

Huge's operating companies are either high growth, high margin or provide scaling opportunities, or they have a combination of two or more of these attributes.

Huge Telecom, Huge's largest revenue generating company, provides connectivity for making telephone calls, Huge Connect, Huge's second largest revenue generating company, provides connectivity for processing payment transactions and Huge Networks, Huge's third largest revenue generating company, provides connectivity for transmitting data. In today's world, Huge's services are universal and are universally required. The Fourth Industrial Revolution is all about connectivity and following the onset of COVID-19, it has become even more apparent that connectivity is the most important tool on which businesses rely to operate. The digital evolution has been fast-tracked, challenging the norms of commercial and societal structures worldwide.

Huge's revenue streams are annuity in nature and as customers are acquired these revenue streams compound, like interest compounds on capital – and compounding is the eighth wonder of the world.

Huge Telecom is bringing a corporate telephony solution to the market, which is built on the GSM standard. While it has been working on this solution and the various components of this solution for over a decade, the executive management team believes that the tipping point of its acceptance in the market as the preferred corporate telephony solution is near. The conclusion of a supply agreement with a tier-1 mobile telephone network operator like MTN has brought this tipping point nearer. GSM is the perfect substitute for the copper cables of a traditional fixed-line telephone operator's network. While fixed-line telephony is ex-growth, voice is not and corporate voice using GSM is anything but ex-growth. It is a significant growth opportunity. People still need to make telephone calls, but they need to do so in a simple and easy way without the maintenance headaches and associated downtime and without the security risks associated with VoIP. GSM is simply not hackable. While Huge Telecom is still in its infancy, when measured by revenue, the opportunity to grow its revenue is significant.

In addition to providing payment connectivity to three of South Africa's largest banks, Huge Connect provides connectivity to approximately 30 000 merchants. This provides Huge with the opportunity to dip its toe into the Fintech arena in a risk-averse cautious manner by offering cash advances secured by the future receivables collected at the time of a credit card or debit card swipe and at the same time that an acquiring bank takes its fee for the provision of the mobile-point-of-sale device. Lately, there are also suggestions that the banks are considering their involvement in the renting of mobile-point-of-sale devices and may even consider exiting this line of business. Huge Connect is perfectly placed to benefit from this change in strategy. As the payment industry evolves, a company like Huge Connect is better equipped to identify the right opportunities. The executive management team is determined to participate in this high-growth area of the market.

Huge Networks is a data connectivity business, not unlike the many other data connectivity businesses operating in South Africa – and there are many. The market for data connectivity to corporate customers is maturing and consolidating and the opportunities to scale businesses through acquisition are increasing every month. Data connectivity businesses require scale and Huge Networks is perfectly placed to scale. Scaling will improve operating profit margins.

Huge Software is key to Huge's aspirations with connectivity, IoT, payments and Fintech. Point-of-sale devices must integrate with point-of-sale software, which must integrate with accounting software. Huge Software has already played a vital part in integrating Huge Telecom and Huge Connect's CRM and billing engines with Huge Software's accounting system.

In the world of connectivity, there is an age-old saying that he who owns the switching device owns the connectivity. It is not by chance that Huge decided to acquire a controlling interest in Pansmart. Huge will use Pansmart to grow its telephony connections and Pansmart will use Huge to acquire customers who need PABXs. This is another example of Huge leveraging its real estate of customers.



**High Growth,
High Margin and
Scaling**