

HUGE GROUP LIMITED  
(Registration number 2006/023587/06)  
Share code: HUG ISIN: ZAE000102042  
("Huge" or "Huge Group" or "the Company")



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## TRADING STATEMENT

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In terms of paragraph 3.4(b) of the JSE Listings Requirements, companies are required to publish a trading statement as soon as a reasonable degree of certainty exists that the financial results to be reported upon next, being the financial results for the six months ended 31 August 2021 (**HY2022** or **the current period**), will differ by at least 20% from the financial results for the corresponding period in the prior year, being the financial results for the six months ended 31 August 2020 (**HY2021** or **the comparative period**).

Huge is in the process of preparing its financial results for the six months ended 31 August 2021.

Shareholders are advised that a reasonable degree of certainty exists that Huge's:

- Earnings per share (**EPS**) for the current period will be between 272.49 cents and 273.85 cents, which will be between 3 838% and 3 857% higher than the EPS for the comparative period (HY2021: 6.92 cents);
- Headline earnings per share (**HEPS**) for the current period will be between 33.95 cents and 35.24 cents, which will be between 417% and 436% higher than the HEPS for the comparative period (HY2021: 6.57 cents).

On 1 March 2021, the board of directors of Huge resolved to transform Huge from a consolidated group to an investment entity in accordance with IFRS10.

The increase in EPS is largely attributable to Huge's transition to an investment entity, which resulted in a deconsolidation of the underlying subsidiaries and their contribution to earnings per share, the recognition of a gain on the loss of control of the subsidiaries, and a fair value increase through profit and loss.

Huge's vision, strategy and policies (particularly its investment policy) are more aligned to those of an investment entity. Its structure, the skills, background, and experience of its officers (regarding deal-making and mergers and acquisitions) and its recent conduct (particularly the attempt to acquire a shareholding in Adapt IT Holdings Limited) no longer supports or justifies treating Huge as a consolidated group.

Huge meets the definition in IFRS10 of an investment entity because it triggers all of IFRS10's investment entity provisos. Huge's adoption of this accounting treatment has been confirmed by an independent expert and the auditors. In accordance with IFRS10 (B101), when an entity becomes an investment entity, it shall cease to consolidate its subsidiaries at the date of the change in status, except for any subsidiary that shall continue to be consolidated in accordance with paragraph 32 of IFRS10. The investment entity shall apply the requirements of paragraph 25 and 26 (Loss of control) of IFRS10 to those subsidiaries that it ceases to consolidate as though the investment entity had lost control of those subsidiaries at that date. The only entity that is consolidated under Huge is Huge Management Proprietary Limited, the entity that provides a treasury function to Huge's underlying investee activities.

Further details relating to the impact of the change in nature of business will be disclosed in the interim financial results for the six months ended 31 August 2021 which are expected to be released on SENS by 30 November 2021.

This trading statement has not been reviewed or reported on by the Company's external auditors.

Johannesburg  
18 November 2021

Sponsor  
Questco Corporate Advisory Proprietary Limited