

**Huge Group Limited**

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**Registration no:** 2006/023587/06

**Share code:** HUG

**ISIN:** ZAE000102042



**Unaudited Condensed  
Consolidated Interim Results**

for the six months ended 31 August 2024

## “Making intelligent investments”

### Investment portfolio fair value

**HY2025: R1.591 billion**  
**FY2024: R1.582 billion**  
**HY2024: R1.460 billion**

### Net asset value per share

**HY2025: 983.73 cents**  
**FY2024: 964.54 cents**  
**HY2024: 960.31 cents**

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# Section 1

## Overview



# Huge Group at a glance

**Huge Group is a South African investment entity that listed on the AltX in 2007 and moved to the Main Board of the JSE in 2016. Huge Group's investment portfolio is overseen by the Investment Committee of the Board of Directors and is actively administered and managed by the executive team of Huge Management. Huge Group's investment philosophy, underpinned by our in-depth investment expertise aims to identify and invest in high value, specialised, investment opportunities that complement the existing PICs in the portfolio.**

## Our purpose, vision, and values

**Making intelligent investments that will complement, benefit, and add exponential value to our ecosystem of portfolio investment companies.**

### Our purpose

Our **purpose** is to continue growing the net asset value of Huge Group's investment portfolio through considered and targeted investments. We actively consider the ecosystem we have created and invest in a combination of established cash-generating and high-growth companies, and proven, post revenue, next-generation businesses that we believe will add exponentially to our portfolio's value in the future. We collaborate closely with the entrepreneurs who run these businesses, guide and support their growth, and tactically apply working capital to underpin their continued individual growth curves. The ecosystem we have built over the past decade affords our PICs the ability to unlock economies of scale that they would not have been in a position to leverage in isolation, creating further opportunities for our stakeholders to benefit from a collective compound yield and return on investment that far exceeds the sum of the parts.

We make **informed, long-term decisions** for our shareholders based on our hard-earned investment expertise, particularly in the rapidly evolving converged landscapes and areas where we identify opportunities for significant growth in the future. In the world we live in today, where everything evolves at a blistering pace, the global economy shifts rapidly, and new business models change and disrupt entire industries overnight, we understand the necessity to keep one eye on the future while driving the active growth curves of today. We continually tweak, change, and, where necessary, redesign our ecosystem to maximise the return we generate from our existing PICs, whilst ensuring that we are optimally positioned to do so in the future.

The ecosystem of companies we built over the past decade thrived in the global economic downturn experienced during and post the COVID pandemic, largely because these PICs could leverage the economies of scale that membership of the broader platform of our investment portfolio represents, and today these companies are focused on capitalising on the opportunities that the ecosystem's collective intellectual property, expertise, systems, capabilities, structure, and reach make possible.

### Our vision

Our **vision** is to amplify value for our shareholders and other stakeholders by investing in rapidly evolving landscapes through our informed and specialised insight. Today, Huge Group's investment portfolio of companies collectively holds multiple IECNS and IECS licenses, leverages advanced multi-tenant and multi-network capable cloud-native platforms, benefits from centralised procurement and offers an incredibly wide range of propositions – from satellite, fibre, and fixed wireless connectivity all the way through to virtual network and cyber security products, services, and solutions. In isolation, our PICs are robust and stable businesses. However, we do not believe that the success of the past guarantees success in the future, in fact, we collectively believe that competing in today's market requires constant innovation and disruption. To this end, we challenge the entrepreneurs who run our PICs to apply next-generation thinking in the evolution of their strategies, to ensure that our ecosystem is not only future-proof, but that we can thrive in the markets we will compete in tomorrow!

### Our values

Over almost two decades, our leaders have built a strong investment foundation and helped to shape our frame of reference, while embracing and instilling a set of values that inform our culture and our way of working to support our ambitions. We learn from each member of the team and from each entity in our ecosystem. Our **values**, underpinned by a sincere and conscious humility in all that we do, can be evidenced in our meticulous diligence, our passion for equality and inclusive conduct, our integrity, and our adherence to a framework of ethical governance. We encourage innovation and we challenge perceptions in the pursuit of excellence.

### Our investment philosophy

*We understand that passionate, intelligent, and driven people ultimately create value and we give life to that belief in our philosophy of guiding, collaborating, and supporting the entrepreneurs who drive our PICs – it is this approach that differentiates us.*

We invest in people who inspire us and who will make a positive impact on each other, on our investments and in the communities within which we operate. People make investment decisions. In selecting our PICs, we look for natural leaders who share our values and who are passionate and enthusiastic about their businesses.

*We make meaningful investments, where each investment is an incremental unit of value.*

We strive to understand every detail about our PICs, learn about the people that manage them, and understand the processes that they have implemented. We identify, review, understand, and analyse every metric applicable to each company in which we are invested. This process ensures that when we make an investment decision it is an intelligent, considered, and objective one. This detailed process empowers us with the confidence and insight to help nurture businesses into enterprises that will deliver significant long-term value.

*We provide the guidance and structure necessary for innovative entrepreneurs to thrive. Our success depends on a process of continually evolving and growing our investment ecosystem to deliver incremental value over time.*

The broader technology landscape is exploding with new opportunities, with many new and incredibly innovative thought processes and methodologies driving disruptive next-generation scale growth opportunities. We aid our entrepreneurs in mitigating the risks they face, and we monitor our PICs' progress to guide and support them as they scale according to their individual growth vectors. We share our own experience in technology-related industry sectors, the investment environment,

our corporate framework, and the sound governance practices we have built over time with our PICs, and we encourage their leadership teams to share their own insights and experiences with each other across the portfolio. This framework functions as a safety net for entrepreneurs to explore innovative solutions and grow their businesses, while providing each PIC the freedom to manage their own direction and day-to-day operations.

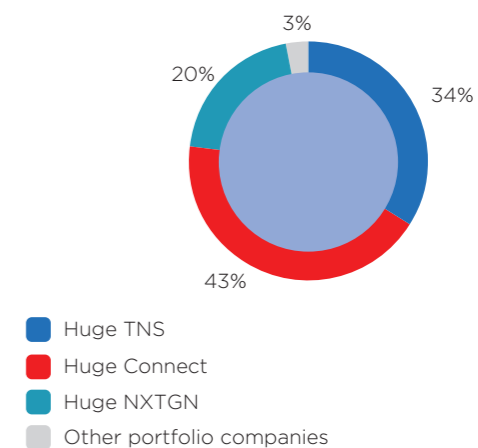
### Our investment portfolio for HY2025

Our top portfolio companies make up 97% of the value of our portfolio.



**Total fair value of the investment portfolio:**  
HY2025: R1.591 billion | FY2024: R1.582 billion | HY2024: R1.460 billion

**Net asset value per share:**  
HY2025: 983.73 cents | FY2024: 964.54 cents | HY2024: 960.31 cents



*Huge NXTGN includes the values for the VNE Commercial Go to Market and Huge Digital, which includes VNE Support Services.*

# Commentary by the Chairman and Chief Executive Officer



**Veran Kathan**  
Chairman

**James Herbst**  
Chief Executive Officer

**“We are proud that we have built a defensive portfolio, which has shown resilience in a very challenging environment, and we are pleased with the continued progress made by our PICs in the evolution of our investment ecosystem as we position it for sustainable near-term and longer-term growth. We are seeing evidence of the results of our considerable efforts in various parts of our portfolio in line with and, in some instances, exceeding our expectations, and we remain confident that the time, effort, and investment we have made in building our own unique investment platform will yield the returns we expect. It is encouraging to note that our PICs are starting to attract some of our country’s top talent as we exponentially add to our pool of expertise, intellectual property, and experience.”**

## Our investment portfolio is resilient and poised for growth

These past months have remained relatively volatile, both in the domestic market (where the recent transition to a Government of National Unity has inspired cautious optimism of economic stability and growth) and internationally (where, despite an easing of inflationary pressures, armed conflicts and political instability continue to destabilize global markets). Despite these challenging conditions, Huge Group’s individual PICs have demonstrated a remarkable degree of resilience, and continue to deliver satisfactory results. We remain abreast of global and local trends and indicators, and we are positioning Huge Group and its PICs accordingly. Huge Group has embarked on various growth initiatives that have, over a considerable amount of time, been in the planning stages. We are confident that the timing of these initiatives, informed by the efforts of the determined and innovative PIC leadership teams, positions Huge Group to capitalise on the hard-won, early-mover advantage that our next-generation business models and technologies have created.

We also incepted various projects to introduce cost- and process level efficiencies across our portfolio earlier in this financial year (taking advantage of economies of scale within our investment ecosystem), including initiatives such as the creation of a procurement and distribution cluster, and the creation of various other centres of excellence which are able to provide thought-leadership on technical, commercial, and operational practices, including measures to optimise support and quality of service that we provide to our various client bases. The combined value of these undertakings informs our expectations and our confidence in our ability to deliver a demonstrable near-term performance improvement. We are pleased that we are seeing early-evidence of what we believe will be sustained value-trajectories, as can already be seen in our results over the past six months.

## Looking ahead

Huge Group’s executive management team and the Board of Directors remain steadfast in the belief that the value of our portfolio is realisable, and are confident that the continued, diligent implementation of our strategic initiatives will continue to drive sustainable growth. We expect an increase in future investment income by virtue of both organic and acquisitive growth, including the combination of increasing revenues, new growth initiatives, improvement in gross margins underpinned by portfolio-wide cost efficiencies, as well as strategic investments in cash-generating opportunities.

## In appreciation

We would like to thank the executive management teams of each of our Portfolio Investment Companies for their continued commitment and unwavering determination in executing their individual strategies, whilst supporting portfolio-wide initiatives designed to unlock synergies by leveraging the broader ecosystem we have created. The Board of Directors is pleased with our collective achievements, which are delivering consistent and admirable results in a challenging global and local environment.

**Veran Kathan**  
Non-Executive Chairman

**James Herbst**  
Chief Executive Officer

## Unlocking stakeholder value

**R1.591 billion**

**Total fair value of investment portfolio**

(FY2024: R1.582 billion and  
HY2024: R1.460 billion)

**983.73 (cents)**

**Net asset value per share**

(FY2024: 964.54 cents and  
HY2024: 960.31 cents)

**The combined fair value of our investment portfolio is R1.591 billion with a net asset value of 983.73 cents per share at 31 August 2024, which is up 2% from the 964.54 cents per share reported at 29 February 2024. These values precede the announcement made by the South African Reserve Bank of a 25-basis points reduction in interest rates, which will impact future valuations positively.**

# Interim Financial Results

# Condensed Consolidated Statement of Financial Position

as at 31 August 2024

Note(s)	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
<b>Assets</b>			
<b>Non-current assets</b>			
	4 579	4 579	-
Goodwill			
Property, plant and equipment	166	191	233
Investments held	1 591 411	1 581 933	1 460 363
Loans receivable	303 203	214 987	260 025
Trade and other receivables	60 642	30 060	104 263
Deferred tax asset	5 572	16 822	5 212
<b>Total non-current assets</b>	<b>1 965 573</b>	<b>1 848 572</b>	<b>1 830 096</b>
<b>Current assets</b>			
Trade and other receivables	74 202	58 625	12 120
Cash and cash equivalents	49 567	93 406	1 373
<b>Total current assets</b>	<b>123 769</b>	<b>152 031</b>	<b>13 493</b>
<b>Total assets</b>	<b>2 089 342</b>	<b>2 000 603</b>	<b>1 843 589</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	611 099	611 099	611 099
Share-based payment reserve	39 990	39 990	39 990
Accumulated profit	1 046 447	1 012 999	1 006 015
	1 697 536	1 664 088	1 657 104
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities	300 000	300 000	119 212
Deferred tax liabilities	12 923	19 132	18 158
<b>Total non-current liabilities</b>	<b>312 923</b>	<b>319 132</b>	<b>137 370</b>
<b>Current liabilities</b>			
Loans payable	25 722	-	-
Interest-bearing liabilities	5 510	5 337	47 280
Current tax payable	3 714	619	436
Trade and other payables <sup>1</sup>	43 937	11 426	1 400
<b>Total current liabilities</b>	<b>78 883</b>	<b>17 382</b>	<b>49 116</b>
<b>Total liabilities</b>	<b>391 806</b>	<b>336 515</b>	<b>186 486</b>
<b>Total equity and liabilities</b>	<b>2 089 342</b>	<b>2 000 603</b>	<b>1 843 589</b>
<b>Net asset value per share (cents)</b>	<b>983.73</b>	<b>964.54</b>	<b>960.31</b>

1. Refer to Note 9 Related Parties for further detail.

# Condensed Consolidated Statement of Comprehensive Income

for the six months ended 31 August 2024

Note(s)	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
<b>Net gain/(loss) from financial assets at fair value through profit or loss</b>	<b>9 478</b>	<b>3 381</b>	<b>(3 334)</b>
<b>Investment income</b>	<b>49 109</b>	<b>97 832</b>	<b>48 327</b>
Interest income	17 799	37 975	18 213
Interest income on loans	14 105	37 541	18 087
Finance income	3 694	434	126
Dividend income	31 310	59 857	30 114
<b>Net Fee Income</b>	<b>1 448</b>	<b>59 131</b>	<b>3 300</b>
Fee income	36 198	59 131	3 300
Fee expense	(34 750)	-	-
<b>Other income</b>	<b>-</b>	<b>2 332</b>	<b>1 290</b>
Other income	-	2 332	1 290
<b>Expenses</b>	<b>(2 320)</b>	<b>(110 469)</b>	<b>(10 278)</b>
Selling and administration expenses	(7 309)	(16 771)	(7 022)
Employee costs	(2 146)	(8 775)	(3 193)
(Provision)/Reversal of provision for impairment of loans	7 175	(84 781)	-
Depreciation and amortisation	(40)	(142)	(63)
<b>Profit before finance costs and taxation</b>	<b>57 715</b>	<b>52 207</b>	<b>39 305</b>
Finance costs	(16 111)	(25 966)	(11 296)
<b>Profit before taxation</b>	<b>41 604</b>	<b>26 242</b>	<b>28 009</b>
Income tax (expense)/income	(8 157)	9 133	380
<b>Profit for the year</b>	<b>33 447</b>	<b>35 374</b>	<b>28 389</b>
<b>Total comprehensive income attributable to:</b>	<b>33 447</b>	<b>35 374</b>	<b>28 389</b>
Owners of the parent	33 447	35 374	28 389
<b>Earnings per share information (cents)</b>	<b>8</b>		
Basic earnings per share	19.38	20.50	16.45
Diluted earnings per share	17.83	18.86	15.14



## Condensed Consolidated Statement of Changes in Equity

for the six months ended 31 August 2024

	Share capital R'000	Share premium R'000	Total share capital R'000	Share-based payment reserve R'000	Accumulated profit R'000	Total equity R'000
<b>Audited Balance at 1 March 2023</b>	<b>17</b>	<b>611 082</b>	<b>611 099</b>	<b>39 990</b>	<b>977 625</b>	<b>1 628 714</b>
Total comprehensive income for six months	-	-	-	-	28 389	28 389
<b>Unaudited balance at 31 August 2023</b>	<b>17</b>	<b>611 082</b>	<b>611 099</b>	<b>39 990</b>	<b>1 006 014</b>	<b>1 657 103</b>
Total comprehensive income for six months	-	-	-	-	6 985	6 985
<b>Audited balance at 29 February 2024</b>	<b>17</b>	<b>611 082</b>	<b>611 099</b>	<b>39 990</b>	<b>1 012 999</b>	<b>1 664 088</b>
Total comprehensive income for six months	-	-	-	-	33 447	33 447
<b>Unaudited balance at 31 August 2024</b>	<b>17</b>	<b>611 082</b>	<b>611 099</b>	<b>39 990</b>	<b>1 046 447</b>	<b>1 697 536</b>

## Condensed Consolidated Statement of Cash Flows

for the six months ended 31 August 2024

	Note(s)	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
<b>Cash flows from operating activities</b>				
Cash generated from/(used in) operations		<b>16 113</b>	(14 385)	17 577
Interest income received	6	<b>3 694</b>	-	126
Dividend income received	6	-	15 750	1 250
Finance costs paid	7	<b>(15 937)</b>	-	(11 296)
Tax paid		<b>(20)</b>	-	-
<b>Net cash generated from/(used in) operating activities</b>		<b>3 850</b>	1 365	7 657
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment		-	(57)	(19)
Purchase of investments		-	(2 308)	(1 184)
Advance of loans to portfolio investment companies	3	<b>(55 306)</b>	(4 241)	(21 472)
Repayment of loans by portfolio investment companies	3	<b>7 617</b>	127 093	46 109
<b>Net cash generated from/(used in) investing activities</b>		<b>(47 690)</b>	120 486	23 434
<b>Cash flows from financing activities</b>				
Proceeds from interest bearing-liabilities	5	-	3 450	-
Repayment of interest bearing liabilities	5	-	(33 481)	(31 304)
<b>Net cash generated from/(used in) financing activities</b>		-	(30 031)	(31 304)
<b>Total cash movement for the period</b>		<b>(43 839)</b>	91 820	(213)
<b>Cash at the beginning of the period</b>		<b>93 406</b>	1 586	1 586
<b>Total cash at the end of the period</b>		<b>49 567</b>	93 406	1 373



# Reporting

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# Supplementary Information

## 1. Reporting Entity

Huge Group Limited (**Huge Group**) is a public company domiciled in the Republic of South Africa. The Condensed, Consolidated Interim Financial Statements as at and for the six month ended 31 August 2024 (hereinafter referred to as the **2025 Interim Financial Statements**), comprise the Interim Results of Huge Group.

## 2. Basis of preparation

The 2025 Interim Financial Statements have been prepared under the supervision of T van Tonder CA(SA), Chief Commercial Officer, in accordance with the requirements set out in:

- IAS 34 Interim Financial Reporting requirements;
- the South African Institute for Chartered Accountant (**SAICA**) Financial Reporting Guides as issued by the Accounting Practices Committee; and
- Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (**FRSC**).

Furthermore, the 2025 Interim Financial Statements comply with the Listing Requirements of the JSE Limited (**JSE**) and the requirements outlined in the Companies Act of South Africa, as amended (Act No. 71 of 2008) (**Companies Act**), in terms of all provisions specified therein that are applicable to summary financial statements.

The 2025 Interim Financial Statements are not required to include all the information set out in fully comprehensive annual financial statements, the 2025 Interim Financial Statements should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 29 February 2024, as set out in the Group's Integrated Annual Report (which can be accessed directly via this link: <https://www.hugegroup.com/financials>).

### 2.1 Going concern

Based upon solvency, cash resources, and forecasts, the Directors of Huge Group (**the Board**) have concluded that Huge Group and its portfolio investment companies are going concerns and will remain going concerns for the twelve-month period that follows the date of approval of these 2025 Interim Financial Statements. Accordingly, Huge Group continues to adopt the going concern basis of preparing the 2025 Interim Financial Statements.

## 3. Board approval

The 2025 Interim Financial Statements were authorised for issue and publication by the Board on 8 November 2024

## 4. Independent review

The 2025 Interim Financial Statements are the responsibility of the Board. Neither the 2025 Interim Financial Statements nor any reference to future financial performance included in this results announcement have been reviewed or reported on by the company's external auditor, Moore Johannesburg Incorporated.

## 5. Accounting policies

The accounting policies applied in preparation of the 2025 Interim Financial Statements are compliant with IFRS Accounting Standards and are consistent with the accounting policies applied in the preparation of the consolidated annual financial statements for the year ending 29 February 2024 and the six months period ended 31 August 2023.

### 5.1 New standards and amendments effective for annual periods on or after 1 January 2024

#### Amendments to IFRS 16 Lease liabilities in Sale and Leaseback transactions:

The recent amendments to IFRS 16 impact how seller-lessees account for variable lease payments arising from sale-and-leaseback transactions. These changes aim to enhance the consistency and transparency of accounting practices in such arrangements.

#### Amendments to IAS 1 Classification of Liabilities:

The amendments to IAS 1 clarify the criteria for classifying certain liabilities as current or non-current. This update provides greater guidance to ensure accurate reporting in financial statements.

#### Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements:

The amendments to IAS 7 and IFRS 7 introduce additional disclosure requirements for companies engaging in supplier finance arrangements. However, it is important to note that these amendments do not address the classification or presentation of the associated liabilities and cash flows.

#### Introduction of New IFRS Sustainability Disclosure Standards:

Two new IFRS Sustainability Disclosure Standards have been introduced: IFRS S1, which outlines general requirements for sustainability-related financial information, and IFRS S2, focused on climate-related disclosures. These standards will provide clarity on reporting requirements, enabling companies to meet the expectations of global capital markets and offer investors comparable information.

The Group did not early adopt any new, revised, or amended accounting standards or interpretations, and it does not expect these changes to have a material impact on its financial results.

## 6. Events after the reporting period

Since the end of the interim financial reporting period ending on the 31 August 2024, there have been no subsequent events that impact the 2025 Interim Financial Statements.

## 7. Segment reporting

Huge Group holds investments in the connectivity and cloud, software, and xTech sectors, and the investments held by it as set out in the 2025 Interim Financial Statements are reported within 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**). The Executive Committee evaluates and assesses each segment's performance, for which discrete financial information is available, and makes decisions in terms of the allocation of resources to each segment.

The fair value movement, as evaluated by the CODM, represents the predominant measure of segment performance. Information on the underlying **PICs** held by Huge Group are also reported to the CODM for assessing segment performance. Huge Group's Investment Committee reports to the CODM and provides the guidelines for the valuation of the investment portfolio and reporting processes as set out in the Investment Policy.

The following section details the basis on which segment reporting has been prepared, including a reconciliation of the detailed IFRS 8 values informing these reports, in table form.

# Notes to the Interim Financial Results

## 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 PICs 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 Group, the Investment Holding Company;
- Huge Capital (100% held by Huge Group);
- Huge Management Company (100% held by Huge Group);
- Huge Soho (100% held indirectly by Huge SPV 1);
- Huge SPV 1 (100% held by Huge Group);
- Huge Global (100% held by Huge Group).

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

- Huge Connect (83.71% held by Huge Group);
- Huge Networks (100% held by Huge Connect);
- Huge Technologies (100% held by Huge Group);
- Huge TNS (100% held by Huge Group).

Huge Group as a 100% owner of the issued share capital of Huge TNS, has the following indirect holdings through this investment:

- Huge Services (100% held by Huge TNS);
- Huge Cellular, an associate company of Huge TNS (49% held by Huge TNS).

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

- Huge Platforms (formerly Huge Messaging) (100% held by Huge Group);
- Huge NXTGN (formerly Huge Media) (76% held by Huge Soho);
- Huge Software (75% held by Huge Group);
- Huge Payments, an associate company of Huge Group (48.99% held by Huge Group);
- Huge Digital (93% held by Huge Group);
- GloVent Solutions (20.46% held by Huge Group).

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

- Huge Distribution (50% held by Huge Group).

### Types of products and services per segment

#### The Connectivity and Cloud Segment

##### *Huge TNS*

Huge TNS caters for the cloud, connectivity, and related technology services needs of businesses in the Corporate, SMME, and Work-from-Home segments. Huge TNS provides a comprehensive catalogue of products and services that includes Connectivity, Voice, SD-WAN Management, Connectivity Aggregation, Cyber Security, PBX, Cloud, and Hosting services to customers in these segments, generating both annuity revenue and usage-based revenue.

##### *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 holds the network assets that have been purpose-built for the requirements of Huge TNS.

##### *Huge Platforms (formerly known as Huge Messaging)*

Huge Platforms is an IT and Platforms-as-a-Service provider servicing various PICs across the Huge Group portfolio.

#### The Software and xTech Segment

##### *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 businesses in the mid-tier market in manufacturing, engineering, wholesale distribution, and professional services.

##### *Huge NXTGN and Huge Digital*

Huge NXTGN is a next-generation enterprise network enablement partner that provides a cloud-native, turnkey virtual network operator (**VNO**) enablement service to large enterprises and smaller SMME consumer brands. It provides a quick, affordable, and secure platform-as-a-service solution based on one of the most sophisticated local-enablement architectures available, and derives its revenue from services that encompass a full turn-key enablement capability, ranging from professional advisory services through to managed operations and technology enablement services.

Huge Digital, established from the acquisition of Virgin Mobile South Africa, provides Mobile Virtual Network Enabler (**MVNE**) support services to Huge NXTGN.

##### *Huge Payments*

Huge Payments is engaged in the development of an Intelligent Payment Solution application for individuals, small merchants, and retailers.

#### The Distribution Segment

##### *Huge Distribution*

Huge Distribution is an importer and distributor serving channel partners across Southern Africa and into the SADC region with telecommunications and solar related products such as solar panels, batteries, and inverters.

#### Major customers

No single customer or group of customers under common control contribute more than 10% of any of the revenue of Huge Group's portfolio investment companies, apart from three customers of Huge Connect. Three customers contribute an aggregate 40% 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 the customers migrating to other suppliers.

#### Geographic areas

The PICs of Huge Group have operations physically located in five local regions, which are Gauteng, Western Cape, Eastern Cape, North-West, and Free State.

#### Services

Huge Group generates its revenue in the form of dividends, interest income, and fee income.

## Notes to the Interim Financial Results continued

### 1. Segment reporting continued

#### Unaudited segment portfolio value movements for the 6 months ended 31 August 2024

Segment	Investments held at 1 March 2024 R'000	Acquisition R'000	Fair value gain/loss R'000	Portfolio interest R'000	Investments held at 31 August 2024 R'000	Percentage of portfolio
Connectivity and Cloud	1 346 076	(979)	(102 455)	-	1 242 642	78.1%
Distribution	-	-	13 176	-	13 176	0.8%
Software and xTech	235 366	979	98 757	-	335 103	21.1%
Corporate Office	491	-	-	-	491	0.0%
<b>Total</b>	<b>1 581 933</b>	<b>-</b>	<b>9 478</b>	<b>-</b>	<b>1 591 411</b>	<b>100.0%</b>

Notes

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#### Audited segment portfolio value movements for the year ended 29 February 2024

Segment	Investments held at 1 March 2023 R'000	Acquisition R'000	Fair value gain/loss R'000	Portfolio interest R'000	Investments held at 29 February 2024 R'000	Percentage of portfolio
Connectivity and Cloud	1 311 304	113 775	(79 003)	-	1 346 076	85.1%
Distribution	4 533	-	(4 533)	-	-	0.0%
Software and xTech	146 193	2 255	86 918	-	235 366	14.9%
Corporate Office	459	-	-	32	491	0.0%
<b>Total</b>	<b>1 462 490</b>	<b>116 030</b>	<b>3 381</b>	<b>32</b>	<b>1 581 933</b>	<b>100.0%</b>

#### Unaudited segment portfolio value movements for the 6 months ended 31 August 2023

Segment	Investments held at 1 March 2023 R'000	Acquisition R'000	Fair value gain/loss R'000	Portfolio interest R'000	Investments held at 31 August 2023 R'000	Percentage of portfolio
Connectivity and Cloud	1 311 304	-	(11 966)	-	1 299	89.0%
Distribution	4 533	-	6 218	-	11	0.7%
Software and xTech	146 193	1 840	1 769	-	150	10.3%
Corporate Office	459	-	-	13	-	0.0%
<b>Total</b>	<b>1 462 490</b>	<b>1 840</b>	<b>(3 979)</b>	<b>13</b>	<b>1 460</b>	<b>100.0%</b>

## Notes to the Interim Financial Results continued

### 1. Segment reporting continued

#### Unaudited segment returns for the 6 months ended 31 August 2024

Segment	Dividend income R'000	Interest income R'000	Net Fee income R'000	Total R'000
<b>Fee Income</b>				
Connectivity and Cloud	31 310	10 025	13 273	54 608
Distribution	-	2 015	39	2 054
Software and xTech	-	2 053	22 740	24 793
Corporate Office	-	12	-	12
Other	-	-	147	-
<b>Fee expense</b>				
Software and xTech	-	-	(34 750)	-
<b>Total</b>	<b>31 310</b>	<b>14 105</b>	<b>1 448</b>	<b>81 467</b>

#### Audited segment returns for the 6 months ended 29 February 2024

Segment	Dividend income R'000	Interest income R'000	Fee income R'000	Total R'000
<b>Fee Income</b>				
Connectivity and Cloud	59 857	23 392	59 053	142 302
Distribution	-	4 325	77	4 403
Software and xTech	-	9 779	-	9 779
Corporate Office	-	44	-	44
<b>Total</b>	<b>59 857</b>	<b>37 541</b>	<b>59 131</b>	<b>156 528</b>

#### Unaudited segment returns for the 6 months ended 31 August 2023

Segment	Dividend income R'000	Interest income R'000	Fee income R'000	Total R'000
<b>Fee Income</b>				
Connectivity and Cloud	30 114	11 456	3 300	44 870
Distribution	-	2 256	-	2 256
Software and xTech	-	4 369	-	4 369
Corporate Office	-	6	-	6
<b>Total</b>	<b>30 114</b>	<b>18 087</b>	<b>3 300</b>	<b>51 501</b>

## Notes to the Interim Financial Results continued

### 2. Investments held

Segment	Held by	% holding 2025	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
Huge Capital	Huge Group	100%	-	-	-
Huge Connect - Ordinary shares held	Huge Group	83.71%	194 286	156 500	100 284
Huge Connect - Preference shares held	Huge Group	100%	487 901	563 372	568 340
Huge NXTGN Go to Market Cluster	Huge Group		322 769	229 658	147 119
Huge Digital	Huge Group	93%	126 640		
Huge NXTGN (formerly Huge Media)	Huge Soho	76%	196 129	229 658	147 119
Huge Distribution	Huge Group	50%	13 176	-	10 751
Huge Platforms (formerly Huge Messaging)	Huge Group	100%	716	979	964
Huge Payments	Huge Group	48.99%	-	-	-
Huge Software	Huge Group	75%	11 618	5 708	2 682
Huge Technologies	Huge Group	100%	-	-	33 260
Huge Networks	Huge Connect	100%	13 403	13 967	7 432
Huge TNS Cluster	Huge Group		547 052	611 258	589 059
Huge TNS	Huge Group	100%	543 354	607 700	588 625
Huge Cellular	Huge TNS	49%	-	-	-
Huge Services	Huge TNS	100%	3 698	3 558	434
GloVent	Huge Group	20.46%	-	-	-
<b>Total Unlisted Investments fair value</b>			<b>1 590 920</b>	1 581 442	1 459 891
Discovery Invest Endowment Plan	Huge Group	-	491	491	472
<b>Total Listed Investments fair value</b>			<b>491</b>	<b>491</b>	<b>472</b>
<b>Total Investments fair value</b>			<b>1 591 411</b>	<b>1 581 933</b>	<b>1 460 363</b>

1. All portfolio investment companies are incorporated in South Africa and their principal place of business is in South Africa.

## Notes to the Interim Financial Results continued

### 2. Investments held continued

#### Movement in investments held - Group - 2024

	Fair value at 1 March 2024	Acquisition/ (Sale) during the period	Fair value gain/(loss) at 31 August 2024	Closing balance - Fair value at 31 August 2024
<b>Investments held</b>				
Unlisted investments	1 581 442	-	9 478	1 590 920
Listed investments	491	-	-	491
<b>Total Investments</b>	<b>1 581 933</b>	<b>-</b>	<b>9 478</b>	<b>1 591 411</b>

#### Net gain or loss from financial assets at fair value through profit or loss - Group - 2024

Segment	1 March 2024 Fair value	Acquisition/ (Sale) during the period	31 August 2024 Fair value	Fair value gain/(loss)
Huge Capital	-	-	-	-
Huge Connect - Ordinary shares held	156 500	-	194 286	37 786
Huge Connect - Preference shares held	563 372	-	487 901	(75 471)
Huge NXTGN Go to Market Cluster	229 658	-	322 769	93 111
Huge Digital	229 658	-	126 640	(103 018)
Huge NXTGN (formerly Huge Media)	-	-	196 129	196 129
Huge Distribution	-	-	13 176	13 176
Huge Platforms (formerly Huge Messaging)	979	-	716	(264)
Huge Payments	-	-	-	-
Huge Software	5 708	-	11 618	5 910
Huge Technologies	-	-	-	-
Huge Networks	13 967	-	13 403	(564)
Huge TNS Cluster	611 258	-	547 052	(64 207)
Huge TNS	607 700	-	543 354	(64 346)
Huge Cellular	-	-	-	-
Huge Services	3 558	-	3 698	140
GloVent	-	-	-	-
<b>Total Unlisted Investments</b>	<b>1 581 442</b>	<b>-</b>	<b>1 590 920</b>	<b>9 478</b>
Discovery Invest Endowment Plan	491	-	491	-
<b>Total Listed Investments</b>	<b>491</b>	<b>-</b>	<b>491</b>	<b>-</b>
<b>Total Investments</b>	<b>1 581 933</b>	<b>-</b>	<b>1 591 411</b>	<b>9 478</b>

## Notes to the Interim Financial Results continued

### 2. Investments held continued

#### Fair value of investments held at 31 August 2024

The fair values of the investments held as at 31 August 2024 were calculated by management in accordance with IFRS 13 and were consistent with the methodology applied in prior periods. The assumptions informing the interim valuations as at 31 August 2024 have been detailed below:

Unlisted investments	Economic interest	Primary valuation method	Fair value hierarchy	Significant and key inputs	Relationship of unobservable inputs	31 August 2024 fair value R'000
Huge Capital	100%	Net assets	Level 3	Attributable NAV		-
Huge Connect – Ordinary shares held	83.71%	Income approach	Level 3	Maintainable earnings model	<ul style="list-style-type: none"> <li>WACC 18.93%</li> <li>Terminal growth 1.30%</li> <li>Revenue growth 11%</li> <li>Sustainable GP margin 42.77%</li> </ul>	194 286
Huge Connect – Preference shares held	100%	Dividend discount	Level 3	Dividend payable average coupon rate	<ul style="list-style-type: none"> <li>Required rate of return 10.75%</li> </ul>	487 901
Huge Distribution	50%	Income approach	Level 3	Maintainable earnings model	<ul style="list-style-type: none"> <li>WACC 17.19%</li> <li>Terminal growth 1.30%</li> <li>Revenue growth 8.60%</li> <li>Sustainable GP margin 16.87%</li> </ul>	13 176
Huge Networks	100%	Net assets	Level 3	Attributable NAV		13 403
<b>Huge NXTGN Go to Market Cluster</b>						<b>322 769</b>
Huge Digital	93%	Income approach	Level 3	Net Present Value of Future Cashflows	<ul style="list-style-type: none"> <li>WACC 21.80%</li> </ul>	126 640
Huge NXTGN (formerly Huge Media)	76%	Income approach	Level 3	Maintainable earnings model	<ul style="list-style-type: none"> <li>WACC 16.27%</li> <li>Terminal growth 1.30%</li> <li>Sustainable EBIT margin 31.47%</li> </ul>	196 129
Huge Payments	48.99%	Net assets	Level 3	Attributable NAV		-
Huge Platforms (formerly Huge Messaging)	100%	Net assets	Level 3	Attributable NAV		716
Huge Software	75%	Income approach	Level 3	Maintainable earnings model	<ul style="list-style-type: none"> <li>WACC 23.97%</li> <li>Terminal growth 1.30%</li> <li>Sustainable GP margin of 74.58%</li> <li>Revenue growth 14.82%</li> </ul>	11 618
Huge Technologies	100%	Net assets	Level 3	Attributable NAV		-

## Notes to the Interim Financial Results continued

### 2. Investments held continued

Unlisted investments	Economic interest	Primary valuation method	Fair value hierarchy	Significant and key inputs	Relationship of unobservable inputs	31 August 2024 fair value R'000
<b>Huge TNS Cluster</b>						<b>547 052</b>
Huge TNS	100%	Income approach	Level 3	Maintainable earnings model	<ul style="list-style-type: none"> <li>WACC 16.39%</li> <li>Terminal growth 1.30%</li> <li>Revenue growth 15.12%</li> <li>Sustainable GP margin 46.16%</li> </ul>	543 354
Huge Cellular	49%	Net assets	Level 3	Attributable NAV		-
Huge Services	100%	Net assets	Level 3	Attributable NAV		3 698
GloVent	20.46%	Income approach	Level 3	Maintainable earnings model	<ul style="list-style-type: none"> <li>WACC 23.56%</li> <li>Terminal growth 1.30%</li> <li>Revenue growth 22.39%</li> <li>Sustainable GP margin 51.53%</li> </ul>	-
<b>Total Unlisted Holdings</b>						<b>1 590 920</b>
Discovery Invest Endowment Plan			Level 3			491
<b>Total Holdings</b>						<b>1 591 411</b>

#### Notes:

**Huge Digital** provides Mobile Virtual Network Enabler (MVNE) support services to Huge NXTGN. Further to this, it will restructure its balance sheet by way of an issue of equity to fund its recapitalisation and repay loans owing. Huge Digital's recapitalisation asset valuation represents a series of defined cashflows from these financing activities discounted to their present value (no revenue growth or sustainable gross profit margins are used in this valuation).

**Huge NXTGN** was previously referred to as Huge Digital Commercial Go to market in the 2024 fair value disclosures. In the current year, Huge Media has been rebranded as Huge NXTGN and as a result of the change in business of this legal entity, there has been a change in valuation methodology from Attributable NAV in the prior year, to Maintainable earnings model in the current year.

The following PICs are special purpose entities within the portfolio and are valued based on the net asset value approach which is the most appropriate valuation technique based on the nature of their operations, life cycle of the entity, and the nature of their asset base:

- **Huge Capital** is a special purpose credit and capital services entity as well as a procurement supplier in the managed telecommunications industry servicing various PICs across the Huge Group portfolio.
- **Huge Cellular** is a procurement supplier in the managed telecommunications industry primarily servicing Huge TNS.
- **Huge Networks** is engaged in supplier management in the managed telecommunications industry on behalf of Huge TNS. This entity also holds IECNS and IECS licences with ICASA.
- **Huge Payments** is engaged in the development of a mobile payments solution for individuals, small merchants, and large retailers. This entity is also a procurement supplier in the managed telecommunications industry primarily servicing Huge Connect.
- **Huge Platforms** is an IT and Platforms-as-a-Service provider servicing various PICs across the Huge Group portfolio with a current focus on the development of technology in the MVNO space.
- **Huge Services** is a special purpose entity providing commercial property related services to the Huge Group portfolio.
- **Huge Technologies** is the holder of network assets and gives Huge TNS the right of use of the assets for a charge.

## Notes to the Interim Financial Results continued

### 2. Investments held continued

#### Key valuation components for the investment valuations as at 31 August 2024

- The Income approach describes a methodology that calculates the market value of the ordinary shares of an entity based on the value of the cash flows that the entity to be valued can be expected to generate in the future.
- The net asset approach describes the methodology that calculates the market value of the ordinary shares of an entity by adjusting the asset and liability balances on the statement of financial position of the entity being 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 approach is a quantitative method used for predicting the price of an entity'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 by management of 8.19% 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 31 August 2024.

#### Systematic risk premium or market premium

The equity market risk premium (EMRP) was obtained from data published by Aswath Damodaran (NYU Stern Professor). 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 9%.

#### Beta

A beta analysis was conducted based on the average Aswath Damodaran Beta for related segments in Emerging Markets, which was re-levered using each PICs' capital structure and effective tax rate.

- Huge Connect and Huge TNS: unlevered Beta of 0.58 for the services and wireless telecommunications sector across 42 and 13 emerging market companies, respectively.
- Huge Distribution: unlevered Beta of 1.05 for the equipment telecommunications sector across 66 emerging market companies.
- Huge Software: unlevered Beta of 1.27 for the software systems and applications telecommunications sector across 351 emerging market companies.
- Huge NXTGN and Huge Digital: unlevered Beta of 0.58 for the services and wireless telecommunications sector across 42 and 13 emerging market companies, respectively.

## Notes to the Interim Financial Results continued

### 2. Investments held continued

#### Specific risk (Alpha)

The specific risk for each individual PIC 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 controls were applied. Specific risk premia for each PIC are as follows:

- Huge Connect 8.56%
- Huge Distribution 4.05%
- Huge Software 7.61%
- Huge TNS 9.78%
- Huge Digital 9.50%
- Huge NXTGN 9.50%

#### Weighting of Debt and Equity

The target debt equity ratios applied in the respective Weighted Average Cost of Capital (WACC) calculations of the PICs are consistent with the ratios applied at FY2024.

#### Cost of Debt

The current terms of the RMB Preference Share Agreement are 90% of Prime for Tranche A Preference Shares (R150 million) and Prime for Tranche B Preference Shares (R150 million), both tranches have a 15 basis point reduction on Prime. The Prime Rate at the 31 August 2024 valuation date was 11.75%. Huge Group operates a centralised treasury function through Huge Management and is responsible for providing capital to Huge Group's PICs. The objectives of this centralised treasury function include reducing the cost of debt and improving the internal oversight of each PICs' borrowings and lending. The function provides the PICs with a single point of contact for their borrowing requirements, and it simplifies processes and allows the PICs 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 Group is 23.08%.

#### Sensitivity analysis for the investment valuations as at 31 August 2024

The table below sets out the results of the sensitivity analysis performed in relation to changes in the variables used in the valuations prepared for the relevant investments held. "High road" and "Low road" case scenarios have been applied.

#### Huge Connect - Ordinary Shares

Assumption	WACC %	Terminal growth rate %	Revenue growth %	Sustainable GP margin total %
High road	17.93%	2.30%	plus 5%	plus 1%
Base case	18.93%	1.30%	plus 0%	plus 0%
Low road	19.93%	0.30%	plus (5%)	plus (1%)



## Notes to the Interim Financial Results continued

### 2. Investments held continued

#### Huge Connect - Ordinary Shares continued

	WACC R'000	Terminal growth rate R'000	Revenue growth R'000	Sustainable GP margin R'000
<b>Equity Value</b>				
High road	214 834	205 556	234 367	202 247
Base case	194 286	194 286	194 286	194 286
Low road	176 013	184 226	154 205	186 325

Based on the assumptions applied in the Base Case with a WACC of between 17.93% and 19.93%, we estimate the value of 83.71% of Huge Connect's Ordinary Shares to be in the range of R215 million to R176 million.

#### Huge Connect - Preference Shares

Assumption	Prime Rate	Equity Value
High road	10.75%	495 751
Base case	11.75%	487 901
Low road	12.75%	481 388

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.

#### Huge TNS

Assumption	WACC %	Terminal growth rate %	Revenue growth %	Sustainable GP margin total %
High road	15.39%	2.30%	plus 5%	plus 1%
Base case	16.39%	1.30%	plus 0%	plus 0%
Low road	17.39%	0.30%	plus (5%)	plus (1%)

Equity Value	WACC R'000	Terminal growth rate R'000	Revenue growth R'000	Sustainable GP margin R'000
High road	585 066	567 961	643 546	563 881
Base case	543 354	543 354	543 354	543 354
Low road	506 941	521 806	443 162	522 826

Based on the assumptions applied in the Base Case with a WACC of between 15.39% and 17.39%, we estimate the value of 100% of Huge TNS to be in the range of R585 million and R507 million.

## Notes to the Interim Financial Results continued

### 2. Investments held continued

#### Huge NXTGN (formerly Huge Media)

Assumption	WACC %	Terminal growth rate %	Revenue growth %	Sustainable EBIT margin %
High road	15.27%	2.30%	plus 5%	plus 1%
Base case	16.27%	1.30%	plus 0%	plus 0%
Low road	17.27%	0.30%	plus (5%)	plus (1%)

Equity Value	WACC R'000	Terminal growth rate R'000	Revenue growth R'000	Sustainable EBIT margin %
High road	222 020	212 579	218 822	200 667
Base case	196 129	196 129	196 129	196 129
Low road	173 696	181 738	173 436	191 590

Based on the assumptions applied in the Base Case with a WACC of between 15.27% and 17.27%, we estimate the value of 76% of Huge NXTGN to be in the range of R222 million and R174 million.

#### Huge Digital

Assumption	WACC %	Equity value R'000
High road	20.80%	129 386
Base case	21.80%	126 640
Low road	22.80%	124 086

Based on the assumptions applied in the Base Case with a WACC of between 20.80% and 22.80%, we estimate the value of 93% of Huge Digital to be in the range of R129 million and R124 million.

## Notes to the Interim Financial Results continued

### 3. Loans receivable/(payable)

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
Huge Capital	183	111	93
Huge Cellular	-	-	5 928
Huge Cellular loan	35 957	33 650	5 928
Huge Cellular loan impairment provision	(35 957)	(33 650)	-
Huge Connect	40 770	40 070	-
Huge Digital	77 802	56 097	41 354
Huge Distribution	14 116	6 801	26 053
Huge Distribution loan	38 588	31 272	26 053
Huge Distribution loan impairment provision	(24 471)	(24 471)	-
Huge Global	987	987	45
Huge NXTGN (formerly Huge Media)	9 448	47	1 722
Huge NXTGN loan	9 448	8 872	8 362
Huge NXTGN loan impairment provision	-	(8 825)	(6 640)
Huge Networks	-	(25 722)	-
Huge Payments	53	46	8 488
Huge Payments loan	9 171	9 163	8 488
Huge Payments loan impairment provision	(9 117)	(9 117)	-
Huge Platforms (formerly Huge Messaging)	8 991	-	-
Huge Services	115	106	99
Huge Software	418	-	7 025
Huge Software loan	7 220	6 802	7 025
Huge Software loan impairment provision	(6 802)	(6 802)	-
Huge Soho	-	-	32
Huge Technologies	72 768	75 942	72 352
Huge Technologies	79 286	75 942	72 352
Huge Technologies loan impairment provision	(6 518)	-	-
Huge TNS	76 498	60 012	96 549
GloVent	855	489	285
Other	200	-	-
<b>Loans receivable</b>	<b>303 203</b>	<b>214 987</b>	<b>260 025</b>
Huge Networks	(25 722)	-	-
<b>Loans payable</b>	<b>(25 722)</b>	<b>-</b>	<b>-</b>

The value of all the above loans closely approximates their fair values. All loans advanced to PICs are working capital investments to support growth.

All the loans are unsecured, bear interest at Prime Rate plus 2% and have no fixed terms of repayment, unless mentioned otherwise.

## Notes to the Interim Financial Results continued

### 3. Loans receivable/(payable) continued

- Huge Connect**  
During the prior year, a sale agreement was concluded by Huge TNS and Huge Management where Huge TNS sold its loan of R40 769 761 against Huge Connect to Huge Management. The loan is unsecured, bears no interest and has no fixed term of repayment.
- Huge Digital**  
The loan is secured through the cession and pledge agreement executed on 10 November 2021 between the Company and Tethys Mobile. Tethys Mobile pledged the IT Intellectual Property to Huge Group 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 with Huge Management bears interest at Prime Rate plus 2% and has no fixed terms of repayment. The loan with Huge Group is interest free and is repayable within in 5 business days of written demand by Huge Group.
- Huge Distribution**  
The loan with Huge Management bears interest at Prime Rate plus 2% and has no fixed terms of repayment. The loan with Huge Group is interest free and has no fixed terms of repayment.
- Huge Networks**  
The loan payable to Huge Networks is the remaining loan to be paid by Huge Group for the sale by Huge Networks of its shares in Huge TNS to Huge Group. This loan bears no interest and has no fixed terms of payment. The loan payable has been presented as loans payable on the face of the statement of financial position in the current year.
- Huge Technologies**  
The loan with Huge Management bears interest at Prime Rate plus 2% and has no fixed terms of repayment. The loan with Huge Group is interest free and has no fixed terms of repayment.
- Huge Global**  
The loan with Huge Group is interest free and has no fixed terms of repayment.
- GloVent**  
The loan with Huge Group bears interest at Prime Rate plus 2% and has no fixed terms of repayment.

### 4. Trade and other receivables

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
Trade receivables <sup>1</sup>	73 162	58 407	11 949
Deposits	65	65	65
Other long term receivables	7	-	1 380
Preference dividends <sup>2</sup>	60 570	30 060	102 818
Prepayments	69	116	140
VAT	971	37	31
<b>Total Trade and other Receivables</b>	<b>134 844</b>	<b>88 685</b>	<b>116 383</b>

1. Refer to Note 9 Related party balances for further information.

2. Included in other receivables for the current reporting period are preference dividends receivable from Huge Connect 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.

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
At amortised cost	133 804	58 625	11 949
Non-financial instruments	1 040	30 060	104 434
	<b>134 844</b>	<b>88 685</b>	<b>116 383</b>

## Notes to the Interim Financial Results continued

### 4. Trade and other receivables continued

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
Current	74 202	58 625	12 120
Non-current <sup>1</sup>	60 642	30 060	104 263
<b>Total</b>	<b>134 844</b>	<b>88 685</b>	<b>116 383</b>

1. 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. This includes Preference Dividends receivable from Huge Connect which are repayable when it is commercially convenient to do so.

#### Trade and other receivables pledged as security

Huge TNS has ceded, as security, all its rights, title, and interest in and to the Huge TNS book debts to FirstRand Bank Limited for an overdraft facility of R15 million. 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 excludes credit losses, expected credit losses, and any Group losses.

#### 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 relate to (i) the preference dividend receivable from Huge Connect and (ii) management fees receivable from PICs (refer to Note 9 for a further breakdown). The preference dividend has been assessed for recoverability and no risk of default has been identified. The management fees are charged for ongoing services and are repayable on demand. These have been assessed for recoverability and no risk of default has been identified. Each PIC has the requisite liquid assets to meet their obligations over the next 12 months.

### 5. Interest-bearing liabilities held at amortised cost

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
<b>Non-current interest-bearing liabilities:</b>			
Rand Merchant Bank Cumulative Redeemable Preference Share Agreement (held through Huge SPV 1)	300 000	300 000	-
Rand Merchant Bank R240 Million Facility (held through Huge Group)	-	-	119 212
<b>Total</b>	<b>300 000</b>	<b>300 000</b>	<b>119 212</b>
<b>Current interest-bearing liabilities</b>			
Accrued interest and/or capital repayments	5 510	5 337	47 280
<b>Total</b>	<b>5 510</b>	<b>5 337</b>	<b>47 280</b>

#### Rand Merchant Bank R300 million Cumulative Redeemable Preference Share Agreement Background

Huge Group concluded a ZAR300 million Cumulative Redeemable Preference Share Agreement with Rand Merchant Bank, a division of FirstRand Bank Limited, R192 million of which was used to settle outstanding obligations (the ZAR240 Million RMB Facility held by Huge Group and the ZAR30 million RMB Overdraft Facility held by Huge TNS). The RMB Cumulative Redeemable Preference Share Agreement was concluded on 6 December 2023.

## Notes to the Interim Financial Results continued

### 5. Interest-bearing liabilities held at amortised cost continued

The RMB Cumulative Redeemable Preference Share comprises two tranches: A Preference Shares of R150 million bearing a dividend rate of Prime, less a 15 basis point adjustment and B Preference Shares of R150 million bearing a dividend rate of 90% of Prime, less a 15 basis point adjustment. Redemption of capital of both tranches is set out below:

#### Preference Share A:

Year	Cumulative Capital Redeemed %
The date falling 3 years and 1 day after the issue date	30%
The date falling 4 years after the issue date	47%
The date falling 5 years after the issue date	100%

#### Preference Share B:

Year	Cumulative Capital Redeemed %
The date falling 5 years after the issue date	100%

The cumulative preference shares pay a fixed rate of dividend and have a mandatory capital redemption at a future date. The substance is that they are a contractual obligation to deliver cash and, therefore, should be recognised as a liability.

The preference share dividends are compounded and are payable in June and December. The short term portion of the redeemable preference shares is computed utilising the RMB preference share amortisation schedule. This is what management has estimated to be the most reasonable representation of the current portion of the redeemable preference shares.

#### Dividends

For the 6 months ended 31 August 2024, dividends of R15.9 million were declared and paid to RMB (FY2024: R1.5 million).

#### Covenants:

Huge Group has met the required covenants as at the reporting date. The covenants have been detailed below:

- **The Debt Services Cover Ratio:**
  - Debt Service Cover Ratio must be greater than 1.30 times;
- **Dividend Cover Ratio must be:**
  - commencing on the Signature Date until and including the first anniversary of the Signature Date, greater than 3 times;
  - commencing on the first anniversary of the Signature Date until and including the second anniversary of the Signature Date, greater than 3.50 times;
  - commencing on the second anniversary of the Signature Date until and including the third anniversary of the Signature Date, greater than 3.75 times;
  - after the fourth anniversary of the Signature Date until the Interim Discharge Date, greater than 4.00 times;
- **Net Debt to EBIDTA Ratio in respect of any Measurement Period:**
  - commencing on the Signature Date until and including the first anniversary of the Signature Date, must be less than 2.50 times;
  - commencing on the first anniversary of the Signature Date until and including the second anniversary of the Signature Date must be less than 2.00 times;
  - commencing on the second anniversary of the Signature Date until and including the third anniversary of the Signature Date must be less than 1.75 times;
  - after the fourth anniversary of the Signature Date until the Interim Discharge Date must be less than 1.5 times.

## Notes to the Interim Financial Results continued

### 6. Investment income

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
Interest income on loans: Loans receivable <sup>1</sup>	14 105	37 541	18 087
<b>Total interest received on loans</b>	<b>14 105</b>	<b>37 541</b>	<b>18 087</b>
Finance income:			
Bank	3 694	402	112
Discovery endowment	-	32	14
<b>Total finance income</b>	<b>3 694</b>	<b>434</b>	<b>126</b>
Dividend income:			
Portfolio investment companies <sup>2</sup>	31 310	59 857	30 114
<b>Total dividend income</b>	<b>31 310</b>	<b>59 857</b>	<b>30 114</b>
<b>Total investment income</b>	<b>49 109</b>	<b>97 832</b>	<b>48 327</b>

1. Refer to Loans Receivable note 3 for further details.

2. Preference dividends were raised in terms of the Preference Shares held in Huge Connect.

### 7. Finance costs

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
Interest-bearing liabilities	16 111	24 017	11 296
Trade and other payables	-	1 947	-
Bank	-	2	-
<b>Total Finance Costs</b>	<b>16 111</b>	<b>25 966</b>	<b>11 296</b>

## Notes to the Interim Financial Results continued

### 8. Earnings and headline earnings per share

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
Profit attributable to owners of the parent	33 447	35 374	28 389
<b>Headline earnings</b>	<b>33 447</b>	<b>35 374</b>	<b>28 389</b>
Weighted average number of ordinary shares issued at 1 March <sup>1</sup>	172 562	172 562	172 562
<b>Outstanding shares 1 March</b>	<b>172 562</b>	<b>172 562</b>	<b>172 562</b>
Weighted average share buy-back – treasury shares held by Huge Group <sup>2</sup>	-	-	(59)
<b>Weighted average number of ordinary shares in issue at reporting date (basic, and headline)</b>	<b>172 562</b>	<b>172 562</b>	<b>172 503</b>
Share buy-back (anti-dilutive) Executive Share Options <sup>3</sup>	15 000	15 000	15 000
<b>Weighted average number of ordinary shares in issue (diluted)</b>	<b>187 562</b>	<b>187 562</b>	<b>187 562</b>
<b>Earnings per share</b>	<b>19.38</b>	20.50	16.45
<b>Headline earnings per share</b>	<b>19.38</b>	20.50	16.45
<b>Diluted basic earnings per share</b>	<b>17.83</b>	18.86	15.14
<b>Diluted headline earnings per share</b>	<b>17.83</b>	18.86	15.14

1. No new shares were issued or bought back.

2. The treasury shares held by Huge Group relate to the share buy-backs that took place during previous periods.

3. The Company concluded Executive Share Option Agreements with JC Herbst and AP Openshaw on 29 August 2019 (the Effective Date) which were approved by the shareholders of Huge Group on 26 February 2020 (the Grant Date). The Option Agreement concluded with JC Herbst contemplates the granting by the Company of a right to subscribe for 7 500 000 Shares and the Option Agreement concluded with AP Openshaw contemplates the granting by the Company of a right to subscribe for 7 500 000.

Huge Group utilises NAV per share as its key performance metric for trading statement purposes.

## Notes to the Interim Financial Results continued

### 9. Related parties

Relationships	31 August 2024
<b>Subsidiary companies</b>	Huge Management Huge Soho Huge SPV 1
<b>Portfolio investment companies (PICs)</b>	GloVent Huge Connect Huge Digital Huge Distribution Huge Global Huge Payments Huge Platforms (formerly Huge Messaging) Huge Software Huge Technologies Huge TNS
<b>Subsidiary of:</b>	
<b>Huge Soho</b>	Huge NXTGN (formerly Huge Media)
<b>Huge TNS</b>	Huge Services
<b>Huge Connect</b>	Huge Networks
<b>Associate of:</b>	
<b>Huge Group</b>	Huge Capital
<b>Huge TNS</b>	Huge Cellular
<b>Members of key management</b>	JC Herbst IDJ Van De Merwe T van Tonder

## Notes to the Interim Financial Results continued

### 9. Related parties continued

#### Related party balances

##### Loan accounts – Owing by Related Parties

Refer to note 2 for further detail.

##### Trade and other receivables/(Trade and other payables) – Owing (to)/by Related Party

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
<b>Trade and other Receivables</b>			
Huge Cellular	13 770	16 215	-
Huge Connect	9 069	26 169	-
Huge Digital	30	-	-
Huge Distribution	15	15	15
Huge Networks	-	15	367
Huge NXTGN (formerly Huge Media)	-	-	115
Huge Payments	26 151	-	-
Huge Services	339	369	124
Huge Technologies	-	-	-
Huge Technologies	705	7 175	8 130
Huge Technologies – provision for impairment	-	(7 175)	-
Huge TNS	23 053	15 262	3 489
<b>Total Trade and other Receivables</b>	<b>73 132</b>	58 044	12 240
<b>Trade and other Payables</b>			
Huge Cellular	-	(51)	-
Huge Connect	-	-	(133)
Huge Digital	(43 413)	-	-
Huge Networks	-	(9)	(18)
Huge Services	-	-	(114)
Huge Soho	-	-	(181)
Huge TNS	(33)	(33)	(24)
<b>Total Trade and other Payables</b>	<b>(43 446)</b>	(92)	(470)
<b>Total Trade and other Receivables/(Payables)</b>	<b>29 686</b>	57 952	11 770

Related party trade and other receivables and trade and other payables generally relate to fee income earned from/charged by related parties, are payable within the financial year in which they are charged, and are deemed fully recoverable.

##### Dividend receivable – Owing by Related Party

Refer to note 4 for further detail.

## Notes to the Interim Financial Results continued

### 9. Related parties continued

#### Interest income – earned from Related Party

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
GloVent	57	48	17
Huge Capital	12	14	6
Huge Cellular	2 307	1 055	768
Huge Digital	117	6 291	2 696
Huge Distribution	2 015	4 325	2 256
Huge Global	-	29	-
Huge NXTGN (formerly Huge Media)	637	1 269	609
Huge Payments	658	1 294	619
Huge Platforms (formerly Huge Messaging)	167	-	-
Huge Services	9	15	7
Huge Software	418	877	427
Huge Technologies	3 344	6 910	3 319
Huge TNS	4 366	15 413	7 363
<b>Total</b>	<b>14 105</b>	<b>37 541</b>	<b>18 087</b>

#### Dividend income – earned from Related Party

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
Huge Connect	31 310	59 857	30 114
<b>Total</b>	<b>31 310</b>	<b>59 857</b>	<b>30 114</b>

#### Net Fee Income – earned from Related Party

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
Huge Cellular	-	14 100	-
Huge Connect	395	23 479	-
Huge Digital	(34 750)	-	-
Huge Distribution	39	77	-
Huge Networks	26	156	-
Huge Payments	22 740	-	-
Huge Services	-	321	-
Huge Soho	-	-	-
Huge Technologies	-	-	-
Huge TNS	12 852	20 998	3 300
Other	147	-	-
<b>Total</b>	<b>1 449</b>	<b>59 131</b>	<b>3 300</b>

## Notes to the Interim Financial Results continued

### 9. Related parties continued

#### Recoveries – earned from Related Party

	Unaudited 31 August 2024 R'000	Audited 2 February 2024 R'000	Unaudited 31 August 2023 R'000
Huge Connect	-	658	395
Huge Digital	-	-	-
Huge Distribution	-	65	39
Huge Networks	-	130	78
Huge NXTGN (formerly Huge Media)	-	-	-
Huge Payments	-	-	-
Huge Software	-	-	-
Huge Soho	-	-	-
Huge TNS	-	1 276	678
<b>Total</b>	<b>-</b>	<b>2 128</b>	<b>1 190</b>

Recoveries relate to payments for operational costs, for example insurance costs. Recoveries are included as part of Fee Income in the current year.

### 10. 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), 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 of each major PIC under policies approved by the respective boards of directors. Each major PIC's board of directors provides principles for overall risk management, as well as policies covering specific areas.

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, it 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 PIC is responsible for their own risk management, which is reported to the Huge Group Executive Committee on a monthly basis.

## Notes to the Interim Financial Results continued

### 10. Financial instruments and risk managements continued

#### Financial liabilities by category

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

	Note(s)	Financial liabilities at amortised cost R'000	Total R'000	Fair value R'000
Unaudited 31 August 2024				
Trade and other payables		43 936	43 936	43 936
Interest-bearing liabilities	5	300 000	300 000	300 000
		<b>343 936</b>	<b>343 936</b>	<b>343 936</b>

	Note(s)	Financial liabilities at amortised cost R'000	Total R'000	Fair value R'000
Audited 29 February 2024				
Trade and other payables		11 426	11 426	11 426
Interest-bearing liabilities	5	300 000	300 000	300 000
		<b>311 426</b>	<b>311 426</b>	<b>311 426</b>

	Note(s)	Financial liabilities at amortised cost R'000	Total R'000	Fair value R'000
Unaudited 31 August 2023				
Trade and other payables		1 400	1 400	1 400
Interest-bearing liabilities	5	166 492	166 492	166 492
		<b>167 892</b>	<b>167 892</b>	<b>167 892</b>

#### Fair value estimation

Refer to Investments Held note 2 for further detail.

#### 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 notes 4 (trade and other receivables) and 5 (interest-bearing liabilities), loans as disclosed in note 3 (loans receivable/payable) and 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. 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 Interest bearing liabilities covenants in note 5. All of the covenants imposed on Huge Group have been satisfied at the reporting date.

## Notes to the Interim Financial Results continued

### 10. Financial instruments and risk managements continued

#### 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 entities, 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.

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 which include capital and interest payments. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Note(s)	Carrying value R'000	Contractual cash flow R'000	Between one and 12 months R'000	Between one and two years R'000	Between three and five years R'000
Unaudited 31 August 2024						
<b>Non-current liabilities</b>						
Interest-bearing liabilities	5	300 000	429 931	31 962	31 962	366 007
<b>Current liabilities</b>						
Trade and other payables		43 936	43 936	43 936	-	-
Interest-bearing liabilities	5	5 510	5 510	5 510	-	-
<b>As at 31 August 2024</b>		<b>349 447</b>	<b>479 378</b>	<b>81 409</b>	<b>31 962</b>	<b>366 007</b>

	Note(s)	Carrying value R'000	Contractual cash flow R'000	Between one and 12 months R'000	Between one and two years R'000	Between three and five years R'000
Audited 29 February 2024						
<b>Non-current liabilities</b>						
Interest-bearing liabilities	5	300 000	440 705	31 965	31 962	376 777
<b>Current liabilities</b>						
Trade and other payables		11 426	11 426	11 426	-	-
Interest-bearing liabilities	5	5 337	5 337	5 337	-	-
<b>At 29 February 2024</b>		<b>316 763</b>	<b>457 468</b>	<b>48 728</b>	<b>31 962</b>	<b>376 777</b>

## Notes to the Interim Financial Results continued

### 10. Financial instruments and risk managements continued

Unaudited 31 August 2023	Note(s)	Carrying value R'000	Contractual cash flow R'000	Between one and 12 months R'000	Between one and two years R'000	Between three and five years R'000
<b>Non-current liabilities</b>						
Interest-bearing liabilities	5	119 212	142 176	-	56 551	85 625
<b>Current liabilities</b>						
Trade and other payables		1 400	1 400	1 400	-	-
Interest-bearing liabilities	5	47 280	62 160	62 160	-	-
<b>At 31 August 2023</b>		<b>167 892</b>	<b>205 736</b>	<b>63 560</b>	<b>56 551</b>	<b>85 625</b>

#### 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.

At the reporting date, if interest rates on Rand-denominated borrowings and loans receivable had been 25 basis points higher/lower with all other variables held constant, pre-tax profit for the year of the Group would have been R0.4 million lower/higher and R0.3 million lower/higher, respectively.

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
Variable interest rate instruments			
Cash and cash equivalents	49 567	93 406	1 373
Loans receivable	303 203	214 987	260 026
Interest-bearing liabilities	(300 000)	(300 000)	(166 492)
	<b>52 771</b>	<b>8 393</b>	<b>94 907</b>

#### Credit risk

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

	Unaudited 31 August 2024 R'000	Audited 29 February 2024 R'000	Unaudited 31 August 2023 R'000
Financial assets			
Loans receivable	303 203	214 987	260 026
Trade and other receivables	134 844	88 685	116 383
Cash and cash equivalents	49 567	93 406	1 373
	<b>487 615</b>	<b>397 078</b>	<b>377 782</b>

## Notes to the Interim Financial Results continued

### 10. Financial instruments and risk managements continued

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The financial assets that expose the Group to credit risk consist of loans receivable, trade and other receivables, and cash and cash equivalents. The Group'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 does not require collateral in respect of trade and other receivables and loans receivable, apart from the collateral provided by Huge Digital. Refer to note 3 loans receivable for further detail. These loans receivable relate mainly to advances to PICs which have been assessed in terms of recoverability.

Loans to PICs are assessed in accordance with IFRS 9. The expected credit losses are calculated using historical and forward-looking potential default risks. Each PIC in the Huge Group portfolio is required to provide a detailed 5-year forecast and to do so on a bi-annual basis (every 6 months). As part of this exercise, it is required to outline the key forecast assumptions informing its forecast. The projections are very detailed and account for forward-looking information, such as inflation, at the entity level. The key forecast assumptions are applied to each individual cost line. In addition, each PIC applies various other forward-looking assumptions for drivers, such as interest costs and employee costs. These are taken into consideration during the forecasting process.

Once the respective forecasts are received, they are collated by the Financial Director of Huge Management Company Proprietary Limited (Huge Management), the subsidiary company of Huge Group responsible for the portfolio management of its PICs. These comprehensive individual entity level forecasts are then captured into appropriate valuation models. The valuation models incorporate additional forward-looking macro-economic factors which test the veracity of these forecast assumptions. Factors such as country specific risk-free rates, market risk equity premiums, unlevered beta ratios, and the entity-specific cost of debt are incorporated.

Where a PIC's enterprise value is not sufficient to cover the loans and trade and other receivables payable to the Group then an ECL is recognised for this payable. Each PIC 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 other than credit loss allowances raised and disclosed.

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

#### Cash and cash equivalents

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.



# Corporate Information

## Key information

<b>Company registration number</b>	2006/023578/06
<b>Country of incorporation and domicile</b>	South Africa
<b>JSE Code</b>	HUG
<b>A2X Code</b>	HUG
<b>ISIN</b>	ZAE0000102042
<b>Tax reference number</b>	9378909155

## Company information

<b>Nature of business and principal activities</b>	investment entity with a portfolio of investment companies
<b>Executive Directors</b>	<p>CEO: James Herbst (J Herbst, Chief Executive Officer)</p> <p>COO: Zak Van de Merwe (Z Van de Merwe, Chief Operating Officer)</p> <p>CCO: Tamryn van Tonder (T van Tonder, Chief Commercial Officer)</p> <p>CFO: Maria Heraty (M Heraty, Chief Financial Officer) (resigned effective 1 September 2024)</p>
<b>Non-executive Directors</b>	<p>Veran Kathan (VHT Kathan, Chairman)</p> <p>Dennis Gammie (DR Gammie)</p> <p>Vincent Mokholo (VM Mokholo)</p> <p>Michael (Mike) Beamish (MR Beamish)</p> <p>Conway Williams (CIJ Williams)</p> <p>Mary-Ann Boakye (MA Boakye)</p>
<b>Registered and postal address</b>	Unit 23, 1 Melrose Boulevard, Melrose Arch, Johannesburg, Gauteng, 2076.
<b>Business address</b>	Unit 23, 1 Melrose Boulevard, Melrose Arch, Johannesburg, Gauteng 2076.

## Other information

<b>Auditor</b>	Moore Johannesburg Incorporated
Business address	50 Oxford Road, Parktown, Johannesburg, 2193
Postal address	PO Box 3094, Houghton, 2014
<b>Sponsor</b>	Questco Advisory Proprietary Limited
Business address	Ground floor, Block C, Investment Place, 10th Road, Hyde Park, Johannesburg, 2196.
<b>Company Secretary</b>	Computershare Services Proprietary Limited
Business address	Rosebank Towers, 15 Bierman Avenue, Rosebank, 2196
Postal address	Private Bag X9000, Saxonwold, 2132.

# Huge Group, its subsidiary companies, and its PICs - Entity Information

<b>GloVent</b>	GloVent Solutions Proprietary Limited, registration number 2011/132991/07, a 20.46% held PIC of Huge Group, domiciled in South Africa.
<b>Huge Capital</b>	Huge Capital Proprietary Limited, registration number 2018/636769/07, a 100% held PIC of Huge Group, domiciled in South Africa.
<b>Huge Cellular</b>	Huge Cellular Proprietary Limited, registration number 2008/004068/07, a 49% held associate company of Huge TNS, domiciled in South Africa.
<b>Huge Connect</b>	Huge Connect Proprietary, registration number 2004/005721/07, an 83.71% held PIC of Huge Group, domiciled in South Africa.
<b>Huge Digital</b>	Huge Digital Enablement Proprietary, registration number 2004/005291/07, a 93% held PIC of Huge Group, domiciled in South Africa.
<b>Huge Distribution</b>	Huge Distribution Proprietary Limited, registration number 2015/142454/07, a 50% held PIC of Huge Group, domiciled in South Africa.
<b>Huge Global</b>	Huge Global Limited, registration number 194181 GBC, a 100% held PIC of Huge Group, domiciled in the Republic of Mauritius.
<b>Huge Group</b>	Huge Group Limited, registration number 2006/023587/06, a public company listed on the JSE, and domiciled in South Africa.
<b>Huge Management</b>	Huge Management Company Proprietary Limited, registration number 2007/033510/07, a wholly owned subsidiary company of Huge Group, domiciled in South Africa.
<b>Huge Networks</b>	Huge Networks Proprietary Limited, registration number 2014/009214/07, a wholly owned subsidiary company of Huge Connect, domiciled in South Africa.
<b>Huge NXTGN</b> (formerly Huge Media)	Huge NXTGN Proprietary Limited, registration number 2007/004818/07, a 76% held PIC of Huge Group, domiciled in South Africa.
<b>Huge Payments</b>	Huge Payments Proprietary Limited, registration number 2014/112952/07, a 48.99% held PIC of Huge Group, domiciled in South Africa.
<b>Huge Platforms</b> (formerly Huge Messaging)	Huge Platforms Proprietary Limited, registration number 2008/001288/07, a 100% held PIC of Huge Group, domiciled in South Africa.
<b>Huge Services</b>	Huge Services Proprietary Limited, registration number 2006/027671/07, a wholly owned subsidiary company of Huge TNS, domiciled in South Africa.
<b>Huge Software</b>	Huge Software Proprietary Limited, registration number 2005/042514/07, a 75% held PIC of Huge Group, domiciled in South Africa.
<b>Huge Soho</b>	Huge Soho Proprietary Limited, registration number 2002/022642/07, a 99.99% subsidiary of Huge Group, held indirectly through Huge SPV, domiciled in South Africa.
<b>Huge SPV 1</b>	Huge SPV 1 Proprietary Limited, registration number 2023/097221/07, a wholly owned subsidiary company of Huge Group, domiciled in South Africa.
<b>Huge Technologies</b>	Huge Technologies Proprietary Limited, registration number 2008/006066/07, a 100% held PIC of Huge Group, domiciled in South Africa.
<b>Huge TNS</b>	Huge TNS Proprietary Limited, registration number 1993/003902/07, a 100% held PIC of Huge Group.

# 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.

<b>A2X markets</b>	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.
<b>the Companies Act</b>	the Companies Act the Companies Act of South Africa (Act 71 of 2008), as amended.
<b>AFS</b>	Unconsolidated Condensed Annual Financial Statements in the case of the Group.
<b>AGM</b>	An Annual General Meeting of the Company.
<b>AltX</b>	The Alternative Exchange of the JSE.
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment.
<b>the Board</b>	The board of directors of the Company as constituted from time to time.
<b>EBITDA</b>	Earnings before interest, taxation, depreciation and amortisation.
<b>ECA</b>	The Electronic Communications Act, No. 36 of 2005 (ECA).
<b>EPS</b>	Earnings per share.
<b>Executive Committee</b>	Refers to Mr Herbst, Mr Van de Merwe, and Mrs Van Tonder.
<b>Executive Share Option Agreements</b>	The Company concluded Executive Share Option Agreements (the Option Agreements) with JC Herbst (the Chief Executive Officer), AP Openshaw (the former 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).
<b>FirstRand Bank</b>	FirstRand Bank Limited, registration number 1929/001225/06.
<b>FVPTL</b>	Fair value through profit and loss.
<b>FY20XX</b>	Each respective financial year of Huge Group commencing on 1 March of every year and ending on the last day of February of every year.
<b>Goodwill</b>	the goodwill acquired by Huge SPV1 on the acquisition of Huge Soho.
<b>Group</b>	Collectively, Huge Group, Huge Management, Huge Soho and Huge SPV.
<b>GSM</b>	Global System for Mobile communication and in the context of this Report, refers to a digital mobile telephone system.
<b>HEPS</b>	Headline earnings per share.
<b>Huge Strategy</b>	the board approved comprehensive strategy to grow Huge Group, both organically and by way of acquisition, in the short, medium, and long-term.

## Definitions continued

<b>ICASA</b>	The Independent Communications Authority of South Africa, established under the ECA.
<b>IASB</b>	International Accounting Standards Board.
<b>IoT</b>	Internet of things.
<b>IRE</b>	Investment return expectation.
<b>IRR</b>	Internal rates of return.
<b>JSE</b>	The Johannesburg Stock Exchange, a stock exchange licensed in terms of the Financial Markets Act 19 of 2012, operated by the JSE Limited, on which the Company has its primary listing.
<b>King IV™</b>	King IV Report on Corporate Governance for South Africa, 2016.
<b>Listings requirements</b>	The Listings Requirements of the JSE.
<b>MOI</b>	Memorandum of Incorporation.
<b>MVNE</b>	Mobile Virtual Network Enabler.
<b>MVNO</b>	Mobile Virtual Network Operator.
<b>Moore Johannesburg Incorporated</b>	Moore Johannesburg Incorporated, the independent external auditor of the Company.
<b>NPV</b>	Net present value.
<b>OECD</b>	The Organisation for Economic Co-Operation and Development.
<b>PIC</b>	An investment company of Huge Group which forms part of its portfolio of investment companies.
<b>PPE</b>	Property, plant, and equipment.
<b>PRI</b>	Principles of Responsible Investment
<b>Questco</b>	Questco Advisory Proprietary Limited, the sponsor to the Company.
<b>RMB</b>	Rand Merchant Bank, registration number 1929/001225/06, a division of FirstRand, the bankers and funders of Huge Group.
<b>RMB Facilities</b>	Preference shares issued by Huge SPV 1 to RMB in the amount of R300 million.
<b>SAICA</b>	South African Institute of Chartered Accountants.
<b>SENS</b>	Stock Exchange News Service.
<b>Shares</b>	Ordinary no par value shares in the share capital of the Company.
<b>SPPI</b>	Solely payments of principles and interest.

<b>VAT</b>	Value Added Tax.
<b>WANOS</b>	Weighted Average number of outstanding Shares.
<b>xTech</b>	the opportunity where digital and other emerging technologies converge and transform diverse traditional industry sectors, through new processes, products, channels, and business models.