

2023

INTEGRATED ANNUAL REPORT

FOR THE YEAR ENDED
28 FEBRUARY 2023



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

Gregory S. Williams



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

Integrated Report to Shareholders

Table of Contents

INTEGRATED REPORT TO SHAREHOLDERS.....	2
CHAIRMAN'S LETTER TO SHAREHOLDERS.....	4
CHIEF EXECUTIVE'S MESSAGE TO SHAREHOLDERS	7
THE HUGE GROUP REPORT	9
1. INVESTMENT COMMENTARY.....	12
2. THE INVESTMENT TEAM.....	16
3. HUGE INVESTEE ENTITIES	18
4. CORPORATE GOVERNANCE	26
5. ANNUAL FINANCIAL STATEMENTS	54
SHAREHOLDER ANALYSIS.....	127



Chairman's letter to Shareholders



"Despite the uncertainty of our operating environment and the larger global environment, we are pleased with the resilience demonstrated by the businesses in our investment portfolio over the past financial period. We remain firm in our belief that within all challenges lie significant opportunity and consider ourselves privileged to have a range of opportunities that, within the next financial year, are likely to lay the foundation for exponential long-term growth."

VERAN KATHAN
INDEPENDENT NON-EXECUTIVE CHAIRMAN

Overview

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

It has been my privilege to take on the role as the independent, non-executive chairman of Huge Group during this past financial period – Huge Group is an Investment Company that has, despite these difficult circumstances, managed to grow its overall investment portfolio by number of investments and create a platform for growth that will, in the coming months and years, undoubtedly deliver significant stakeholder value.

Investment philosophy and strategy

The Board of Directors has remained committed to the investment philosophy and strategy defined in February of 2021 (which is described in more detail in the investment commentary section of this Integrated Annual Report and on which I will not expand here). In the coming financial period, although we will continue to explore opportunities to invest in businesses that have capable and competent founders and management teams that fall within the three investment sectors on which we focus (being Cloud and Connectivity, Software

and xTech), our overarching drive will be to focus on 'bedding down' the initiatives we have taken within our existing portfolio to drive exponential growth.

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

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

2023 performance

It is our Board of Directors' ethos to ensure that communication with Shareholders remains accurate, honest, and transparent. In examining the performance of the Company during the 2023 financial period, we have had several high and low points that deserve mention.

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

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

Although more is written later in this document in relation to our other businesses, which by no means have insignificant contributions to make to our collective growth in the coming financial period, it is worth highlighting one additional growth initiative in our portfolio about which we are particularly optimistic. Huge Distribution, a stable business that services channel partners across South Africa and the SADC region, has recently launched a renewable energy initiative that will see this business import, against an exclusive supplier agreement, solar panels, batteries, inverters, and related technologies for distribution primarily in the South Africa market. We aim to differentiate not only in providing more affordable technologies, but also in combining them with exceptional customer service.

Acknowledgements

I would like to extend my heartfelt thanks and gratitude to the members of the Board of Directors, the Executive and Management teams of all our businesses and our dedicated employees for their commitment, hard work, and resilience during this past, tough year. In equal measure I would like to extend a word of thanks to our shareholders and all our stakeholders for their continued commitment and support.

Looking forward

In closing, as any new Chairman, I was trepidatious in taking on the mantle as Independent, non-executive Chairman of Huge Group. However, I am extremely pleased to assure Shareholders that, during these past months, I have found demonstrable evidence of a superb governance framework in Huge Group's day-to-day operations. I have also been extremely excited to join a diverse, multi-disciplinary team of directors who all share a singular focus aimed at responsibly delivering exponential future growth, to further build on Huge Group's 18-year long growth journey. Our success is dependent on the diversity of our people, the discipline and courage of the founders and managing teams of our Investee Entities, and the support of our stakeholders.



Veran Kathan
Non-Executive Chairman
Melrose Arch
31 May 2023

Chief Executive's message to Shareholders



“There is no need to tout the upside potential for solar and the coverage that branded MVNOs are receiving in the press is indicative of a space that has exciting times ahead. We believe that Huge Digital could double the net asset value of Huge Group in the next five years.”

JAMES HERBST
CHIEF EXECUTIVE OFFICER

FY2023 was another eventful year. We followed our investment in Glovent Solutions with a refinancing of our debt funding from Futuregrowth. I would like to personally thank Futuregrowth for the journey they travelled with us – they were supportive funders. On 1 June 2022, we closed the R240 million Facility Agreement with RMB, which allowed us to settle the Futuregrowth obligations of R150 million and provided access to additional funding, which facilitated Huge Telecom's acquisition of the remaining shares in Huge Networks that it did not own, thereby increasing its shareholding from 50.3% to 100%.

This transaction set the foundation for our decision to integrate the business of Huge Telecom with that of Huge Networks, which sees Huge Telecom acquiring the business of Huge Networks and subsequently changing its name to Huge TNS. This business integration gives Huge Group the ability to deliver on the promise it made in 2017 to leverage the substantial real estate of customers it acquired when it made its investment in Huge Connect and Huge Networks.

Huge TNS becomes Huge Group's largest investment based on assets, revenue, EBITDA, profit, and cashflow generation. The business integration creates a business with greater scale, substantially more customers, a larger product and service set, a national presence, and a more significant distribution capability. We believe that Huge TNS can conservatively grow its revenue from c. R300 million as at 28 February 2023 to c. R425 million over the next five years, which will see its EBITDA as at 28 February 2023 grow from c. R80 million to c. R150 million over the same period, because of the increased scale, which concomitantly increases operational leverage. Over this forecast period we envisage single digit revenue growth being replaced with sustainable double digit revenue growth.

Huge Connect is generating cash at the same attractive rate that it has generated cash in the last five years. New customer acquisitions and a move from low-data intensive to high-data intensive mobile point-of-sale devices are the main drivers of the forecast increases in revenue over the next five years, where we envisage revenues increasing from c. R175 million as at 28 February 2023 to c. R250 million, which will grow EBITDA by about 40% from c. R70 million to c. R100 million over the same period.

Our future growth initiatives are spearheaded by Huge Distribution and Huge Digital. At this point in time, we do not have enough visibility on probable revenue and cash flow generation, but we are confident that Huge Distribution's solar energy initiatives and Huge Digital's software-as-a-service initiatives have enormous upside potential. There is no need to tout the upside potential for solar and the coverage that branded MVNOs are receiving in the press is indicative of a space that has exciting times ahead. We believe that Huge Digital could double the net asset value of Huge Group in the next five years.

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



James Herbst

Chief Executive Officer

Melrose Arch

May 2023

The Huge Group Report

Overview

The FY2023 Integrated Report is available as follows:

- The complete Integrated Report (available in a user-friendly online version and downloadable PDF at www.hugegroup.com);
- Summarised Integrated Report (available in printed format).

The complete and summarised reports include the Consolidated and Separate Annual Financial Statements (AFS).

Reporting scope

This Integrated Report is Huge Group's primary report to its shareholders and stakeholders for the financial period 1 March 2022 to 28 February 2023. In addition to presenting Huge Group's operational and financial performance, this Report provides information on Huge Group's business model, strategy, and risk management and illustrates how Huge Group has created value. This Report aims to provide a balanced and accurate assessment of Huge Group's delivery of its strategic objectives over the short (less than 12 months), medium (one to three years) and long-term (more than three years). This Report is available at www.hugegroup.com.

Reporting frameworks

The reporting process has been guided by International Financial Reporting Standards (IFRS), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the King Code on Corporate Governance 2016 (King IV), the JSE Listings Requirements, and the Companies Act of South Africa (Act 71 of 2008), as amended ("the Companies Act").

Materiality

This Integrated Report focuses on information which the Directors believe is material to shareholders' understanding of Huge Group's ability to create value in the short, medium, and long-term. The materiality test applied by the Board is based on internal and external factors, both positive and negative, that substantially affect the ability of Huge Group to deliver its strategy and which could have a material impact on revenue, profitability, and growth. The CEO's letter, set out on pages 7 to 8, seeks to address those factors which could have a significant impact on Huge Group's ability to deliver its strategic objectives.

Assurance

The content of the Integrated Annual Report has been reviewed by the Board and management but has not been reviewed by our independent auditors. The Consolidated and Separate Annual Financial Statements have been audited by Huge Group's independent auditor, Moore Johannesburg Incorporated.

Forward-looking statements

The Integrated Annual Report includes forward-looking statements which relate to the possible future financial position and results of Huge. These statements by their nature involve risk and uncertainty as they relate to events and depend on circumstances which may or may not occur in the future. Huge Group does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information or future events, other than that which is required by the JSE Listings Requirements. The forward-looking statements in this Integrated Annual Report are based on the assumption that there is no unforeseen material macroeconomic deterioration in the markets and regulatory environment in which Huge Group operates. The forward-looking statements have not been reviewed, or reported on, by Huge Group's independent auditor.

Approval

The Board of Huge Group Limited has approved the publication of this Integrated Annual Report for the year ended 28 February 2023.

For and on behalf of the Board.



James Herbst

Chief Executive Officer



**INVESTMENT
COMMENTARY**

1. Investment Commentary

1.1. Investment Approach

Huge Group is an investment holding company that focuses on investing in other entities (each an **Investee Entity** and collectively the **Investee Entities**) with founders and management teams that want to create market-leading organisations. Huge Group's purpose is to realise and deliver value to its shareholders through these investments. There must be tangible proof that an opportunity is sustainable and, crucially, that the opportunity can successfully be made commercial in order for it to be pursued.

Huge Group's cash and return focus means it avoids investment opportunities that (i) are net asset value dilutive in the long-term, (ii) might negatively affect net asset value in the longer term, (iii) might impose excessive capital commitments, or (iv) will, based on forecast cash flows, result in negative internal rates of return (**IRR**) or net present values (**NPV**). The purpose is to grow Huge Group's intrinsic net asset value by investing in a combination of established cash-generating companies that feed the growth in more cash-hungry developing companies to ultimately enhance returns to shareholders.

Huge Group believes that it can distinguish itself from other investment holding companies through its understanding of markets in connectivity and cloud, software, and xTech, its management, and its investment team which has a significant track record of building value in investment entities and generating superior shareholder returns. Huge Group deploys capital by making investments in Investee Entities which are expected to yield a minimum positive investment return. If the investment return expectation (**IRE**) is achieved, Huge Group may seek to liquidate its investment or it may redeploy its capital if the future IRE is less than the IRE. If the future IRE is higher than the future IRE from an alternative redeployment of capital then Huge Group will remain invested. If it is evident that the IRE will not be achieved, Huge Group undertakes exit strategies to limit its downside. Huge Group does not subscribe to a portfolio approach to achieving its IRE.

1.1.1. Mission Statement

Huge Group owns and acquires meaningful interests in businesses in the converging connectivity and cloud, software and xTech markets, centered around the following investment values:

- Focus on the strategic oversight of existing businesses and expanding the portfolio through acquisition;
- Amplify value by leveraging customer 'real estate' and the scale of the broader Huge Group ecosystem;
- Empower and support the co-investors who lead the businesses;
- Facilitate collaboration between Investee Entities.

Huge has the right people to make this happen.

1.1.2. Investment philosophy

Huge Group invests in entities where it identifies growth potential in earnings, cash flow generation, increased dividend yields, and valuations over the long term. Huge Group prefers 'brown field' investments that are more stable and established in terms of cash generation and revenue growth, but it is not averse to 'green field' opportunities if the risk-reward trade-off is acceptable. This includes listed or unlisted opportunities.

Huge:

- prefers Investee Entities with strong annuity revenue;
- 'backs the jockey' and demands a sound and experienced management team with 'skin in the game' that can be trusted to run the acquired Investee Entity;
- prefers to make investments on the basis of 'shared risk'.

Acquiring 100% of Investee Entities is not Huge Group's investment strategy, and it aims to invest in companies without being restricted by any required size or level of shareholding. Huge Group fosters relationships and endeavours to add value to the Investee Entities by providing corporate finance and strategic input, including deal-making, capital allocation, and treasury services.

1.1.3. Investment strategy

Huge Group will structure its investment in Investee Entities so that they are free-standing, ring-fenced from risk, and separately monitored. It seeks to invest in entities where founders retain, or key management hold, meaningful interests or where the Investee Entity is owned with other chosen financial investors who share proportionately in the risk and reward of the Investee Entity.

Huge does not seek managerial responsibility for the day-to-day affairs of an Investee Entity. Huge will apply a hands-on investment approach to assist the management teams of its Investee Entities and provide strategic input, without assuming direct operational responsibility. Huge Group will be investment interventionist as opposed to operationally interventionist. It will apply a flexible investment approach relating to the timing and duration of investments.

Huge Group does not follow a trading approach to its Investee Entities. It does not acquire or dispose of investments in accordance with a private equity philosophy (where investment time horizons typically span 5-7 years), nor is it constrained by any required balance between listed and unlisted holdings. It holds its investments subject only to continual review of the quality of the underlying businesses, and to any constraints or obligations in shareholder agreements or stock exchange prohibited periods. When necessary, Huge Group will make changes to its holdings of Investee Entities notwithstanding any short-term accounting consequences. Huge Group will not issue shares for acquisitions or investments, or for the purposes of raising funds, unless the value received meaningfully exceeds the value given.

Huge Group will actively engage with Investee Entities in relation to their corporate activity and other strategic initiatives and leverage its existing ecosystem and brand to create a unique, well-diversified investment vehicle which will be an attractive

proposition for investors. Huge Group provides treasury services to its Investee Entities in any shape or form.

Huge Group has established an investment monitoring team which reports to the Investment Committee of the Board. The purpose of the investment monitoring team is to manage the performance of the current Investee Entities in which Huge Group has invested in terms of profit objectives, return on investment, return on cash, cash payback, dividend yields, and intrinsic net asset value measured by IRE, IRR and NPV.

1.1.4. Investment focus

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

1.1.5. Sector focus

Cloud and Connectivity

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

Software

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

xTech

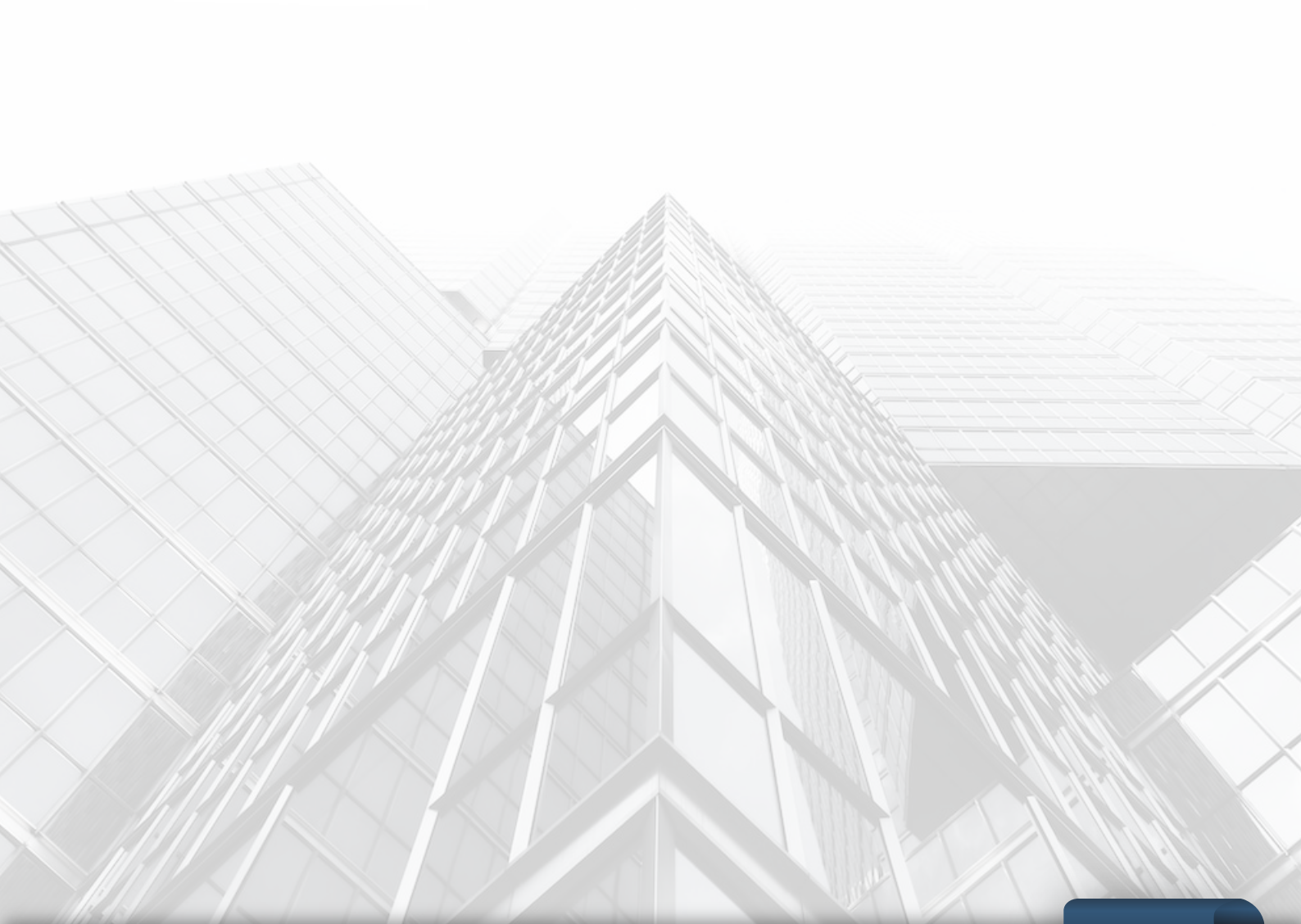
xTech is the opportunity where digital and other emerging technologies converge and transform diverse traditional industry sectors, through new processes, products, channels, and business models.

1.1.6. Investment returns (Performance Metrics / Parameters)

Huge Group is motivated to maximise financial returns for a given level of investment risk and will look to exit an investment when the IRE cannot be achieved. Huge Group forecasts expected returns by discounting its projected cashflows (cash invested and cash returned). The discounting process accounts for the time value of money or expected market returns from similar opportunities that are available.

The key parameters associated with Huge Group's expected returns include:

- A discount rate used to calculate the present value of future expected cashflows which reflects the risk associated with the timing and amount of cashflows, future market conditions, and inflation;
- The NPV that is generated by applying the discount rate to future expected cashflows, including dividends and proceeds on disposal, calculating the cash gain/loss relative to its initial investment;
- Its established exit value model;
- The IRR at which the NPV will be zero (i.e. the point at which its investment is break-even);
- Huge Group's target investment returns over a five-year rolling period is an IRR of 15%.



2. The Investment Team



JAMES CHARLES HERBST
CHIEF EXECUTIVE OFFICER

James became a member of the South African Institute of Chartered Accountants on 4 August 1997 and was awarded the CFA Charter from the CFA Institute on 18 September 2001. He completed his articles with Coopers & Lybrand (which became PWC) in 1996 and from 1997 to 2022 he managed the assets of high-net-worth individuals as a portfolio manager for Martin & Co (which became Fleming Martin and later JP Morgan). He has been involved in the listing of three companies on the JSE, DataPro, through Casey Investment Holdings (which became Vox Telecom) in 2004, Huge Group in 2007, and Mine Restoration Investments through Cenmag Holdings in 2012. James' investment career spans 26 years, 19 years of which have been focused on telecommunications, connectivity & cloud, software, and xTech.

James is Huge Group's listing founder. He joined the Company in 2006 as its CFO, prior to its listing on the AltX bourse of the JSE in August 2007. In March 2008, he was appointed as the Managing Director of Huge Telecom and the Chief Executive Officer of Huge Group. James relinquished his role as Managing Director of Huge Telecom in 2017 after Huge Group's move to the Main Board of the JSE, which was followed by Huge Group's acquisitions of Huge Connect, Huge Networks, and Huge Software.



ZAK VAN DE MERWE
CHIEF COMMERCIAL OFFICER

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



MARIA HERATY
CHIEF FINANCIAL OFFICER

Maria is an entrepreneurial- minded CA(SA) with a demonstrable track record of success in building, growing, and improving the profitability, performance, and value of companies within the Financial Services and Telecommunications sectors. She has held senior positions in a number of JSE listed entities, (most recently as the Head of Finance for Fidelity SecureDrive), has participated in start-up ventures, and has amassed a wealth of experience in leading, influencing, and driving the strategic, operational, reporting, and governance aspects of multi-dimensional financial teams in large organisations. In addition to her financial and commercial expertise, Maria also has experience and insight into the technical aspects of financial and transactional information technology systems, project and programme management, stakeholder management, governance and controls, risk management, and business transformation. She joined the Huge Management team early in 2023.



ANDY OPENSHAW
CHIEF OPERATING OFFICER

Andy has more than 20 years of experience in the telecommunications sector. Before joining Huge Group, he was the CEO of the Reunert Communication Cluster. He also acted as the CEO of ECN, following its sale to Reunert. Prior to joining ECN, Andy operated TDC, a major supplier of high-tech telecommunication products to Telkom. Under Andy's leadership, ECN became one of South Africa's leading voice and data service providers. Andy successfully leveraged the ECN offerings through a wide base of channel partners, including the Reunert owned Nashua franchise channel, making it a significant contributor to Reunert. Prior to entering the telecommunications sector, Andy fulfilled senior sales and marketing positions at Glaxo Pharmaceuticals. He was also a founding partner of Professional Pet Products and is presently the chairman of Radford Dale (The Winery of Good Hope). In addition to his BPharm, Andy has also completed the Advanced Executive Program at the UNISA School of Business Leadership

3. Huge Group Investment Portfolio

Huge Group has an investment portfolio of over R1,5 billion and our portfolio structure covers three investment Sectors, as depicted in the diagram set out below. The Group combines investments in businesses across these sectors to unlock synergies between these Investee Entities and accelerate the creation of exponential organic growth.

1. xTECH

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

GLOVENT
SOLUTIONS



SOFTWARE

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



2. CLOUD & CONNECTIVITY



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

OTHER ENTITIES IN HUGE GROUP'S PORTFOLIO

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

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



HUGE TNS

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

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

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

2023 HIGHLIGHTS

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

2023 OPPORTUNITIES

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

2023 KEY RISKS

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

TURNOVER
R265m

GP %
51%

EBITDA
R47m



HUGE CONNECT

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

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

2023 HIGHLIGHTS

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

2023 OPPORTUNITIES

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

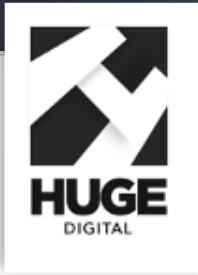
2023 KEY RISKS

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

TURNOVER
R150m

GP %
56%

EBITDA
R52m



HUGE DIGITAL

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

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

2023 HIGHLIGHTS

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

2023 OPPORTUNITIES

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

2023 KEY RISKS

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

TURNOVER
Pre-launch

GP %
Pre-launch

EBITDA
Pre-launch



HUGE DISTRIBUTION

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

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

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

2023 HIGHLIGHTS

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

2023 OPPORTUNITIES

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

2023 KEY RISKS

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

TURNOVER
R20m

GP %
19%

EBITDA
R3m



HUGE SOFTWARE

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

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

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

2023 HIGHLIGHTS

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

2023 OPPORTUNITIES

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

2023 KEY RISKS

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

TURNOVER
R4m

GP %
70%

EBITDA
R2.5m



GLOVENT SOLUTIONS

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

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

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

*due to investment in software development resources.

2023 HIGHLIGHTS

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

2023 OPPORTUNITIES

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

2023 KEY RISKS

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

TURNOVER
R21m

GP %
41%

EBITDA
R0m*



**CORPORATE
GOVERNANCE**

4. Corporate Governance

4.1. The Board of Directors



VERAN KATHAN
INDEPENDENT NON-EXECUTIVE CHAIRMAN

Veran holds a B.Compt (Hons) from UNISA, and a Higher Diploma in Taxation from the University of Johannesburg. He has also completed the Senior Management Development Programme at the University of the Witwatersrand. He 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.



CONWAY WILLIAMS
INDEPENDENT NON-EXECUTIVE DIRECTOR

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



DENNIS GAMMIE
INDEPENDENT NON-EXECUTIVE DIRECTOR

Dennis served as the CFO of the Aveng Group, the FD at Murray & Roberts Materials and a subsidiary of the Imperial Group. He also held an acting FD position over a large steel manufacturing and mining subsidiary of the Aveng Group & chaired various board committees. During his tenure, he was instrumental in many of the advancements of the company, including the listing of the Aveng Group on the JSE. In 2001, he successfully secured the first ~R1 bn 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 bn to a cash generative and highly profitable entity with a market cap of R40 bn.



MICHAEL (MIKE) BEAMISH
NON-EXECUTIVE DIRECTOR

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



VINCENT MOKHOLO
NON-EXECUTIVE DIRECTOR

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



JAMES HERBST
EXECUTIVE DIRECTOR & CEO

James became a member of the South African Institute of Chartered Accountants on 4 August 1997 and was awarded the CFA Charter from the CFA Institute on 18 September 2001. He completed his articles with Coopers & Lybrand (which became PWC) in 1996 and from 1997 to 2022 he managed the assets of high-net-worth individuals as a portfolio manager for Martin & Co (which became Fleming Martin and later JP Morgan). He has been involved in the listing of three companies on the JSE, DataPro, through Casey Investment Holdings (which became Vox Telecom) in 2004, Huge Group in 2007, and Mine Restoration Investments through Cenmag Holdings in 2012. James' investment career spans 26 years, 19 years of which have been focused on telecommunications, connectivity & cloud, software, and xTech.

James is Huge Group's listing founder. He joined the Company in 2006 as its CFO, prior to its listing on the AltX bourse of the JSE in August 2007. In March 2008, he was appointed as the Managing Director of Huge Telecom and the Chief Executive Officer of Huge Group. James relinquished his role as Managing Director of Huge Telecom in 2017 after Huge Group's move to the Main Board of the JSE, which was followed by Huge Group's acquisitions of Huge Connect, Huge Networks, and Huge Software.



ZAK VAN DE MERWE
EXECUTIVE DIRECTOR & CCO

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



ANDY OPENSHAW
EXECUTIVE DIRECTOR & COO

Andy has more than 20 years of experience in the telecommunications sector. Before joining Huge Group, he was the CEO of the Reunert Communication Cluster. He also acted as the CEO of ECN, following its sale to Reunert. Prior to joining ECN, Andy operated TDC, a major supplier of high-tech telecommunication products to Telkom. Under Andy's leadership, ECN became one of South Africa's leading voice and data service providers. Andy successfully leveraged the ECN offerings through a wide base of channel partners, including the Reunert owned Nashua franchise channel, making it a significant contributor to Reunert. Prior to entering the telecommunications sector, Andy fulfilled senior sales and marketing positions at Glaxo Pharmaceuticals. He was also a founding partner of Professional Pet Products and is presently the chairman of Radford Dale (The Winery of Good Hope). In addition to his BPharm, Andy has also completed the Advanced Executive Program at the UNISA School of Business Leadership.

4.2. Governance Report

4.2.1. King IV and governance requirements

Huge Group and its Investee Entities value the principles of sound corporate governance as a means of ensuring the delivery of sustainable value to stakeholders. Governance at Huge Group is subject to the oversight of the Board, which exercises control through the appropriate level of delegation to committees and executive Directors.

The Board's approach to adopting the principles and recommendations of King IV can be found on www.hugegroup.com/huge-group-unlocking-business-opportunity-governance-charters/.

During the period under review, the Board continued to implement governance procedures to align with the recommended practices of King IV and is cognisant that certain recommended practices still require development.

In ensuring that the Group meets its governance requirements, management has regard to the following legislation, regulations, and internal standards:

- Vision and mission;
- Companies Act;
- JSE Listings Requirements;
- A2X Market Listing Requirements;
- King IV;
- 10 Principles of the United Nations Global Compact;
- Regulatory licence terms and conditions;
- Code of Ethics.

4.2.2. The Board

The Board is the highest governance authority of the Group and Company and remains responsible for the Group's and Company's adherence to principles of good governance, ensuring that decisions taken are made with reasonable care, skill, and diligence.

The MOI of Huge Group requires the Board to have a minimum of five Directors. The Board currently comprises eight members, three of whom are executive Directors, five are non-executive Directors, three of which are independent, ensuring a balance of authority which precludes any one director from exercising unfettered power of decision-making. Directors are appointed to the Board following a formal process which is overseen by the Nomination Committee. Directors are required to dedicate sufficient time to meeting the Board's requirements. Each director is required to

contribute a high degree of knowledge, skill, and experience to the Group and Company.

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

The Board views the role of its non-executive Directors as essential in protecting shareholders' interests, particularly those of minority shareholders. Members of the Board must remain up to date with the Group's and Company's activities and developments through regular interaction with the executive Directors and senior management. Directors are entitled to receive independent professional advice at the expense of the Group and Company and have unrestricted access to management, the independent auditor, and the Company Secretary.

The Board composition is set out on pages 26 to 29 of this Report. The categorisation of directors is made in line with the Companies Act, King IV and the JSE Listings Requirements. The Board Charter places specific responsibilities on the Chairperson, the Chief Executive Officer, and the Company Secretary in respect of overseeing the implementation of sound corporate governance practices. The Chairperson is required, inter alia, to set the ethical tone for the Board and the Group and Company, provide overall leadership to the Board, ensure that conflicts of interest are managed appropriately, and ensure that members of the Board play a full and constructive role in the affairs of the Group and Company. The Chief Executive Officer is required, inter alia, to oversee the implementation of the Board approved strategy and supporting policies.

4.2.3. Chief Financial Officer

Mrs Sequeira fulfilled the role of Chief Financial Officer until her resignation on 1 September 2022. Mrs Heraty was employed as Financial Director of Huge Management effective 1 March 2023. Prior to Mrs Heraty's arrival, Mr Peter Boyce was appointed in a temporary capacity to ensure the continued active management of the finance function within the Group, overseen by the Group CEO as a qualified CA(SA).

The Audit Committee has evaluated the expertise and performance of Mrs Sequeira and Mrs Heraty respectively over the past financial year, as well as having assessed the financial management, governance, and controls in place during the transitional period between Mrs Sequeira's resignation and Mrs Heraty's appointment and are satisfied that both Mrs Sequeira and Mrs Heraty have the appropriate knowledge, skills and experience to perform the functions of the position. The Audit Committee is also satisfied that the role is supported by adequate and competent staff and with the processes, policies, controls, and reporting mechanisms in place.

4.2.4. Company Secretary

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

Having considered the performance of Ms Hansa during the reporting period, the Board is satisfied that Ms Hansa was competent, suitably qualified, and has the necessary knowledge, skills, and experience to adequately perform the functions required by the position. Ms Hansa is not a director of the Company or any subsidiary company thereof and maintains an arm's length relationship with the Board.

4.2.5. Board appointments and rotation

The Nomination Committee oversees the formal process for appointing and evaluating Directors. The Company's MOI requires that at least one third of non-executive Directors must retire at the Company's AGMs on an annual basis. These retiring members of the Board may be re-elected. The Board, through the Nomination Committee, recommends Directors for re-election, taking into account their past performance and contribution to the Board.

4.2.6. Diversity Policy

The Board recognises the value of diversity to the quality of its decision-making processes, as well as a positive contribution to transformation. Improving the Company's B-BBEE profile is a key strategic objective of its Strategy. The Board continuously seeks to improve upon its current level of diversity and is supported in this process by its Diversity Policy, as well as the functions of the Nomination Committee and the Social and Ethics Committee.

4.2.7. Succession Planning

The Board, through the Nomination Committee, undertakes a comprehensive review of executive and senior management positions on an annual basis. Key individuals have been identified who could fulfil short-term appointments on an emergency basis, as well as individuals who could provide long-term succession to these positions. Personal development plans for these individuals remain ongoing in order to ensure that they are adequately prepared to assume responsibility for the relevant positions.

4.2.8. Directors' dealings in Shares

Closed periods and prohibited periods are imposed by the Company in line with the Listings Requirements. Notifications of these periods are distributed to the Board, the directors of Investee Entities, as well as employees. Share dealings are managed by a formal policy on share trading and confidentiality and any directors' dealings require the pre-approval of the Chairman. The Company Secretary maintains a register of directors' dealings.

4.2.9. Board remuneration

Non-executive members of the Board are remunerated for their services to the Company by way of a monthly retainer and an attendance fee. Where required, reasonable travel expenses are paid by the Company. Shareholders approve non-executive director fees on an annual basis at the AGM. Further information on the non-executive director fees are set out in the Remuneration Report on pages 44 to 50.

4.2.10. Attendance at Board meetings and Board committee meetings

Directors	Board meetings	Special meetings	Audit Committee	Risk Committee	Investment Committee	Social and Ethics Committee	Remuneration Committee	Nomination Committee
No. of meetings FY2023	4	1	4	3	6	2	3	3
Veran Kathan	2	-	2	2	2	2	2	2
Dennis Gammie	4	1	4	3	6	-	3	3
Conway Williams	2	-	2	2	2	-	-	-
Vincent Mokholo	4	1	-	3	6	2	3	1
Mike Beamish	2	-	-	2	2	-	-	2
James Herbst	4	1	-	3	-	-	-	-
Zak van de Merwe	2	-	-	2	-	2	-	-
Andy Openshaw	4	1	-	3	-	-	-	-
Duarte da Silva*	2	1	-	1	4	-	1	-
Brian Armstrong*	2	1	2	1	4	-	1	-
Craig Lyons*	2	1	2	1	4	-	1	1

* Resigned 21 October 2022

4.3. Application of King IV™

King IV Principle and/or recommended principle	JSE Listings Requirements	Principle	Huge Group application	Actions or enhancements for the future
Principle 6 RP2 Principle 7 RP6 Principle 8 RP44(c)	3.84(a)	A policy must be in place which evidences the clear balance of power and authority at board level to ensure that no one director has unfettered powers of decision-making.	The processes and procedures set out in the Board Charter ensure that in undertaking its duties the Board maintains a balance of power and authority and no one director has unfettered powers of decision-making.	The Board will continue to monitor this requirement and ensure that it remains upheld.
Principle 7 RP31 to 34	3.84(b)	The company must have appointed a separate CEO and Chairman. The Chairman must be independent, alternatively a lead independent director must be appointed.	The Company has appointed a CEO and Chairman.	The Board will continue to assess the independence of its leadership on a regular basis.
Principle 8 RP51	3.84(c)(i)	The Company must appoint an Audit Committee.	The Company has established an Audit Committee which meets the requirements of the Companies Act and King IV.	The Committee continues to monitor compliance with its roles and responsibilities. Future focus will be given to the advancement of the Company's assurance processes.
Principle 8 RP36(b) RP65	3.84(c)(ii)	The company must appoint a Remuneration Committee	The Company has established a Remuneration Committee.	The Committee will continue to monitor the implementation of performance measurements and give consideration to suitable incentive schemes.

Continued on next page.

King IV Principle and/or recommended principle	JSE Listings Requirements	Principle	Huge Group application	Actions or enhancements for the future
Principle 8 RP68	3.84(c)(iii)	The company must appoint a Social and Ethics Committee.	The Company has established a Social and Ethics Committee which meets the requirements of the Companies Act and King IV.	The Committee continues to monitor compliance with its roles and responsibilities. Future focus will be given to the advancement of the Company's BBBEE compliance and improvements in its racial and gender diversity.
Principle 7 RP20	3.84(d)	A brief CV of each director standing for election or re-election must accompany the Notice of the Annual General Meeting.	This has been included on page 26-29 of this Integrated Annual Report.	-
Principle 7 RP7(b) RP27 RP30(c)	3.84(e)	The capacity of each director must be categorised as executive, non-executive, or independent.	The Board Charter provides for each director to be categorised as executive, non-executive, and independent directors in accordance with the requirements of the Companies Act and King IV.	The Board will continue to consider the balance of executive, non-executive, and independent directors.

Continued on next page.

King IV Principle and/or recommended principle	JSE Listings Requirements	Principle	Huge Group application	Actions or enhancements for the future
Principle 8 RP59(f)	3.84(f) and (g) (i) and (ii)	The company must appoint an executive financial director and the Audit Committee must confirm that it is satisfied with the expertise and experience of the financial director; and that it is satisfied that the appropriate financial reporting procedures are in place and operating.	The Audit Committee Charter and annual work plan require the Committee to make the requisite assessments on an annual basis.	The Audit Committee will continue to assess the expertise and experience of the financial director and the appropriateness and operation of the financial reporting procedures.
Principle 8 RP59(a)	3.84(g)(iii)	The company must satisfy itself that the auditor is independent of the company and must request confirmation of independence from the auditor upon appointment and annually thereafter for every re-appointment.	The Audit Committee Charter requires the Audit Committee to review the independence of the auditor on appointment and on an annual basis when recommending the re-appointment of the auditor to shareholders.	The Audit Committee will continue to assess the independence of Moore Johannesburg Incorporated on an annual basis.
Principle 10 RP98	3.84(h)	The Board must consider and satisfy itself, on an annual basis, as to the competence, qualifications, and experience of the Company Secretary.	The Board Charter requires the Board to consider the competence, qualifications, and experience of the Company Secretary on an annual basis.	The Board will continue to assess the performance of the Company Secretary on an annual basis.

Continued on next page.

King IV Principle and/or recommended principle	JSE Listings Requirements	Principle	Huge Group application	Actions or enhancements for the future
Principle 7 RP10 RP11 RP30(b)	3.84(i)	The Board must consider and explain how it has applied the diversity policy on race, gender, culture, age, field of knowledge and skills, and experience in the nomination and appointment of directors and report on progress thereof on agreed voluntary targets.	The Board Charter requires the Board to consider the broader diversity criteria in making appointments.	This matter is monitored on an ongoing basis by the Nomination Committee and the Social and Ethics Committee. Performance against specific targets will be provided in future reporting.
Principle 7 RP10 RP11 RP30(b)	3.84(j)	The Board must consider and explain how it has applied the policy on racial diversity in the nomination and appointment of directors and report on progress thereof on agreed voluntary targets.	The Board Charter requires the Board to consider racial diversity in making appointments.	This matter is monitored on an ongoing basis by the Nomination Committee and the Social and Ethics Committee. Performance against specific targets will be provided in future reporting.
Principle 14 RP37	3.84(k)	The Remuneration Policy and Implementation Report must be tabled for separate, non-binding advisory votes by shareholders at the annual general meeting.	The Remuneration Committee is responsible for the development of the Remuneration Policy and overseeing the implementation thereof. The Remuneration Policy makes provision for Board engagement with shareholders where the Remuneration Policy and Remuneration Implementation Plan receives less than 75% approval.	The Remuneration Committee will consider any feedback received in respect of the Remuneration Policy and the Remuneration Implementation Plan.

4.4. Audit Committee Report

The Audit Committee is mandated to assist the Board by reviewing and advising on financial reporting, oversight of governance, financial risk management processes and internal financial and non-financial controls, independent audit functions, and statutory and regulatory compliance.

The Audit Committee operates within defined terms of reference and authority granted to it by the Board in terms of a written charter. It meets at least four times a year, and the external auditors, Moore Johannesburg Incorporated, and the CFO attend as well. The Chief Executive may also attend by invitation. The external auditors have unrestricted access to the Audit Committee.

Selected audit services are performed for the Group and Company by Moore Johannesburg Incorporated for assurance purposes. Moore Johannesburg Incorporated reports to the Chairman of the Audit Committee and administratively to the CEO. The relationship is sound and no disagreements were recorded during the year.

The external auditors present their reports and opinions in person. The auditors follow a plan over a three-year cycle, focusing on areas identified and prioritised based on those areas viewed as higher risk and where there is an aim to improve internal controls in a specific area. The plan is flexible to accommodate changing circumstances or risk profiles. Their reports provide unqualified assurances to the Audit Committee and Board.

The principal functions of the Audit Committee are to review the interim and annual financial statements and accounting policies, monitor the effects of internal controls, assess the risks facing the business, assess the expertise and experience of the CFO, discuss the findings and recommendations of the auditors, and review corporate governance procedures. The Audit Committee also has the responsibility for recommending the appointment of the external auditors and for ensuring that there is appropriate independence relating to non-audit services provided by the auditors.

The Audit Committee regards the CFO, Maria Heraty, as suitably qualified and experienced and the finance function to be operating effectively.

The Audit Committee regards the process resulting in the presentation of the Integrated Annual Report to be satisfactory and that the level of combined assurance is appropriate relative to the scale of the Group and its identified risks and mitigating controls.

It regards the relationship between the external assurance providers and the Group and Company as sound and conducive to optimising the level and quality of assurance and no separate external assurance is necessary on sustainability issues due to the limited size and focus of Huger Group's operations as an Investment Entity. The Audit Committee does not regard the Group and Company as having any current unmitigated risks arising from

sustainability considerations. The Audit Committee is of the view that it complied with all its legal, regulatory, and governance responsibilities during the period.

The Audit Committee comprises the following members:

	Attendance
DR Gammie (<i>Independent Non-Executive Chairperson</i>)	4/4
CIJ Williams (<i>Independent Non-Executive</i>)	2/2*
VHT Kathan (<i>Independent Non-Executive</i>)	2/2*

* from appointment

While the Audit Committee is satisfied that it has met its objectives for FY2023, it intends to continue enhancing its efficiencies in reviewing internal controls.

4.5. Risk Committee Report

The Risk Committee operates within defined terms of reference and meets twice annually. It is mandated to assist the Board in managing risks which may have a significant impact on business continuity and the achievement of the Huge Group Strategy.

The Committee comprises the following members:

	Attendance
DR Gammie (<i>Chairperson</i>)	3/3
CIJ Williams	2/2*
VHT Kathan	2/2*
MR Beamish	2/2*
VM Mokholo	3/3
JC Herbst	3/3
Z van de Merwe	2/2*
AP Openshaw	3/3

* from appointment

4.5.1. Approach to Risk Management

The Board considers risk management as an integral component of its decision-making processes. The Board has mandated the Risk Committee to assist in the management of any risks which may have a significant impact on business continuity and the achievement of Huge Group's Investment Policy.

A framework for managing risk facilitates rational decision-making and limits the possibility of loss or damage to the Group and Company. Huge Group defines risk as uncertain future events that could influence its ability to achieve its objectives.

Huge Group’s risk management process intends to mitigate and manage the potential negative effects of risk factors, whilst providing space for it to meet its objectives and capitalise on any possible opportunities it encounters.

The Group and Company understands that there are risks inherent in business and that taking risks is a prerequisite to achieving strategic objectives. The Executive and the Risk Committee evaluate risks routinely and determine appropriate risk mitigation strategies.



The Huge Group risk management process

4.5.2. Risk Appetite

Precise measurement is not always possible and risk appetite is defined by a broad statement of approach; risk appetite is a consequence of a rigorous risk management analysis, not a precursor. Huge Group has an appetite for some types of risk and is averse to others, depending on the context and the potential losses or gains.

Extent of risk appetite	Risk tolerance level	Risk management approach	Management action
No appetite	Zero tolerance	Highly cautious	Crisis management
Low appetite	Low tolerance	Cautious	Board approval
Moderate appetite	Moderate tolerance	Conservative	Managing director approval

Risks are classified in a risk register. Each risk is considered and ranked in terms of its likelihood and impact by attributing an inherent risk score to each risk. Risk mitigation

measures are considered and agreed upon and the residual likelihood and residual impact are considered, resulting in a residual risk rating that is acceptable and approved by the Board.

Sound risk management provides a managed and controlled platform from which Huge Group is able to achieve its strategic objectives.

4.5.3. Risk framework and the governance of risk

The Board is responsible for the risk framework and governance relating to risk. It delegates the responsibility for monitoring the risk management process to the Risk Committee and the specific management of risks to the executive Directors of Huge Group and its Investee Entities.

The Board reviews risks and the mitigating controls presented by management in the Huge Group risk register or as identified by the Board.

The Board regards the monitoring and control of risks by management as a part of the ongoing operations of the Group and Company and believes they are well managed. The Board is not aware of any unmanaged risks that exceed the Group and Company's risk appetite.

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

The Board is of the view that all the risks listed have been mitigated to the extent possible and that all residual risks have adequate controls or are monitored closely.

The Board is not aware of any impending material risks that have not been disclosed.

No matters have come to the attention of the Risk Committee or the Board that has caused them to believe that the Group and Company's system of internal controls and risk management is not effective.

The current risk watch list has been set out on the following page.

Description of risk	Risk Mitigation Measures	Risk Tolerance
Threat of a cyber security breach	Proactive monitoring and threat detection, backed up by comprehensive cyber insurance cover.	The Risk Committee has evaluated the risk of a cyber security breach and has determined that the risk is outside its risk tolerance. Controls have been put in place to mitigate this risk to an acceptable level.
Eskom Grid Collapse	Constantly undergo deep analysis throughout the investment portfolio to determine balance sheet, income statement, and business impact. Thereafter implement risk mitigation plans and actions.	The Risk Committee has evaluated the risk of an Eskom Grid collapse and has determined that the risk is outside its risk tolerance. Controls have been put in place to mitigate this risk to an acceptable level.
Deterioration of macroeconomic conditions	Constant monitoring of markets and volatility therein. Team discussions and external consultation to stay on top of trends and developments both local and abroad.	The Risk Committee has evaluated the risk and has determined that it has a moderate probability of affecting long-term goals and is therefore within its risk tolerance.
Loss of key Investee Entity personnel	Succession plans for each Investee Entity are reviewed and monitored by the Company.	The Risk Committee has evaluated the risk and has determined that it has a moderate probability of affecting long-term goals and is therefore within its risk tolerance.
Lack of liquidity	Constant engagement with existing shareholders, potential investors, current lenders, and alternative funders to increase capacity to fund growth.	The Risk Committee has evaluated the risk and has determined that it has a moderate probability of affecting long-term goals and is therefore within its risk tolerance.
Legal and regulatory compliance breaches	Experienced internal and external legal counsel consult on all matters considered material.	The Risk Committee has evaluated the risk and has determined that it has minimal probability of affecting long-term goals and is therefore within its risk tolerance.

Continued on next page.

Description of risk	Risk Mitigation Measures	Risk Tolerance
Inability to meet strategic objectives	Constant building of capacity and regular succession planning to ensure strategic objectives can be met.	The Risk Committee has evaluated the risk and has determined that it has minimal probability of affecting long-term goals and is therefore within its risk tolerance.
Failure to meet B-BBEE requirements	Close relationships & constant communication with B-BBEE consultants, including structured planning on meeting targets specific to each Investee Entity.	The Risk Committee has evaluated the risk and has determined that it has minimal probability of affecting long-term goals and is therefore within its risk tolerance.
Politically exposed individuals	Careful vetting of potential investment targets and business partners with effective due diligence prior to investment.	The Risk Committee has evaluated the risk and has determined that it has minimal probability of affecting long-term goals and is therefore within its risk tolerance.

Residual Risk Key:

High Risk	Medium Risk	Low Risk
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Huge Group Risk Watchlist

4.6. Investment Committee Report

The Investment Committee is mandated to assist the Board in deliberating any strategic investment opportunity and interactions with the investment community.

The Investment Committee's responsibilities include:

- Considering potential acquisition opportunities and making representations to the Board;
- Monitoring compliance with the Investor Relations Policy;
- Reviewing activities relating to investor relations and communications;
- Reviewing and recommending the appointment of service providers in respect of the Group and Company's investment activities.

Please refer to page 12-15 for the Investment Committee report.

The Investment Committee comprises the following members:

	Attendance
Mike Beamish (<i>Chairperson</i>)	2/2*
Dennis Gammie	6/6
Conway Williams	2/2*
Veran Kathan	2/2*
Vincent Mokholo	6/6

*From appointment

4.7. Remuneration Committee Report

The Remuneration Committee operates within defined terms of reference and meets twice annually. It is mandated to ensure the consistent application of the Group and Company's Remuneration Policy and Remuneration Implementation Plan and to assist the Board in ensuring that the disclosure of remuneration matters is accurate, complete, and transparent.

The Remuneration Committee determines executive remuneration and incentives, reviews staff costs, and recommends non-executive Directors' fees to shareholders. It conducts appropriate market reviews periodically relative to these assessments.

While the Committee is satisfied that it has met its objectives for FY2023, it intends to continue enhancing its efficiencies in reviewing remuneration practices and evaluating the performance targets of executive Directors.

For the period under review the Remuneration Committee comprised the following members:

	Attendance
Veran Kathan (<i>Chairperson</i>)	2/2*
Dennis Gammie	3/3
Vincent Mokholo	3/3

*From appointment

4.7.1. Remuneration Committee Report

The Group and Company's Remuneration Policy, which was implemented in support of the Huge Group Strategy, ensures that the Group and Company continues to remunerate fairly and reasonably, while also creating value for shareholders.

The Group and Company's status as an Investment Entity has resulted in a change in the scope of the Remuneration Committee's mandate regarding the Investee Entities and their remuneration.

The Remuneration Committee has reviewed the applicable reference reports and the proposed non-executive Directors' fees as submitted by the Executive and recommends these to the Board for approval. The Remuneration Committee considers the remuneration of the CEO and makes its recommendations to the Board for approval.

The Remuneration Committee recommends an annual salary increase range to the Executive teams of the Investee Entities, for consideration/guidance when building the budgets for their entities.

The Remuneration Committee will focus on ensuring that the objectives of the Remuneration Policy remain an important part of the Group and Company's activities.

The Board reviews the recommendations of King IV in respect of performance hurdles relative to the Group and Company's strategic objectives.

The Board remains confident that the Remuneration Policy, a summary of which is included in this Report, is well aligned with the delivery of the Huge Group Strategy.

At the Group and Company's last AGM held on 10 August 2022, 95.63% of the votes cast by shareholders supported the Remuneration Policy and 95.63% of the votes cast by shareholders supported the Remuneration Implementation Report. Non-executive director fees received the support of 99.94% of the votes cast.

No remuneration consultants were used during the period under review. However, cognisance was had to the following independent public reports on remuneration:

- Non-executive Directors: Practices and Remuneration Trends Report, PWC, 15th Edition;
- Executive Directors: Practices and Remuneration Trends Report, PWC, 14th Edition;
- Non-executive Directors' Fees Guide, Institute of Directors South Africa, 9th Edition.

The Remuneration Committee is of the view that it has achieved the stated objectives of its charter. The Remuneration Committee will continue to focus on the implementation of the Remuneration Policy in support of the sustainable delivery of the Huge Group Strategy.

For and on behalf of the Remuneration Committee



Veran Kathan
Chairman
Remuneration Committee

4.7.2. Remuneration Policy

Governance

Huge Group's Remuneration Report is presented in three parts aligned with the requirements of the King Report on Corporate Governance (King IV™). These include:

- Background Statement;
- Remuneration Policy and Philosophy;
- Implementation Report.

Background Statement

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

The Board has ultimate responsibility for the appropriateness of remuneration policies and has delegated oversight of this responsibility to the Remuneration Committee, the composition, and details of which are set out on page 43.

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

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

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

Remuneration Policy and Philosophy

The Remuneration Policy is approved by the Remuneration Committee and the Board. The following principles are applied to remuneration and the full policy can be found on Huge Group's website:

- No differential compensation applies to gender, race, or location and the principle of equal work for equal pay is applied;
- Compensation is defined on a cost-to-company basis;
- Huge Group's policy is to pay cost-to-company packages in the median quartile for comparable positions;
- Research and benchmarking are performed from time to time;

- Remuneration is aligned to individual outputs;
- Performance incentives are used to drive strategically aligned behaviour supporting the acquisition, growth, and sale of Investee Entities;
- Long-term share options encourage individual alignment with the Group's long-term goals and is an effective long-term incentive and retention mechanism for key individuals;
- Management's interests are also aligned with those of shareholders relative to share prices;
- Non-executive Directors receive annual fees for their roles as Directors, as well as for each Board meeting attended, including the committee meetings held.

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

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

The full Remuneration Policy is available on the Group and Company's website: www.hugegroup.com

4.7.3. Remuneration Implementation Report

Summary of remuneration activities and decisions taken

During the reporting period, the Remuneration Committee revised the Group and Company's Remuneration Policy to accommodate the change to Investment Entity.

Executive director remuneration

Fixed remuneration

During the reporting period, the executive Directors of Huge Group consisted of Mr. Herbst, the Chief Executive Officer, Mr. Zak Van De Merwe, the Chief Commercial Officer, and Mr. Openshaw, the Chief Operating Officer. In reviewing the annual increase of the remuneration of each executive, the Remuneration Committee considered their responsibilities.

Total remuneration outcomes for executive directors and prescribed officers

Director	Annual remuneration	Risk, retirement and medical contributions	Total remuneration	Incentives	Total cost to company
JC Herbst	4 416 130	579 192	4 995 322		4 995 322
AP Openshaw	2 423 601	89 599	2 513 200	305 000	2 818 200
Z VD Merwe	393 750		393 750		393 750
SL Sequeira*	1 327 500		1 327 500	20 000	1 347 500

*Until resignation on 1 September 2022

Prescribed officers:					
K Sinclair ¹	2 608 327	35 212	2 643 539	157 120	2 800 659
RR Burger ²	2 365 703	383 038	2 748 741	-	2 748 741
SM Oberholzer ³	2 533 600	64 356	2 597 956	-	2 597 956
SJ Morony ⁴	1 893 742	168 500	2 062 242	-	2 062 242
MW Granville ⁵	781 632	-	781 632	-	781 632
D Cameron ⁶	660 000	-	660 000	-	660 000

Note: the annual remuneration includes UIF and skills development levies.

- 1 K Sinclair, in his capacity as Managing Director of Huga Connect, is a prescribed officer of the company.
- 2 RR Burger, in his capacity as Managing Director of Huga Telecom, is a prescribed officer of the company.
- 3 SM Oberholzer, in his capacity as Managing Director of Huga Networks, is a prescribed officer of the company.
- 4 SJ Morony in his capacity as Commercial Director of Huga Telecom, who held this position until 23 December 2022.
- 5 M Granville, is as prescribed officer of Huga Software.
- 6 D Cameron, in his capacity as Managing Director of Huga Distribution, is a prescribed officer of the company.

Ex gratia payments to executive directors

No ex gratia payments were made to Directors during FY2023.

Non-executive director remuneration

During the reporting period, the following remuneration was paid to non-executive directors in accordance with the approval of shareholders by the special resolution at the AGM held on 10 August 2022:

Director	Total annual retainer fees paid in FY2023	Total annual attendance fees paid in FY2023	Total attendance fees at special Board meetings ¹	Total
DF da Silva ²	R504 000	R54 000	R6 000	R564 000
VHT Kathan	R274 354	R36 000	-	R310 354
VM Mokholo	R388 000	R96 000	R6 000	R490 000
DR Gammie	R540 000	R102 000	R6 000	R648 000
MR Beamish	R140 000	R36 000	-	R176 000
CIJ Williams	R124 000	R36 000	-	R160 000
CWJ Lyons ²	R280 000	R66 000	R6 000	R352 000
BC Armstrong ²	R238 000	R54 000	R6 000	R298 000

Note: These figures exclude VAT, where applicable.

1 1 special board meeting was held during FY2023.

2 Resigned 21 October 2022.

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 assured 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. The Chairman's fees are lower than the average for this sector, while the non-executive directors' fees are in line with the median quartile of this sector. The non-executive director remuneration will be tabled at the AGM for the approval of shareholders.

Interests of Directors and prescribed officers

Details of Directors' and prescribed officers' contractual interests in Huge Group are set out on page 67 of the AFS. Details of Directors' and prescribed officers' interests in the share capital of Huge Group are set out on pages 67-69 of the Directors' Report.

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 detail in its next Remuneration Report:

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

4.8. Nomination Committee Report

The Nomination Committee is mandated to apply processes for nominating, electing and appointing members to the Board and its committees, succession planning, and evaluation processes.

Succession planning

The Nominations Committee is responsible for formulating and monitoring the succession plans of the Board, the CEO, and the CFO. The Nomination Committee reviews the succession plan annually, including the reviewing and monitoring of the application of the Board’s Diversity Policy.

The period under review demonstrated the importance of succession planning regarding the Board changes that took place in October 2022. The Nomination Committee oversaw the appointments of the incoming non-executive Directors as well as the appointment of a CFO.

The Nomination Committees focus areas for FY2024 remain the monitoring of succession planning processes for executive Directors and improving the Group and Company’s application of its Diversity Policy.

The Nomination Committee comprises the following members:

	Attendance
Veran Kathan (<i>Chairperson</i>)	2/2*
Dennis Gammie	3/3
Mike Beamish	2/2*

*from appointment

4.9. Social and Ethics Committee Report

The Social and Ethics Committee has a written charter that meets all the requirements of the Companies Act on the scope of its functions. These include the Group and Company's standing relative to the ten United Nations Global Compact Principles, the Organization for Economic Cooperation and Development (OECD) recommendations regarding corruption, the Employment Equity Act and the B-BBEE Act, good corporate citizenship including the Group and Company's environmental and safety issues, Environmental, social and governance (ESG) and labour relations. The Committee is satisfied that the Group and Company has properly considered these issues and taken the appropriate measures to the extent applicable to the Group's activities.

The Committee comprises the following members:

	Attendance
Vincent Mokholo (<i>Chairperson</i>)	2/2
Veran Kathan	2/2
Zak van de Merwe	2/2

4.9.1. Social and Ethics Committee Report to the Shareholders

The Social and Ethics Committee ("the Committee") is a statutory committee of Hugel Group Limited, which performs Hugel's statutory duties in terms of Section 72(4), read with Regulation 43(5), of the Companies Act of South Africa (Act 71 of 2008) ("the Companies Act). The Social and Ethics Committee has a written charter that meets all the requirements of the Companies Act on the scope of its functions. These functions include the Group and Company's standing relative to the ten United Nations Global Compact Principles, the OECD recommendations regarding corruption, the Employment Equity Act and the B-BBEE Act, good corporate citizenship including the Group and Company's environmental and safety issues, ESG and labour relations. The Committee is satisfied that the Group and Company has properly considered these issues and has taken the appropriate measures to the extent applicable to the its activities.

For the period under review, the Group and Company continued to monitor the employment equity of the Investee Entities and encourages them to achieve the required B-BBEE levels. Hugel is aspiring for its Investee Entities to achieve at least a level 4 rating and the Committee's focus area for the FY2024 period is steering policy on the Investee Entities B-BBEE levels and the ongoing monitoring of their respective ESG frameworks.

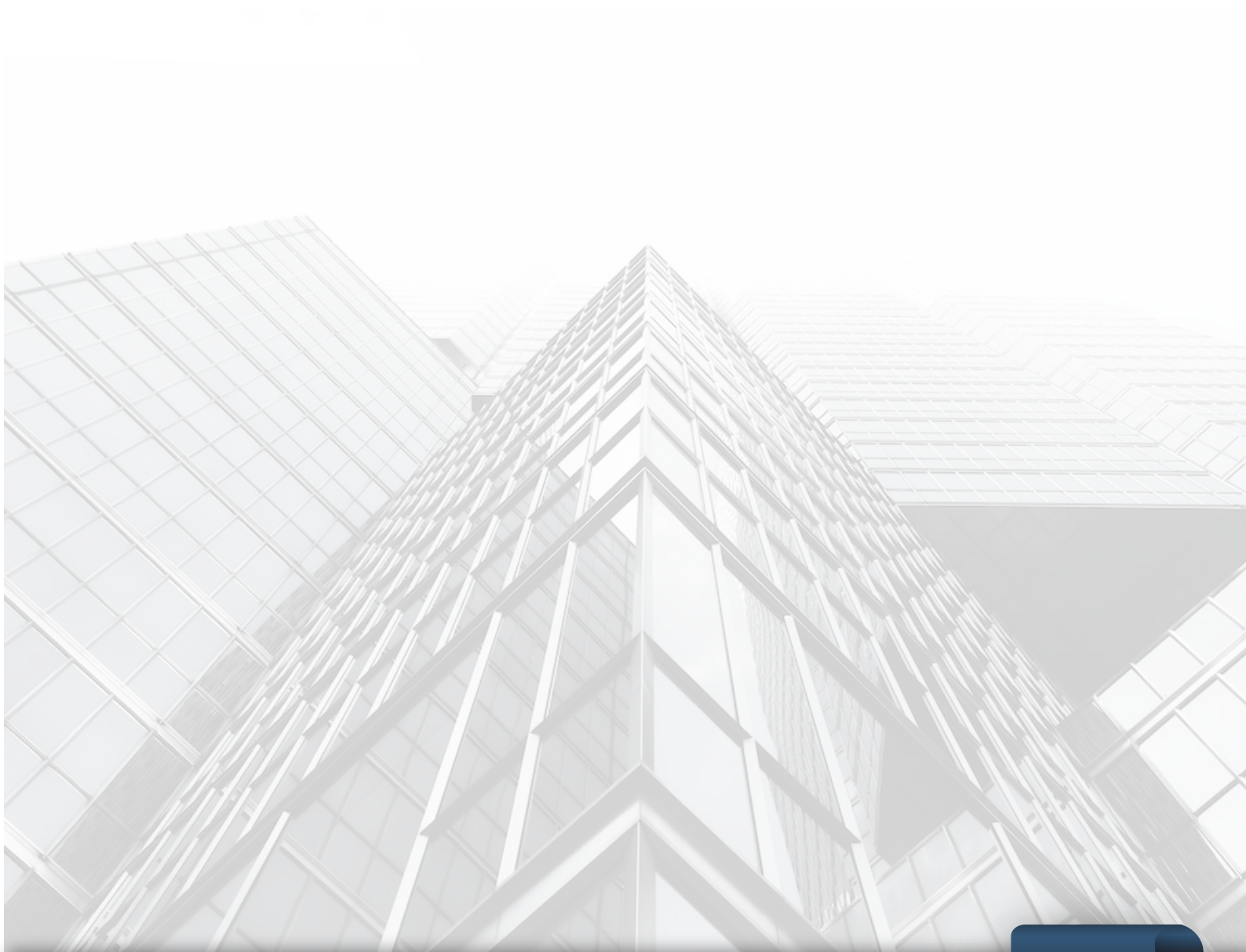
The Social and Ethics Committee is of the view that it has met its stated objectives of its charter and will continue to focus on assessing the Group and Company's policies and the implementation thereof.



Vincent Mokholo

Chairman

Social and Ethics Committee





**ANNUAL
FINANCIAL
STATEMENTS**

5. Annual Financial Statements

Table of Contents

CHANGE IN INVESTMENT ENTITY STATUS	56
DIRECTORS APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023	56
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT ...	58
PREPARATION AND APPROVAL OF FINANCIAL STATEMENTS.....	59
CERTIFICATE BY THE COMPANY SECRETARY	59
INDEPENDENT AUDITOR'S REPORT	60
DIRECTORS' REPORT AS AT 28 FEBRUARY 2023	65
NATURE OF THE BUSINESS	65
COMPOSITION OF THE BOARD OF DIRECTORS	65
FINANCIAL RESULTS	65
GOING CONCERN	65
EMPOWERMENT.....	66
BORROWING POWERS.....	66
DIRECTORS INTERESTS IN THE SHARE CAPITAL OF THE COMPANY.....	66
DEALINGS IN SECURITIES	67
DIRECTORS PERSONAL FINANCIAL INTERESTS.....	68
SUBSEQUENT EVENTS (EVENTS AFTER THE REPORTING PERIOD)	68
AUDIT & RISK COMMITTEE REPORT	69
REPORT TO THE SHAREHOLDERS ON THE ACTIVITIES OF THE AUDIT COMMITTEE FOR THE REPORTING PERIOD ENDED 28 FEBRUARY 2023.....	69
STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2023.....	73
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2023.....	74
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2023	75
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2023	76
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 FEBRUARY 2023	77
ACCOUNTING POLICIES FOR THE YEAR ENDED 28 FEBRUARY 2023	78
CONSOLIDATION.....	81
FINANCIAL ASSETS	82
NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023	89
NOTE 1 - SEGMENT REPORTING	89
NOTE 2 - PROPERTY, PLANT AND EQUIPMENT	93
NOTE 2 - PROPERTY, PLANT AND EQUIPMENT CONTINUED.....	94

NOTE 3 - INVESTMENTS HELD	95
NOTE 3 - INVESTMENTS HELD CONTINUED.....	96
NOTE 3 - INVESTMENTS HELD CONTINUED.....	97
NOTE 3 - INVESTMENTS HELD CONTINUED.....	98
NOTE 3 - INVESTMENTS HELD CONTINUED.....	99
NOTE 4 - LOANS RECEIVABLE/(PAYABLE)	101
NOTE 5 - TRADE AND OTHER RECEIVABLES.....	103
NOTE 6 - DEFERRED TAX.....	105
NOTE 7 - TAX PAID.....	106
NOTE 8 - CASH AND CASH EQUIVALENTS	106
NOTE 9 - SHARE CAPITAL.....	108
NOTE 9 - SHARE CAPITAL CONTINUED	109
NOTE 10 - SHARE-BASED PAYMENT RESERVE.....	110
NOTE 11 - INTEREST-BEARING LIABILITIES HELD AT AMORTISED COST	112
NOTE 12 - TRADE AND OTHER PAYABLES.....	113
NOTE 13 - INVESTMENT INCOME.....	113
NOTE 14 - OTHER INCOME	114
NOTE 15 - OPERATING PROFIT	114
NOTE 16 - FINANCE COSTS	115
NOTE 17 - INCOME TAX (EXPENSE)/ (INCOME).....	115
NOTE 18 EARNINGS AND HEADLINE EARNINGS PER SHARE	116
NOTE 19 - CASH GENERATED FROM/(USED IN) OPERATIONS	117
NOTE 20 - RELATED PARTIES	118
NOTE 20 - RELATED PARTIES CONTINUED.....	119
NOTE 20 - RELATED PARTIES CONTINUED.....	120
NOTE 21 - REMUNERATION AND BENEFITS PAID TO DIRECTORS/PREScribed OFFICERS.....	120
NOTE 21 - REMUNERATION AND BENEFITS PAID TO DIRECTORS/PREScribed OFFICERS CONTINUED	121
NOTE 22 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT.....	122
NOTE 22 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED	123
NOTE 22 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED	124
NOTE 22 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED	125
SHAREHOLDER ANALYSIS.....	127
DEFINITIONS	132

CHANGE IN INVESTMENT ENTITY STATUS

It is important to note that, with effect from 1 March 2021, Huge Group status changed to that of an Investment Entity as defined in IFRS 10 Consolidated Financial Statements and detailed on pages 79 to 80 of the accounting policies to these annual financial statements. Such change required Huge Group to cease consolidating its subsidiaries (other than those providing services related to Huge Group's investment activities) and to instead carry such subsidiary investments at fair value, with subsequent changes in fair value being recognised in profit or loss.

DIRECTORS APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

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 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 61 to 65.

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 74 to 127, which have been prepared on a going concern basis, were approved by the Board on 30 May 2023 and were signed on its behalf by:

For and on behalf of the Board.



James Herbst
Group Chief Executive Officer



Maria Heraty
Chief Financial Officer

Chief Executive Officer and Chief Financial Officer's Responsibility Statement

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

- the AFS set out on pages 74 to 127 fairly present in all material respects the financial position, financial performance, and cash flows of the issuer in terms of IFRS;
- 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 Investee Entities 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 Directors.

Signed by the CEO and the CFO



James Herbst
Chief Executive Officer



Maria Heraty
Chief Financial Officer

Preparation and approval of financial statements

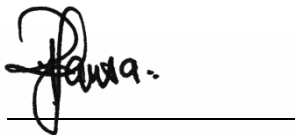
These Consolidated and Separate AFS were compiled internally under the ultimate supervision of Maria Heraty CA(SA).



Maria Heraty
Chief Financial Officer

Certificate by the Company Secretary

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



Rokeya Hansa
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 74 to 127 which comprise the consolidated and separate statement of financial position as at 28 February 2023, and the consolidated and separate statement of profit or loss and other comprehensive income, and the consolidated and separate statement of changes in equity, the consolidated and separate statement of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory 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 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these 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 Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matter	Audit response
Valuation of unlisted investments (Refer to Note 3)	
<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 as it relates to this key audit matter:</p> <ul style="list-style-type: none"> • The Accounting Policies on page 79, and • Note 3 to the consolidated and separate financial statements. <p>The group holds a number of unlisted investments, which are measured at fair value through profit or loss in accordance with IFRS 9: Financial Instruments.</p> <p>This is as directed by the requirements of an investment entity, in terms of IFRS 10. The fair value of these unlisted investments as at 28 February 2023 is R1 462 million.</p> <p>The fair values of the unlisted investments, as determined by management, management's consultant and approved by the Board of Directors, are determined by applying valuation methodologies, as required by IFRS 13: Fair value, which encompass the net asset value of the investment or the free cash flow model, as indicated in note 3 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"> • the magnitude of the unlisted investments in relation to the consolidated and separate financial statements; and • the degree of judgement and estimation applied in determining the fair value of the underlying unlisted investments. 	<p>In our evaluation of the group's determination of the fair value of unlisted investments, we conducted comprehensive audit procedures to assess the reasonableness of the assumptions and inputs utilized in the respective valuations. The following are the key procedures performed:</p> <ul style="list-style-type: none"> • We assessed whether the final valuations of unlisted portfolio companies, and related inputs used in their determination were appropriately approved by the Board of Directors, through our attendance of the Group Audit and Risk Committee meetings and Risk Committee meetings. The valuations were appropriately approved; • Making use of our valuation expertise we obtained an understanding of the methodologies applied by management and the consultant, as indicated in note 3 to the consolidated and separate financial statements and compared it to appropriate industry guidance. We noted no inconsistencies in this regard; • 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 the management's inputs to be acceptable. • We tested the mathematical accuracy of the underlying valuation calculations and noted no material exceptions; • Utilizing our valuation expertise, we independently assessed the inputs utilized in the valuation of entities listed in note 3. This assessment involved the calculation of a comparative peer weighted average cost of capital (WACC) using data from independent third-party sources. After performing our work, we concluded that the inputs used were appropriate. • We obtained the audited earnings before interest, tax, depreciation, and amortization (EBITDA) results of the entities listed in note 3. No significant differences were noted. • In order to evaluate the values used in the cash flow forecast, we substantiated the projected EBITDA of the entities listed in note 3. We found no material

differences between the projections and the substantiated figures.

- We assessed the projected movement in working capital and identified no material differences.
- The effective tax rates used in the valuation were scrutinized, and no material differences were found.
- For the fair value of companies listed under note 3, which is determined based on net asset value, 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 discovered no material differences.
- We verified that the disclosure in note 3 adheres to the requirements of IFRS 13. Our assessment revealed no deficiencies in the disclosure.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Huge Group Limited Integrated Annual report for the year ended 28 February 2023," which includes the Directors' Report, the Audit and Risk Committee's Report, and the Certificate by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of

the Companies Act of South Africa, and for such internal controls as the directors determine is necessary to enable the preparation of the consolidated and separate financial statements which are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group and the company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group and company's 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

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

Moore Johannesburg Inc.
Registered Auditors

Moore Johannesburg Inc

Per: CA Jenkins CA(SA)

Partner

Registered Auditor

31 May 2023

Johannesburg

50 Oxford Road

Parktown

Johannesburg

2193

DIRECTORS' REPORT AS AT 28 FEBRUARY 2023

Nature of the Business

Huge Group is an investment holding entity.

Composition of the Board of Directors

- VHT Kathan, Chairman (Independent Non-Executive director)
- JC Herbst, Chief Executive Officer (Executive director)
- Z Van Der Merwe, Chief Commercial Officer (Executive director)
- AP Openshaw, Chief Operating Officer (Executive director)
- DR Gammie, Chairman of the Audit Committee (Independent Non-Executive director)
- MR Beamish (Non-executive director)
- CIJ Williams (Independent Non-Executive director)
- VM Mokholo (Non-executive director)

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

Huge Group announced on:

- 1 September 2022 the resignation of Samantha Sequeira from the Board.
- 21 October 2022 the resignations of Duarte da Silva, Brian Armstrong and Craig Lyons from the Board, and the appointments of Veran Kathan, Mike Beamish and Zak van der Merwe to the Board.
- 26 October 2022 the appointment of Conway Williams to the Board.

Financial results

The AFS have been prepared 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.

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

Going concern

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

Based upon solvency, cash resources, and forecasts, the Board has concluded that the Huge Group and its Investee Entities are going concerns and will remain going concerns for the twelve-month period that follows

the date of approval of these AFS. Accordingly, Huge Group continues to adopt the going concern basis of preparing these AFS.

Empowerment

A key focus of the Investee Entities individual strategies, supported and aided by Huge, is improving their empowerment and diversity credentials.

Borrowing powers

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

Since its listing in 2007, Huge Group has issued or sold 222 918 288 Securities (in the form of Shares and Derivatives) at an average price of R3.1571, raising R692 512 421. Over the same period, it has repurchased 57 271 083 Securities (in the form of Shares and Derivatives) at an average price of R1.9080, at a cost of R109 272 331.07. These same Securities priced at the average issue price of R3.1571 raised proceeds of R180 810 011.49. The implied gain on the issue and repurchase of these Securities over the last sixteen years is R71 537 680.

During FY2023:

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

During FY2022:

- Huge Group issued 3 579 419 Shares at an average price of R5.6985 per Share.
- Huge Group repurchased 2 262 309 Shares at an average price of R3.9557 per Share.

Directors interests in the share capital of the Company

As at 28 February 2023, the following Directors of the Company held Shares in the issued share capital of the Company:

2023				
Number of Shares held	Direct	Indirect	Total	%
JC Herbst ¹	268 370	24 504 958	24 773 328	14.319
MR Beamish ²	4 750 000	18 853 874	23 603 874	13.643
AP Openshaw	50 000	-	50 000	0.029
	5 068 370	43 358 832	48 427 202	27.991
2022				
Number of Shares held	Direct	Indirect	Total	%
JC Herbst ¹	268 370	24 466 458	24 734 828	14.315
MR Beamish ²	4 750 000	18 853 874	23 603 874	13.643
CWJ Lyons ³	-	200 000	200 000	0.116
AP Openshaw	50 000	-	50 000	0.029
	5 068 370	43 520 332	48 588 702	28.103

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

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

As at 28 February 2023, the following directors of major Investee Entities held Shares in the issued share capital of the Company:

2023				
Number of Shares held	Direct	Indirect	Total	%
SM Oberholzer ¹	79 041	5 448 907	5 527 948	3.195
KB Sinclair ²	-	5 550 495	5 550 495	3.208
K Schmulian ³	48 755	1 065 688	1 114 443	0.646
E van Heerden	2 058	-	2 058	0.001
D Cameron	607 272	-	607 272	0.351
	737 126	12 065 090	12 802 216	7.401

- 1 The indirect shareholding of SM Oberholzer, a director of Huge Networks, is held by K2017082648 South Africa Proprietary Limited.
- 2 The indirect shareholding of KB Sinclair, a director of Huge Connect, is held by K2017038086 South Africa Proprietary Limited.
- 3 The indirect shareholding of K Schmulian, a director of Huge Connect, is held by K2017038099 South Africa Proprietary Limited.

As at 28 February 2022, the following directors of major Investee Entities held Shares in the issued share capital of the Company:

2022				
Number of Shares held	Direct	Indirect	Total	%
SM Oberholzer ¹	-	5 448 907	5 448 907	3.149
KB Sinclair ²	-	4 049 613	4 049 613	2.340
K Schmulian ³	48 755	1 065 688	1 114 443	0.645
E van Heerden	2 058	-	2 058	0.001
D Cameron	607 272	-	607 272	0.351
	658 085	10 564 208	11 222 293	6.486

- 1 The indirect shareholding of SM Oberholzer, a director of Huge Networks, is held by K2017082648 South Africa Proprietary Limited.
- 2 The indirect shareholding of KB Sinclair, a director of Huge Connect, is held by K2017038086 South Africa Proprietary Limited.
- 3 The indirect shareholding of K Schmulian, a director of Huge Connect, is held by K2017038099 South Africa Proprietary Limited.

None of the shareholdings cited above are subject to any pledge or encumbrance. Between 28 February 2023 and the date of approval of the AFS there were no changes in the director's shareholding.

Dealings in securities

JC Herbst and AP Openshaw

On 15 June 2022, JC Herbst, the Chief Executive Officer of the Company, on behalf of Pacific Breeze Trading 417, and associate of JC Herbst, and AP Openshaw, the Chief Operating Officer of the Company, in his personal capacity concluded a written option agreement, in which AP Openshaw granted a call option to Pacific Breeze Trading 417, to acquire 7 500 000 Shares from AP Openshaw at a strike price of R5,31 at any

time from 15 June 2022 for periods of three to five years thereafter. The call option premium payable by Pacific Breeze Trading 417 to AP Openshaw is 1 000 000 paid up Shares. The maximum settlement amount is R39 825 000 and clearance to deal was obtained.

MR Beamish

From 21 October 2022 to 28 February 2022, associates of MR Beamish acquired 132 336 Shares at an average price of 286 cents per share amounting to R359 854,30 in the open market. Clearance to deal was obtained.

Directors personal financial interests

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

Litigation

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

Dividends

No dividends will be declared for the year ended 28 February 2023 (FY2022: Nil).

Subsequent events (Events after the reporting period)

Other matters

During the current financial year, a business combination was authorised in which Huge Telecom will acquire the business of Huge Networks. This business combination will be finalised post year end and is a non-adjusting event. Apart from this event, the Directors are not aware of any other significant matters or circumstances arising after the end of the reporting period which are or have not otherwise been dealt with in the AFS and which affect the financial position of the Group or the results of its operations up to the date of this Report.

Governance (Company Secretary and administration)

Computershare Investor Services Proprietary Limited are the Company's transfer secretaries. Contact information for the Company Secretary and the transfer secretaries can be found on the inside back cover of this Report.

Audit Committee

The Directors confirm that the Audit Committee has addressed specific considerations required in terms of section 94(7) of the Companies Act. Further details are contained in the Audit Committee Report on pages 70 to 73 of this Report.

Auditors

The Audit Committee appointed Moore Johannesburg Incorporated as its independent auditor for FY2023 and has recommended that Moore Johannesburg Incorporated remain in office in accordance with section 90(1) of the Companies Act.

AUDIT & RISK COMMITTEE REPORT

REPORT TO THE SHAREHOLDERS ON THE ACTIVITIES OF THE AUDIT COMMITTEE FOR THE REPORTING PERIOD ENDED 28 FEBRUARY 2023

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

Statutory duties

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

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

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

Delegated duties

Financial statements

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

Integrated reporting

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

Internal audit

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

Risk management

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

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

External audit

The Audit Committee evaluated and reported on the independence of the independent auditor and reviewed the quality and efficacy of the independent audit process. Accordingly, the Audit Committee recommends to shareholders that Moore Johannesburg Incorporated be reappointed as the Company's independent auditor and that Mrs Jenkins (Nee Whitefield) be reappointed as the designated audit partner.

The Audit Committee has also determined the fees and terms of engagement of the independent auditor and is satisfied that it has complied with the Companies Act and other relevant legislation. Huge Group first appointed Moore Johannesburg Incorporated as the Company's independent auditor on 18 March 2019. Mrs Jenkins (Nee Whitefield) was first appointed as the designated audit partner with effect from 15 August 2019.

Chief Financial Officer

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

Financial function

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

Oversight of risk management

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

Internal financial controls

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

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

Key areas from the year-end audit report

The key audit matters from the year-end audit report are outlined on page 61 to 63.

Combined assurance

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

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

First line:	Line management is responsible for monitoring and managing risk and opportunity
Second line:	Risk management functions in each subsidiary company, including those at group level, review and consider risk and opportunity
Third line:	the company utilises the services of various external consultants to assist with managing risk in respect of revenue recognition and regulatory compliance
Fourth line:	the independent auditor considers and reviews risk management processes implemented by the group and company and elevates any areas which may require further attention
Fifth line:	the Risk Committee and the Audit Committee provide the board with advice and recommendations in respect of risk management and opportunities

IT Governance

The Audit Committee is responsible for ensuring that a suitable governance framework is in place to oversee and manage information and technology risks. The Audit Committee reviews the relevant policies which are implemented in subsidiary companies, 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 group's 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 the 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 2023 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 2023.

For an on behalf of the Audit Committee



Dennis Gammie
Non-Executive Audit & Risk Committee Chairman

Statement of Financial Position as at 28 February 2023

Figures in Rand	Note(s)	Group		Company	
		2023	2022	2023	2022
Assets					
Non-current assets					
Property, plant, and equipment	2	275 912	105 879	-	-
Investments held	3	1 462 489 571	1 434 956 823	1 462 489 571	1 434 966 974
Loans receivable	4	266 847 258	208 087 546	289 367 951	217 558 631
Trade and other receivables	5	75 333 247	1 380 000	96 890 747	26 507 500
Deferred tax asset	6	5 099 085	17 548 859	8 719 329	9 586 550
		1 810 045 073	1 662 079 107	1 857 467 598	1 688 619 655
Current assets					
Trade and other receivables	5	26 568 262	39 520 908	42 013	32 404 077
Cash and cash equivalents	8	1 586 199	1 400 741	304 001	981 972
		28 154 461	40 921 649	346 014	33 386 049
Total assets		1 838 199 534	1 703 000 756	1 857 813 612	1 722 005 704
Equity and Liabilities					
Equity					
Equity attributable to holders of parent					
Share capital	9	611 099 135	612 578 113	611 099 135	612 578 113
Share-based payment reserve	10	39 989 500	41 968 917	39 989 500	41 968 917
Accumulated profit		977 625 164	897 378 253	857 300 533	783 002 444
		1 628 713 799	1 551 925 283	1 508 389 168	1 437 549 474
Liabilities					
Non-current					
Interest-bearing liabilities	11	156 500 000	90 059 072	156 500 000	90 059 072
Deferred tax liability	6	18 849 641	27 329 377	162 614 066	162 612 323
		175 349 641	117 388 449	319 114 066	252 671 395
Current liabilities					
Loans payable	4	-	800 000	-	-
Interest-bearing liabilities	11	30 000 000	31 436 508	30 000 000	31 436 508
Current tax payable		-	-	-	-
Trade and other payables	12	4 136 094	1 450 516	310 378	348 327
		34 136 094	33 687 024	30 310 377	31 784 835
Total liabilities		209 485 735	151 075 473	349 424 443	284 456 230
Total equity and liabilities		1 838 199 534	1 703 000 756	1 857 813 612	1 722 005 704
Net asset value per share (cents)		943.85	896.75	-	-

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

Figures in Rand	Note(s)	Group		Company	
		2023	2022	2023	2022
Net gain from financial assets at fair value through profit or loss	3	24 784 295	119 186 500	24 774 144	763 391 960
Investment income	13	73 548 523	53 362 377	67 657 147	48 665 115
Interest income		24 898 803	14 488 668	19 007 427	9 791 406
Interest received on loans		24 488 967	14 296 899	18 623 229	9 599 637
Finance income		409 836	191 769	384 198	191 769
Dividends received		48 649 720	38 873 709	48 649 720	38 873 709
Gross profit from sale of goods/services		33 700 000	7 100 000	-	-
Fee income		33 700 000	7 100 000	-	-
Other income	14	1 753 808	417 593 845	2 044	486 087
Gain on deemed disposal and reacquisition of subsidiaries at fair value		-	416 114 833	-	-
Other income		1 753 808	1 479 012	2 044	486 087
Expenses		(31 272 328)	(39 755 826)	1 545 456	(7 959 742)
Selling and administration expenses		(20 850 459)	(16 507 100)	(433 961)	(291 704)
Executive share-based payment movement		1 979 417	(7 359 215)	1 979 417	(7 359 215)
Employee costs		(12 313 631)	(15 488 708)	-	-
Loss on sale of investments held		-	(308 823)	-	(308 823)
Depreciation and amortisation		(87 655)	(91 980)	-	-
Profit before finance costs and taxation	15	102 514 298	557 486 896	93 978 791	804 583 420
Finance costs	16	(18 813 881)	(9 250 220)	(18 811 738)	(9 249 574)
Profit before taxation		83 700 417	548 236 676	75 167 053	795 333 846
Income tax expense	17	(3 453 506)	(30 593 537)	(868 964)	(171 228 564)
Profit for the year		80 246 911	517 643 139	74 298 089	624 105 282
Total Comprehensive Income Attributable to:		80 246 911	517 643 139	74 298 089	624 105 282
Owners of the parent		80 246 911	517 643 139	74 298 089	624 105 282
Earnings per share information (cents)	18				
Basic earnings per share		46.38	299.85	-	-
Headline earnings per share		46.38	58.81	-	-
Diluted earnings per share		46.37	297.78	-	-

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

Figures in Rand	Share capital	Share premium	Total share capital	Share-based payment reserve	Change in holding reserve	Revaluation reserve	Accumulated profit/(loss)	Equity attributable to holders of the parent	Non-controlling interest	Total equity
Group										
Balance at 1 March 2021	16 209	599 930 474	599 946 683	34 609 702	52 474 210	21 862 656	305 398 248	1 014 291 499	(49 970 594)	964 320 905
Total comprehensive income for the year	965	1 182 191	1 183 156	-	-	-	517 643 139	518 826 295	49 970 594	568 796 889
Profit for the year	-	-	-	-	-	-	101 528 306	101 528 306	-	101 528 306
Subsidiaries deconsolidated ¹	965	1 182 191	1 183 156	-	-	-	416 114 833	417 297 989	49 970 594	467 268 583
Issue of shares	358	20 396 836	20 397 194	-	-	-	-	20 397 194	-	20 397 194
Share buy-back	(216)	(8 486 329)	(8 486 545)	-	-	-	-	(8 486 545)	-	(8 486 545)
Specific repurchase of shares	(10)	(462 365)	(462 375)	-	-	-	-	(462 375)	-	(462 375)
Executive share-based payments raised	-	-	-	7 359 215	-	-	-	7 359 215	-	7 359 215
Transfer between reserves	-	-	-	-	(52 474 210)	(21 862 656)	74 336 866	-	-	-
Balance at 28 February 2022	17 306	612 560 807	612 578 113	41 968 917	-	-	897 378 253	1 551 925 283	-	1 551 925 283
Total comprehensive income for the year	-	-	-	-	-	-	80 246 911	80 246 911	-	80 246 911
Profit for the year	-	-	-	-	-	-	80 246 911	80 246 911	-	80 246 911
Share buy-back	(50)	(1 478 928)	(1 478 978)	-	-	-	-	(1 478 978)	-	(1 478 978)
Executive share-based payments raised	-	-	-	(1 979 417)	-	-	-	(1 979 417)	-	(1 979 417)
Balance as at 28 February 2023	17 256	611 081 879	611 099 135	39 989 500	-	-	977 625 164	1 628 713 799	-	1 628 713 799
Note(s)	9	9		10						

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

Figures in Rand	Share capital	Share premium	Total share capital	Share-based payment reserve	Trust donation reserve	Accumulated profit/(loss)	Total equity
Company							
Balance at 1 March 2021	17 174	601 112 665	601 129 839	34 609 702	(14 470 932)	173 368 094	794 636 703
Profit for the year	-	-	-	-	-	624 105 282	624 105 282
Share issue expenses	358	20 396 836	20 397 194	-	-	-	20 397 194
Share buy-back	(216)	(8 486 329)	(8 486 545)	-	-	-	(8 486 545)
Specific share repurchase	(10)	(462 365)	(462 375)	-	-	-	(462 375)
Executive share-based payments raised	-	-	-	7 359 215	-	-	7 359 215
Transfer between reserves	-	-	-	-	14 470 932	(14 470 932)	-
Balance at 28 February 2022	17 306	612 560 807	612 578 113	41 968 917	-	783 002 444	1 437 549 474
Profit for the year	-	-	-	-	-	74 298 089	74 298 089
Share buy-back	(50)	(1 478 928)	(1 478 978)	-	-	-	(1 478 978)
Executive share-based payments raised	-	-	-	(1 979 417)	-	-	(1 979 417)
Balance at 28 February 2023	17 256	611 081 879	611 099 135	39 989 500	-	857 300 533	1 508 389 168
Note(s)	9	9					

Statement of Cash Flows for the year ended 28 February 2023

Figures in Rand	Note(s)	Group		Company	
		2023	2022	2023	2022
Cash flows from operating activities					
Cash generated from/(used in) operations	19	(14 378 320)	(9 367 207)	2 608 080	(3 500 535)
Finance income		385 205	25 893	359 567	25 893
Dividends received ¹		7 055 000	29 850 000	7 055 000	29 850 000
Finance costs		(18 316 146)	(9 202 840)	(18 316 146)	(9 202 840)
Net cash generated /(used in) operating activities		(25 254 261)	11 305 846	(8 293 499)	17 172 518
Cash flows from investing activities					
Purchase of property, plant, and equipment	2	(289 848)	(70 877)	-	-
Proceeds from disposal of property, plant, and equipment		-	2 586	-	-
Purchase of investment held	3	(46 723 822)	(3 000 000)	(46 723 822)	(3 000 000)
Proceeds from sale of investment	3	44 000 000	17 405 411	44 000 000	17 405 411
Advance of loans to Investee Entities		(80 439 937)	(47 476 700)	(99 659 051)	(42 811 558)
Repayment of loans by Investee Entities		46 167 884	29 144 284	46 472 960	19 494 670
Advance on loan receivable		(800 000)	800 000	-	-
Cash and cash equivalents deconsolidated upon change in status to that of an investment entity	19	-	(15 045 913)	-	-
Net cash used in investing activities		(38 085 723)	(18 241 209)	(55 909 913)	(8 911 477)
Cash flows from financing activities					
Proceeds from interest-bearing liabilities		216 750 000	-	216 750 000	-
Repayment of interest-bearing liabilities		(151 745 580)	-	(151 745 580)	-
Specific repurchase of shares	9	-	(462 282)	-	(462 282)
Share buy-back	9	(1 478 978)	(8 486 545)	(1 478 978)	(8 486 545)
Net cash generated from /(used in) financing activities		63 525 442	(8 948 827)	63 525 442	(8 948 827)
Total cash movement for the year		185 458	(15 884 190)	(677 970)	(687 786)
Cash at the beginning of the year		1 400 741	17 284 931	981 972	1 669 758
Total cash at the end of the year	8	1 586 199	1 400 741	304 001	981 972

¹ During the Financial Year the group accrued for 48 649 720 dividends of which 7 055 000 cash was received.

Accounting Policies for the year ended 28 February 2023

Presentation of Consolidated and Separate Annual Financial Statements

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

Basis of preparation

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

These accounting policies applied in preparation of the AFS are in terms of IFRS. A number of new standards and/or interpretations are effective from 1 March 2022, but they have no material effect on the Group or Company's financial statements.

The preparation of financial statements in conformity with IFRS 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.

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 of its investments on a fair value basis.

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

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

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

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

Accounting treatment for an Investment Entity

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

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

New Standards and Interpretations

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2, issued by the IASB, is effective for periods commencing on or after 1 January 2022. The Group is keeping abreast of developments relating to interest rate benchmark reform, as communicated by the relevant financial authorities. As at 28 February 2023, there were no changes to any of the interest rate benchmarks to which the Company is exposed. The Company will continue to assess the impact of interest rate benchmark reform as the revised benchmark rates are published. These amendments had no impact on the measurement of assets and liabilities at the current year-end.

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

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

Standard	Impact
Definition of Accounting Estimates (Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors)	On 12 February 2021, the IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12, Income Taxes)	On 7 May 2021, the IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations, with a focus on reducing diversity in practice. The amendments are effective for annual periods beginning on or after 1 January 2024.
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	On 20 January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 Presentation of Financial Statements based on the contractual arrangements in place at the reporting date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.



Consolidation

Basis of consolidation

The consolidated AFS incorporate the AFS of Huge Group and its subsidiary company, Huge Management for the reporting date 28 February 2023, on the basis outlined below.

Subsidiary company

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

Subsidiaries other than those rendering services related to Huge Group's investment activities are measured at FVTPL (similar to financial assets) as detailed in accounting policy note 3 below.

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

Critical accounting judgement – Huge Group's classification of Huge Management as a subsidiary

Management concluded that the Company controls Huge Management, an entity in which Huge Group holds 100%. Judgement is required in the assessment of whether this company will be disclosed at fair value through profit and loss or consolidated.

Huge Group is deemed to control Huge Management in terms of IFRS 10 in light of its shareholding, board representation, and ongoing strategic input being provided by the Huge Group Executive Committee. Critical to management's assessment that Huge Group controls Huge Management is the fact that Huge Group directs the treasury management function of Huge Management and exercises control in shareholder meetings related to its votes cast. As such Huge Management is consolidated as at year end.

Associate companies

In accordance with IAS28 (19); when an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure investments in those associates and joint ventures at fair value through profit or loss in accordance with IFRS 9. The election is made separately for each associate or joint venture on initial recognition.

As Huge Group is an entity similar in nature to a venture capital organisation, management has elected the IAS 28 (19) exemption referred to above.

From 1 March 2021, Huge Group accounts for its associate, Huge Soho, at fair value through profit or loss.

Financial assets

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

Classification

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

Critical accounting judgement - Recognition and measurement of financial assets

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

Financial assets at FVTPL are subsequently carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of profit and loss in the period in which they arise. Interest and dividend income arising on financial assets at FVTPL are recognised in the income statement 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 22. The Group's main valuation techniques incorporate all factors that market participants would consider and make maximum use of observable market data.

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

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

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

Impairment of financial assets

On a forward-looking basis, the Group assesses the expected credit losses associated with its financial assets carried at amortised cost.

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

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

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

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

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

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

Derecognition of financial assets

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

Cash and cash equivalents

Cash and cash equivalents consist of cash held on call with Rand Merchant Bank (RMB) and cash on hand. Cash is measured at amortised cost.

Share capital and equity

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

Treasury shares

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

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

Financial liabilities

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

Financial liabilities include trade and other payables.

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

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

Financial liabilities, or a portion thereof, are derecognised when the obligation specified in the contract is discharged, cancelled, or expired. On derecognition, the difference between the carrying amount

of the financial liability, including related unamortised costs, and settlement amounts paid are included in the income statement.

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

Employee benefits

Short-term benefits

Revenue-sharing arrangements and discretionary bonuses

The Group recognises a liability and an expense where contractually obliged, or where there is a past practice that has created a constructive obligation.

Annual leave

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated annual leave as a result of services rendered by employees up to reporting date.

Long-term benefits

Equity settled share-based payment transactions

The cumulative expense recognised in terms of the Group's share-based payment schemes reflects the extent, in the opinion of management, to which the vesting period has expired and the number of rights to equity instruments granted that will ultimately vest. At the end of each reporting date the unvested rights are adjusted by the number forfeited during the period to reflect the actual number of instruments outstanding. Management is of the opinion that this represents the most accurate estimate of the number of instruments that will ultimately vest. The valuation of the Option was performed using the Binomial Option Pricing Model. Refer to note 10 (share-based payment reserve) in the AFS for details relating to the key value drivers (inputs for the Binomial Option Pricing Model) that were taken into account for the valuation.

The grant-date fair value of equity-settled share-based payment arrangements is generally recognized as an expense, with a corresponding increase in the share-based payment reserve in equity over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of shares for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

The fair value of shares granted by the Group to employees for no consideration is recognised as an expense over a relevant service period and vesting period. The fair value is measured at the grant date of the shares and is recognised in equity in a share-based payment reserve.

Dividend distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the period in which the dividends are approved by the Board.

Revenue recognition

The Investee entities under Huge Group 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 Investee Entity 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 at 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

Revenue is recognised when the performance obligation is satisfied (over time). Where revenue is recognised over time, this is in general due to the Group performing and the customer simultaneously receiving and consuming the benefits over the life of the contract as services are rendered. For each performance obligation over time, the Group applies revenue recognition as services are rendered. If performance obligations in a contract do not meet the 'over time' criteria, the Group recognises revenue at a point in time.

Revenue is measured based on the consideration specified in contracts.

Investment income

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

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

Borrowing costs

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

Taxation

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, 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 subsidiary, 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 utilized, and have considered the impact of the base broadening measures, however the effect of the base broadening measures on the Group are unclear at this stage.

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

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

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

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

Earnings per share

Basic earnings per share

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

Diluted earnings per share

Diluted earnings per share is calculated on the same basis as basic earnings per share, adjusted for the impact that the issue/release of potential Shares on a holding company or investee level 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 1/2021.

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 15 for further detail.

Segment Reporting

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

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

The fair value movement, as evaluated by the CODM, represents the measure of the segment performance. The IFRS values are reconciled in the tables below. Information on the underlying investment held by Hugel are also reported to the CODM for the purpose of assessing segment performance. The Investment Committee of Hugel 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.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

NOTE 1 - SEGMENT REPORTING

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

Operating segments during the current and previous reporting period

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

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

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

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

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

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

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

- 100% held Huge Distribution.

Types of products and services per segment

Connectivity and Cloud

Huge TNS

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

Huge Distribution

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

Huge Connect

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

Huge Technologies

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

Huge Messaging

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

Software

Huge Software

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

xTech

Huge Digital

Huge Digital, born from the acquisition of Virgin Mobile South Africa, is a Mobile Virtual Network Enabler (MVNE), offering a cloud-native, full-service, enablement service that allows South African

businesses in the consumer and enterprise segments to enter the VNO market quickly, securely and with far less commercial and operational risk than any other model available in SA. It derives its revenue from providing a turnkey proposition that encompasses advisory services, managed operations, and technology enablement services.

Major customers

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

Geographic areas

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

Services

Huge Group generates its revenue in the form of dividends, interest income and fee income. Refer to note 13 page 114 (investment income) and SOPL for further details.

Segment portfolio value movements – 2023

Segment	Investment held at 1 March 2022	Acquisition	Fair value gain/(loss)	Portfolio interest	Investment held at 28 February 2023	Percentage of Portfolio
Connectivity	1 411 050 814	-	(99 746 494)	-	1 311 304 320	89.66%
Distribution	17 012 127	-	(12 478 782)	-	4 533 345	0.31%
Software and xTech	6 459 898	2 723 822	137 009 571	-	146 193 291	10.00%
Corporate Office	433 984	-	-	24 631	458 615	0.03%
Total	1 434 956 823	2 723 822	24 784 295	24 631	1 462 489 571	100.00%
Note	3		3	13		

Segment portfolio value movements – 2022

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

Segment portfolio returns – 2023

Segment	Dividend income	Interest income	Fee income	Total
Connectivity	48 649 720	16 478 364	33 700 000	98 828 084
Distribution	-	3 546 265	-	3 546 265
Software and xTech	-	4 457 460	-	4 457 460
Corporate Office	-	6 878	-	6 878
Total	48 649 720	24 488 967	33 700 000	106 838 687
Note	13	13	13	13



NOTE 2 - PROPERTY, PLANT AND EQUIPMENT

Group – cost model	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	247 638	(45 855)	201 783	30 750	(9 665)	21 085
Computer equipment	115 929	(41 800)	74 129	288 435	(203 641)	84 794
Total	363 567	(87 655)	275 912	319 185	(213 306)	105 879

Reconciliation of plant and equipment – 2023

Group – cost model	Opening Balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	21 085	226 553	-	(45 855)	201 783
Computer equipment	84 794	63 295	(32 160)	(41 800)	74 129
	105 879	289 848	(32 160)	(87 655)	275 912

NOTE 2 - PROPERTY, PLANT AND EQUIPMENT CONTINUED

Reconciliation of plant and equipment – Group – 2022

	Opening balance	Additions	Disposals	Change in investment entity status ¹	Depreciation	Total
Total cost model	112 987 189	70 877	(2 586)	(112 857 621)	(91 980)	105 879
Total revaluation model	193 757 454	-	-	(193 757 454)	-	-
Total property, plant and equipment	306 744 643	70 877	(2 586)	(306 615 075)	(91 980)	105 879

^{2.} At 1 March 2022, all property, plant and equipment were derecognised pursuant to the change in investment entity status.

Reconciliation of plant and equipment – Group – 2022 – cost model

	Opening Balance	Additions	Disposals	Change in investment entity status ¹	Depreciation	Total
Customer premises equipment	96 832 540	-	-	(96 832 540)	-	-
Furniture and fixtures	1 703 795	15 330	-	(1 691 459)	(6 581)	21 085
Motor vehicles	3 758 471	-	-	(3 758 471)	-	-
Computer equipment	10 692 383	55 547	(2 586)	(10 575 151)	(85 399)	84 794
	112 987 189	70 877	(2 586)	(112 857 621)	(91 980)	105 879

Reconciliation of plant and equipment – Group – 2022 – revaluation model

	Opening balance	Additions	Disposals	Change in investment entity status ¹	Depreciation	Total
Telephone line network	193 757 454	-	-	(193 757 454)	-	-
Total	193 757 454	-	-	(193 757 454)	-	-

NOTE 3 - INVESTMENTS HELD

Nature of company	Held by	% holding 2023	Group		Company	
			Fair value ¹ 2023	Fair value 2022	Fair value ¹ 2023	Fair value 2022
Huge Capital	Huge	100.00 %	-	-	-	-
Huge Connect – Ordinary shares held	Huge	83.71 %	64 261 866	106 173 816	64 261 866	106 173 816
Huge Connect – Preference shares held	Huge	100.00 %	571 904 887	457 075 000	571 904 887	457 075 000
Huge Distribution	Huge	100.00 %	4 533 345	17 012 127	4 533 345	17 012 127
Huge Digital	Huge	100.00 %	145 650 785	-	145 650 785	-
Huge Management	Huge	100.00 %	-	-	-	10 151
Huge Media	Huge	96.00 %	-	-	-	-
Huge Messaging	Huge	100.00 %	973 068	704 360	973 068	704 360
Huge Payments	Huge	100.00 %	-	-	-	-
Huge Software	Huge	75.00 %	542 506	3 459 898	542 506	3 459 898
Huge Technologies	Huge	100.00 %	23 289 625	103 217 674	23 289 625	103 217 674
Huge TNS ¹ Group	Huge	100.00 %	650 874 874	743 879 964	650 874 874	743 879 964
Huge TNS ¹	Huge	100.00 %	641 292 099	676 849 896	641 292 099	676 849 896
Huge Cellular	Huge TNS	49.00 %	-	-	-	-
Huge Networks ¹	Huge TNS	100.00 %	9 343 310	66 854 667	9 343 310	66 854 667
Huge Services	Huge TNS	100.00 %	239 465	175 401	239 465	175 401
Huge Soho	Huge	49.00 %	-	-	-	-
The CI Trust	Huge	100.00 %	-	-	-	-
GloVent	Huge	13.63 %	-	3 000 000	-	3 000 000
Discovery Invest Endowment Plan	Huge	-	458 615	433 984	458 615	433 984
Total fair value²			1 462 489 571	1 434 956 823	1 462 489 571	1 434 966 974

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

NOTE 3 - INVESTMENTS HELD CONTINUED

Movement in investments held – Group - 2023

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

Movement in investments held – Company - 2023

Investments held	Opening balance – Fair value as at 01 March 2023	Acquisition during the year	Fair value gain/(loss) at 28 February 2023	Finance income on endowment	Sold during the year	Loss on sale	Closing balance - Fair value at 28 February 2023
Unlisted investments	1 434 966 974	46 723 822	24 774 144	24 631	(44 000 000)	-	1 462 489 571
Total	1 434 966 974	46 723 822	24 774 144	24 631	(44 000 000)	-	1 462 489 571

NOTE 3 - INVESTMENTS HELD CONTINUED

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

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

NOTE 3 - INVESTMENTS HELD CONTINUED

Fair value of investments held at 28 February 2023

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

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

NOTE 3 - INVESTMENTS HELD CONTINUED

Fair value of investments held at 28 February 2023 continued

Key valuation components for the investment valuations as at 28 February 2023

- The Income approach calculates the market value of the ordinary shares of a business based on the value of the cash flows that the company to be valued can be expected to generate in the future.
- The net asset approach calculates the market value of the ordinary shares of a business by adjusting the asset and liability balances on the statement of financial position of the company to be 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.
- The Dividend discount method is a quantitative method used for predicting the price of a Company's securities based on the theory that its present-day price is worth the sum of all of its future dividend payments when discounted back to their present value. It attempts to calculate the fair value of a security irrespective of the prevailing market conditions and takes into consideration the dividend pay-out factors and the market expected returns. This method falls under the income approach.

Risk free rate

The risk free rate is the rate that investors would require on a risk free asset. The risk free rate used of 8.57% 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 2023.

Systematic risk premium or market premium

The equity market risk premium (EMRP) was obtained from data published by the Statista research department. Market risk premium represents the difference between return on equities and a risk-free investment, which is normally associated with short-term government bonds. Applying this model generates an EMRP for the South African equity market of 7.30%

Beta

A beta analysis was conducted based on listed companies in the telecommunication sectors in emerging markets. An unlevered beta of 0.75 was determined for Huge TNS and Huge Connect as they are linked to services and wireless companies. An unlevered beta of 1.34 for Huge Distribution was used, utilising equipment metrics. The assessments are based on the average beta of 293 listed emerging markets companies in the telecom equipment sector, 138 listed companies in the telecom services sector and 59 listed companies in the telecom wireless sector. The re-levered beta of each specific entity listed above is calculated based on the target debt equity ratio of the related entity. An unlevered beta of 1.50 was determined for Huge Software and GloVent Solutions. This was based on the average beta of 492 emerging markets companies listed in the software systems and application sector.

Specific risk (Alpha)

The specific risk for each individual Investee Entity 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 control were applied. Specific risk premia for each Investee Entity are as follows:

Huge Connect 8.56%; and Huge Distribution 7.61%, Huge Software 10.32%, Huge TNS 6.84%, and GloVent at 6.84%.

Weighting of Debt and Equity

The target debt equity ratios applied in the respective Weighted Average Cost of Capital (WACC) calculations of the Investee Entities are consistent with the ratios applied at FY2021 and FY2022. Huge TNS target debt equity ratio was 50%/50%.

Cost of Debt

The current terms of the RMB Facility are JIBAR plus 450 basis points. The 3 month JIBAR rate at the 28 February 2023 valuation date was 7.45%. During FY2020 the executive management team created a centralised treasury function. This treasury function operates through Huge Management and is responsible for providing capital to Huge Group's Investee Entities. The objectives of this centralised treasury function include reducing the cost of debt and improving the internal oversight of each Investee Entity's borrowings and lending. The function provides the Investee Entities with a single point of contact for their borrowing requirements, and it simplifies processes and allows the Investee Entities to focus on important objectives relating to business strategies and growth. It also allows Huge Group to leverage the strong relationships it has with its lenders and the experience of the executive management team in cashflow management and funding processes. The debt to equity ratio of the Company is 13.14%.

Sensitivity analysis for the investment valuations as at 28 February 2023

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

Huge Connect - Ordinary Shares

Assumption	WACC	Terminal Rate	Growth Revenue Growth	Sustainable Margin	GP
High road	19.00%	1.80%	9,54%	57.55%	
Base case	20.00%	1.43%	8.54%	56.25%	
Low road	21.00%	1.07%	7.54%	54.95%	
Equity Value	R	R	R	R	
High road	86 057 544	77 755 461	94 795 208	87 504 756	
Base case	75 582 600	75 582 600	75 582 600	75 582 600	
Low road	66 223 029	73 512 502	56 962 301	63 660 444	

Based on the assumptions applied in the Base Case with a WACC of between 19.00% and 21.00%, we estimate the value of 100% of Huge Connect's Ordinary Shares to be in the range of R67 394 233 and R87 257 211.

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. A 0.5% increase in the assumed prime rate will reduce the value by R26 869 950, whilst a decrease in the assumed prime rate will increase the value by R29 774 809 to R607 910 718.

Huge TNS

Assumption	WACC	Terminal Growth		Revenue Growth	Sustainable GP Margin
		Rate	Rate		
High road	15.81%	1.84%		11,13%	58,62%
Base case	16.81 %	1.43%		10,13%	56,62%
Low road	17.81 %	1.03%		9,13%	54,62%
Equity Value	R	R	R	R	R
High road	684 635 996	651 880 613		785 885 586	677 600 758
Base case	641 292 099	641 292 099		641 292 099	641 292 099
Low road	603 343 316	631 329 458		452 580 995	603 090 472

Based on the assumptions applied in the base case with a WACC of between 15.81% and 17.81% the value of 100% of Huge TNS is estimated to be in the range of R603 343 316 and R684 635 996.

Huge Digital

Assumption	WACC	Terminal Growth	
		Rate	Rate
High road	28.90%	1.80%	
Base case	29.90 %	1.40%	
Low road	30.90 %	1.00%	
Equity Value	R	R	R
High road	147 735 345	145 826 243	
Base case	145 650 785	145 650 785	
Low road	143 661 581	145 480 184	

Based on the assumptions applied in the base case with a WACC of between 28.90% and 30.90% the value of 100% of Huge Digital is estimated to be in the range of R143 661 581 and R147 735 345.

NOTE 4 - LOANS RECEIVABLE/(PAYABLE)

	Group		Company	
	2023	2022	2023	2022
GloVent	209 308	-	209 308	-
Huge Capital ¹	57 077	50 200	-	-
Huge Cellular ²	9 696 105	19 109 082	-	-
Huge Digital ³	28 597 768	5 901 121	28 597 768	5 901 121
Huge Distribution ⁴	30 327 013	30 625 748	15 056 218	17 197 759
Huge Management ⁵	-	-	197 563 713	142 976 048
Huge Media ⁶	7 603 034	6 652 832	-	-
Huge Networks	-	-	-	-
Huge Payments ⁷	7 829 041	7 166 425	-	-
Huge Services ⁸	102 271	-	-	-
Huge Software ⁹	6 598 340	5 947 649	-	-
Huge Technologies ¹⁰	69 032 578	34 831 145	27 257 848	27 257 848
Huge Telecom ¹¹	113 434 723	104 443 344	20 683 096	24 225 855
Total	273 487 258	214 727 546	289 367 951	217 558 631
Impairment of Huge Media ⁶	(6 640 000)	(6 640 000)	-	-
Loans receivable	266 847 258	208 087 546	289 367 951	217 558 631
Huge Messaging	-	(800 000)	-	-
Loans payable	-	(800 000)	-	-

Non-current and current portion	Group		Company	
	2023	2022	2023	2022
Non-current assets	266 847 258	208 087 546	289 367 951	217 558 631
Current assets	-	-	-	-
Total assets	266 847 258	208 087 546	289 367 951	217 558 631
Non-current liabilities	-	-	-	-
Current liabilities	-	(800 000)	-	-
Total	266 847 258	207 287 546	289 367 951	217 558 631

1. **Huge Capital**

The loan is unsecured, bears interest at JIBAR plus 7% and has no fixed terms of repayment. No advance was made to Huge Capital during the current reporting period.

2. **Huge Cellular**

The loan is unsecured, bears interest at JIBAR plus 7% and has no fixed terms of repayment.

3. **Huge Digital**

The loan is secured through the cession and pledge agreement executed on 10 November 2021 between the Company and Huge Digital. Huge Digital pledged the IT Intellectual Property to Huge as a continuing general covering collateral security for the payment in full of all the secured obligations as set out in the agreement. The loan is a secured obligation. The loan bears interest at JIBAR plus 7% and is repayable within in 5 business days of written demand by Huge. This IT Intellectual Property (which includes an OCS (Online Charging System), USSD and SMSC Gateways, Billing and CRM and voucher Management Systems, supports all Core Services, Call Routing, has a full service creation environment, full business process support, Digital support and provides all SA specific services such as MNP, RICA, OTA as well as Airtime Distribution. Although it is the businesses' intent to significantly upgrade the software of the IT Intellectual Property, the platform in its current state, hosted in Liquid Telecom's Data Centre, remains a highly-marketable asset in the VNO space.

4. **Huge Distribution**

The loan between Huge Distribution and the Company is unsecured, bears interest at JIBAR plus 7% and has no fixed terms of repayment.

5. **Huge Management**

The loan is unsecured, bears interest at JIBAR plus 4% and has no fixed terms of repayment.

6. **Huge Media**

The loan is unsecured, bears interest at JIBAR plus 7% and has no fixed terms of repayment.

7. **Huge Payments**

The loan is unsecured, bears interest at JIBAR plus 7% and has no fixed terms of repayment.

8. **Huge Services**

The loan is unsecured, bears interest at JIBAR plus 7% and has no fixed terms of repayment.

9. **Huge Software**

The loan, amounting to R771 090, is unsecured, bears no interest and has no fixed terms of repayment.

The loan, amounting to R1 738 566, is unsecured, bears interest at Prime plus 2% and has no fixed terms of repayment.

The loan, amounting to R4 088 684, is unsecured, bears interest at JIBAR plus 7% and has no fixed terms of repayment.

No advance was made during the current reporting period.

10. **Huge Technologies**

The loan between Huge Technologies and the Company is unsecured, bears no interest and has no fixed terms of repayment.

The loan between Huge Technologies and Huge Management, within the Group, is unsecured, bears interest at JIBAR plus 7% and has no fixed terms of repayment.

11. **Huge Telecom**

The loan between Huge Telecom and the Company is unsecured, bears no interest and has no fixed terms of repayment.

The loan between Huge Telecom and Huge Management, within the Group, is unsecured, bears interest at JIBAR plus 7% and has no fixed terms of repayment.

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

Financial risk disclosure

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

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

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

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

The loans within the Company that fall under stage 1 are i) unsecured, interest-free and repayable on demand, and ii) fully performing and deemed recoverable. The loans within the Company that fall under stage 2 have been impaired as indicated above.

NOTE 5 - TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
Financial instruments:				
Trade receivables	26 383 223	5 565 042	-	-
Trade receivables at amortised cost	26 383 223	5 565 042	-	-
Deposits	65 000	-	-	-
Other receivables:	75 333 247	33 738 527	96 890 747	58 866 027
Other long term receivables ¹	1 380 000	1 380 000	22 937 500	26 507 500
Preference dividends ²	73 953 247	32 358 527	73 953 247	32 358 527
	75 398 247	39 303 569	96 890 747	58 866 027
Non-financial instruments:				
Prepayments	78 026	109 352	-	-
VAT	42 013	1 487 987	42 013	45 550
	120 038	1 597 339	42 013	45 550
	101 901 509	40 900 908	96 932 760	58 911 577

- Included in other receivables is a receivable of R22 937 500 between Huge Group and Huge Management which is eliminated on Group level.
- Included in other receivables for current reporting period are preference dividends receivable from Huge Connect by Huge Group in relation to the preference share subscription agreement concluded in FY2020.

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments. The financial asset portion is recognised at amortised cost.

	Group		Company	
	2023	2022	2023	2022
Current	26 568 262	39 520 908	42 013	32 404 077
Non-current ¹	75 333 247	1 380 000	96 890 747	26 507 500
	101 901 509	40 900 908	96 932 760	58 911 577

- For the Group, non-current trade and other receivables relate to trade and other receivables that are not current in nature as they are not repayable within the next 12 months. Non-current trade and other receivable relate to Dividends receivable from Huge Connect of R73 953 247 (an Investee Entity), and have been classified as non-current because the company intends to settle this obligation at a time that aligns with its commercial convenience, considering its current focus on prioritizing investments in the business and capital expenditures.*

Trade and other receivables pledged as security

Huge Telecom has ceded, as security, all its rights, title, and interest in and to the Huge Telecom book debts to FirstRand Bank for an overdraft facility of R15million. Utilisation of the facility may not exceed 100% (one hundred percent) of the value of the company's good, ceded debtors, which means any debts not older than 60 days and excluding credit losses, expected credit losses and any Group losses. Refer to note 8 page 107 (cash and cash equivalents) for further detail.

Financial risk disclosure – Credit risk

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

NOTE 6 - DEFERRED TAX

	Group		Company	
	2023	2022	2023	2022
Deferred tax asset	5 099 085	17 548 859	8 719 329	9 586 550
Deferred tax liability	(18 849 641)	(27 329 377)	(162 614 066)	(162 612 323)
	(13 750 556)	(9 780 518)	(153 894 737)	(153 025 773)

Recognition of deferred tax asset

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

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

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

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

Deferred tax was calculated at 27% due to the tax rate change effective for years ending on or after 31 March 2023.

Reconciliation of deferred tax balances

	Group		Company	
	2023	2022	2023	2022
At beginning of year	(9 780 518)	(31 728 013)	(153 025 773)	18 202 791
Included in income tax	(3 453 506)	(30 593 537)	(868 964)	(171 228 564)
Prior period adjustment	(516 532)			
Adjustment due to change in investment entity status	-	52 541 032	-	-
	(13 750 556)	(9 780 518)	(153 894 737)	(153 025 773)
Composition of deferred tax				
Adjustment due to change in investment entity status	-	-	-	(135 313 564)
Fair value adjustments on investments held ¹	(18 312 043)	(27 298 759)	(162 614 066)	(27 298 759)
Prior period adjustment	(516 532)			
Accrual for leave pay	-	219 251	-	-
Prepayments	(21 066)	(30 618)	-	-
Provisions	-	1 859 200	-	-

Tax losses available for set-off against future taxable income	5 099 085	15 470 408	8 719 329	9 586 550
	(13 750 556)	(9 780 518)	(153 894 737)	(153 025 773)

1. Refer to note 3 (investments held).

NOTE 7 - TAX PAID

	Group		Company	
	2023	2022	2022	2021
Balance at beginning of the year	-	(1 005 357)	-	-
Current tax for the year recognised in profit or loss	-	-	-	-
Prior year over/(under) provision	-	-	-	-
Disposal due to change in investment entity status ¹	-	1 005 357	-	-
Balance at end of the year	-	-	-	-
Current tax receivable	-	-	-	-
Current tax payable	-	-	-	-

NOTE 8 - CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
Cash on hand	93	4 211	-	-
Bank balances	1 601 611	1 396 530	304 001	981 972
Bank overdraft	(15 505)	-	-	-
	1 586 199	1 400 741	304 001	981 972
Current assets	1 586 199	1 400 741	304 001	981 972
Current liabilities	-	-	-	-
	1 586 199	1 400 741	304 001	981 972

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

Huge Telecom Overdraft facility

Huge Telecom has concluded an agreement with FirstRand Bank, a division of Rand Merchant Bank, for the provision of the following additional banking facilities, which are subject to annual review. Amounts owing are repayable on demand:

- Overdraft Facility of R15 million;
- Short-term Direct Facility of R420 000 which is an auto card demand facility;
- Short-term Contingent Facility of R4 million which is a demand facility where individual guarantees may not exceed 6 months;
- Long-term Contingent Facility of R180 000 which is a demand facility where individual guarantees may not exceed 36 months;
- Long-term Contingent Facility of R108 000 which is a demand facility where individual guarantees may not exceed 12 months; alternatively, individual guarantees must provide for notice of cancellation by the Bank with the notice period not exceeding three months; and
- Settlement Facility of R3 008 000 which is a demand facility.

The Overdraft Facility is subject to the following material terms and covenants:

Collateral

- a limited cession *in securitatem debiti* in the amount of R14 million given in favour the bank by the borrower; and
- a limited cession *in securitatem debiti* in the amount of R15 million given in favour of the bank by the borrower of any and all rights, title and interest which the borrower may have in its debtors from time to time;
- the borrower is also required to provide the following collateral or further agreements to the bank:
 - a subordination in favour of the bank by Huge Management of any and all of its interest-bearing loans in the amount of R80 500 000;
 - a subordination in favour of the bank by Huge Cellular of any and all of its intercompany related party loans in the amount of R44 300 000;
 - a first demand guarantee in the amount of R15 million from Huge Group in favour of the bank of any and all obligations of the borrower in respect of the facility listed;
 - Utilisation of the facility may not exceed 100% of the value of the borrower's good ceded debtors;
 - The borrower undertakes to maintain a minimum Net Debt to EBITDA of at least 2.5 times, consolidated EBITDA to Debt Interest ratio of at least 3 times and a security cover ratio of at least 3 times;
 - The borrower undertakes to maintain a tangible equity of R100 million; and
 - The borrower's current ratio shall be at least 1.1 of its current assets.

Discovery Endowments

The Discovery Endowments have been classified at level 3 of the fair value hierarchy for the reporting period in terms of IFRS13 Fair Value Measurement. The fair value of the Discovery Invest Endowment plan is determined using observable direct inputs provided by Discovery. The value per the statement at year-end is therefore deemed to be the fair value amount as per IFRS 13. Refer to note 3 (investments held).

Guarantees

No liabilities have been recognised in relation to guarantees.

NOTE 9 - SHARE CAPITAL

	Group			Company
	2023	2022	2023	2022
1 000 000 000 Authorised Shares	100 000	100 000	100 000	100 000
Reconciliation of number of shares in issue				
Issued shares as at 1 March	173 061 721	173 663 766	173 061 721	173 663 766
Shares issued during the current reporting period	-	3 579 419	-	3 579 419
De-listed shares	-	(4 181 464)	-	(4 181 464)
Share buy-back ¹	(500 000)	-	(500 000)	-
Issued shares as at 28 February	172 561 721	173 061 721	172 561 721	173 061 721

1. As at 28 February 2023, the Company had 172 561 721 (FY2022: 173 061 721) Shares in issue. 500 000 Shares were repurchased by Huge Group during FY2023.

Issued share capital	Group			Company	
	Number of Shares	Share capital	Share premium	Share Capital	Share Premium
Opening balance at 1 March 2020	164 774 124	16 477	611 867 643	17 563	618 831 051
Capital raising expenses	-	-	(60 000)	-	(60 000)
Share buy-back	(3 882 466)	(389)	(17 658 386)	(389)	(17 658 386)
Distribution of treasury Shares previously held by The CI Trust	1 028 127	103	2 458 072	-	-
Share-based payment reserve reclassification	-	-	2 504 823	-	-
Sale of treasury Shares previously held	177 900	18	818 322	-	-
Closing balance at 28 February 2021	162 097 685	16 209	599 930 474	17 174	601 112 665
792 933 Shares issued at R5.04 per share	792 933	79	3 996 303	79	3 996 303
54 800 Shares issued at R5.18 per share	54 800	5	283 859	5	283 859
2 731 686 Shares issued at R5.90 per share	2 731 686	273	16 116 674	273	16 116 674
Share buy-back	(2 159 559)	(216)	(8 486 329)	(216)	(8 486 329)
Specific share repurchase	(102 750)	(10)	(462 365)	(10)	(462 365)
Deemed disposal of Huge Telecom treasury Shares previously held	9 646 926	965	(64 946)	-	-
Deemed disposal of Shares previously acquired by Windfall	-	-	(180 000)	-	-
Adjustment to treasury Shares previously held by the CI Trust	-	-	1 427 137	-	-
Closing balance at 28 February 2022	173 061 721	17 306	612 560 807	17 306	612 560 807
Share buy-back ¹	(500 000)	(50)	(1 478 928)	(50)	(1 478 928)
Closing balance at 28 February 2023	172 561 721	17 256	611 081 879	17 256	611 081 879

1. As at 28 February 2023, the Company had 172 561 721 (FY2022: 173 061 721) 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.

NOTE 9 - SHARE CAPITAL CONTINUED

Total share capital	Group		Company	
	2023	2022	2023	2022
Issued shares	17 256	17 306	17 256	17 306
Share premium	611 081 879	612 560 807	611 081 879	612 560 807
	611 099 135	612 578 113	611 099 135	612 578 113

NOTE 10 - SHARE-BASED PAYMENT RESERVE

Employee share-based transactions

	2023	Group 2022	2023	Company 2022
Total share-based payment reserve	39 989 500	41 968 917	39 989 500	41 968 917

The Company concluded Executive Share Option Agreements (the **Option Agreements**) with JC Herbst (the Chief Executive Officer), AP Openshaw (the Chief Operating Officer) and SL Sequeira (the 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**). As the options contemplated in the Option Agreements (the **Options**) were approved three days prior to the end of that reporting period, and the share price was below the Strike Price (defined below), the Options were not favourable to the executives to warrant exercising them.

The Option Agreements contemplate the granting by the Company of a right to subscribe for Shares at a strike price equal to the 30-day volume-weighted average price (**VWAP**) of a Share on the Effective Date, which is R5.31 per share (the **Strike Price**).

The Option Agreement concluded with JC Herbst contemplates the granting by the Company of a right to subscribe for 7 500 000 Shares at the Strike Price with a market value of R39.8 million.

The Option Agreement concluded with AP Openshaw contemplates the granting by the Company of a right to subscribe for 7 500 000 Shares at the Strike Price with a market value of R39.8 million.

The Option Agreement concluded with SL Sequeira contemplates the granting by the Company of a right to subscribe for 750 000 Shares at the Strike Price with a market value of R3.98 million.

A valuation of the Options was performed at 29 August 2019, using the Binomial Option Pricing Model. The following internal and external key value drivers (inputs for the Binomial Option Pricing Model) were taken into account:

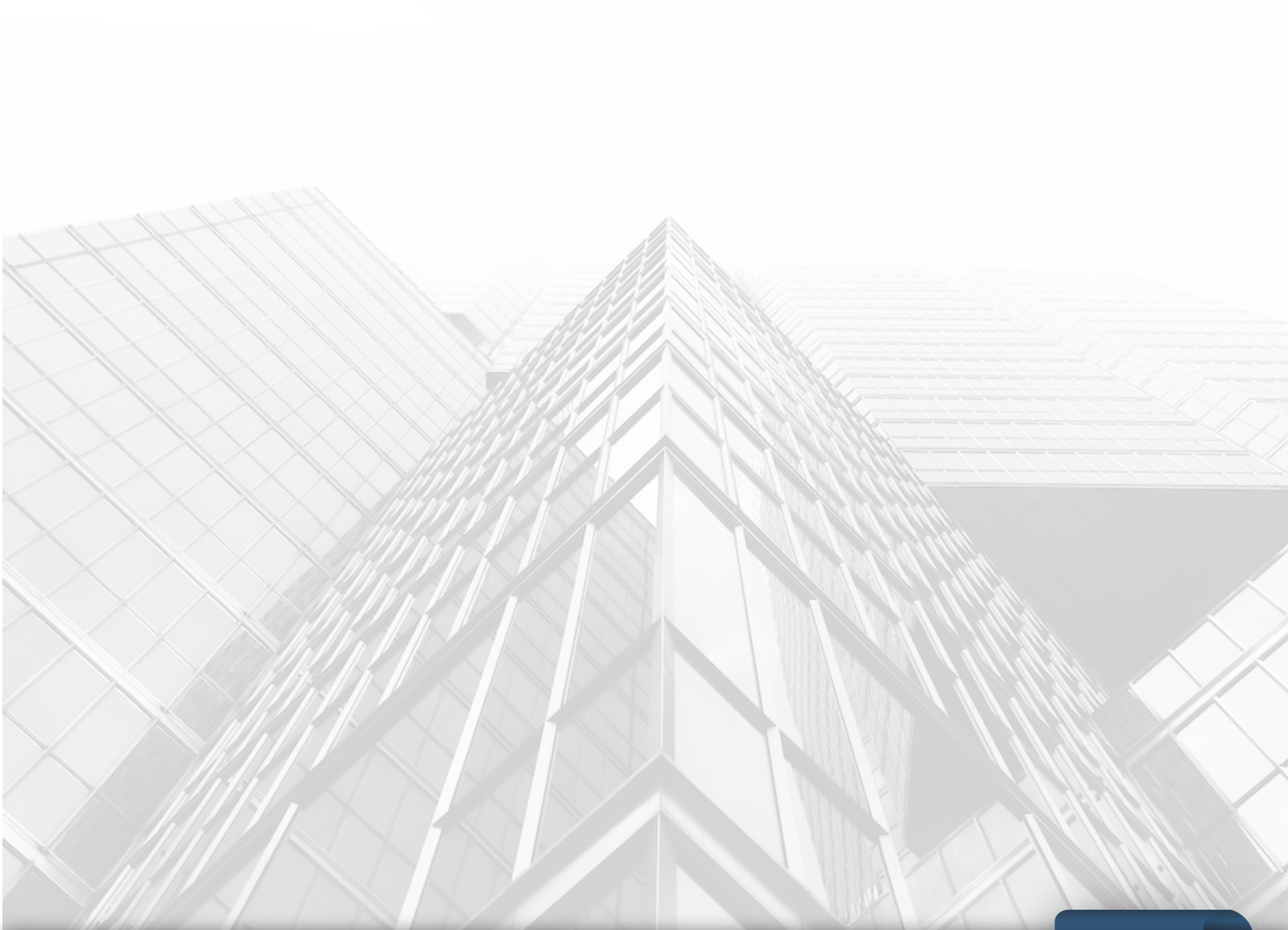
- The price of a Huge Group Share on the Effective Date was R5.65;
- The exercise price of the Huge Group Shares underlying the Options is R5.31 per share;
- The Options vest in three equal tranches on 1 March 2020, 1 March 2021 and 1 March 2022;
- The Options are capable of being exercised over a period of five years from the date on which each tranche vests;
- The number of steps for each Option is 1 000;
- A risk-free rate based on the yield of the R186 Government Bond, being 8.19% on 29 August 2019 was used;
- The historic annual volatility of a Huge Group Share based on the then most recent 12-month period of 42.59% was referenced to the standard deviation of the daily closing share price movements. The historic volatility of a Huge Group Share over the then most recent 12-month period is considered the most appropriate benchmark in determining the possible magnitude of future stock price movements as this period excludes large corporate activity such as the acquisition of Huge Connect in March 2017; and
- The Company's average historic dividend yield is 2.35%.

In undertaking the valuation of the Options above, a core valuation was determined as follows:

- First tranche of the Option: R2.52 per Share;
- Second tranche of the Option: R2.67 per Share; and
- Third tranche of the Option: R2.80 per Share.

Executive Share Option Agreements

IFRS requires the Company to create a share-based payment equity reserve equal to the independent calculation of the value of the Options and to do so by making non-cash charges in the statement of comprehensive income. An independent valuer determined that the value of the Options was R41 988 875 and as such the Company created a share-based payment reserve equal to this amount by charging the Company's statement of comprehensive income over time. This periods net reversal amounted to R1 979 417 as a result of the resignation of SL Sequeira during FY2023 and the forfeit of her share options. During FY2023 the executives did not elect to exercise their options.



NOTE 11 - INTEREST-BEARING LIABILITIES HELD AT AMORTISED COST

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

Rand Merchant Bank R240 Million Facility

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

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

Covenants:

Debt Service Cover Ratio must be greater than 1.25 times;

Interest Service Cover Ratio must be greater than 4 times;

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

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

NOTE 12 - TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
Financial instruments:				
Trade payables	819 209	471 240	310 378	348 327
Payroll accruals	179 731	193 236	-	-
Accrued leave pay	576 850	786 040	-	-
Other accruals	21 743	-	-	-
Non-financial instruments:				
VAT	2 538 561	-	-	-
	4 136 094	1 450 516	310 378	348 327
Financial instruments	1 597 533	1 450 516	310 378	348 327
Non-financial instruments	2 538 561	-	-	-
Total trade and other payables	4 136 094	1 450 516	310 378	348 327

NOTE 13 - INVESTMENT INCOME

	Group		Company	
	2023	2022	2023	2022
Interest received on loans				
Loans to associate companies	-	1 357 769	-	-
Loans receivable ¹	24 488 967	12 939 130	18 623 229	9 599 637
Total interest received on loans	24 488 967	14 296 899	18 623 229	9 599 637
Finance income				
Bank	385 205	25 892	359 567	25 892
Discovery Endowment	24 631	13 518	24 631	13 518
Other receivables	-	152 359	-	152 359
Total finance income	409 836	191 769	384 198	191 769
Dividends received				
Investment companies ²	48 649 720	38 873 709	48 649 720	38 873 709
Total dividends received	48 649 720	38 873 709	48 649 720	38 873 709
Total investment income	73 548 523	53 362 377	67 657 147	48 665 115

1. Refer to note 4 for further details.

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

NOTE 14 - OTHER INCOME

	2023	Group 2022	2023	Company 2022
Gain on deemed disposal and reacquisition of subsidiaries at fair value	-	416 114 833	-	-
Gain on loss of control of subsidiary companies	-	416 114 833	-	-
Other income ¹	1 753 808	1 479 012	2 044	486 087
	1 753 808	1 479 012	2 044	486 087
Total other income	1 753 808	417 593 845	2 044	486 087

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

NOTE 15 - OPERATING PROFIT

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

	2023	Group 2022	2023	Company 2022
Depreciation of property, plant, and equipment ¹	(87 655)	(91 980)	-	-
Total depreciation and amortisation	(87 655)	(91 980)	-	-
Admin Expenses	2 755 169	-	12 336	-
Legal expenses ²	5 752 589	5 854 296	-	-
Consulting and professional fees ²	5 418 413	3 880 759	154 875	9 306
Executive share-based payment expense ³	(1 979 417)	7 359 215	(1 979 417)	7 359 215
Insurance expenses	1 796 365	1 691 682	-	-
Loss on sale of investments held	-	308 824	-	308 823
Short-term lease charges	980 119	709 200	-	(498 554)
Statutory and listing fees	929 104	1 650 463	266 750	779 674
Total	15 652 342	21 454 439	(1 545 456)	7 958 464
Employee costs				
Salaries, wages, bonuses and other benefits	11 754 209	11 923 544	-	-
Retirement benefit plans	559 422	490 164	-	-
Non-executive director fees	3 306 355	3 075 000	-	-
Total employee costs	15 619 986	15 488 708	-	-
Less: Employee costs included in cost of sales	-	-	-	-
Total employee costs expensed	15 619 986	15 488 708	-	-

1. Refer to note 2 (property, plant and equipment) for additional detail. Depreciation consists of amounts recognised in selling and administration expenses as well as cost of sales.
2. Consulting and professional fees in the current reporting period include costs of R2 400 000 that are for RMB Financing structuring fees and therefore are variable in nature.
3. Refer to note 9 (share based payment reserve) for additional detail.

NOTE 16 - FINANCE COSTS

	Group			Company
	2023	2022	2023	2022
Interest bearing liabilities	18 316 145	9 249 574	18 316 146	9 249 574
Trade and other payables	14 006	4	11 862	-
Bank	483 730	642	483 730	-
	18 813 881	9 250 220	18 811 738	9 249 574

NOTE 17 - INCOME TAX (EXPENSE)/ (INCOME)

Major components of the tax expense/(income)

	Group			Company
	2023	2022	2023	2022
Deferred				
Deferred tax asset	(3 461 315)	(76 558 244)	(867 222)	(9 498 560)
Originating temporary differences	-	8 529 461	-	8 529 461
Reversing temporary differences	(3 461 315)	(85 087 705)	(867 222)	(18 028 021)
Deferred tax liability	7 809	45 964 707	(1 742)	(161 730 005)
Originating temporary differences	(1 742)	(27 298 759)	(1 742)	(162 612 325)
Reversing temporary differences	9 551	73 263 466	-	882 320
	(3 453 506)	(30 593 537)	(868 964)	(171 228 564)
Total	(3 453 506)	(30 593 537)	(868 964)	(171 228 564)

Deferred tax was calculated at 27% due to the tax rate change effective for years ending on or after 31 March 2023.

Reconciliation of tax expense

Reconciliation between the statutory tax rate and the average effective tax rate.

	Group			Company
	2023	2022	2023	2022
Applicable tax rate	27.00%	28.00%	27.00%	28.00%
Exempt income ¹	(15.31%)	(1.99%)	(17.00%)	(1.38%)
Disallowable expenditure	-	-	-	-
Unutilised assessed loss	-	-	-	-
Expenses attributable to dividend income	(0.06%)	0.04%	(0.07%)	0.03%
Donations	-	-	-	-
Gain on deemed disposal and reacquisition of subsidiaries at fair value	-	(19.99%)	-	-
Change in tax rate	(6.04%)	-	(7.08%)	-
Capital gains tax effect	(1.69%)	(0.86%)	(1.88%)	(5.38%)
Share-based payments	-	0.38%	-	0.26%
	3.90%	5.58%	0.97%	21.53%

1. Exempt income consists of dividends received.

NOTE 18 EARNINGS AND HEADLINE EARNINGS PER SHARE

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

Earnings and headline earnings per share

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

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

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

- The basic earnings per share includes the R7 359 215 IFRS2: share-based payment expense relating to the Executive Share Option Agreements. The Board is of the view that the expense is a non-cash IFRS charge unrelated to the actual operating performance of the Group.
- Gain on deemed disposal and reacquisition of subsidiaries at fair value relate to the change in nature of the business of Huge Group as detailed in note 3 (investments held). In accordance with IFRS10 (B101), when an entity becomes an investment entity, it shall cease to consolidate its subsidiaries at the date of the share in status. This gain relates to this deemed disposal of subsidiary companies.

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

- Refer to note 9 (share capital) for further detail.
- The treasury shares held by Huge Group relate to the share buy-backs that took place during the current and previous reporting period. Refer to note 9 (share capital) for further detail.

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

NOTE 19 - CASH GENERATED FROM/(USED IN) OPERATIONS

	Note(s)	Group		Company
		2023	2022	2022
Profit before taxation		83 700 417	548 236 676	75 167 053
Adjustments for:				
Depreciation	15	87 655	91 980	-
Profit on sale of property, plant and equipment		32 161	-	-
Dividends received	14	(48 649 720)	(38 873 709)	(48 649 720)
Finance income received	14	(24 897 494)	(14 488 668)	(9 791 405)
Finance costs	16	18 316 146	9 250 220	18 316 146
Net gain from financial assets at fair value through profit or loss		(24 784 295)	(119 186 500)	(24 774 144)
	3			(119 186 500)
Gain on deemed disposal and reacquisition of subsidiary companies at fair value		-	(416 114 833)	-
Other non-cashflow items		516 530		
Loss on sale of investments held		-	308 824	-
Lease modification		-	(498 554)	-
Share-based payments raised/(reversed)	10	(1 979 417)	7 359 215	(1 979 417)
Changes in working capital:				
Trade and other receivables		(19 405 881)	19 646 998	3 573 538
Trade and other payables		2 685 578	(5 098 856)	(37 949)
		(14 378 320)	(9 367 207)	2 608 080
				(3 500 535)

Reconciliation of cash arising from financing activities related to borrowings:

	2023	Group 2022
Borrowings at the beginning of the year	121 495 580	152 040 034
Current	31 436 508	51 263 351
Non-current	90 059 072	100 776 683
Cashflows	65 004 420	-
Proceeds from borrowings	216 750 000	-
Repayment of borrowings	(151 745 580)	-
Other movements	-	(30 544 454)
Interest accrued	18 316 146	9 249 574
Interest paid	(18 316 146)	(9 202 840)
Change in investment entity status	-	(30 591 188)
Borrowings at the end of the year¹	186 500 000	121 495 580
Current	30 000 000	31 436 508
Non-current	156 500 000	90 059 072

1. Refer to note 11 (Interest-bearing liabilities) for further detail.

NOTE 20 - RELATED PARTIES

Relationships	2023
Subsidiary company	Huge Management
Associate company	Huge Soho
Investment Entities	Huge Capital Huge Connect Huge Distribution Huge Digital Huge Media Huge Messaging Huge Payments Huge Software Huge Technologies Huge Telecom GloVent
Subsidiary of Investment Entities (Huge Telecom)	Huge Services Huge Networks
Associate of Investee Entity (Huge Telecom)	Huge Cellular
Members of key management ¹	JC Herbst Z Van De Merwe AP Openshaw M Heraty SL Sequeira

1. Refer to note 21 (directors remuneration) for further detail.

Related party balances

Loan accounts – Owing by Investee Entities and subsidiary/associate of Investee Entity

Please refer to note 4 (Loans receivable/(payable)) for further detail.

Trade receivables/(Trade payables) – Owing (to)/by Investee Entities and subsidiary/associate of Investee Entity

Figures in Rand	Group		Company	
	2023	2022	2023	2022
Huge Connect	75 616	2 734 783	-	-
Huge Distribution	14 837	6 038	-	-
Huge Media	115 000	577 760	-	-
Huge Networks	5 708 324	11 908	-	-
Huge Networks	(8 803)	-	-	-
Huge Payments	-	2 760	-	-
Huge Services	123 692	-	-	-
Huge Services	(127 737)	-	-	-
Huge Software	1 380 000	1 413 005	-	-
Huge Soho	9 200 000	11 040	-	-
Huge Technologies	9 405 000	-	-	-
Huge Telecom	1 740 754	2 703 144	-	-
Huge Telecom	(30 463)	(24 143)	-	-
Total¹	27 596 220	7 436 295	-	-

1. Credits are disclosed under payables and debits are disclosed under loans receivable.

NOTE 20 - RELATED PARTIES CONTINUED

Dividend receivable – Owing by Investee Entity

Please refer to note 4 (Loans receivable/(payable)) for further detail.

Other receivables owed by subsidiary company

Figures in Rand	2023	Group 2022	2023	Company 2022
Huge Management	-	-	22 937 500	26 507 500
Total	-	-	22 937 500	26 507 500

Interest income – received from Investee Entities and subsidiaries/associates of Investee Entities

Figures in Rand	2023	Group 2022	2023	Company 2022
GloVent	1 309	-	1 309	-
Huge Capital	6 878	200	-	-
Huge Cellular	1 236 523	1 357 769	-	-
Huge Digital	1 946 579	-	1 946 579	-
Huge Distribution	3 546 265	1 295 542	1 703 458	1 295 542
Huge Media	916 266	763 130	-	-
Huge Management	-	-	14 971 883	8 179 673
Huge Networks	-	152 359	-	-
Huge Payments	942 616	60 110	-	-
Huge Services	6 271	-	-	-
Huge Software	650 691	488 235	-	-
Huge Technologies	4 201 433	750 488	-	-
Huge Telecom	11 034 137	8 369 423	-	-
Total	24 488 967	13 237 256	18 623 229	9 475 215

Dividends received – from Investee Entity

Figures in Rand	2023	Group 2022	2023	Company 2022
Huge Connect	48 649 720	38 873 709	48 649 720	38 873 709
Total¹	48 649 720	38 873 709	48 649 720	38 873 709

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

Fee income received – from Investee Entity/associates of Investee Entities

Figures in Rand	2023	Group 2022	2023	Company 2022
Huge Media	-	500 000	-	-
Huge Networks	9 000 000	-	-	-
Huge Soho	8 000 000	-	-	-
Huge Technologies	9 900 000	-	-	-
Huge Telecom	6 800 000	6 600 000	-	-
Total¹	33 700 000	7 100 000	-	-

1. Refer to statement of profit and loss – 'Fee Income'.

NOTE 20 - RELATED PARTIES CONTINUED

Recoveries – from Investee Entities and subsidiaries/associates of Investee Entities

Figures in Rand	2023	Group 2022	2023	Company 2022
Glovent	7 552	-	-	-
Huge Cellular	-	7 200	-	-
Huge Connect	419 310	362 952	-	-
Huge Distribution	42 978	31 500	-	-
Huge Media	9 600	28 800	-	-
Huge Messaging	-	28 800	-	-
Huge Networks	387 290	124 254	-	-
Huge Payments	9 600	28 800	-	-
Huge Services	-	19 200	-	-
Huge Software	933	91 997	-	-
Huge Soho	19 200	57 600	-	-
Huge Technologies	-	7 200	-	-
Huge Telecom	510 877	656 994	-	-
Total¹	1 407 340	1 445 297	-	-

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

NOTE 21 - REMUNERATION AND BENEFITS PAID TO DIRECTORS/PREScribed OFFICERS

Executive

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

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

2022	Services to the Company ¹	Incentives	Services to the other Group companies	Services in connection with the affairs of the Company or Group	Risk, retirement and medical contributions paid or payable	Total
JC Herbst	4 005 501	-	-	-	534 029	4 539 530
AP Openshaw	3 312 246	600 000	-	-	89 394	4 001 640
SL Sequeira	1 699 080	60 000	-	-	-	1 759 080
Total	9 016 827	660 000	-	-	623 423	10 300 250

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

NOTE 21 - REMUNERATION AND BENEFITS PAID TO DIRECTORS/PREScribed OFFICERS CONTINUED

Non-Executive

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

2022	Directors' fees	Total
BC Armstrong	492 000	492 000
DF da Silva	939 000	939 000
DR Gammie	648 000	648 000
CWJ Lyons	534 000	534 000
VM Mokholo	462 000	462 000
Total	3 075 000	3 075 000

1. Huge Group announced on 21 October 2022 that DF da Silva, BC Armstrong and CWJ Lyons resigned from the Board and that VHT Kathan and MR Beamish were appointed to the Board. On 26 October 2022, Huge Group announced the appointment of CIJ Williams to the Board.

Prescribed Officers

2023	Services to the Company	Services to Investee Entities	Risk, retirement and medical contributions paid or payable	Total
RR Burger ¹	-	2 365 703	383 038	2 748 741
SJ Morony ²	-	1 893 742	168 500	2 062 242
K Sinclair ³	-	2 765 447	35 212	2 800 659
SM Oberholzer ⁴	-	2 533 600	64 356	2 597 956
M Granville ⁵	-	781 632	-	781 632
D Cameron ⁶	-	660 000	-	660 000
Total	-	11 000 124	651 106	11 651 230

2022	Services to the Company	Services to Investee Entities	Risk, retirement and medical contributions paid or payable	Total
RR Burger ¹	-	2 900 608	172 862	3 073 470
SJ Morony ²	-	2 403 169	166 798	2 569 967
K Sinclair ³	-	2 319 248	68 342	2 387 590
SM Oberholzer ⁴	-	2 244 480	58 440	2 302 920
M Granville ⁵	-	698 335	-	698 335
D Cameron ⁶	-	600 000	-	600 000
Total	-	11 165 840	466 442	11 632 282

1. RR Burger, in his capacity as Managing Director of Huge Telecom, is a prescribed officer of the Company.
2. SJ Morony, in his capacity as Commercial Director of Huge Telecom, is a prescribed officer of the Company. Resigned 23 December 2022.
3. K Sinclair, in his capacity as Managing Director of Huge Connect, is a prescribed officer of the Company.
4. SM Oberholzer, in his capacity as Managing Director of Huge Networks, is a prescribed officer of the Company.
5. M Granville, in his capacity as Managing Director of Huge Software, is a prescribed officer of the Company.
6. D Cameron, in his capacity as Managing Director of Huge Distribution, is a prescribed officer of the Company.

NOTE 22 - 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 interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on managing risks to ensure that the Group continues as a going concern while maximising the return to shareholders.

Risk management is carried out as part of the day-to-day activities by each major Investee Entity under policies approved by the respective boards of directors. Each major Investee Entity's board of directors provides principles for overall risk management, as well as policies covering specific areas. Risk areas are discussed in the risk register presented on pages 42 to 43 of the Integrated Report.

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

Financial liabilities by category

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

Group – 2023	Note(s)	Financial liabilities at amortised cost	Total	Fair value
Trade and other payables	11	4 136 094	4 136 094	4 136 094
Interest-bearing liabilities	10	186 500 000	186 500 000	186 500 000
		190 636 094	190 636 094	190 636 094

Group – 2022	Note(s)	Financial liabilities at amortised cost	Total	Fair value
Trade and other payables	11	1 450 516	1 450 516	1 450 516
Interest-bearing liabilities	10	121 495 580	121 495 580	121 495 580
		122 946 096	122 946 096	122 946 096

Company – 2023	Note(s)	Financial liabilities at amortised cost	Total	Fair value
Trade and other payables	11	310 377	310 377	310 377
Interest-bearing liabilities	10	186 500 000	186 500 000	186 500 000
		186 810 377	186 810 377	186 810 377

Company – 2022	Note(s)	Financial liabilities at amortised cost	Total	Fair value
Trade and other payables	22	348 327	348 327	348 327
Interest-bearing liabilities	20	121 495 580	121 495 580	121 495 580
		121 843 907	121 843 907	121 843 907

Fair value estimation

Please refer to note 3 (Investments held) for detail.

NOTE 22 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

Capital risk management

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

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 11 (interest-bearing liabilities), loans as disclosed in notes 4 (loans receivable/payable) and 12 (trade and other payables) as well as equity as disclosed in the statement of financial position.

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

There are externally imposed capital requirements. Refer to bank covenants in notes 8 (cash and cash equivalents) and 11 (interest-bearing liabilities). All of the covenants imposed on Huge Group have been satisfied.

Liquidity risk

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

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

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

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

NOTE 22 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

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. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group	Note(s)	Carrying value	Contractual cash flow	Between one and 12 months	Between one and five years
Non-current liabilities					
Interest-bearing liabilities	11	156 500 000	156 500 000	-	156 500 000
Current liabilities					
Trade and other payables	12	4 136 094	4 136 094	4 136 094	-
Interest-bearing liabilities	11	30 000 000	30 000 000	30 000 000	-
At 28 February 2023		190 636 094	190 636 094	34 136 094	156 500 000

Group	Note(s)	Carrying value	Contractual cash flow	Between one and 12 months	Between one and five years
Non-current liabilities					
Interest-bearing liabilities	11	90 059 072	90 059 072	-	90 059 072
Current liabilities					
Trade and other payables	12	1 450 516	1 450 516	1 450 516	-
Interest-bearing liabilities	11	31 436 508	31 436 508	31 436 508	-
At 28 February 2022		122 946 096	122 946 096	32 887 024	90 059 072

Company	Note(s)	Carrying value	Contractual cash flow	Between one and 12 months	Between one and five years
Non-current liabilities					
Interest-bearing liabilities	11	156 500 000	156 500 000	-	156 500 000
Current liabilities					
Trade and other payables	12	310 377	310 377	310 377	-
Interest-bearing liabilities	20	30 000 000	30 000 000	30 000 000	-
At 28 February 2023		186 810 377	186 810 377	30 310 377	156 500 000
Non-current liabilities					
Interest-bearing liabilities	12	90 059 072	90 059 072	-	90 059 072
Current liabilities					
Trade and other payables	12	348 327	348 327	348 327	-
Interest-bearing liabilities	20	31 436 508	31 436 508	31 436 508	-
At 28 February 2022		121 843 907	121 843 907	31 784 835	90 059 072

Interest rate risk

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

NOTE 22 - FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

Variable interest rate instruments	2023	Group 2022	2023	Company 2022
Cash and cash equivalents	1 586 199	1 400 741	304 001	981 972
Interest-bearing liabilities	186 500 000	121 495 580	186 500 000	121 495 580
	188 086 199	122 896 321	186 804 001	122 477 552

Credit risk

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

Financial assets	2023	Group 2022	2023	Company 2022
Loans receivable	266 847 258	208 087 546	289 367 951	217 558 631
Trade and other receivables	101 901 509	40 900 908	96 932 760	58 911 577
Cash and cash equivalents	1 586 199	1 400 741	304 001	981 972
	370 334 966	250 389 195	386 604 712	277 452 180

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

The Group and Company does not require collateral in respect of trade and other receivables and loans receivable, apart from the collateral provided against the Huge Digital Loan, please refer to note 4 loans receivable for further detail. These loans receivable relate mainly to advances to Investee Entities which have been assessed in terms of recoverability.

Loans to Investee Entities are assessed in accordance with IFRS 9. The expected credit losses are calculated using historical and forward-looking potential default risks. Each Investee Entity has the necessary means to settle its obligations and no risk of default or concern has been identified through the IFRS 9 credit loss allowance process apart from that which has been outlined on page 104 (Stage 2 loss allowance).

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

Cash and cash equivalents

The Group held cash and cash equivalents of R1 586 199 at 28 February 2023 (FY2022: R1 400 741). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+, based on Standard & Poor's ratings.

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

Reconciliation of provision for impairment of trade and other receivables

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

EVENTS AFTER THE REPORTING PERIOD

During the current financial year, a business combination was authorised in which Huge Telecom will acquire the business of Huge Networks. This business combination will be finalised post year end and is a non-adjusting event.



SHAREHOLDER ANALYSIS

	2023		2022	
	Number of Shares	Number of Shareholders	Number of Shares	Number of Shareholders
Public	76 379 551	2 562	87 841 970	2 599
Non-Public	96 682 170	15	85 219 751	21
	173 061 721	2 577	173 061 721	2 620

NON-PUBLIC SHAREHOLDER ANALYSIS	2023		2022	
	Number of Shares	Number of Shareholders	Number of Shares	Number of Shareholders
Shareholders related to directors of Huge	5 068 370	3	318 370	2
Shareholders related to directors of major subsidiaries	737 126	4	658 085	3
Beneficial direct holdings	5 805 496	7	976 455	5
Shareholdings related to directors of Huge Group	18 853 814	1	-	-
Shareholdings related to the directors of major subsidiaries	12 068 090	3	10 564 208	3
Beneficial indirect holdings	30 921 904	4	10 564 208	3
Shareholdings related to directors of Huge	24 504 958	1	24 504 958	4
Trusts on which directors of Huge are trustees	2 717 408	1	2 724 454	1
Non-beneficial indirect holdings related to directors of Huge	25 817 888	1	36 602 750	1
Associates of directors of Huge	-	-	200 000	3
Associates of directors of major subsidiaries	-	-	-	-
Non-beneficial indirect holdings	53 040 254	3	64 032 162	9
Treasury shares (Huge TNS)	6 914 516	1	9 646 926	1
Treasury shares relating to entities controlled by Huge	6 914 516	1	9 646 926	1
TOTAL	96 682 170	15	85 219 751	18

MAJOR SHAREHOLDERS	2023		2022	
	Number of Shares	% Shareholding	Number of Shares	% Shareholding
Praesidium SA Fund en Commandite Partnership	37 271 384	21.50	36 602 750	21.15
Pacific Breeze Trading 417	14 260 891	8.24	14 260 891	8.24
Peresec Prime Brokers	10 191 157	5.89	10 312 927	5.96
Stanlib Absolute Plus Fund	9 967 386	5.76	9 967 386	5.76
Eagle Creek Investments 223	9 805 567	5.67	9 805 567	5.67
Government Employees Pension Fund	9 058 164	5.24	8 544 124	4.97
Huge TNS	6 914 516	4.00	9 646 926	5.55
Total	97 469 065	56.30	99 140 571	57.29

SHAREHOLDER ANALYSIS AND INFORMATION	2023		2022	
	Number of Shareholders	Number of Shares	Number of Shareholders	Number of Shares
Individuals	2 457	17 793 106	2 488	17 514 463
Nominees and Trusts	20	7 787 747	19	17 724 565
Close Corporations	3	8 336	8	974 868
Companies, financial and other institutions	97	147 472 532	105	136 847 825
Total	2 577	173 061 721	2 620	173 061 721

SIZE OF SHAREHOLDING	2023		2022	
	Number of Shareholders	Number of Shares	Number of Shareholders	Number of Shares
0 – 1000	2 074	212 553	2 054	233 716
1001 – 5000	233	574 656	269	662 616
5001 – 100 000	192	4 673 149	222	5 360 922
100 000 – 1 000 000	52	18 434 109	49	18 643 435
1 000 001 +	26	149 167 254	26	148 161 032
Total	2 577	173 061 721	2 620	173 061 721





ANNEXURES

CORPORATE INFORMATION

KEY INFORMATION

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

COMPANY INFORMATION

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

CORPORATE INFORMATION

OTHER INFORMATION

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

Definitions

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

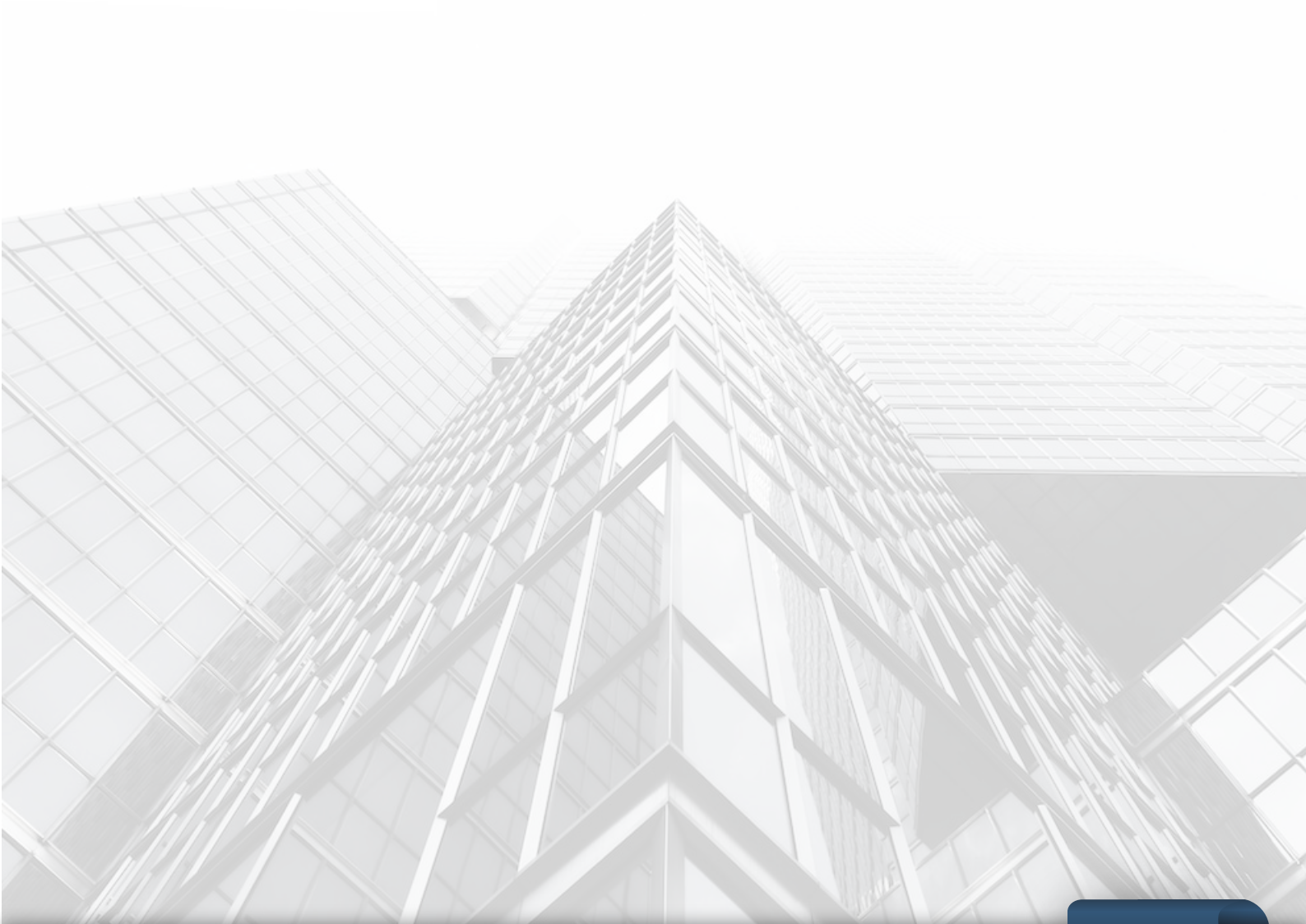
A2X Markets	A2X Proprietary Limited, a stock exchange licensed in terms of the Financial Markets Act 19 of 2012, on which the Company has a secondary listing
the Companies Act	The Companies Act of South Africa (Act 71 of 2008), as amended
AFS	Consolidated Annual Financial Statements in the case of the Group, and Separate Annual Financial Statements in the case of the Company
AGM	The annual general meeting of the Company
AltX	The Alternative Exchange of the JSE
B-BBEE	Broad-Based Black Economic Empowerment
the Board	The board of directors of the Company as constituted from time to time
Business Combination	The transaction in which Huge Telecom is acquiring / has acquired the business of Huge Networks in a Section 43 asset for share transaction complying with IFRS3.
COVID-19	An infectious disease caused by a newly discovered coronavirus and which was declared a pandemic by the World Health Organisation
CEO	Chief Executive Officer
CFO	Chief Financial Officer
ConnectNet Broadband Wireless	ConnectNet Broadband Wireless Proprietary Limited (now Huge Connect Proprietary Limited), registration number 2004/005721/07, a 83.71% held subsidiary of Huge
ConnectNet Broadband Wireless Group	ConnectNet Broadband Wireless Proprietary Limited and Sainet Internet Proprietary Limited collectively, prior to the acquisition by Huge Group on 30 March 2017
The CI Trust	The ConnectNet Incentive Trust, registration number IT000255/2017(D), the beneficiaries of which are certain employees, directors and/or consultants of the ConnectNet Broadband Wireless Group, an entity controlled by Huge
Directors	the directors of Huge
Eagle Creek Investments 223	Registration number 2004/019418/07, a private company controlled by Mr Herbst (a related party to Huge Group given that Mr Herbst is a director of the Company)
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EPS	Earnings per share
Executive Committee	Refers to Mr Herbst, Mr van de Merwe and Mr Openshaw
Executive Share Option Agreements	The Company concluded Executive Share Option Agreements (the Option Agreements) with JC Herbst (the Chief Executive Officer), AP Openshaw (the 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)
Fintech	Computer programs and other technology used to support or enable banking and financial services
FirstRand Bank	FirstRand Bank Limited, registration number 1929/001225/06
Futuregrowth	Futuregrowth Asset Management Proprietary Limited, registration number 1996/018222/07, former financing agent of Huge
FVTPL	Fair value through profit and loss
FY2020	The financial year commencing 1 March 2019 and ending on 29 February 2020
FY2021	The financial year commencing 1 March 2020 and ending on 28 February 2021
FY2022	The financial year commencing 1 March 2021 and ending on 28 February 2022
FY2023	The financial year commencing 1 March 2022 and ending on 28 February 2023
FY2024	The financial year commencing 1 March 2023 and ending on 29 February 2024
GloVent	GloVent Solutions Proprietary Limited, registration number 2011/132991/07, a 13.63% held Investee Entity of Huge
Group	Collectively, Huge Group and Huge Management
GSM	Global System for Mobile communication and in the context of this Report, refers to a digital mobile telephone system
HEPS	Headline earnings per share
Huge or the Company	Huge Group Limited, registration number 2006/023587/06, a company whose Shares are listed on the JSE and A2X Markets
Huge Capital	Huge Capital Proprietary Limited, registration number 2018/636769/07, Investee Entity of Huge
Huge Cellular	Huge Cellular Proprietary Limited, registration number 2008/004068/07, a 49% held associate company of Huge TNS
Huge Connect	Huge Connect Proprietary, registration number 2004/005721/07, a 83.71% held Investee Entity
Huge Distribution	Huge Distribution Proprietary Limited, registration number 2015/142454/07, a 100% held Investee Entity of Huge
Huge Management	Huge Management Company Proprietary Limited, registration number 2007/033510/07, a wholly owned subsidiary company of Huge
Huge Media	Huge Media Proprietary Limited, registration number 2007/004818/07, a 95% held Investee Entity of Huge
Huge Messaging	Huge Messaging Proprietary Limited, registration number 2008/001288/07, a 100% held Investee Entity of Huge
Huge Networks	Huge Networks Proprietary Limited, registration number 2014/009214/07, a 100% owned subsidiary company of Huge TNS

Huge Payments	Huge Payments Proprietary Limited, registration number 2014/112952/07, a 100% held Investee Entity of Huge
Huge Services	Huge Services Proprietary Limited, registration number 2006/027671/07, a 100% held Investee Entity of Huge
Huge Soho	Huge Soho Proprietary Limited, registration number 2002/022642/07, a 49% held Investee Entity of Huge
Huge Software	Huge Software Proprietary Limited, registration number 2005/042514/07, a 75% held Investee Entity of Huge
Huge Strategy	the board approved comprehensive strategy to grow Huge, both organically and by way of acquisition, in the short, medium and long-term
Huge Technologies	Huge Technologies Proprietary, registration number 2008/006066/07, a 100% held Investee Entity of Huge
Huge Telecom	Huge Telecom Proprietary Limited, registration number 1993/003902/07, trading as Huge TNS, a 100% held Investee Entity of Huge. Huge Telecom was renamed to Huge TNS, effective 8 March 2023.
Huge TNS	Huge Telecom Proprietary Limited, registration number 1993/003902/07, trading as Huge TNS, a 100% held Investee Entity of Huge. Huge Telecom was renamed to Huge TNS, effective 8 March 2023.
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
Investee Entity	Investee Entity and Investee Entity/ies shall have a corresponding meaning
Investment Entity	An entity whose business purpose is to make investments for capital appreciation, investment income, or both, and evaluating the performance of those investments on a fair value basis
Investment Policy	Formal document outlining the main principles underlying the investment philosophy and strategies of the Company
IRE	Investment return expectation
IRR	Internal rates of return
JSE	The JSE Limited, a stock exchange licenced in terms of the Financial Markets Act 19 of 2012, on which the Company has its primary listing
King IV	King IV Report on Corporate Governance for South Africa, 2016
Listings Requirements	The Listings Requirements of the JSE
MOI	Memorandum of Incorporation
Moore Johannesburg Incorporated	Moore Johannesburg Incorporated, the independent external auditor of the Group from 18 March 2019
NPV	Net present value
Otel	Otel Business and Otel Communications, collectively
Otel Business	Otel Business Proprietary Limited, registration number 2008/006890/07
Otel Communications	Otel Communications Proprietary Limited, registration number 2015/034240/07
Otel Transaction	The acquisition by Huge Networks of the businesses of Otel

Pacific Breeze Trading 417	Registration number 2006/008999/07, a private company controlled by Mr Herbst (a related party to Huge given that Mr Herbst is a director of the Company)
Peresec Prime Brokers	Registration number 1999/010976/07), the prime brokers to Praesidium SA Fund en Commandite Partnership
PPE	Property, plant and equipment
Praesidium Capital Management (pty) Ltd	Registration number 2003/012046/07, a private company controlled by Mr Beamish (a related party to Huge Group given that Mr Beamish is a non-executive director of the Company)
Praesidium Family Trust	The trustees for the time being of Praesidium Family Trust, Masters reference No. IT485/2010, a trust duly registered in accordance with the laws of the Republic of South Africa of which Mr Beamish is a Trustee and a Beneficiary
Praesidium SA Fund en Commandite Partnership	An en Commandite partnership managed by the General Partner, Praesidium Capital Management (pty) Ltd
Questco	Questco Advisory Proprietary Limited, sponsor to the Company
Report	the Integrated Annual Report including the AFS
Repurchase Programme	A Share Repurchase Programme, in terms of which the Company and/or its subsidiaries may repurchase Shares, pursuant to and in accordance with the authority granted by Shareholders at the Company's annual general meeting held 10 August 2022
RMB	Rand Merchant Bank, registration number 1929/001225/06, the bankers to Huge
RMB Facilities	The R240 million term facilities agreement concluded by RMB and the Company on 26 May 2022
SAICA	South African Institute of Chartered Accountants
SENS	Stock Exchange News Service
Shares	Ordinary par value Shares of R0.0001 each
Silver Meadow Trading 3	Registration number 2006/006464/07, a private company controlled by Mr Herbst (a related party to Huge Group given that Mr Herbst is a director of the Company)
Software	Computer programs that run on PCs, mobile phones, tablets, or other smart devices
SPPI	Solely payments of principal and interest
Telkom	Telkom SA SOC Limited, registration number 1991/005476/30
Transactions with non-controlling interests	Once control has been achieved and acquisition accounting applied, any subsequent transactions in subsidiary equity interests 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, there is no remeasurement of net assets to fair value, and no gain or loss is recognised on any decrease in parent interest
VAT	Value Added Tax
WANOS	Weighted average number of outstanding Shares

Windfall	Windfall 111 Properties Proprietary Limited, registration number 2013/169340/07, a company controlled by Mr VM Mokholo (a related party to Huge Group given that VM Mokholo is a non-executive director of the Company)
xTech	the opportunity where digital and other emerging technologies converge and transform diverse traditional industry sectors, through new processes, products, channels and business models





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