125</b>	<b>84 402</b>	<b>30 060</b>
Preference dividends <sup>1</sup>	84 402	30 060	84 402	30 060
Deposits	65	65	-	-
Other long term receivables	1	-	-	-
<b>Current assets</b>	<b>14 737</b>	<b>58 560</b>	<b>29</b>	<b>33</b>
Trade receivables <sup>2</sup>	14 080	65 582	29	-
Trade receivables impairment provision <sup>3</sup>	-	(7 175)	-	-
Prepayments	628	116	-	1
VAT	29	37	-	32
<b>Total trade and other receivables</b>	<b>99 205</b>	<b>88 685</b>	<b>84 431</b>	<b>30 093</b>

1. *The preference dividends receivable from Huge Connect are repayable when it is commercially convenient to do so.*

2. *Refer to Note 15 Related party balances for further information.*

3. *The impairment provision has been reversed in 2025 in line with cash inflows. The balance has been presented separately in the current year.*

### Categorisation of trade and other receivables

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
At amortised cost	98 548	88 532	84 431	30 060
Non-financial instruments	657	153	-	33
	<b>99 205</b>	<b>88 685</b>	<b>84 431</b>	<b>30 093</b>

### 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.



## Notes to the consolidated and separate Annual Financial Statements (continued)

### Trade and other receivables includes the following material balances:

- (i) Preference dividends receivable from Huge Connect. The dividend owing by Huge Connect was deducted (as part of net debt) from the enterprise value in determining the equity value of Huge Connect, and as such, remains recoverable.
- (ii) Management fees receivable from portfolio investment companies. Management fees are charged for ongoing services and are repayable within 12 months of invoice. Past payment performance and forecast cash inflows supports the recoverability of the respective receivables owing at year end. The trade receivables impairment provision has been reversed in the current year in line with cash inflows.

In light of the assessments performed, no risk of default has been identified in the current year.

## 5. Deferred tax

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Deferred tax asset	20 911	16 822	-	8 471
Deferred tax liability	-	(19 132)	(128 394)	(162 886)
<b>Net deferred tax balance</b>	<b>20 911</b>	<b>(2 310)</b>	<b>(128 394)</b>	<b>(154 415)</b>

### Recognition of deferred tax asset

Deferred tax assets are recognised for unused tax losses, unutilised capital losses, and deductions for credit loss allowances. Deferred tax assets are recognised 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, and considers valuation forecasts and general business strategies for the Group and its portfolio investment companies in its assessments.

Deferred tax assets on unutilised capital losses are available for set off against future capital gains (deferred tax liabilities on fair value adjustments of investments held). Deferred tax assets on deductions for credit loss allowances are supported by future taxable income in the form of investment and fee income from the portfolio.

### Reconciliation of deferred tax balances

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Balance at the beginning of the year – Asset/(Liability)	(2 310)	(13 751)	(154 415)	(153 895)
Included in income tax (expense)/income	24 178	10 079	26 021	(520)
Prior period adjustment	(957)	1 362	-	-
<b>Balance at the reporting period date – Asset/(Liability)</b>	<b>20 911</b>	<b>(2 310)</b>	<b>(128 394)</b>	<b>(154 415)</b>
<b>Composition of deferred tax</b>				
Fair value adjustments on investments held	(432)	(28 089)	(137 191)	(162 886)
Accrual for leave pay	44	20	-	-
Prepayments	(170)	(31)	-	-
Provisions for credit loss allowances	12 037	15 056	463	246
Tax losses available for set-off against future taxable income	9 432	10 734	8 334	8 225
<b>Balance at the reporting period date</b>	<b>20 911</b>	<b>(2 310)</b>	<b>(128 394)</b>	<b>(154 415)</b>

## 6. Cash and cash equivalents

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Cash on hand	1 841	2	142	-
Bank balances <sup>1</sup>	-	93 430	-	2 557
Bank overdraft	(16)	(26)	-	-
<b>Total cash and cash equivalents</b>	<b>1 825</b>	<b>93 406</b>	<b>142</b>	<b>2 557</b>

1. The FY2024 bank balances included restricted cash in relation to proceeds from interest bearing liabilities from RMB amounting to R70 million. The cash was made available in August 2024 when the restrictions were lifted.

### Credit risk

Cash and cash equivalents are held with large reputable bank and financial institution counterparties.

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.



## Notes to the consolidated and separate Annual Financial Statements (continued)

### 7. Stated capital

The company has 1 000 000 000 Authorised Shares.

	Group		Company
	Number of Shares	Stated capital R	Stated capital R
<b>Issued stated capital</b>			
<b>Opening balance at 28 February 2021</b>	<b>162 097 685</b>	<b>599 946 683</b>	<b>599 946 683</b>
Opening balance 28 February 2022	173 061 721	612 578 113	612 578 113
Share buy-back <sup>1</sup>	(500 000)	(1 478 978)	(1 478 978)
<b>Closing balance at 28 February 2023</b>	<b>172 561 721</b>	<b>611 099 135</b>	<b>611 099 135</b>
<b>Closing balance at 29 February 2024</b>	<b>172 561 721</b>	<b>611 099 135</b>	<b>611 099 135</b>
<b>Closing balance at 28 February 2025</b>	<b>172 561 721</b>	<b>611 099 135</b>	<b>611 099 135</b>

1. As at 28 February 2025, the Company had 172 561 721 (FY2024: 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.

### 8. Interest bearing liabilities held at amortised cost

	Group	
	2025 R'000	2024 R'000
<b>Non-current interest bearing liabilities:</b>		
RMB Cumulative Redeemable Preference Share Agreement (held through Huge SPV 1)	<b>300 000</b>	300 000
<b>Total</b>	<b>300 000</b>	<b>300 000</b>
<b>Current interest bearing liabilities</b>		
Accrued interest	<b>4 804</b>	5 337
<b>Total</b>	<b>4 804</b>	<b>5 337</b>

### RMB R300 million Cumulative Redeemable Preference Share Agreement

#### Background

Huge Group concluded a R300 million Cumulative Redeemable Preference Share Agreement with RMB, a division of FirstRand Bank Limited on 6 December 2023. R192 million of the capital was used to settle outstanding obligations at the time which related to the existing R240 million RMB Facility held by Huge Group and the R30 million Rand Merchant Bank Overdraft Facility held by Huge TNS.

The RMB Cumulative Redeemable Preference Share comprises two tranches: A Preference Shares of R150 million bearing a dividend rate of 90% of Prime, less a 15 basis point adjustment and B Preference Shares of R150 million bearing a dividend rate 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	<b>30</b>
The date falling 4 years after the issue date	<b>47</b>
The date falling 5 years after the issue date	<b>100</b>

#### Preference Share B:

Year	Cumulative Capital Redeemed %
The date falling 5 years after the issue date	<b>100</b>

The cumulative preference shares pay a variable rate of dividend linked with the Prime Rate and with mandatory capital redemption at future dates. The substance is that they are a contractual obligation to deliver cash and, therefore, should be recognised as a liability.

The preference share dividends are compounded and are payable in June and December. The short term portion of the redeemable preference shares is computed and verified with reference to 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 shares.

#### Dividends:

For the 12 months ended 28 February 2025, dividends of R31 961 168 were declared and paid to RMB (FY2024: R1 542 329).



## Notes to the consolidated and separate Annual Financial Statements (continued)

### Covenants:

Huge Group has met the required covenants where applicable, as at the reporting date. The covenants are assessed at an aggregate portfolio level and have been detailed below.

### The 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 EBIDTA Ratio in respect of any measurement 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.

### Guarantees

The Preference Share Agreement governs overall financial indebtedness of the Huge Group portfolio, which includes an overdraft facility of R15 million held by Huge TNS with RMB. The Group has provided a guarantee in relation to the facility. Amounts owing are repayable on demand.

### Collateral

RMB has certain collateral in terms of the Preference Share Agreement which includes: A general notarial bond with Huge Connect, Huge Networks, Huge Technologies, and Huge TNS; and a Pledge and Cession arrangement with Huge Connect, Huge Distribution, Huge Management, Huge Networks, Huge Services, Huge Software, Huge SPV 1, Huge Technologies and Huge TNS. This includes the pledge of any shares held by the relevant parties in a Huge Group portfolio company, and a security cession of certain assets (bank accounts, receivables, other assets and related rights).

### 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 notes 4 (trade and other receivables), 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. 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 which are regularly monitored and form an integral part of the overall capital risk management processes.

Refer to Note 17 for further detail around liquidity risk management.

## 9. Investment income

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
<b>Interest earned on loans:</b>				
Loans receivable <sup>1</sup>	34	37 541	34	22 666
<b>Total interest earned on loans</b>	<b>34</b>	<b>37 541</b>	<b>34</b>	<b>22 666</b>
<b>Finance income</b>				
Bank	4 339	402	58	107
Discovery endowment	28	32	28	32
<b>Total finance income</b>	<b>4 367</b>	<b>434</b>	<b>86</b>	<b>139</b>
<b>Dividend income</b>				
Portfolio Investment companies <sup>2</sup>	61 142	59 857	61 142	59 857
<b>Total dividend income</b>	<b>61 142</b>	<b>59 857</b>	<b>61 142</b>	<b>59 857</b>
<b>Total investment income</b>	<b>65 543</b>	<b>97 832</b>	<b>61 262</b>	<b>82 662</b>

1. The decrease in interest income on loans during the current year is due to the fact that the terms of certain loans receivable were amended in the current year to be interest free, further to this, interest charged from 1 March 2024 to 31 December 2024 was waived. Refer to Loans Receivable note 3 for further details.

2. Preference dividends were raised in terms of the Preference Shares held in Huge Connect.



## Notes to the consolidated and separate Annual Financial Statements (continued)

### 10. Operating profit

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

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Admin expenses	(1 194)	(6 114)	(75)	(28)
Consulting and professional fees	(3 090)	(4 490)	103	-
Insurance expenses	(1 151)	(1 980)	-	-
Legal expenses	(1 482)	(2 174)	-	(41)
Non-executive director fees <sup>1</sup>	(3 721)	-	-	-
Short-term lease charges	(1 697)	(1 076)	-	-
Statutory and listing fees	(924)	(937)	(192)	(206)
<b>Total selling and administration expenses</b>	<b>(13 259)</b>	<b>(16 771)</b>	<b>(164)</b>	<b>(275)</b>
Salaries, wages, bonuses and other benefits	(3 319)	(4 981)	-	-
Retirement benefit plans: defined contribution expense	(571)	(190)	-	-
Non-executive director fees <sup>1</sup>	-	(3 604)	-	-
<b>Total employee costs</b>	<b>(3 890)</b>	<b>(8 775)</b>	<b>-</b>	<b>-</b>
Depreciation and amortisation	(106)	(142)	-	-
Reversal/(Provision) for impairment of financial assets	5 143	(84 781)	(1 341)	(1 520)
<b>Total other expenses</b>	<b>5 037</b>	<b>(84 923)</b>	<b>(1 341)</b>	<b>(1 520)</b>
<b>Total expenses</b>	<b>(12 112)</b>	<b>(110 469)</b>	<b>(1 505)</b>	<b>(1 795)</b>

1. The non-executive director fees have been presented as part of selling and admin expenses in the current year.

### 11. Finance costs

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Interest bearing liabilities	31 428	24 017	-	17 137
Trade and other payables	-	1 947	-	1 947
Bank	89	2	-	-
<b>Total finance costs</b>	<b>31 517</b>	<b>25 966</b>	<b>-</b>	<b>19 084</b>

### 12. Income tax

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
<b>Income tax expense note</b>				
<b>Current tax</b>				
Local income tax – current period	2	946	-	314
Local income tax – recognised in current period for prior period	309	-	-	-
	311	946	-	314
<b>Deferred tax</b>				
<b>Deferred tax asset</b>	<b>(34 041)</b>	<b>(10 361)</b>	<b>(326)</b>	<b>248</b>
Originating temporary differences	(326)	(14 810)	(326)	-
Reversing temporary differences	(34 672)	4 449	-	248
Prior year adjustment	957	-	-	-
<b>Deferred tax liability</b>	<b>10 820</b>	<b>282</b>	<b>(25 695)</b>	<b>272</b>
Originating temporary differences	10 820	(1)	(25 695)	-
Reversing temporary differences	-	283	-	272
	(23 221)	(10 079)	(26 021)	520
<b>Total income tax expense/(income)</b>	<b>(22 910)</b>	<b>(9 133)</b>	<b>(26 021)</b>	<b>834</b>

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
<b>Tax Rate Recon</b>				
<b>Applicable tax rate</b>	<b>27.0</b>	<b>27.0</b>	<b>27.0</b>	<b>27.0</b>
Exempt income <sup>1</sup>	19.55	(57.21)	27.89	(24.80)
Disallowable expenditure <sup>2</sup>	(10.12)	0.00	(0.07)	0.00
Expenses attributable to dividend income	0.00	0.15	0.00	0.06
Prior year tax	(1.69)	0.00	0.00	0.00
Capital gains tax effect <sup>3</sup>	(7.61)	0.24	(10.85)	0.10
<b>Effective tax rate</b>	<b>27.13</b>	<b>(29.82)</b>	<b>43.97</b>	<b>2.36</b>

1. Exempt income consists of dividends received by the Company from Huge Connect.

2. Disallowed expenditure mainly consists of preference dividends in Huge SPV 1 in relation to the preference share funding obtained from RMB, together with other immaterial non deductible items in the Group.

3. Capital gains tax effect consists of non taxable capital gains on the fair value remeasurements on investments held.



## Notes to the consolidated and separate Annual Financial Statements (continued)

### 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

	Group	
	2025 R'000	2024 R'000
Profit attributable to owners of the parent	(61 514)	35 374
<b>Headline earnings</b>	<b>(61 514)</b>	<b>35 374</b>
Weighted average number of ordinary shares issued at 1 March <sup>1</sup>	172 562	172 562
<b>Outstanding shares 1 March</b>	<b>172 562</b>	<b>172 562</b>
<b>Weighted average number of ordinary shares in issue at reporting date (basic, and headline)</b>	<b>172 562</b>	<b>172 562</b>
Executive Share Options <sup>2</sup>	15 000	15 000
<b>Weighted average number of ordinary shares in issue (diluted)</b>	<b>187 562</b>	<b>187 562</b>
<b>Per share statistics (cents)</b>		
Earnings per share	(35.65)	20.50
Headline earnings per share	(35.65)	20.50
Diluted basic earnings per share	(32.80)	18.86
Diluted headline earnings per share	(32.80)	18.86

1. No new shares were issued or bought back.

2. The Company concluded Executive Share Option Agreements with JC Herbst and AP Openshaw 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.

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

### 14. Cash generated from operations

Note(s)	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
<b>Profit before taxation</b>	<b>(84 424)</b>	26 241	<b>(59 188)</b>	65 164
Adjustments for				
Depreciation	106	142	-	-
Dividend income	9 (61 142)	(59 857)	(61 142)	(59 857)
Finance income	9 (4 401)	(37 233)	(120)	(22 805)
Finance costs	11 31 517	25 966	-	19 084
Net loss from financial assets at fair value through profit or loss	118 959	3 381	118 959	3 381
Foreign exchange gain	(12)	-	(14)	-
Provision for/(release of) impairment of loans	(5 143)	-	1 341	1 520
Tax	-	(1 689)	-	-
Goodwill	-	(4 579)	-	-
Non-cash RMB borrowings (flow of funds agreement)	-	124 851	-	(173 606)
Non-cash movement in investment held	1	(120 485)	2	(120 485)
Non-cash movement in loan receivable	(155)	(35 737)	(155)	182 633
<b>Changes in working capital:</b>				
Trade and other receivables	4 50 998	57 323	4	110 947
Trade and other payables	(9 755)	7 290	76	(112)
	<b>36 549</b>	<b>(14 386)</b>	<b>(237)</b>	<b>5 864</b>



## Notes to the consolidated and separate Annual Financial Statements (continued)

### Reconciliation of cash generated from financing activities related to interest bearing borrowings:

Note(s)	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
<b>Borrowings at the beginning of the year</b>	<b>305 337</b>	<b>186 500</b>	<b>-</b>	<b>186 500</b>
Current	5 337	30 000	-	30 000
Non-current	300 000	156 500	-	156 500
<b>Cashflows</b>	<b>(533)</b>	<b>118 837</b>	<b>-</b>	<b>186 500</b>
<b>Cash</b>	<b>-</b>	<b>(30 031)</b>	<b>-</b>	<b>(30 031)</b>
Proceeds from borrowings	-	3 450	-	3 450
Repayment of borrowings	-	(33 481)	-	(33 481)
<b>Non-cash</b>	<b>-</b>	<b>124 851</b>	<b>-</b>	<b>(173 606)</b>
Proceeds from borrowings	-	300 000	-	(186 500)
Repayment of borrowings	-	(175 149)	-	12 894
<b>Other movements</b>	<b>(533)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest accrued	31 428	24 017	-	17 137
Interest paid	(31 961)	(24 017)	-	(17 137)
<b>Borrowings at the end of the year<sup>1</sup></b>	<b>304 804</b>	<b>305 337</b>	<b>-</b>	<b>-</b>
Current	4 804	5 337	-	-
Non-current	300 000	300 000	-	-

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

## 15. Related parties

Relationships	2025
<b>Subsidiary Companies</b>	Huge Management Company Huge SPV 1
<b>Indirect Subsidiary Company</b>	Huge Soho
<b>Related parties</b>	Huge Connect Huge Digital Huge Distribution Huge Global GloVent Huge Platforms (formerly Huge Messaging) Huge Software Huge Technologies Huge TNS
<b>Subsidiary of:</b>	
- Huge Connect	Huge Networks
- Huge Soho	Huge NXTGN (formerly Huge Media)
- Huge TNS	Huge Services
<b>Associate of:</b>	
- Huge Group	Huge Capital Huge Payments
- Huge TNS	Huge Cellular
<b>Members of key management</b>	JC Herbst IDJ Van De Merwe T van Tonder

### Related party balances

#### Loan accounts – Owning by related parties

Refer to note 3 for further detail.



## Notes to the consolidated and separate Annual Financial Statements (continued)

Trade and other receivables/(Trade and other payables) – Owing (to)/by Related Party

Note(s)	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
<b>Trade and other receivables</b>				
Huge Cellular	5 020	16 215	-	-
Huge Connect	-	26 169	-	-
Huge Digital	5	-	-	-
Huge Distribution	14	15	-	-
Huge Networks	-	15	-	-
Huge Payments	7 360	-	-	-
Huge Services	-	369	-	-
Huge Technologies	-	-	-	-
Huge Technologies	-	7 175	-	-
Huge Technologies – provision for impairment	-	(7 175)	-	-
Huge TNS	1 678	15 262	-	-
<b>Total trade and other receivables</b>	<b>4</b>	<b>14 077</b>	<b>-</b>	<b>-</b>
Huge Cellular	-	(51)	-	-
Huge Distribution	(36)	-	-	-
Huge Networks	-	(9)	-	-
Huge TNS	(33)	(33)	-	-
Key management personnel	(159)	-	-	-
<b>Total trade and other payables</b>	<b>(228)</b>	<b>(93)</b>	<b>-</b>	<b>-</b>
<b>Total trade and other receivables/ (payables)</b>	<b>13 849</b>	<b>57 952</b>	<b>-</b>	<b>-</b>

Related party trade and other receivables and trade and other payables generally relate to fee income earned from or charged by related parties. Refer to Note 4 for related credit risk disclosure.

## Dividend receivable – owing by related party

Refer to note 4 for further detail.

## Interest income – earned from subsidiaries

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Huge Management	-	-	-	15 024
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15 024</b>

## Interest income – earned from related party

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
GloVent	63	48	63	48
Huge Capital	-	14	-	-
Huge Cellular	-	1 055	-	-
Huge Digital	-	6 291	-	6 290
Huge Distribution	-	4 325	-	1 275
Huge Global	(29)	29	(29)	29
Huge NXTGN (formerly Huge Media)	-	1 269	-	-
Huge Payments	-	1 294	-	-
Huge Services	-	15	-	-
Huge Software	-	877	-	-
Huge Technologies	-	6 910	-	-
Huge TNS	-	15 413	-	-
<b>Total</b>	<b>34</b>	<b>37 541</b>	<b>34</b>	<b>7 642</b>

## Dividend Income – earned from related party

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Huge Connect	61 142	59 857	61 142	59 857
<b>Total</b>	<b>61 142</b>	<b>59 857</b>	<b>61 142</b>	<b>59 857</b>



## Notes to the consolidated and separate Annual Financial Statements (continued)

### Net Fee Income – earned from related party

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Huge Cellular	-	14 100	-	-
Huge Connect	594	23 479	-	-
Huge Digital	19	-	-	-
Huge Distribution	76	77	-	-
Huge Networks	26	156	-	-
Huge Services	-	321	-	-
Huge Soho	-	-	-	-
Huge Technologies	-	-	-	-
Huge Payments	29 140	-	-	-
Huge TNS	17 231	20 998	-	-
Other	263	-	-	-
<b>Fee Income</b>	<b>47 349</b>	<b>59 131</b>	<b>-</b>	<b>-</b>
Huge Digital	(34 750)	-	-	-
<b>Fee Expense</b>	<b>(34 750)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Fee Income</b>	<b>12 599</b>	<b>59 131</b>	<b>-</b>	<b>-</b>

### Recoveries – from portfolio investment companies and subsidiaries/associated of portfolio investment companies

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Huge Connect	-	658	-	-
Huge Distribution	-	65	-	-
Huge Networks	-	130	-	-
Huge TNS	-	1 276	-	-
<b>Total</b>	<b>-</b>	<b>2 129</b>	<b>-</b>	<b>-</b>

Recoveries relate to payments for operational costs, for example insurance costs. Recoveries are included as part of Fee Income in the current year.

## 16. Directors' remuneration

### Executive

2025	Services to the Company salary R'000	Risk, retirement, and medical contributions paid or payable R'000	Total short term employee benefits R'000
JC Herbst	607	184	791
IDJ Van De Merwe	465	227	692
T van Tonder	600	8	608
M Heraty <sup>1</sup>	149	59	208
<b>Total</b>	<b>1 821</b>	<b>478</b>	<b>2 299</b>

1. M Heraty resigned as CFO effective 1 September 2024.

2024	Services to the Company salary R'000	Risk, retirement, and medical contributions paid or payable R'000	Total short term employee benefits R'000
JC Herbst	564	211	775
IDJ Van De Merwe	493	182	675
AP Openshaw	286	104	390
M Heraty	773	77	850
<b>Total</b>	<b>2 116</b>	<b>574</b>	<b>2 690</b>

### Non-executive

	2025			2024		
	Director's fees R'000	Board meeting fees R'000	Total R'000	Director's fees R'000	Board meeting fees R'000	Total R'000
VHT Kathan	780	72	852	780	72	852
DR Gammie	600	72	672	600	72	672
MR Beamish <sup>1</sup>	480	54	534	484	72	556
VM Mokholo <sup>2</sup>	720	72	792	480	72	552
CIJ Williams	420	72	492	420	72	492
MA Boakye	420	72	492	315	54	369
<b>Total</b>	<b>3 420</b>	<b>414</b>	<b>3 834</b>	<b>3 079</b>	<b>414</b>	<b>3 493</b>

1. MR Beamish resigned as Director effective 7 February 2025.

2. VM Mokholo received director fees of R240 000 from Huge Connect for the current financial year.



## Notes to the consolidated and separate Annual Financial Statements (continued)

### 17. Financial instruments and risk management

The Group's activities expose it to a variety of financial risks: market risk (including cash flow and fair value risk), credit risk, interest rate 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 of 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.

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, it 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.

### Categorisation of financial assets and financial liabilities

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

Group – 2025	Total R'000	Amortised cost R'000	Fair value through profit and loss R'000	Non-financial R'000
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill	4 579	-	-	4 579
Property, plant and equipment	144	-	-	144
Investments held	1 463 001	-	1 463 001	-
Loans receivable	344 939	344 939	-	-
Trade and other receivables	84 468	84 468	-	-
Deferred tax asset	20 911	-	-	20 911
<b>Total non-current assets</b>	<b>1 918 042</b>	<b>429 407</b>	<b>1 463 001</b>	<b>25 634</b>
<b>Current assets</b>				
Trade and other receivables	14 737	14 080	-	657
Current tax receivable	166	-	-	166
Cash and cash equivalents	1 825	1 825	-	-
<b>Total current assets</b>	<b>16 728</b>	<b>15 905</b>	<b>-</b>	<b>823</b>
<b>Total assets</b>	<b>1 934 770</b>	<b>445 312</b>	<b>1 463 001</b>	<b>26 457</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest bearing liabilities	300 000	300 000	-	-
Loans payable	25 722	25 722	-	-
<b>Total non-current liabilities</b>	<b>325 722</b>	<b>325 722</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Interest bearing liabilities	4 804	4 804	-	-
Trade and other payables	1 671	511	-	1 160
<b>Total current liabilities</b>	<b>6 475</b>	<b>5 315</b>	<b>-</b>	<b>1 160</b>
<b>Total liabilities</b>	<b>332 197</b>	<b>331 037</b>	<b>-</b>	<b>1 160</b>


**Notes to the consolidated and separate Annual Financial Statements (continued)**

Group – 2024	Total R'000	Amortised cost R'000	Fair value through profit and loss R'000	Non-financial R'000
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill	4 579	-	-	4 579
Property, plant and equipment	191	-	-	191
Investments held	1 581 933	-	1 581 933	-
Loans receivable	240 707	240 707	-	-
Trade and other receivables	30 060	30 060	-	-
Deferred tax asset	16 822	-	-	16 822
<b>Total non-current assets</b>	<b>1 874 292</b>	<b>270 767</b>	<b>1 581 933</b>	<b>21 592</b>
<b>Current assets</b>				
Trade and other receivables	58 625	65 582	-	(6 957)
Current tax receivable	-	-	-	-
Cash and cash equivalents	93 406	93 406	-	-
<b>Total current assets</b>	<b>152 031</b>	<b>158 988</b>	<b>-</b>	<b>(6 957)</b>
<b>Total assets</b>	<b>2 026 323</b>	<b>429 755</b>	<b>1 581 933</b>	<b>14 635</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest bearing liabilities	300 000	300 000	-	-
Deferred tax liabilities	19 132	-	-	19 132
Loans payable	25 722	25 722	-	-
<b>Total non-current liabilities</b>	<b>344 854</b>	<b>325 722</b>	<b>-</b>	<b>19 132</b>
<b>Current liabilities</b>				
Interest bearing liabilities	5 337	5 337	-	-
Current tax payable	619	-	-	619
Trade and other payables	11 426	11 426	-	-
<b>Total current liabilities</b>	<b>17 382</b>	<b>16 763</b>	<b>-</b>	<b>619</b>
<b>Total liabilities</b>	<b>362 236</b>	<b>342 485</b>	<b>-</b>	<b>19 751</b>

Company – 2025	Total R'000	Amortised cost R'000	Fair value through profit and loss R'000	Non-financial R'000
<b>Assets</b>				
<b>Non-current assets</b>				
Investments held	1 463 001	-	1 463 001	-
Loans receivable	146 346	146 346	-	-
Trade and other receivables	84 402	84 402	-	-
Deferred tax asset	-	-	-	-
<b>Total non-current assets</b>	<b>1 693 749</b>	<b>230 748</b>	<b>1 463 001</b>	<b>-</b>
<b>Current assets</b>				
Trade and other receivables	29	29	-	-
Current tax receivable	21	-	-	21
Cash and cash equivalents	142	142	-	-
<b>Total current assets</b>	<b>192</b>	<b>171</b>	<b>-</b>	<b>21</b>
<b>Total assets</b>	<b>1 693 941</b>	<b>230 919</b>	<b>1 463 001</b>	<b>21</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	128 394	-	-	128 394
Loans payable	25 722	25 722	-	-
<b>Total non-current liabilities</b>	<b>154 116</b>	<b>25 722</b>	<b>-</b>	<b>128 394</b>
<b>Current liabilities</b>				
Trade and other payables	273	273	-	-
<b>Total current liabilities</b>	<b>273</b>	<b>273</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>154 389</b>	<b>25 995</b>	<b>-</b>	<b>128 394</b>



## Notes to the consolidated and separate Annual Financial Statements (continued)

Company – 2024	Total R'000	Amortised cost R'000	Fair value through profit and loss R'000	Non-financial R'000
<b>Assets</b>				
<b>Non-current assets</b>				
Investments held	1 581 933	-	1 581 933	-
Loans receivable	138 785	138 785	-	-
Trade and other receivables	30 060	30 060	-	-
Deferred tax asset	8 471	-	-	8 471
<b>Total non-current assets</b>	<b>1 759 249</b>	<b>168 845</b>	<b>1 581 933</b>	<b>8 471</b>
<b>Current assets</b>				
Trade and other receivables	33	-	-	33
Cash and cash equivalents	2 557	2 557	-	-
<b>Total current assets</b>	<b>2 590</b>	<b>2 557</b>	<b>-</b>	<b>33</b>
<b>Total assets</b>	<b>1 761 839</b>	<b>171 402</b>	<b>1 581 933</b>	<b>8 504</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities	162 886	-	-	162 886
Loans payable	25 722	25 722	-	-
<b>Total non-current liabilities</b>	<b>188 608</b>	<b>25 722</b>	<b>-</b>	<b>162 886</b>
<b>Current liabilities</b>				
Current tax payable	314	-	-	314
Trade and other payables	198	198	-	-
<b>Total current liabilities</b>	<b>512</b>	<b>198</b>	<b>-</b>	<b>314</b>
<b>Total liabilities</b>	<b>189 120</b>	<b>25 920</b>	<b>-</b>	<b>163 200</b>

### Fair value estimation

Refer to Investments Held note 2 for further detail.

### 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 entities, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group's exposure to liquidity risk is that there may be insufficient funds available to cover future commitments. The Group manages liquidity risk through ongoing review of forecast cashflow, future commitments and credit facilities.

The Group manages its liquidity needs by carefully monitoring the scheduled debt servicing 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 on 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 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 table 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 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 – 2025	Note(s)	Carrying value R'000	Contractual cash flow R'000	Between one and 12 months R'000	Between one and two years R'000	Between three and five years R'000
<b>Non-current liabilities</b>						
Interest bearing liabilities	8	300 000	401 557	25 106	74 621	301 830
Loan payable	3	25 722	25 722	-	25 722	-
<b>Current liabilities</b>						
Trade and other payables		511	511	511	-	-
Interest bearing liabilities	8	4 804	4 804	4 804	-	-
<b>As at 28 February 2025</b>		<b>331 037</b>	<b>432 594</b>	<b>30 421</b>	<b>100 343</b>	<b>301 830</b>


**Notes to the consolidated and separate Annual Financial Statements (continued)**

Company – 2025	Note(s)	Carrying value R'000	Contractual cash flow R'000	Between one and 12 months R'000	Between one and two years R'000	Between three and five years R'000
<b>Non-current liabilities</b>						
Loan payable	3	25 722	25 722	-	25 722	-
<b>Current liabilities</b>						
Trade and other payables		273	273	273	-	-
<b>As at 28 February 2025</b>		<b>25 995</b>	<b>25 995</b>	<b>273</b>	<b>25 722</b>	<b>-</b>

Group – 2024	Note(s)	Carrying value R'000	Contractual cash flow R'000	Between one and 12 months R'000	Between one and two years R'000	Between three and five years R'000
<b>Non-current liabilities</b>						
Interest bearing liabilities	8	300 000	440 705	31 965	31 962	376 777
Loan payable	3	25 722	25 722	-	25 722	-
<b>Current liabilities</b>						
Trade and other payables		11 426	11 426	11 426	-	-
Interest bearing liabilities	8	5 337	5 337	5 337	-	-
<b>As at 29 February 2024</b>		<b>342 485</b>	<b>483 190</b>	<b>48 728</b>	<b>57 684</b>	<b>376 777</b>

Company – 2024	Note(s)	Carrying value R'000	Contractual cash flow R'000	Between one and 12 months R'000	Between one and two years R'000	Between three and five years R'000
<b>Non-current liabilities</b>						
Loan payable	3	25 722	25 722	-	25 722	-
<b>Current liabilities</b>						
Trade and other payables		198	198	198	-	-
<b>As at 29 February 2024</b>		<b>25 920</b>	<b>25 920</b>	<b>198</b>	<b>25 722</b>	<b>-</b>

**Interest rate risk**

The Group's interest rate risk arises from borrowings that are issued at variable rates of interest. The Group's borrowings are variable rate borrowings which are denominated in Rand and linked to the Prime lending rate. The sensitivity analysis is based on year-end exposures.

At the reporting date, if interest rates on Rand-denominated borrowings had been 100 basis points higher/lower with all other variables held constant, pre-tax profit for the year of the Group would have been R3.2 million lower/higher, respectively.

At the previous reporting date, if interest rates on Rand-denominated borrowings and 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 R0.4 million lower/higher and R0.5 million higher/lower, respectively.

Variable interest rate instruments	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Cash and cash equivalents	1 825	93 406	142	2 557
Loans receivable	2 861	214 987	2 861	113 063
Interest bearing liabilities	300 000	300 000	-	-
	<b>304 686</b>	<b>608 393</b>	<b>3 003</b>	<b>115 620</b>

**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	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Loans receivable	344 939	240 707	146 346	113 063
Trade and other receivables	84 468	30 125	84 402	30 060
Cash and cash equivalents	1 841	93 432	142	8 471
	<b>431 248</b>	<b>364 264</b>	<b>230 890</b>	<b>151 594</b>



## Notes to the consolidated and separate Annual Financial Statements (continued)

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The financial assets that expose the Group to credit risk consist of loans receivable, trade and other receivables, and cash and cash equivalents. The Group's credit risk is limited to the carrying amount of these financial assets at the reporting date. Loans receivable and 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 does not require collateral in respect of trade and other receivables and loans receivable, apart from the collateral provided by Huge Digital. 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 (ECLs) are calculated using historical and forward-looking potential default risks. Each portfolio investment company in the Huge Group 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 at an entity level. The forward-looking information includes future expectations of key forecast assumptions and drivers that are applied to each individual line item. This includes, inflation, unit price expectations on sales and cost of sales, usage/volume expectations, customer growth and churn, amongst others.

Once the respective forecasts are received, they are reviewed and analysed by Huge Management Company, the subsidiary company of Huge Group responsible for the portfolio management of its portfolio investment companies. These comprehensive individual entity level forecasts are then taken into account in the appropriate valuation models and subject to further review by the Huge Management Executive. 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. All of these inputs and assumptions result in the determination of an investment's enterprise value. Enterprise values are a critical factor when performing ECL assessments for assets receivable (loans receivable and trade and other receivables).

Where a portfolio investment company's enterprise value is not sufficient to cover the loans receivable and trade and other receivables, then an ECL is recognised for this asset. 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, other than credit loss allowances raised and disclosed. The loans advanced for the current reporting period, do not expose the Group to any significant credit risk not already taken into account in the carrying value of reported receivables.

## 18. Going concern

The Annual Financial Statements have been prepared on the going concern basis of accounting.

During the year the group incurred a net loss for the year ended 28 February 2025 of R61.6 million and in the prior financial year a profit of R35.4 million. As at 28 February 2025, the group's total assets exceeded its total liabilities by R1 602.5 million.

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.

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

## 19. Events after the reporting period

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 recognised and disclosed in the AFS, and which affect the financial position of the Group and the Company, or the results of its operations up to the date of this report.



# Shareholder analysis

	2025		2024	
	Number of shares	Number of Shareholders	Number of shares	Number of Shareholders
Public Shareholding	73 226 489	2 361	71 027 481	2 421
Non-Public Shareholding	99 335 232	13	101 534 240	13
<b>Total Shareholders</b>	<b>172 561 721</b>	<b>2 374</b>	<b>172 561 721</b>	<b>2 434</b>

	2025		2024	
	Number of shares	Number of Shareholders	Number of shares	Number of Shareholders
<b>Non-public shareholder analysis</b>				
<b>Beneficial shareholding</b>				
Beneficial direct shareholding of directors of Huge	2 768 370	2	5 018 370	2
Beneficial direct shareholding of directors of major subsidiaries of Huge	735 068	3	735 068	3
<b>Total beneficial direct shareholding of directors</b>	<b>3 503 438</b>	<b>5</b>	<b>5 753 438</b>	<b>5</b>
Beneficial indirect shareholding of directors of Huge	18 960 921	1	18 945 251	1
Beneficial indirect shareholding of directors of major subsidiaries of Huge	12 065 090	3	12 065 090	3
<b>Total beneficial indirect shareholding of directors</b>	<b>31 026 011</b>	<b>4</b>	<b>31 010 341</b>	<b>4</b>
<b>Non-beneficial shareholding</b>				
Non-beneficial shareholding related to executive directors of Huge	24 604 958	1	24 604 958	1
Non-beneficial shareholding related to non-executive directors of Huge	30 568 901	1	30 533 579	1
Non-beneficial shareholding related to trusts on which directors of major subsidiaries of Huge are trustees	2 717 408	1	2 717 408	1
<b>Total non-beneficial shareholding of directors</b>	<b>57 891 267</b>	<b>3</b>	<b>57 855 945</b>	<b>3</b>
<b>Shareholding of subsidiaries of Huge (Huge TNS)</b>	<b>6 914 516</b>	<b>1</b>	<b>6 914 516</b>	<b>1</b>
<b>Total Non-Public Shareholding</b>	<b>99 335 232</b>	<b>13</b>	<b>101 534 240</b>	<b>13</b>

	2025		2024	
	Number of shares	% Shareholding	Number of shares	% Shareholding
<b>Major shareholders<sup>1</sup></b>				
Praesidium SA Fund en Commandite Partnership	44 130 072	25.57	37 560 605	21.77
Pacific Breeze Trading 417	14 260 891	8.26	14 260 891	8.26
Peresec Prime Brokers	523 867	0.30	10 376 750	6.01
Stanlib Absolute Plus Fund	9 967 386	5.78	9 967 386	5.78
Eagle Creek Investments 223	9 805 567	5.68	9 805 567	5.68
Government Employees Pension Fund	10 421 739	6.04	9 058 164	5.25
Huge TNS	6 914 516	4.01	6 914 516	4.01
<b>Total</b>	<b>96 024 038</b>	<b>55.64</b>	<b>97 943 879</b>	<b>56.76</b>

1. Shareholders who own more than 4% are seen as major shareholders. Peresec Prime Brokers are no longer classified as a major shareholder in 2025.

	2025		2024	
	Number of shares	Number of Shareholders	Number of shares	Number of Shareholders
<b>Size of shareholding</b>				
0 to 1 000	176 112	1 955	183 951	1 969
1 001 to 5 000	464 759	190	518 464	207
5 001 to 100 000	4 126 830	162	4 528 464	181
100 001 to 1 000 000	14 097 050	41	17 662 425	51
More than 1 000 001	153 696 970	26	149 668 417	26
	<b>172 561 721</b>	<b>2 374</b>	<b>172 561 721</b>	<b>2 434</b>



## Corporate information

81	About this report
81	Definitions and corporate information





# About this report

## Huge Group Limited's Integrated Annual Report for the year ended February 2025.

The reporting scope includes our leadership insight, strategy, and approach to building value in the context of the external environment for all stakeholders. We present our **risk management process and top risks** on page 15, and **how we determine our material matters and material themes** on page 12.

### Our statutory reporting boundary

Audited Annual Financial Statements from page 49

Remuneration Policy and remuneration implementation report from page 38

Governance report from page 31

### 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/or 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 IFRS® accounting standards as issued by the International Accounting Standards Board (IASB), including IFRIC interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guide as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited's Listings Requirements, the King Code on Corporate Governance 2016 (King IV), and the requirements of the Companies Act of South Africa (Act 71 of 2008), as amended. 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 28 February 2025.**

# Definitions and corporate information

<b>Company registration number</b>	2006/023587/06
<b>Country of incorporation and domicile</b>	South Africa
<b>JSE Code</b>	HUG
<b>A2X Code</b>	HUG
<b>ISIN</b>	ZAE000102042
<b>Tax reference number</b>	9378909155
<b>Registered postal address</b>	Postnet Suite #251, Private Bag X1, Melrose Arch, 2076
<b>Registered business address</b>	Unit 23, 1 Melrose Boulevard, Melrose Arch, Johannesburg, Gauteng 2076.

<b>Nature of business and principal activities</b>	Investment entity with an investment portfolio.
<b>Executive Directors</b>	CEO: James Herbst (J Herbst, Chief Executive Officer) COO: Zak Van De Merwe (Z Van De Merwe, Chief Operating Officer) CCO: Tamryn van Tonder (T van Tonder, Chief Commercial Officer) CFO: M Heraty (M Heraty, former Chief Financial Officer) (resigned 1 September 2024)
<b>Non-executive directors</b>	Veran Kathan (V Kathan, Chairman) Dennis Gammie (D Gammie) Vincent Mokholo (V Mokholo) Michael (Mike) Beamish (M Beamish) (resigned 7 February 2025) Conway Williams (C Williams) Mary-Ann Boakye (M Boakye)



## Group structure

The Company	Huge Group Limited
<b>Investment portfolio</b>	<p><b>Portfolio investment companies:</b></p> <ul style="list-style-type: none"> <li>- GloVent Solutions Proprietary Limited.</li> <li>- Huge Connect Proprietary Limited.</li> <li>- Huge Distribution Proprietary Limited.</li> <li>- Huge NXTGN Proprietary Limited.</li> <li>- Huge TNS Proprietary Limited.</li> </ul> <p><b>Shared Service Companies:</b></p> <ul style="list-style-type: none"> <li>- Huge Cellular Proprietary Limited (associate company through Huge TNS).</li> <li>- Huge Capital Proprietary Limited (associate company).</li> <li>- Huge Digital Enablement Proprietary Limited.</li> <li>- Huge Payments Proprietary Limited (associate company).</li> <li>- Huge Platforms Proprietary Limited.</li> <li>- Huge Services Proprietary Limited.</li> <li>- Huge Software Proprietary Limited.</li> </ul> <p><b>Special Purpose Entities:</b></p> <ul style="list-style-type: none"> <li>- Huge Global Limited.</li> <li>- Huge Networks Proprietary Limited.</li> <li>- Huge Technologies Proprietary Limited.</li> </ul>
<b>Subsidiary companies</b>	<p>Huge Management Company Proprietary Limited.</p> <p>Huge SPV 1 Proprietary Limited.</p> <p>Huge Soho Proprietary Limited (indirect subsidiary through Huge SPV 1).</p>

## Portfolio investment companies

Company Name	Ownership %	Company Registration Number
GloVent Solutions	20.463%	2011/132991/07
Huge Connect	83.71%	2004/005721/07
Huge Distribution	100%	2015/142454/07
Huge NXTGN	76.00% (via Huge Soho)	2007/004818/07
Huge TNS	100.00%	1993/003902/07

## Other Investment Companies

### Shared Service Companies

Company Name	Ownership %	Company Registration Number
Huge Capital	49.00%	2018/636769/07
Huge Cellular	49.00%	2008/004068/07
Huge Digital Enablement	93.00%	2004/005291/07
Huge Payments	48.99%	2014/11295/07
Huge Platforms	100.00%	2008/001288/07
Huge Services	100.00%	2006/02767/07
Huge Software	75.00%	2005/042514/07

### Special Purpose Entities

Company Name	Ownership %	Company Registration Number
Huge Global	100.00%	194181
Huge Networks	83.71% (via Huge Connect)	2014/009214/07
Huge SOHO	100.00% (via Huge SPV 1)	2002/022642/07
Huge SPV 1	100.00%	2023/097221/07
Huge Technologies	100.00%	2008/006066/07



# 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.

<b>A2X Markets</b>	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.
<b>Companies Act</b>	The Companies Act of South Africa (Act 71 of 2008), as amended.
<b>AFS</b>	Consolidated Annual Financial Statements in the case of the Group, and Separate Annual Financial Statements in the case of the Company.
<b>AGM</b>	An Annual General Meeting of the Company.
<b>AltX</b>	The Alternative Exchange of the JSE.
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment.
<b>the Board</b>	The board of directors of the Company as constituted from time to time.
<b>ConnectNet</b>	ConnectNet, formerly known as ConnectNet Broadband Wireless (Pty) Limited, was acquired by Huge Group on 30 March 2017, and subsequently renamed to Huge Connect on 21 August 2017.
<b>Eagle Creek Investments 223</b>	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).
<b>EBITDA</b>	Earnings before interest, taxation, depreciation, and amortisation.
<b>ECA</b>	The Electronic Communications Act, No. 36 of 2005 (ECA).
<b>EPS</b>	Earnings per share.
<b>Executive Committee</b>	Refers to Mr Herbst, Mr Van De Merwe, and Mrs Tamryn van Tonder.
<b>Executive Share Option Agreements</b>	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).

<b>Bleeding edge technology</b>	Open-source software released to give early adopters the opportunity to test and contribute to its development.
<b>eSIM</b>	Embedded SIM is a digital SIM card that is embedded directly into a device and enables connectivity to mobile networks without the need for a physical card.
<b>FirstRand Bank</b>	FirstRand Bank Limited, registration number 1929/001225/06.
<b>Futuregrowth</b>	Futuregrowth Asset Management Proprietary Limited, registration number 1996/018222/07, a former funder of Huge Group.
<b>FVPTL</b>	Fair value through profit and loss.
<b>FT20XX</b>	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.
<b>Goodwill</b>	The goodwill acquired by Huge SPV1 on the acquisition of Huge Soho.
<b>Group</b>	Collectively, Huge Group, Huge Management, Huge Soho, and Huge SPV.
<b>GSM</b>	Global System for Mobile communication, and in the context of this report, refers to a digital mobile telephone system.
<b>HEPS</b>	Headline earnings per share.
<b>Huge Strategy</b>	The Board approved comprehensive strategy to grow Huge Group, both organically and by way of acquisition, in the short, medium, and long-term.
<b>ICASA</b>	The Independent Communications Authority of South Africa, established under the ECA.
<b>IASB</b>	International Accounting Standards Board.
<b>Investment portfolio</b>	All legal entities within the Huge Group investment portfolio, including PICs, SSCs and SPEs.
<b>IoT</b>	Internet of things.
<b>IRE</b>	Investment return expectation.
<b>JSE</b>	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.
<b>King IV™</b>	King IV Report on Corporate Governance for South Africa, 2016.



## Definitions (continued)

<b>Listings Requirements</b>	The Listings Requirements of the JSE.
<b>MOI</b>	Memorandum of Incorporation.
<b>MVNE</b>	Mobile Virtual Network Enabler.
<b>MVNO</b>	Mobile Virtual Network Operator.
<b>Moore Johannesburg Incorporated</b>	Moore Johannesburg Incorporated, the independent external auditor of the Company.
<b>NPV</b>	Net present value.
<b>OECD</b>	The Organisation for Economic Co-Operation and Development.
<b>Pacific Breeze Trading 417</b>	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).
<b>Peresec Prime Brokers</b>	Peresec Prime Brokers Proprietary Limited, registration number 1999/010976/07), the prime brokers to the Praesidium SA Fund <i>en Commandite</i> Partnership.
<b>PIC</b>	An operating entity within the investment portfolio that forms part of the go-to-market Cluster.
<b>PPE</b>	Property, plant, and equipment.
<b>Praesidium Capital</b>	Praesidium Capital Management Proprietary Limited, registration number 2003/012046/07, a private company controlled by Mr Beamish (it was a related party to Huge Group during the time that Mr Beamish was a non-executive director of the Company).
<b>Praesidium Family Trust</b>	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 South Africa, of which Mr Beamish is a trustee and a beneficiary.
<b>Praesidium SA Fund en Commandite Partnership</b>	An <i>en Commandite</i> partnership managed by Praesidium Capital, as the General Partner.
<b>Questco</b>	Questco Advisory Proprietary Limited, the Sponsor to the Company.
<b>RMB</b>	Rand Merchant Bank, registration number 1929/001225/06, a division of FirstRand, the bankers and funders of Huge Group.

<b>RMB Facilities</b>	Preference shares issued by Huge SPV 1 to RMB in the amount of R300 million.
<b>SAICA</b>	South African Institute of Chartered Accountants.
<b>SENS</b>	Stock Exchange News Service.
<b>Shares</b>	Ordinary no par value shares in the share capital of the Company.
<b>Silver Meadow Trading 3</b>	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).
<b>SPE</b>	A special purpose entity within the investment portfolio.
<b>SPPI</b>	Solely payments of principles and interest.
<b>SSC</b>	A shared service company within the investment portfolio.
<b>Telkom</b>	Telkom SA SOC Limited, registration number 1991/005476/30.
<b>Transactions with non-controlling interests</b>	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.
<b>VAT</b>	Value Added Tax.
<b>WANOS</b>	Weighted Average number of outstanding Shares.
<b>xTech</b>	The opportunity where digital and other emerging technologies converge and transform diverse traditional industry sectors, through new processes, products, channels, and business model.