

## Access to debt capital is a key enabler of Huger's current expansion aspirations and the delivery of the Growing Huger Strategy.

In challenging economic times, successful deal making depends on innovative deal structuring. Huger's ability to raise debt capital in partnership with financial service institutions such as Futuregrowth Asset Management enables it to be more flexible and agile when investigating acquisitive growth opportunities. The Board believes that the productive and progressive relationship between Huger and its providers of debt capital is evidence of the support that significant stakeholders are prepared to give to Huger so that it can achieve its objectives over the medium to long-term. It is also testimony to the quality of Huger's underlying operating companies.

During FY2020, the executive management team created a centralised treasury function. This treasury function will operate through Huger Management and it will be responsible for providing capital to Huger's operating companies. The objectives of this centralised treasury function include reducing the cost of debt on a Group basis and improving the internal oversight of intercompany borrowing and lending. The function provides the operating companies with a single point of contact for their borrowing requirements and it simplifies and speeds up the process of raising the necessary debt capital. This function creates efficiencies in the Group cash management processes and allows the operating companies to focus on more important objectives relating to business strategies and growth. It also allows Huger to leverage the strong relationships it has with its lenders and the experience of the executive management team in cashflow management and funding processes.

The debt to equity ratio of the Group is 22%. This provides Huger with a strategic advantage in pursuing and structuring acquisitions.



## Debt Capital Market Appetite