



## Sustainable Supply

The capability of each operating company is dependent on a sustainable supply of its required inputs at the lowest possible cost, without comprising quality.

Huge's operating companies focus on providing connectivity services which have already experienced high degrees of commoditisation at the infrastructure layer. The greater the commoditisation at the infrastructure layer, the lower the cost and the higher the gross profit margin. Huge Telecom and Huge Connect have very high gross profit margins. They are able, with these low costs, to add value at the service layer, and so they enjoy high gross margins.

Multiple sources of supply are very important, and the executive management team pays careful attention to managing supplier relationships, and the risks associated with these relationships. Negotiating and securing commercial supplier relationships is a time-consuming process and this raises a natural barrier to entry into Huge's markets. Huge Connect delivers payment connectivity using dual SIM card functionality. Huge Telecom purchases voice connectivity from more than one supplier. This ensures competition for Huge's patronage and a lower cost framework.