

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 of this Circular apply throughout this Circular, including this front cover.

Action required by Huge Shareholders:

Huge Shareholders are referred to page 4 of this Circular, which sets out the action required of them with regard to the Proposed Transaction, full details of which are set out in this Circular.

If you are in any doubt as to the action you should take, then you should consult your Broker, CSDP, banker, attorney, accountant or other professional advisor immediately.

If you have disposed of your entire shareholding in Huge, then this Circular, together with the attached Form of Proxy, should be handed to the purchaser of such shares or to the Broker or agent through whom such disposal was effected.

Huge does not accept responsibility, and will not be held liable, for any action of or omission by any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Huge Shares to notify such beneficial owner of the details set out in this Circular.



(Incorporated in the Republic of South Africa)
(Registration number 2006/023587/06)
Share code: HUG
A2X share code: HUG ISIN: ZAE000102042

CIRCULAR TO HUGE SHAREHOLDERS

regarding:

- the proposed acquisition of up to 100% of the issued share capital of Adapt IT for an Offer Consideration of 1.37 Huge Shares for every 1 Adapt IT Share held by Adapt IT Shareholders; and
- the Specific Repurchases by the Company of a total of 5 587 000 Shares,

and incorporating

- Revised Listing Particulars
- a Notice convening a General Meeting of Shareholders; and
- a Form of Proxy in respect of the General Meeting (to be completed by Certificated Shareholders and Dematerialised Shareholders with “own-name” registration only).

**Financial Advisor and
Transaction Sponsor**



**Independent Reporting
Accountant**



**Legal
Advisors**



Date of issue: Monday, 14 June 2021

This document is available in English only and copies may be obtained from the registered office of the Company during normal office hours from the date of issue hereof until the date of the General Meeting. An electronic copy of this Circular will be available on the Company's website, www.hugegroup.com/Investors-Circulars, from the date of distribution of this Circular.

FORWARD-LOOKING STATEMENTS AND CONFLICTS OF INTEREST

Forward-looking statements

This Circular includes certain “forward-looking statements”. All statements other than statements of historical fact are, or are deemed to be, forward-looking statements, including, without limitation, those concerning: Hüge’s strategy; the economic outlook for the industry; growth prospects and outlook of Hüge’s operations, individually or in the aggregate; Hüge’s liquidity and capital resources and expenditure; and the outcome and consequences of any pending litigation proceedings.

These forward-looking statements are not based on historical facts, but rather reflect Hüge’s current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases. Similarly, statements that describe Hüge’s objectives, plans or goals are or may be forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Hüge’s actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Although Hüge believes that the expectations reflected in these forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Shareholders should review carefully all information, including the *pro forma* financial statements and the notes to the *pro forma* financial statements, included in this Circular. The forward-looking statements included in this Circular are made only as of the Last Practicable Date. Hüge assumes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Circular or to reflect the occurrence of unanticipated events. All subsequent written and oral forward-looking statements attributable to Hüge or any person acting on its behalf are qualified by the cautionary statement in this section of the Circular.

Conflict of Interests

As indicated in this Circular, Questco fulfils the functions of Financial Advisor and Transaction Sponsor to Hüge. It is Questco’s opinion that the performance of these functions do not represent a conflict of interests for Questco, impair Questco’s independence from Hüge or impair Questco’s objectivity in its professional dealings with Hüge or in relation to the Proposed Transaction or Specific Repurchases. However, as required in terms of the Listings Requirements, Questco has confirmed that in order to manage any potential or perceived conflicts of interest that might arise as a result of Questco acting in these roles, Questco has in place appropriate checks and balances to manage any potential or perceived conflicts of interests, including procedures to assess the independence of Questco in respect of a transaction (and, should it be determined that Questco is not independent, the appointment of an independent transaction sponsor) and the divisions of responsibility between directors of Questco involved in fulfilling the various functions undertaken by Questco in respect of the Proposed Transaction and the Specific Repurchases. Questco’s remuneration in respect of these roles is not dependent on any particular outcome of the Proposed Transaction or Specific Repurchases, and its advice has been limited to the regulatory implications thereof.

CORPORATE INFORMATION AND ADVISORS

Huge

Directors

Executive

JC Herbst (*Chief Executive Officer*)
SL Sequeira (*Chief Financial Officer*)
AP Openshaw (*Chief Operating Officer*)

Non-Executive

VM Mokholo

Independent Non-Executive

Dr DF da Silva (*Chairman*)
BC Armstrong
DR Gammie
CWJ Lyons

Financial Advisor and Transaction Sponsor

Questco Proprietary Limited
(Registration number 2002/005616/07)
Ground Floor, Block C, Investment Place
10th Road, Hyde Park, 2196

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

Meeting Scrutineers

The Meeting Specialist Proprietary Limited
(Registration number: 2017/287419/07)
One Exchange Square
2 Gwen Lane
Sandown, 2196
proxy@tmsmeetings.co.za

Adapt IT

Registered office

Adapt IT Johannesburg Campus
152 14th Road
Midrand
South Africa

Place and date of incorporation

South Africa – 2006

Company Secretary and registered office

R Hansa
Unit 6, 1 Melrose Boulevard
Melrose Arch
Johannesburg, 2076
(PO Box 1585, Kelvin, 2054)

Place and date of incorporation

Pretoria, South Africa – 31 July 2006

Legal Advisors

Herbert Smith Freehills South Africa LLP
(Registration number OC402561)
15 Biermann Avenue
Rosebank, 2196

Independent Auditors and Reporting Accountants

Moore Johannesburg Inc.
(Registration number 2012/176117/21)
50 Oxford Road, Parktown
Johannesburg, 2193
(PO Box 3094, Houghton, 2041)

Principal bankers to Huge

First National Bank
(A division of FirstRand Bank Limited)
27th Floor
FNB Portside
5 Buitengracht Street
Cape Town
8001

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

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ACTION REQUIRED BY SHAREHOLDERS

If you are in any doubt as to the action you should take, you should consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.

A general meeting of Shareholders will take place in electronic format in accordance with the provisions of section 63(2) of the Companies Act at 10:00 on Tuesday, 13 July 2021 (or any other adjourned or postponed date and time in accordance with the provisions of section 64(11) of the Companies Act and the MOI, as read with the Listings Requirements), to consider and if deemed fit, approve the resolutions. The Notice of General Meeting is attached to, and forms part of, this Circular. Shareholders are referred to the Notice of General Meeting for details to enable Shareholders or their proxies to access the electronic General Meeting. Huge will be assisted by The Meeting Specialist who will act as scrutineers.

You should read this Circular carefully and decide how you wish to vote on the resolutions to be proposed at the General Meeting. The Notice is attached to and forms part of this Circular.

If you have Dematerialised your Huge Shares without Own-Name Registration:

(a) Voting at the General Meeting

- (i) Your CSDP/Broker is obliged to contact you in the manner stipulated in the custody agreement concluded between you and your CSDP/Broker to ascertain how you wish to cast your vote at the General Meeting and thereafter to cast your vote in accordance with your instructions.
- (ii) If you have not been contacted, it would be advisable for you to contact your CSDP/Broker and furnish it with your voting instructions.
- (iii) If your CSDP/Broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP/Broker.
- (iv) You must **NOT** complete the attached Form of Proxy.

(b) Attendance and representation at the General Meeting

In accordance with the custody agreement between you and your CSDP/Broker, you must advise your CSDP/Broker if you wish to attend the General Meeting in person or if you wish to appoint a proxy to represent you thereat and your CSDP/Broker will issue the necessary letter of representation for you or your proxy to attend the General Meeting.

If you have not Dematerialised your Huge Shares or you have Dematerialised your Huge Shares with Own-Name Registration:

(a) Voting, attendance and representation at the General Meeting

- (i) You may attend and vote at the General Meeting in person.
- (ii) Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy in accordance with the instructions contained therein.

Electronic participation and voting at the General Meeting

The General Meeting will only be accessible via electronic facility/communication in terms of section 63(2)(a) of the Companies Act, and as permitted in terms of the Listings Requirements and the Company's MOI. To this end, the Company has engaged the services of The Meeting Specialist to remotely host the General Meeting on an interactive electronic participation and voting platform, in order to facilitate remote participation and voting by Shareholders.

Shareholders who wish to electronically participate in and/or vote at the General Meeting are required to contact The Meeting Specialist on proxy@tmsmeetings.co.za as soon as possible, but in any event, for administrative purposes only, by no later than 10:00 on Friday, 9 July 2021. However, this will not in any way affect the rights of Shareholders to register for the General Meeting after this date, provided, however, that only those Shareholders who are fully verified (as required in terms of section 63(1) of the Companies Act) and subsequently registered at the commencement of the General Meeting will be allowed to participate in and/or vote by electronic means.

Shareholders are strongly encouraged to submit votes by proxy before the General Meeting. If Shareholders wish to attend the General Meeting, they should instruct their CSDP or Broker to issue them with the necessary letter of representation to attend the General Meeting in person, in the manner stipulated in your Custody Agreement. These instructions must be provided to the CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.

The Meeting Specialist will assist Shareholders with the requirements for electronic participation in, and/or voting at, the General Meeting. The Meeting Specialist is further obliged to validate (in correspondence with Huger and your CSDP) each such Shareholder's entitlement to participate in and/or vote at the General Meeting, before providing it with the necessary means to access the General Meeting and/or the associated voting platform.

Shareholders will be liable for their own network charges and expenses in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of the JSE, Huger and The Meeting Specialist. Huger and The Meeting Specialist may not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which may prevent any such Shareholder from participating in and/or voting at the General Meeting.

Notwithstanding the above, Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the General Meeting. Shareholders are strongly encouraged to submit votes by proxy in advance of the General Meeting.

Kindly ensure that the Company Secretary is copied at rhansa@hugegroup.com when submitting all completed proxy forms and/or letters of representation to The Meeting Specialist.

Identification of meeting participants

In terms of Section 63(1) of the Companies Act, before any person may attend or participate in a shareholders' meeting, that person must present reasonable satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder, or as a proxy of a shareholder, has been reasonably verified.

SALIENT DATES AND TIMES

2021

Record date to receive the Circular and the Notice of General Meeting	Friday, 4 June
Circular and Notice of General Meeting posted to Huge Shareholders and release of an announcement on SENS in this regard	Monday, 14 June
Last day to trade in order to be eligible to vote at the General Meeting	Tuesday, 29 June
Record date to participate in and vote at the General Meeting	Friday, 2 July
Last date for Shareholders to lodge electronic participation form by no later than 10:00 on	Friday, 9 July
Forms of Proxy for the General Meeting to be received by 10:00 on	Friday, 9 July
General Meeting of Huge Shareholders held at 10:00 on	Tuesday, 13 July
Results of General Meeting released on SENS on	Wednesday, 14 July

Notes:

1. All times indicated above are local times in South Africa.
2. Dates and times are subject to change. Any such changes will be published on SENS. If the General Meeting is adjourned or postponed, the Forms of Proxy submitted for the General Meeting will remain valid in respect of any adjournment or postponement thereof.
3. Forms of Proxy may also be handed to the chairperson of the General Meeting prior to the proxy exercising such shareholder's rights as a shareholder at the General Meeting, in accordance with the instructions therein.
4. Shares acquired after the last day to trade shall not to be eligible to vote at the General Meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular and the annexures hereto, unless it otherwise indicates a contrary intention, an expression which denotes a gender includes the other gender, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa*.

“2020 Adapt IT Integrated Report”	the integrated annual report of Adapt IT for the year ended 30 June 2020;
“2020 Huge Integrated Report”	the integrated annual report of Huge for the year ended 28 February 2020;
“A2X Markets”	A2X Proprietary Limited (Registration number 2014/147138/07), a private company duly incorporated in accordance with the laws of South Africa and a licensed stock exchange authorised to provide a secondary listing venue for companies in terms of the Financial Markets Act;
“Adapt IT”	Adapt IT Holdings Limited (Registration number 1998/017276/06), a public company duly incorporated in accordance with the laws of South Africa and listed on the JSE;
“Adapt IT Board”	the board of directors of Adapt IT;
“Adapt IT Response Circular”	a response circular to the Huge offeror circular by the independent board of directors of Adapt IT, dated 17 May 2021;
“Adapt IT Share”	an Adapt IT ordinary share with no par value;
“Adapt IT Shareholders”	the shareholders of Adapt IT from time to time;
“Adapt IT Value Gap”	the difference between the price of an Adapt IT Share when it is lower than the intrinsic value thereof;
“Associate(s)”	an associate(s) of a Related Party as defined in the JSE Listings Requirements;
“Board” or “Directors”	the board of directors of Huge as constituted from time to time;
“Broker”	any person registered as a broking member (equities) in terms of the Rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day” or “Business Days”	any day other than a Saturday, Sunday or a gazetted <i>South African</i> public holiday;
“Certificated Shareholders”	Huge Shareholders who hold Certificated Shares;
“Certificated Shares”	Shares held in the form of certificates or other documents of title which have not been surrendered for dematerialisation in terms of Strate;
“the Circular” or “this Circular”	this bound document, dated Monday, 14 June 2021, together with all attachments thereto and incorporating Revised Listing Particulars;
“Closing Date”	the closing date of the Offer at 12:00 as released on SENS a minimum of 10 Business Days prior thereto, and, if required, published in the press, which closing date is anticipated to be Friday, 30 July 2021;
“CNET Empowerment”	CNET Empowerment Proprietary Limited (Registration number 2011/141374/07), a private company duly incorporated in accordance with the laws of South Africa and wholly-owned by Leaf Empowerment Trust. CNET Empowerment is not a related party to Huge;
“CNET Empowerment Repurchase Agreement”	the agreement entered into between Huge and CNET Empowerment, in terms of which Huge will repurchase 2 724 454 Shares from CNET Empowerment;

“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“Competition Commission”	the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Competition Act, 1998 (Act 89 of 1998);
“Conditions Precedent”	the conditions precedent to the Offer and the Specific Repurchases set out in paragraph 5.2 and 7.3, respectively;
“CSD”	a Central Securities Depository as defined in the Financial Markets Act;
“CSDP”	a Central Securities Depository Participant defined as a “participant” in section 1 of the Financial Markets Act and appointed by individual Shareholders for purposes of, and in regard to, dematerialisation of Documents of Title for the purpose of incorporation into Strate;
“Dematerialise” or “Dematerialisation”	the process by which shares held by certificated shareholders are converted to an electronic form as dematerialised shares and recorded in the sub-register of shareholders maintained by a CSDP or Broker;
“Dematerialised Shareholders”	Huge Shareholders holding Dematerialised Shares;
“Dematerialised Shares”	Shares which are no longer Certificated Shares, having been surrendered for dematerialisation in terms of Strate;
“Documents of Title”	certificates, certified transfer deeds, balance receipts or any other acceptable documents of title to Shares;
“DM Holdco”	DM Holdco Proprietary Limited (Registration number 2011/141372/07), a private company duly incorporated in accordance with the laws of South Africa, and held by Du Buisson Beleggings (50%), Japie Lubbe (25%) and Saerinty Proprietary Limited (25%). DM Holdco is not a related party to Huge;
“DM Holdco Repurchase Agreement”	the agreement entered into between Huge and DM Holdco, in terms of which Huge will repurchase 1 751 434 Shares from DM Holdco;
“EBITDA”	earnings before interest, taxation, depreciation and amortisation;
“Effective Date”	<ul style="list-style-type: none"> – the first Business Day after the fulfilment or waiver of all conditions precedent to the Offer; or – the first Business Day after the fulfilment or waiver of all conditions precedent to each of the Repurchase Agreements;
“ERP”	enterprise resource planning;
“Executive Option”	enter the granting by the Company to the executive directors, in terms of the Executive Option Agreements, the right to subscribe for the relevant designated shares;
“Executive Option Agreements”	<p>collectively:</p> <ol style="list-style-type: none"> 1. the executive option agreement, together with its addendum, concluded between Huge and JC Herbst on 29 August 2019; 2. the executive option agreement, together with its addendum, concluded between Huge and AP Openshaw on 29 August 2019; and 3. the executive option agreement, together with its addendum, concluded between Huge and SL Sequeira on 29 August 2019;
“Financial Markets Act”	the Financial Markets Act, 2004 (Act 36 of 2004), as amended;
“Firm Intention Announcement”	the announcement issued by Adapt IT on SENS on 3 February 2021 advising Adapt IT Shareholders of the Offer and referred to in paragraph 1.1 of this Circular;

“FirstRand”	FirstRand Bank Limited (registration number 1929/001225/06), a public company duly incorporated and registered in accordance with the laws of South Africa;
“Form of Proxy”	a Form of Proxy to be completed by Shareholders and dematerialised “own-name” registered Shareholders only in accordance with the instructions contained therein;
“Futuregrowth” or “Futuregrowth Asset Management”	Futuregrowth Asset Management Proprietary Limited (registration number 1996/018222/07), a private company duly incorporated in accordance with the laws of South Africa, and acting as the agent on behalf of its clients as the lenders in terms of the Futuregrowth Facilities;
“Futuregrowth Facilities”	collectively the Huge Facility and Huge Technologies Facility, as detailed in paragraph 6.2 of the Revised Listing Particulars;
“General Meeting”	the General Meeting of Huge Shareholders to be held at 10h00 on Tuesday, 13 July 2021 to consider, and if deemed fit, pass with or without modification, the ordinary and special resolutions contained in the Notice of General Meeting which is attached to and forms part of this Circular;
“Group”	the Company and its subsidiaries;
“Huge” or “the Company” or “the Offeror”	Huge Group Limited (Registration number 2006/023587/06), a public company duly registered and incorporated in accordance with the laws of South Africa, the Shares of which are listed on the Main Board of the JSE and A2X Markets;
“Huge-Adapt IT Construct” or “Enlarged Entity”	an enlarged Huge as a result of the acceptance of the Offer by all Adapt IT Shareholders in respect of all of their Adapt IT Shares;
“Huge-Adapt IT Merger”	a business combination that arises if the Huge Acceptances is 100%;
“Huge Acceptances”	the percentage of Adapt IT Shareholders which accept the Offer in respect of their entire holding of Adapt IT Shares;
“Huge Cellular”	Huge Cellular Proprietary Limited (Registration number 2008/004068/07), a private company duly incorporated in accordance with the laws of South Africa and a 49% owned Associate of Huge Telecom;
“Huge Connect”	Huge Connect Proprietary Limited (Registration number 2004/005721/07), a private company duly incorporated in accordance with the laws of South Africa and a 83.71% owned subsidiary of Huge;
“Huge Distribution”	Huge Distribution Proprietary Limited (Registration number 2015/142454/07), a private company duly incorporated in accordance with the laws of South Africa and a 75.13% owned subsidiary of Huge;
“Huge Management”	Huge Management Proprietary Limited (Registration number 2007/033510/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Huge;
“Huge Media”	Huge Media Proprietary Limited (Registration number 2007/004818/07), a private company duly incorporated in accordance with the laws of South Africa and a 96% owned subsidiary of Huge;
“Huge Messaging”	Huge Messaging Proprietary Limited (Registration number 2008/001288/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Huge;
“Huge Networks”	Huge Networks Proprietary Limited (Registration number 2014/009214/07), a private company duly incorporated in accordance with the laws of South Africa and a 50.03% owned subsidiary of Huge Telecom;

“Huge Payments”	Huge Payments Proprietary Limited (Registration number 2014/112952/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Huge;
“Huge Services”	Huge Services Proprietary Limited (Registration number 2006/027671/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Huge Telecom;
“Huge Share Register” or “Register”	Huge’s securities register maintained by the Transfer Secretaries in accordance with sections 50(1) and 50(3) of the Companies Act, including the relevant sub-registers and the register of disclosures of Huge;
“Huge Software”	Huge Software Proprietary Limited (Registration number 2005/042514/07), a private company duly incorporated in accordance with the laws of South Africa and a 75% owned subsidiary of Huge;
“Huge SOHO”	Huge SOHO Proprietary Limited (Registration number 2002/022642/07), a private company duly incorporated in accordance with the laws of South Africa and a 49% owned Associate of Huge;
“Huge Technologies”	Huge Technologies Proprietary Limited (Registration number 2008/006066/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Huge;
“Huge Telecom”	Huge Telecom Proprietary Limited (Registration number 1993/003902/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Huge;
“IFRS”	International Financial Reporting Standards;
“IoT”	Internet of Things;
“Financial Advisor” or “Transaction Sponsor” or “Questco”	Questco Proprietary Limited (Registration number 2002/005616/07), a private company duly incorporated in accordance with the laws of South Africa;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company duly registered and incorporated in accordance with the laws of South Africa, and licensed as a stock exchange in accordance with the Financial Markets Act, 2004 (Act 36 of 2004);
“Last Practicable Date”	Friday, 4 June 2021, being the last practicable date prior to the finalisation of this Circular;
“Listings Requirements” or “JSE Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“M&A”	mergers and acquisitions;
“The Meeting Specialist” or “Meeting Scrutineers”	The Meeting Specialist Proprietary Limited (Registration number 2017/287419/07), a private company duly incorporated in accordance with the laws of South Africa and the meeting scrutineers for purposes of the General Meeting;
“Memorandum of Incorporation” or “MOI”	the memorandum of incorporation of the Company, as amended from time to time;
“Micros”	point-of-sale software sold by Micros South Africa under licence;
“Micros South Africa”	Micros South Africa Proprietary Limited (Registration number 2001/022540/07), a private company duly incorporated in accordance with the laws of South Africa, and a subsidiary company of Adapt IT;
“Nedgroup”	Nedgroup Investments, a division of Nedbank Limited;
“NAV”	Net Asset Value;

“Notice of General Meeting”	the notice convening the General Meeting which is attached to and forms part of this Circular;
“Offer Consideration” or “Offer Consideration Shares”	1.37 Huge Shares for every 1 Adapt IT Share held by Offer Participants, to be allotted, issued and listed by Huge pursuant to the terms of the Offer;
“Offer Longstop Date”	30 July 2021;
“Offer Participants”	the Adapt IT Shareholders who validly and lawfully accept the Offer by the Closing Date and who are thus entitled to receive the Offer Consideration;
“Offer Price” or “Swap Ratio”	1.37 Huge Shares for every 1 Adapt IT Share;
“PIC”	the Public Investment Corporation SOC Limited, a company wholly owned by the government of the Republic of South Africa;
“Praesidium”	Praesidium Capital Management Proprietary Limited (Registration number 2003/012046/07), a private company duly incorporated in accordance with the laws of South Africa, in its capacity as the manager of various funds that collectively own 30.44% of the issued Shares (excluding treasury shares), and is a Related Party to Huge. Praesidium is wholly-owned by the Praesidium Family Trust;
“Praesidium Repurchase Agreement”	the agreement entered into between Huge and Praesidium, in terms of which Huge will repurchase 1 111 112 Shares from Praesidium;
“Proposed Acquisition” or “Proposed Transaction” or “the Offer”	the offer by Huge, in terms of section 117(1)(c)(v) of the Companies Act to acquire, on the terms and subject to the Conditions Precedent set out in this Circular, from the Adapt IT Shareholders, all or part of their Adapt IT Shares for the Offer Consideration;
“Rand” or “R”	<i>South African</i> Rand, the official currency of South Africa;
“Rand Merchant Bank”	Rand Merchant Bank, a division of FirstRand;
“Related Party”	a related party as defined in the JSE Limited Listings Requirements;
“Repurchase Agreements”	collectively the CNET Empowerment Repurchase Agreement, the DM Holdco Repurchase Agreement and the Praesidium Repurchase Agreement, which agreements were approved by the Board on 25 February 2021;
“Repurchase Consideration”	an aggregate amount of R25 141 500 (twenty five million, one hundred and forty one thousand five hundred Rand) which shall be paid by the Company to the Sellers in terms of the Specific Repurchases as the purchase consideration for the Repurchase Shares;
“Repurchase Price”	the price of 450 cents (four hundred and fifty cents) per Share payable by the Company to the Sellers for each Repurchase Share in terms of the Specific Repurchases;
“Repurchase Shares”	5 587 000 (five million, five hundred and eighty seven thousand) Shares repurchased by the Company from the Sellers;
“Revised Listing Particulars”	the revised listing particulars of Huge dated Monday, 14 June 2021, which form part of this Circular and which provide additional information in relation to the enlarged Huge Group after the implementation of the Proposed Acquisition;
“SAICA”	the South African Institute of Chartered Accountants;
“SaaS”	software as a service;
“Sellers”	collectively, CNET Empowerment, DM Holdco and Praesidium, being the sellers in terms of the Specific Repurchases, each of whom is a “Seller”;

“SENS”	the Stock Exchange News Service of the JSE;
“Sentio”	Sentio Capital Management Proprietary Limited (Registration number 2007/018379/07, a private company duly incorporated in accordance with the laws of South Africa;
“Share” or “Shares” or “Ordinary Share” or “Ordinary Shares”	existing ordinary shares in the share capital of Hugel having a par value of R0.0001 each;
“Shareholders” or “Hugel Shareholders”	registered holders of Ordinary Shares in Hugel;
“South Africa” or “the Republic”	the Republic of South Africa;
“Specific Repurchases”	the proposed acquisitions by the Company of the Repurchase Shares from the Sellers as set out in this Circular in terms of section 48 of the Companies Act and paragraph 5.69 of the Listings Requirements, and pursuant to the terms and conditions of the Repurchase Agreements;
“Specific Repurchase Longstop Date”	30 July 2021;
“Standard Bank”	the Standard Bank of South Africa Limited;
“Stanlib”	Stanlib Asset Management Proprietary Limited (Registration number 1969/002753/07), a private company duly incorporated in accordance with the laws of South Africa;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly registered and incorporated in accordance with the laws of South Africa and licensed as a CSD in terms of the Financial Markets Act;
“STT”	Securities Transfer Tax;
“subsidiary”	a subsidiary as defined in the Companies Act;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa;
“Takeover Regulations”	the Takeover Regulations set forth in chapter 5 (Fundamental Transactions and Takeover Regulations) of the Companies Regulations, 2011, promulgated under the Companies Act;
“TRP”	the Takeover Regulation Panel, established in terms of section 196 of the Companies Act;
“Value Gap”	when the share price of a listed company does not reflect its intrinsic value;
“VAS”	value added services;
“VAT”	Value Added Tax in terms of the Value Added Tax Act, 1991 (Act 89 of 1991), as amended;
“VWAP”	volume weighted average price; and
“xTech”	new businesses that are created using existing industries and technology, such as Edu-Tech for new education businesses which are created using technology.



huge
group

HUGE GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2006/023587/06)
Share code: HUG
A2X share code: HUG ISIN: ZAE000102042

CIRCULAR TO HUGE SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1 Huge Shareholders are referred to the Firm Intention Announcement and the subsequent announcement released by Huge on Thursday, 4 February 2021, in which Shareholders were advised of Huge's intention to make an Offer to Adapt IT Shareholders, as contemplated in section 117(1)(c)(v) of the Companies Act, to acquire all, or any, of their Adapt IT Shares in exchange for the Offer Consideration.
- 1.2 If 100% of the Adapt IT Shareholders accept the Offer, the Proposed Transaction constitutes a Reverse Takeover in terms of the Listings Requirements, and accordingly Shareholder approval thereof is required.
- 1.3 Huge Shareholders are also referred to the announcement released on SENS on Wednesday, 3 March 2021, in which they were advised of the Company's intention to acquire the Repurchase Shares from the Sellers at the Repurchase Price, subject, *inter alia*, to Shareholders' approval of the special resolutions necessary to authorise and implement the Specific Repurchases.
- 1.4 The purpose of this Circular is to advise Huge Shareholders of the terms and conditions of both the Proposed Transaction and the Specific Repurchases in order to enable them to make an informed decision as to whether or not they should vote in favour of the resolutions set out in the Notice of General Meeting which is attached to and forms part of this Circular, in relation to the approval of the implementation of the Proposed Transaction and the Specific Repurchases.
- 1.5 Accordingly, this Circular is disseminated to Shareholders and contains a Notice of General Meeting to be convened in order for Huge Shareholders to consider and, if deemed fit, pass, with or without modification, the ordinary resolutions and special resolution to be proposed at the General Meeting.

2. RATIONALE FOR THE PROPOSED TRANSACTION

- 2.1 Investment scale, reflected by an increasing market capitalisation and an appreciating share price, is very important if a company wants to meet shareholder expectations through the delivery of superior returns.
- 2.2 The strategic rationale for the Offer can be summarised as follows:
 - the Huge-Adapt IT Merger will enhance investment scale for Huge as a result of an increased market capitalisation and enhanced liquidity;
 - it presents an opportunity to explore and exploit the attractive synergies, fit and alignment between the businesses, in order to generate organic growth;
 - the Enlarged Entity results in the growth of Huge's customer base and reach and presents growth opportunities;
 - it will result in an enhanced profile, greater investor confidence and better access to capital – whilst lowering the combined cost of capital;
 - it creates a vehicle of scale with an aggressive M&A, deal-making bias and better prospects for acquisitive growth;
 - it is expected to improve the trading performance of Huge Shares;
 - it will result in the creation of a larger, lower cost, more profitable business with the potential to realise other cost synergies and efficiencies; and
 - it will expand Huge's base of reference shareholders and management executives.

3. OVERVIEW OF HUGE AND PROSPECTS OF A HUGE-ADAPT IT MERGER

- 3.1 Huge is an investment holding company which holds and desires to hold investments in connectivity, cloud, software and xTech. Its vision, mission and focus is the unlocking of opportunities through the strategic acquisition of powerful and independently successful businesses, in anticipation of an industry integration that Huge expects will take place naturally without being forced to do so. Huge believes that significant synergies exist across these themes and that it is well placed, with the right team of people, to unlock significant value from the synergies that exist and will be identified.
- 3.2 The Company maintains a listing on the Main Board of the JSE and a secondary listing on A2X Markets. The Company conducts its business principally within South Africa but also in Botswana, Lesotho, Mozambique, Namibia, eSwatini, Zambia and Zimbabwe.
- 3.3 Huge Telecom and Huge Connect, the principal trading operations of the Company, are two of South Africa's leading providers of voice, messaging, data and video connectivity services utilising a wireless GSM-based, fixed cellular, last-mile solution.
- 3.4 Huge Connect is a telecommunications services company with a focus on growing its payment connectivity services. It was established in 2004 and provides connectivity to the card payment terminals of merchants, payment services providers and the commercial banks in South Africa by making use of secure, managed, dual SIM connectivity over GSM data networks. It has over 32 000 merchants as customers. The Company has also expanded into other markets for payment connectivity, including connectivity for ATMs, integrated points of sale, medical/script verifications, telemetry applications, micro-lending applications and cash vaults.
- 3.5 Shareholders are advised that currently, Huge and Adapt IT have different sector classifications. Huge is classified as "Telecommunications Services" and Adapt IT as "Computer Services". As a result of the Offer, these sector classifications may change, and should there be a change, same will be announced on SENS.

3.6 Prospects for Huge and the benefits to Huge Shareholders and Adapt IT Shareholders

3.6.1 Introduction: "Better-off together"

Like shareholders of any company, Huge Shareholders expect shareholder returns, as evidenced by dividends, an increasing share price and growth in the value of their Huge Shares. The Huge Board and the Adapt IT Board can generate shareholder returns through the organic growth of the portfolio of companies over which they have influence, or by increasing the size of the portfolio of companies under their influence through acquisition. Either way, investment scale, reflected by an ever-increasing market capitalisation, and an appreciating share price, is very important if a company wants to meet shareholder expectations.

Huge and Adapt IT are facing headwinds in the further development of their respective portfolios of companies. Organic revenue growth in the last 24 months has been pedestrian, which implies that growth through acquisition is key. Relative to larger market capitalisation companies listed on the JSE, the Huge Board believes that:

- (i) The share prices of their respective companies do not reflect underlying intrinsic value;
- (ii) The tradability of a Huge Share relative to an Adapt IT Share is low; and
- (iii) In the case of Adapt IT, it has relatively high levels of interest-bearing debt on its balance sheet, which increases the perception of risk.

These factors, largely attributable to limited investment scale, have an impact on investment appeal and result in a Value Gap. Furthermore, if listed companies cannot raise equity capital, or can only do so at prices less than their intrinsic value, then they are unable to fund acquisitions using equity in a non-value-dilutive way. The options that are available to larger market capitalisation companies are either not available to Huge and Adapt IT, or pricing is punitive, limiting the extent to which Huge and Adapt IT can grow, optimise their portfolios of companies, extract return-enhancing synergies and generally pursue acquisitive growth. Therefore, the value of investment scale certainly informs the Offer.

On a positive note, Huge and Adapt IT are both cash generative, high margin, annuity revenue companies with lower risk profiles than many other investment alternatives. Huge

and Adapt IT will grow as standalone entities, but the Huge Board certainly believes that they can grow faster together than apart. The Huge Board is of the view that Huge and Adapt IT are 'better off together'; make for a compelling investment story on a combined basis and can deliver greater shareholder returns together.

The strategic rationale underpinning the Offer can be summarised as follows:

- (i) The value of investment scale delivered through the Huge-Adapt IT Merger;
- (ii) Attractive synergies, fit and alignment between the businesses;
- (iii) Greater customer "real estate", reach and growth opportunities;
- (iv) An enhanced profile, greater investor confidence and better access to capital – whilst lowering the combined cost of capital;
- (v) Improved equity market trading performance;
- (vi) Creating a larger, lower cost, more profitable business with the potential to recognise other cost synergies and efficiencies; and
- (vii) Expanding the collective base of reference shareholders and management executives.

The paragraphs below focus on each of these elements in more detail.

3.6.1.1 **Alignment, fit and synergy**

I. **Huge's raison d'être**

Huge owns and acquires meaningful interests in businesses in the converging connectivity, cloud, software and x-Tech markets.

Its mission statement is as follows:

"We:

- Focus on the strategic management of our existing businesses and expanding our portfolio through acquisition;
- Amplify value by leveraging our customer 'real estate' and the scale of the broader Huge ecosystem;
- Empower and support our partners who lead the businesses; and
- Facilitate collaboration between our entities"

Huge has the right people to make this happen.

The benefits of this inter-connectivity, the strategic support and management support offered by the Huge Board, coupled with the fact that the underlying businesses within our network are nurtured and encouraged to grow in line with its own unique culture and strategy, means that Huge has the optimal platform – and individuals – to succeed when bringing the two groups together.

II. **Examples of the synergy, fit, and alignment of the Huge-Adapt IT Construct**

The Huge Board believes that the Huge-Adapt IT Construct is a 'match-made-in-heaven', since:

- (i) The businesses of Huge and Adapt IT are aligned;
- (ii) There is very little overlap; and
- (iii) There is visible synergy from which value can be created.

Examples of the alignment between Huge and Adapt IT are set out below:

- Adapt IT's communications division is a telecommunications solutions provider, providing specialist proprietary software and value-added services to the telecommunications industry, which is offered across mobile network operator core networks and range from next-gen VAS through to data analytics, IoT management, customer experience, self-service and mobility. Through AspiviaUnison, Adapt IT provides expense management software services to customers who have telephone systems.

- Huge Connect, Huge Networks, and Huge Telecom are telecommunications service providers who provide a comprehensive range of connectivity solutions across all mediums, including connectivity solutions across mobile networks. The cloud and the delivery of SaaS would be still born if there was no connectivity. Huge Connect and Huge Telecom's strategic advantage lies within each of their respective billing engines, which provide tailored price plans to over 48 000 customers.
- Huge Connect provides payment connectivity to over 30 000 merchants, including retailers and more specifically hospitality retailers, who have point-of-sale software and devices, while Huge Software licenses proprietary accounting and ERP software. Adapt IT's hospitality division, through Micros South Africa, specialises in the resale, support, and deployment of software and hardware products, including cloud solutions and the provision of professional services, to these very customers, which implies that there are strong synergies between these three companies.
- Adapt IT could also leverage the contracts and great relationships Huge Connect has with the large commercial banks to build on its terminal automation solutions, mobile point-of-sale offerings, and mobile money and mobile wallet applications to an enlarged customer base.
- Huge Software's WebAccounting accounting software and CQS's Caseware audit and risk software fit very well together, complement each other, and can be leveraged. Adapt IT's financial services division provides a range of software solutions that automate financial statement and assurance engagements, streamline tax management processes, and enable simplified time and billing management for about 4 500 audit and accounting firms, government entities, municipalities and large companies across Africa. Adapt IT is an ideal partner for Huge Software's ERP offerings to the mid-tier market. This gives Adapt IT an additional service partner who can supply ERP software to those clients that do not want to go to a SAP, Oracle or Microsoft ERP solution. This will create new market opportunities for Adapt IT and Huge Software for selling Huge Software's ERP solutions.
- Huge Distribution is an importer of hardware from various large international companies. These relationships could be leveraged in the areas in which Adapt IT operates.

Furthermore, the Huge-Adapt IT Construct creates the opportunity to unlock value in the data, software, voice and hosting space. Market verticals currently serviced by Adapt IT, such as education, would benefit from Huge Network's ability to deliver high-capacity connectivity. The convergence of Adapt IT's SaaS in the cloud and the connectivity offerings of Huge, allow for the end-to-end delivery and management of SaaS, voice or data, and IoT offerings, giving the customer comfort that their provider has control over and is responsible for the entire value chain.

3.6.1.2 **An enlarged real estate of customers, greater customer reach and growth potential**

Digital platforms or networks that facilitate connections and exchanges is an important modern concept. This trend is turning established business models on their heads, requiring many traditional businesses to transition to, or incorporate, a platform-based model. This combined with the network effect (the phenomenon whereby the value of services increases exponentially by the number of participants) suggests that Huge's central tenet of growing its real estate of customers is a value creation imperative. Enlarging Huge's customer base to over 60 000, by combining Adapt IT's 10 000 existing customers with Huge's 50 000 existing customers, would increase the value of this proposition.

As such, the Huge-Adapt IT Construct will enable the convergence of customer bases, product sets, and provide access to new markets, which will in turn facilitate potential increases in market shares. Huge can open its base of customers to Adapt IT, providing Adapt IT with additional market segments in which it has not historically participated including, but not limited to, medical, retail, building & hardware and automotive.

3.6.1.3 **Macro-economic considerations relating to Adapt IT, Huge and the Huge-Adapt IT Construct**

I. **The South African micro-cap market and access to growth capital**

Despite the economic downturn in 2020, the Covid-19 pandemic has served to accelerate global trends such as remote work, digitisation, e-commerce, and associated services. Covid-19 has also made things happen faster, which means that speed and scale are crucial to capitalise on the accelerated evolutionary impact of the pandemic. To capitalise on this opportunity, critical mass is crucial. In addition, acquisitive growth is essential to underpin sustainable growth strategies.

Small and micro-cap shares in the *South African* market (the market for shares listed on the JSE) have performed poorly over the past three years.

While we see more money flowing into equity markets than ever, these funds are certainly not yet reaching *South African* micro-cap stocks and might well not for the foreseeable future.

In this market, investors are looking for:

- (i) Critical mass;
- (ii) Efficient and well-managed organisations with a convincing strategy;
- (iii) Growth plans and mergers reflecting clear underlying synergies and strategy; and
- (iv) Entities that have a far greater chance of attracting the new or pending emerging market investment wave of funding.

The Huge-Adapt IT Construct is founded on a principle of 'better off together' by virtue of its combined and enlarged customer "real estate" and the ability to attract new institutional shareholder interest. Size, speed, and flexibility matter in this evolving environment. In addition, the combined currency of a Huge-Adapt IT Construct will enable the Enlarged Entity to become a more active participant in M&A activity.

The Huge-Adapt IT Construct will result in a larger organisation, increasing investment scale, and greater investor confidence. This will lead to easier access to capital markets for expansion and further acquisitions in Huge and Adapt IT's chosen markets, both in South Africa and abroad. Huge's recent announcement about plans to seek an AIM Listing on the London Stock Exchange may also offer the Enlarged Entity easier access to foreign capital markets.

The Enlarged Entity will facilitate faster strategy implementation. There is an opportunity for the Enlarged Entity to become the ICT investment of choice in South Africa and Africa, especially given the absence of other listed comparable companies.

Huge and Adapt IT have both increased their respective profiles because of the Offer. The Enlarged Entity will, to an even greater extent, also increase its profile and investor interest.

II. **The importance of investment scale**

In South Africa, investor appetite for smaller market capitalisation companies is at a low with no evidence of a near-term change in sentiment.

3.6.1.4 **Micro-economic considerations relating to Adapt IT, Huge and the combination of Huge and Adapt IT**

I. The Huge-Adapt IT Construct will eliminate target company competition

The market for target companies in connectivity, cloud, software, and x-Tech is extremely competitive, and acquisition targets are becoming scarce. Huge and Adapt IT currently do, and will continue to, compete for the same target companies. Combining both companies will eliminate competition between Huge and Adapt IT for target companies in the market for connectivity, cloud, software, and xTech. It is also probable that the Enlarged Entity may enjoy increased M&A deal flow.

II. A Huge-Adapt IT Construct has positively impacted, and will continue to positively impact, tradability and liquidity

There is no investor appetite for illiquid companies or companies whose shares do not trade frequently on their chosen stock exchange. In a volatile environment, the ability to turn listed share investments into cash has become significantly more important to the retail and institutional shareholder.

The Huge Board believes that tradability can and needs to be distinguished from liquidity. The Huge Board believes that, although the tradability of Huge Shares on the JSE is low, it does not mean that a Huge Share is illiquid. To understand this statement, one needs to look at the spread or lack of spread (concentration) in the Huge Share Register. On 26 February 2021, the Huge Share Register disclosed the details of 1 060 Huge Shareholders. On the same day, the Adapt IT Share Register disclosed the details 12 647 Adapt IT Shareholders.

The Huge Board is of the view that the Adapt IT Shareholders should consider that 89% of the Huge Shareholders are represented by five parties. The Huge Board's view is that while this concentration might mean that the Huge Shares trade less on the JSE, it does not mean that the Huge Share is illiquid and cannot be converted to cash readily. Also, on the assumption that the Huge Acceptances is 100%, the 12 647 Adapt IT Shareholders (as at 26 February 2021) on the Adapt IT Share Register will become shareholders of the Enlarged Entity and they will appear on the Enlarged Entity's Huge Share Register. As such the tradability and liquidity of the Adapt IT Share will be transferred to Huge. It cannot be disputed that by combining the Huge Shareholders and the Adapt IT Shareholders into an enlarged Huge Share Register, the liquidity and tradability of the Huge Share will be better than the liquidity and tradability of either the Huge Share or the Adapt IT Share before the combination.

III. A Huge-Adapt IT Construct will lower the cost of capital

Diversification lowers the cost of capital, which has an inverse relationship with equity values. In other words, the lower the cost of capital the higher the value of equity. Huge and Adapt IT have significant levels of goodwill. The higher the cost of capital, the higher the discount rate that present values future cash flows, and the greater the risk of goodwill impairments, which will have a negative effect on earnings.

IV. A Huge-Adapt IT Construct will create cost savings and efficiencies

On the assumption that the Huge Acceptances is 100%, duplicate listing and other corporate costs can be eliminated. The cost of running Huge as a listed company with a holding company and head office structure is approximately R20 million a year. At the very least, and from Huge's vantage point, these duplicated costs can be eliminated. In addition, there are arguably other corporate costs that can be reduced, if not eliminated, such that additional earnings can be unlocked for the Enlarged Entity.

V. **A Huge-Adapt IT Construct will increase expertise and manpower**

Huge has an exceptionally skilled M&A team, who have a proven track record of highly innovative M&A transactions informed by various strategies, efficiencies and managed risk-taking. This can only benefit future growth and M&A potential for an Enlarged Entity and bring an exciting dynamic to an enlarged team. It is arguable that both Huge and Adapt IT require more manpower capacity for M&A. A combined Huge and Adapt IT will enhance the Enlarged Entity's M&A skills. It appears that Adapt IT's M&A skills lie with Ms Koffman, who is a non-executive director of Adapt IT, and Mr Shabalala and Mrs Dunston, who are both executives of Adapt IT, while Huge's M&A skills lie with Dr da Silva, Prof. Armstrong, Mr Lyons, Mr Gammie, who are all non-executive directors, and Mr Herbst and Mr Openshaw, who are Huge executives. The combination of these nine individuals brings a powerful M&A team to the market with a proven track record of creating value for stakeholders over many years.

Huge's strategy for acquiring companies involves "backing the jockeys" in each target company, ensuring that each operating entity has the correct individual driving the teams and with skin-in-the-game. This strategy has yielded effective results for Huge and this has been proved during the Covid-19 pandemic, where all of Huge's operating entities performed exceptionally well considering the circumstances. This is testimony to the success of Huge's approach. No staff retrenchments and salary cuts were instituted at Huge, which illustrates the resilience of each of Huge's operating entities.

Adapt IT Proprietary Limited, the wholly owned subsidiary company of Adapt IT, has a B-BBEE score of Level 1, even if the Huge Acceptances are 100%.

VI. **A Huge-Adapt IT Construct might produce property utilisation benefits**

The 2020 Adapt IT Integrated Report discloses the following related party information:

	2020 R
Operating lease charges under IAS 17	–
Payment of lease liability (IFRS 16)	34 620 449
Finance costs (IFRS 16)	27 715 578
Capital payment (IFRS 16)	6 904 871
Property municipal charges	8 186 210
Maintenance charges	1 925 460
Total	44 732119

The landlord of Adapt IT's Johannesburg Campus is Mshengu Property Holdings Proprietary Limited (**MPH**). MPH is 100% owned by the Mshengu Family Trust. Mr Shabalala, the Chief Executive Officer of Adapt IT, is a beneficiary and trustee of the Mshengu Family Trust. Furthermore, Mr Shabalala is a director of MPH. It appears from the 2020 Adapt IT Integrated Report that The Johannesburg Campus is under a 13-year lease.

Five of Huge's operating companies occupy premises in three locations in Johannesburg. Huge only concludes lease agreements of short duration. While some of the leases span as many as three years, Huge has an option to give early termination notice. These short leases allow Huge, subject to the return to a normal work from office world post Covid-19, to move to Adapt IT's Johannesburg Campus in the event that it has spare capacity, thereby reducing duplicate costs.

3.6.1.5 **Additional benefits for Adapt IT Shareholders**

I. **The Offer resulted in an immediate increase in the price of an Adapt IT Share**

Because the Offer better reflects the underlying intrinsic value of an Adapt IT Share, it has narrowed (and continues to narrow) the Adapt IT Value Gap. It is arguable that the lower the Huge Acceptances, the more likely it is that the Adapt IT Share will revert to a pre-Offer price.

II. **A Huge-Adapt IT Construct will broaden the base of reference stakeholders**

Adapt IT's reference shareholders include, in order of shareholding, Nedgroup, Sanlam and the PIC. Huge's reference shareholders include, in order of shareholding, Praesidium, Stanlib and Sentio. Combining the base of reference shareholders can only be positive for existing Huge Shareholders and future Huge Shareholders (being Adapt IT Shareholders that accept the Offer).

Adapt IT's debt providers include Standard Bank and FirstRand. Huge's debt providers include FirstRand, Futuregrowth and Rand Merchant Bank. Similarly, combining the base of reference debt providers can only be positive for the Huge-Adapt IT Construct.

III. **A Huge-Adapt IT Construct will create a stronger balance sheet**

An organisation's capital structure is critical and should allow it to be optimally positioned to take advantage of favourable lending rates, while also considering the risk of over gearing should a low interest rate regime reverse. A Huge-Adapt IT Construct would be more favourably perceived by lending institutions and would better position the Enlarged Entity to withstand any monetary policy reversal. Accordingly, if the Huge Acceptances are high, this presents Adapt IT Shareholders with an opportunity to lower their financial risk exposure, because the market value of Huge's equity over its interest-bearing liabilities provides more cover when compared to the market value of Adapt IT's equity over its interest-bearing liabilities.

Notwithstanding the global ZIRP (Zero Interest Rate Policy), there are growing inflationary concerns. Consequently, the debt/equity capital structures of organisations are crucial, and they need to be optimally positioned to take advantage of favourable lending rates and mitigate the risk of over gearing should low interest rate regimes reverse. The Huge-Adapt IT Construct will be more favourably perceived by lending institutions and the Enlarged Entity will be better positioned to withstand any monetary policy reversal. Huge currently has capacity to increase its own gearing.

On the day of the Firm Intention Announcement, Adapt IT's market capitalisation of R0.55 billion (ignoring treasury shares) to interest bearing liabilities of R0.51 billion (per the 2020 Adapt IT Integrated Report) provided a cover of one times. On the same day, Huge's market capitalisation of R1.02 billion (ignoring treasury shares) to interest bearing liabilities of R0.17 billion (per the 2020 Huge Integrated Report) provided a cover of six times. On the assumption that the Huge Acceptances is 100%, the combined cover of the Enlarged Entity will be three times (R1.92 billion divided by R0.68 billion). This must reduce the Adapt IT Shareholder's perception, as well as other investor's perception, of interest rate risk.

Given its relatively high levels of debt, Adapt IT is negatively exposed to a higher interest rate environment. This will limit Adapt IT's ability to fund acquisitions by taking on more debt.

Huge's low level of debt compared to Adapt IT places the Enlarged Entity in a better position to continue to use debt to fund further acquisitions. In other words, it increases funding capacity because of lower levels of interest-bearing debt.

The Offer presents an opportunity to create a larger entity with greater critical mass and enhanced liquidity, providing an improved platform to facilitate acquisitive growth.

IV. **A Huge-Adapt IT Construct provides takeover protection**

The Adapt IT share closed at 401 cents on the day of the Firm Intention Announcement and closed at 415 cents as at the last practicable date of the Huge circular to Adapt IT Shareholders dated 16 April 2021. The Offer can be seen as a defensive strategy to an alternative (cash) offer which may not reflect Adapt IT's intrinsic value. If an alternative new offer is accepted by some Adapt IT Shareholders this may place other Adapt IT Shareholders at risk of being forced to exit Adapt IT when there is a Value Gap. The same applies to a share for share offer by another large, listed company. If a large, listed company acquires Adapt IT, the Adapt IT Shareholder's exposure to the underlying Adapt IT markets and businesses will be reduced.

Importantly to note, the Offer is not hostile to Adapt IT Shareholders. It allows them to retain a significant amount of exposure to Adapt IT's underlying businesses while creating investment scale. The Offer is made on the foundation of 'better-off together'. It has been conceived on the basis of a merger rather than a takeover. It is also a way in which Adapt IT can grow by acquisition. Viewed from Adapt IT's vantage point, it is a mechanism for Adapt IT, as a listed company, to create investment scale and grow by acquisition in the presence of a Value Gap.

3.6.1.6 **Conclusion: "Better off together"**

A Huge-Adapt IT Construct creates a listed company investment:

- with greater investment scale and potentially a higher market capitalisation;
- with a broader base of reference stakeholders;
- whose shares are more tradable;
- with a proactive investment strategy;
- with an aggressive M&A, dealing-making bias;
- with better prospects for acquisitive growth; and
- with lower levels of debt.

4. **OVERVIEW OF ADAPT IT**

- 4.1 Adapt IT provides leading specialised software and digitally-led business solutions that assist clients across targeted industries to achieve more by improving their customer experience, core business operations, business administration, enterprise resource planning and public service delivery.
- 4.2 Adapt IT has deep sector knowledge and experience predominantly in the education, manufacturing, financial services, energy, technology expense management (multi-industries), telecommunications, consumer security and services, and hospitality industries including public sector.
- 4.3 Adapt IT serves over 10 000 global customers, with headquarters in Johannesburg, South Africa, and regional offices in Durban and Cape Town. To service international customers, Adapt IT focuses on the Pan African market, through a presence in Mauritius, Botswana, Kenya and Nigeria, as well as on the Asia Pacific market, where the group has a presence in Australia, New Zealand and Singapore. Through its presence in Ireland, Adapt IT is able to service customers in Europe.

Prospects of Adapt IT

The prospects of Adapt IT have been incorporated by reference in terms of paragraph 25 of the Revised Listing Particulars. Shareholders are referred to the discussion of prospects on pages 29, 39, 41, 43, 45, 47 and 49 of the 2020 Adapt IT Integrated Report.

5. THE PROPOSED ACQUISITION

5.1 The Proposed Acquisition and Consideration

- 5.1.1 In terms of the Offer, Huge will acquire from Adapt IT Shareholders all of the Adapt IT Shares in respect of which it receives valid acceptances prior to the Closing Date. Adapt IT Shareholders that accept the Offer shall receive 1.37 Shares for every 1 Adapt IT Share disposed of in terms of the Offer.
- 5.1.2 If the Offer is accepted by all Adapt IT Shareholders resulting in the acquisition by Huge of the entire issued share capital of Adapt IT, it will result in a maximum total purchase consideration of R1 317 027 348, to be settled by the issue of approximately 198 495 871 new Shares, representing 122.45% of the aggregate Shares currently in issue, excluding treasury shares.

5.2 Conditions Precedent

- 5.2.1 The Offer is subject to the fulfilment or waiver (to the extent that the waiver is competent in law) of, *inter alia*, the following Conditions Precedent on or before the Offer Longstop Date:
 - 5.2.1.1 the minimum percentage of Adapt IT Shares tendered by shareholders in acceptance of the Offer is 0.01% of the Adapt IT Shares; and
 - 5.2.1.2 the TRP shall have issued a compliance certificate in relation to the Offer as contemplated in Regulation 102(13) of the Takeover Regulations.
- 5.2.2 The Offer is not conditional upon the approval of the Competition Commission. Approval will be sought from the Competition Commission in the event that Huge acquires control (or it appears that Huge will acquire control) of Adapt IT as envisaged in the Competition Act, 1998. For the avoidance of doubt, Huge will acquire the Adapt IT Shares of any Adapt IT Shareholder accepting the Offer and should it transpire that: (i) Huge acquires, or it appears that Huge will acquire, sufficient Adapt IT Shares to exercise control over Adapt IT as envisaged in the Competition Act, 1998, and (ii) as a consequence, Huge is then obliged to seek the approval of the Competition Commission to exercise such control, and (iii) Huge does not obtain such approval from the Competition Commission (or other competent decision making body), then Huge will either divest of such number of Adapt IT Shares as is necessary to relinquish control or will continue to hold all of its acquired Adapt IT Shares but not exercise its right to vote in respect of the number of Adapt IT Shares which confer control upon Huge. For this reason, the Offer is not conditional on Competition Commission approval. In any instance, Huge will not exercise control until it has obtained the requisite approval to do so from the Competition Commission (or other competent decision making body).

5.3 Effective Date

- 5.3.1 The Proposed Transaction will be effective on the date of fulfilment of the last of the Conditions Precedent.

5.4 Financial Effects of the Proposed Transaction

- 5.4.1 The consolidated *pro forma* statement of financial position of Huge and the consolidated *pro forma* statement of comprehensive income of Huge, showing the *pro forma* effects of the Proposed Transaction (the “consolidated *pro forma* financial information”) is based on Huge’s published reviewed condensed consolidated provisional results for the year ended 28 February 2021 and is set out below.
- 5.4.2 The consolidated *pro forma* financial information has been prepared for illustrative purposes only, to provide information on how the transaction may have affected the financial position of the Group, assuming the Proposed Transaction had been implemented on 28 February 2021 for statement of financial position purposes and implemented on 1 March 2020 for statement of comprehensive income purposes. Because of its nature, the consolidated *pro forma* financial information may not fairly represent Huge’s financial position, comprehensive income, changes in equity or cash flows after the Proposed Transaction. The *pro forma* financial information presented below does not purport to be

indicative of the financial results and effects of the Proposed Transaction if it had been implemented on a different date.

- 5.4.3 The consolidated *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Board. The *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the reviewed condensed consolidated provisional results of Huge for the year ended 28 February 2021. The *pro forma* financial information is presented in accordance with the Listings Requirements and the Guide on *pro forma* Financial Information issued by SAICA.
- 5.4.4 The consolidated *pro forma* financial effects set out below should be read in conjunction with the consolidated *pro forma* statement of comprehensive income and the consolidated *pro forma* statement of financial position as set out in **Annexure 1**, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto.
- 5.4.5 The independent reporting accountants' assurance report on the consolidated *pro forma* financial information is set out in **Annexure 2** of this circular.
- 5.4.6 Three acceptance level scenarios have been considered in order to provide Shareholders with a more detailed understanding of the impact of the Offer on the *pro forma* financial statements.
- 5.4.6.1 **Control** – the assumption utilised is off the basis of reflecting the maximum acceptance level, being 100% of the Adapt IT Shares, which triggers control and therefore a consolidated set of *pro forma* financial statements, and the impact is as follows:

	Huge Group as at 28 February 2021	<i>Pro forma</i> after the Proposed Transaction	Change (%)
Basic earnings per share (cents)	36.77	33.66	(8.46)
Diluted earnings per share (cents)	36.48	33.54	(8.06)
Headline earnings per share (cents)	41.98	46.86	11.62
Diluted headline earnings per share (cents)	41.66	46.69	12.07
Net asset value per share (cents)	594.90	646.55	8.68
Tangible net asset value per share (cents)	205.26	46.08	(77.55)
Number of shares in issue ('000)	162 098	349 723	115.75

Notes and assumptions:

The notes to the *pro forma* financial effects and the assumptions thereto are set out in **Annexure 1** to this Circular. The above *pro forma* financial effects take into consideration that 100% of the Adapt IT Shares have been acquired and control is therefore obtained by Huge.

- 5.4.6.2 **Equity accounted investment** – the assumption utilised is off the basis of reflecting a 20% acceptance level, which does not trigger control and therefore an equity accounted investment is raised in the financial statements of Huge and the impact is as follows:

	Huge Group as at 28 February 2021	Pro forma after the Proposed Transaction	Change (%)
Basic earnings per share (cents)	36.77	37.61	2.28
Diluted earnings per share (cents)	36.48	37.38	2.47
Headline earnings per share (cents)	41.98	41.86	(0.29)
Diluted headline earnings per share (cents)	41.66	41.60	(0.14)
Net asset value per share (cents)	594.90	614.09	3.23
Tangible net asset value per share (cents)	205.26	297.69	45.03
Number of shares in issue ('000)	162 098	199 623	23.15

Notes and assumptions:

The notes to the *pro forma* financial effects and the assumptions thereto are set out in **Annexure 1** to this Circular. The above *pro forma* financial effects take into consideration that 20% of the issued share capital of Adapt IT has been acquired and control is not obtained, and therefore Adapt IT is held as an investment in associate and equity accounted.

- 5.4.6.3 **Investment** – the assumption utilised is off the basis of reflecting the minimum acceptance level, being 0.01% which does not trigger control nor the requirement to account for the investment as an equity accounted investment. The investment will simply be held as an Investment in a JSE listed entity and fair valued accordingly.

	Huge Group as at 28 February 2021	Pro forma after the Proposed Transaction	Change (%)
Basic earnings per share (cents)	36.77	35.99	(2.12)
Diluted earnings per share (cents)	36.48	35.71	(2.11)
Headline earnings per share (cents)	41.98	41.20	(1.86)
Diluted headline earnings per share (cents)	41.66	40.89	(1.85)
Net asset value per share (cents)	594.90	595.89	(0.12)
Tangible net asset value per share (cents)	205.26	206.29	(0.33)
Number of shares in issue ('000)	162 098	162 116	0.01

Notes and assumptions:

The notes to the *pro forma* financial effects and the assumptions thereto are set out in **Annexure 1** to this Circular. The above *pro forma* financial effects take into consideration that 0.01% of the issued share capital of Adapt IT has been acquired and control is not obtained, and therefore Adapt IT is held as an investment and fair valued accordingly.

6. HISTORICAL FINANCIAL INFORMATION PERTAINING TO THE PROPOSED TRANSACTION

- 6.1 The historical financial information relating to Adapt IT in respect of the six months ended 31 December 2020 and the financial years ended 30 June 2020, 30 June 2019 and 30 June 2018, have been incorporated by reference in terms of paragraph 25 of the Revised Listing Particulars.
- 6.2 The historical financial information relating to Huge for the six months ended 31 August 2020 and the financial years ended 28 February 2021 (reviewed provisional condensed consolidated financial results), 29 February 2020, and 28 February 2019, have been incorporated by reference in terms of paragraph 25 of the Revised Listing Particulars. The historical financial information is the responsibility of the directors of Huge.

7. THE SPECIFIC REPURCHASES

7.1 Rationale for the Specific Repurchases

Huge has elected to repurchase the Repurchase Shares as the Repurchase Price represents a significant discount to the price at which Shares currently trade and the repurchase therefore represents a mechanism through which value can be created for Shareholders. The Repurchase Shares will be cancelled and restored to the status of authorised but unissued shares.

7.2 The Specific Repurchases and Consideration

- 7.2.1 In terms of the Specific Repurchases, the Company will purchase from the Sellers 5 587 000 (five million, five hundred and eighty seven thousand) Shares in aggregate at the Repurchase Price, as follows:
- 7.2.1.1 2 724 454 Shares from CNET Empowerment;
- 7.2.1.2 1 751 434 Shares from DM Holdco; and
- 7.2.1.3 1 111 112 Shares from Praesidium.
- 7.2.2 The total Repurchase Consideration for the Repurchase Shares amounts to R25 141 500 (twenty five million, one hundred and forty one thousand five hundred Rand) in aggregate.
- 7.2.3 The Company is authorised to undertake the Specific Repurchases in terms of its Memorandum of Incorporation.
- 7.2.4 The Specific Repurchases includes the repurchase of Shares from Praesidium which is a Related Party. The price per Repurchase Share of 450 cents (four hundred and fifty cents) is not at a premium to the 30-day VWAP of 578 cents as at Wednesday, 24 February 2021, being the day prior to the date on which the Specific Repurchases were agreed between Huge and each of the Sellers, as contemplated in paragraph 5.69(e) of the Listings Requirements and accordingly a fairness opinion is not required.
- 7.2.5 The payment of the aggregate Repurchase Consideration will be funded from existing cash resources.
- 7.2.6 Details of the Sellers' current shareholding in Huge is set out in the table below:

Sellers	Current shareholding	
	Number of shares	%*
CNET Empowerment	2 724 454	1.59
DM Holdco	1 751 434	1.02
Praesidium	49 334 700	30.44
Total	53 810 588	33.05

* Based on 171 744 611 Shares including 9 646 926 treasury shares as at the Last Practicable Date.

- 7.2.7 In terms of the Listings Requirements, each of the Sellers and their Associates will be excluded from voting on the respective special resolution required to authorise the Specific Repurchase pertaining to that particular Seller.

7.3 Conditions Precedent

7.3.1 The Repurchases are each subject to the fulfilment or waiver (to the extent that the waiver is competent in law) of, *inter alia*, the following Conditions Precedent on or before the Specific Repurchases Longstop Date:

7.3.1.1 receipt by the Company of all written approvals legally required from Futuregrowth Asset Management in order to implement the Specific Repurchases; and

7.3.1.2 receipt of the requisite Huge Shareholder approval.

7.4 Effective Date

7.4.1 The Specific Repurchases will each become effective on the first Business Day following the date that all of the Conditions Precedent to each of them have been fulfilled.

7.5 Financial Effects of the Specific Repurchases

7.5.1 The consolidated *pro forma* statement of financial position of Huge and the consolidated *pro forma* statement of comprehensive income of Huge, showing the *pro forma* effects of the Specific Repurchases (the “consolidated *pro forma* financial information”) is based on Huge’s published reviewed condensed consolidated provisional results for the year ended 28 February 2021 and is set out below.

7.5.2 The consolidated *pro forma* financial information has been prepared for illustrative purposes only, to provide information on how the Specific Repurchases may have affected the financial position of Huge, assuming the Specific Repurchases had been implemented on 28 February 2021 for statement of financial position purposes and implemented on 1 March 2020 for statement of comprehensive income purposes. Because of its nature, the consolidated *pro forma* financial information may not fairly represent Huge’s financial position, comprehensive income, changes in equity or cash flows after the Specific Repurchases. The *pro forma* financial information presented below does not purport to be indicative of the financial results and effects of the Specific Repurchases if it had been implemented on a different date.

7.5.3 The consolidated *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Board. The *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the published audited consolidated annual results of Huge for the year ended 29 February 2020. The *pro forma* financial information is presented in accordance with the Listings Requirements and the Guide on *pro forma* Financial Information issued by SAICA.

7.5.4 The consolidated *pro forma* financial effects set out below should be read in conjunction with the consolidated *pro forma* statement of comprehensive income and the consolidated *pro forma* statement of financial position as set out in **Annexure 3**, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto.

7.5.5 The independent reporting accountants’ assurance report on the consolidated *pro forma* financial information is set out in **Annexure 4** of this circular.

1. CNET Empowerment Repurchase

	Huge Group as at 28 February 2021	<i>Pro forma</i> after the CNET Empowerment repurchase	Change (%)
Basic earnings per share (cents)	36.77	37.30	1.44
Diluted earnings per share (cents)	36.48	37.01	1.45
Headline earnings per share (cents)	41.98	42.61	1.50
Diluted headline earnings per share (cents)	41.66	42.27	1.46
Net asset value per share (cents)	594.90	597.30	0.40
Tangible net asset value per share (cents)	205.26	200.99	(2.08)
Number of shares in issue ('000)	162 098	159 373	(1.68)

Notes and assumptions:

The notes to the *pro forma* financial effects and the assumptions thereto are set out in **Annexure 3** this Circular.

2. DM Holdco Repurchase

	Huge Group as at 28 February 2021	<i>Pro forma</i> after the DM Holdco repurchase	Change (%)
Basic earnings per share (cents)	36.77	37.08	0.84
Diluted earnings per share (cents)	36.48	36.79	0.85
Headline earnings per share (cents)	41.98	42.35	0.88
Diluted headline earnings per share (cents)	41.66	42.02	0.86
Net asset value per share (cents)	594.90	596.40	0.25
Tangible net asset value per share (cents)	205.26	202.50	(1.34)
Number of shares in issue ('000)	162 098	160 346	(1.08)

Notes and assumptions:

The notes to the *pro forma* financial effects and the assumptions thereto are set out in **Annexure 3** this Circular.

3. Praesidium Repurchase

	Huge Group as at 28 February 2021	<i>Pro forma</i> after the Praesidium repurchase	Change (%)
Basic earnings per share (cents)	36.77	36.93	0.44
Diluted earnings per share (cents)	36.48	36.65	0.47
Headline earnings per share (cents)	41.98	42.19	0.50
Diluted headline earnings per share (cents)	41.66	41.86	0.48
Net asset value per share (cents)	594.90	595.82	0.15
Tangible net asset value per share (cents)	205.26	203.49	(0.86)
Number of shares in issue ('000)	162 098	160 987	(0.69)

Notes and assumptions:

The notes to the *pro forma* financial effects and the assumptions thereto are set out in **Annexure 3** this Circular.

8. IRREVOCABLE UNDERTAKINGS

- 8.1 Irrevocable undertakings to vote in favour of the resolutions necessary to implement the Proposed Transaction have been received from Huge Shareholders holding 75.71% of the issued Shares of Huge, as follows:

Shareholder	Number of shares	%*
Praesidium Capital Management Proprietary Limited	49 334 700	30.46
Stanlib Asset Management Proprietary Limited	19 767 952	12.20
Sentio Capital Management Proprietary Limited	16 500 000	10.18
Pacific Breeze Trading 417 Proprietary Limited	14 260 891	8.81
Eagle Creek Investments 223 Proprietary Limited	9 805 567	6.06
K2017082648 Proprietary Limited	5 448 907	3.37
K2017/038086/07 Proprietary Limited	4 049 613	2.50
K2017038129 Proprietary Limited	2 770 788	1.71
Silver Meadow Trading 3 Proprietary Limited	400 000	0.25
JC Herbst	269 370	0.17
Total	122 607 788	75.71

* Based on 162 097 685 Shares excluding 9 646 926 treasury shares as at the Last Practicable Date.

9. SHARE CAPITAL INFORMATION

- 9.1 Details of the issued Shares of Huge, prior and post implementation of the Proposed Transaction and Specific Repurchases are set out in paragraph 4 of the Revised Listing Particulars.
- 9.2 The Company holds 9 646 926 Shares in treasury.

10. MAJORITY SHAREHOLDERS

Details of major shareholders of Huge are set out in paragraph 5 of the Revised Listing Particulars.

11. DIRECTORS INFORMATION

Directors' interests

The direct and indirect beneficial interests of the Directors (and their Associates) including any directors who may have resigned during the last 18 months, in Huge's issued Shares, as at the Last Practicable Date or at the date of resignation, as applicable:

Director	Direct	Indirect	Total	Percentage held*
JC Herbst ¹	268 370	24 504 958	24 773 328	15.28
CWJ Lyons ²	–	200 000	200 000	0.12
AP Openshaw	50 000	–	50 000	0.03
Total	318 370	24 704 958	25 023 328	15.44

* Based on 162 097 685 Shares excluding 9 646 926 treasury shares as at the Last Practicable Date.

1. The indirect shareholding of JC Herbst is a shareholding held through his Associates, being Eagle Creek Investments 223 Proprietary Limited, Pacific Breeze Trading 417 Proprietary Limited and Silver Meadow Trading 3 Proprietary Limited.
2. The indirect shareholding of CWJ Lyons is a shareholding held through his Associates, being Ms ER Lyons, Ms TA Lyons and Ms CJD Lyons.

There will be no change in the number of Shares held by directors as disclosed in the above table subsequent to the Proposed Transaction.

There has been no change in the direct or indirect interests of the Directors since the Company's year-end on 29 February 2020 and the Last Practicable Date.

11.3 **Directors' interests in transactions**

None of the Directors have any direct or indirect beneficial interests in any transactions entered into by Huga in the current or preceding financial year, or in any transactions during an earlier financial year that remain outstanding or unperformed.

11.4 **Directors' emoluments**

There will be no variation to the remuneration of the Directors as a result of the Proposed Transaction.

There are no fees paid or accrued as payable to a third party in lieu of directors' fees as a result of the Proposed Transaction.

Details of Directors' emoluments are set out in paragraph 2.5 of the Revised Listing Particulars.

11.5 **Directors' service contracts**

All executive directors of Huga have service contracts, the terms of which are set out in the remuneration report contained in the Company's integrated annual report for the year ended 29 February 2020, which is incorporated by reference.

12. **LITIGATION STATEMENT**

The Group engages in a certain level of litigation in the ordinary course of business. The Directors have considered all legal and arbitration proceedings, including any proceedings that are pending or threatened and are of the opinion that none of these will have a material effect on the Group's financial position.

As at the Last Practicable Date, details of any legal or arbitration proceedings, including any proceedings that are pending or threatened, which may have material effect on the financial position of Adapt IT were not made available to Huga and accordingly have not been included in the Circular.

13. **MATERIAL BORROWINGS**

Details of material loans are set out in paragraph 6.2 of the Revised Listing Particulars.

14. **CHANGE IN CONTROL**

There has been no change in controlling shareholder nor in the trading objects of Huga during the previous five years.

15. **WORKING CAPITAL STATEMENT**

15.1 The Directors have considered the working capital requirements of the Company and are of the opinion that the working capital available to the Company and its subsidiaries is sufficient for the Group's present requirements, subsequent to the Proposed Transaction and the Specific Repurchases, that is, for at least the next 12 months from the date of issue of this Circular.

15.2 The Specific Repurchases are subject to the provisions of the Memorandum of Incorporation, the Companies Act and the Listings Requirements, where applicable. The Directors are of the opinion that, after considering the effect of the Specific Repurchases:

15.2.1 the Company and the Group will be able in the ordinary course of business to pay its debts for a period of 12 (twelve) months after the date of approval of this Circular;

15.2.2 assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 (twelve) months after the date of approval of this Circular, where for this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements;

15.2.3 share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of approval of this Circular; and

15.2.4 working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of approval of this Circular.

15.3 In addition, resolutions by the Board has been adopted, stating that the Board has authorised the Specific Repurchases, that the Company has passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Company and the Group.

16. MATERIAL CHANGE

Details of material changes are set out in paragraph 12 of the Revised Listing Particulars.

17. MATERIAL CONTRACTS

Details of material contracts are set out in paragraph 6.1 of the Revised Listing Particulars.

18. MATERIAL RISKS

Details of material risks are set out in paragraph 19 of the Revised Listing Particulars.

19. MATERIAL ACQUISITIONS AND VENDOR INFORMATION

Details of material acquisitions are set out in paragraph 17 of the Revised Listing Particulars.

20. EXPENSES

The costs and expenses of the Proposed Transaction and Specific Repurchases payable by Huge, are estimated at R4 975 568 and R185 000 (excluding VAT), respectively, as set out below:

		Proposed Transaction Rand '000	Specific Repurchases Rand '000
Financial Advisor and Transaction Sponsor	Questco	475	25
Independent Reporting Accountants	Moore	85	35
Legal Advisors	Herbert Smith Freehills South Africa LLP	450	30
Securities Transfer Tax	SARS	3 293	–
Documentation Fees and Rulings	JSE Limited	200	50
JSE Listing Fees		398	–
Printing, distribution and publishing	Ince	75	45
Total		4 976	185

No preliminary expenses were incurred during the past 3 years by Huge.

The costs and expenses pertaining to the Proposed Transaction which are applicable to Adapt IT are available in the Adapt IT Response Circular, which is incorporated herein by reference.

21. CONSENTS

Each of the advisors, whose name appears in the “*Corporate information and Advisors*” section of this Circular, have consented in writing to act in the capacities stated and to the inclusion of their names and, where applicable, to the inclusion of their reports in this Circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of this Circular.

22. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear on page 1 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading, and that they have made all reasonable enquiries in this regard to ascertain such facts and certify that, to the best of their knowledge and belief, the Circular contains all information required by the Listings Requirements and by law.

23. DIRECTORS' OPINION, RECOMMENDATIONS AND UNDERTAKINGS

The Board has considered the terms of the Proposed Transaction and the Specific Repurchases and is of the opinion that both the Proposed Transaction and the Specific Repurchases are in the best interests of the Company.

The Board accordingly recommends that Shareholders vote in favour of the resolutions set out in the Notice of General Meeting, which forms part of this Circular, and advises that, in respect of their own shareholdings in Huge Group, they intend to vote in favour of the resolutions contained in such notice.

24. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the Company's registered office or may be made available electronically upon email request to the Huge company secretary (rhansa@hugegroup.com) from the date of posting of this Circular until the date of the General Meeting:

- a signed copy of this Circular, notice of General Meeting and Form of Proxy;
- copies of the Repurchase Agreements;
- copies of the Executive Option Agreements;
- the audited annual financial information of Huge for the three years ended 28 February 2021, 29 February 2020 and 28 February 2019;
- the integrated annual report of Huge for the year ended 29 February 2020;
- the unaudited condensed consolidated interim results of Adapt IT for the six months ended 31 December 2020;
- the audited annual financial information of Adapt IT for the three years ended 30 June 2020, 30 June 2019 and 30 June 2018;
- the integrated annual report of Adapt IT for the year ended 30 June 2020;
- a signed copy of the independent reporting accountants' limited assurance report on the *pro forma* financial information of Huge in respect of the Proposed Transaction;
- a signed copy of the independent reporting accountants' limited assurance report on the *pro forma* financial information of Huge in respect of the Specific Repurchases;
- the Memorandum of Incorporation of Huge and the Memoranda of Incorporation of its major subsidiaries;
- written consents from each of the experts referred to in paragraph 21 of the Circular; and
- the directors service agreements.

Signed in Johannesburg by or on behalf of all the Directors on 11 June 2021, in terms of a Directors resolution in term of section 74 of the Companies Act.

By order of the board



JC Herbst



huge
group

HUGE GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2006/023587/06)
Share code: HUG
A2X share code: HUG ISIN: ZAE000102042

REVISED LISTING PARTICULARS

PREPARED IN TERMS OF THE LISTINGS REQUIREMENTS OF THE JSE LIMITED

The definitions and interpretations contained in the Circular, of which these Revised Listing Particulars form part, apply throughout this document.

The Corporate Information relative to the Company is provided on page 1 of the Circular.

These Revised Listing Particulars are not an invitation to the public to subscribe for shares in Huge, but are issued for the purpose of giving information to Huge Shareholders with regard to Huge, as the Proposed Transaction, entered into by Huge during the past three months will result in Huge issuing in excess of 50% of its Shares currently in issue. Accordingly, in terms of the Listings Requirements, the Company is required to provide Shareholders with the information contained herein.

At the date of these Revised Listing Particulars:

- there are 1 000 000 000 authorised Huge ordinary shares of R0.0001 each;
- there are 171 744 611 issued Huge ordinary shares of R0.0001 each; and
- there are 9 646 926 shares held in treasury.

Pursuant to the Proposed Transaction, should it result in the acquisition of all of the Adapt IT Shares in issue and the Specific Repurchases:

- there will be 1 000 000 000 authorised Huge ordinary shares of R0.0001 each;
- there will be 296 556 358 issued Huge ordinary shares of R0.0001 each; and
- there will be 16 510 018 shares held in treasury.

The Directors, whose names appear on page 1 of the Circular, accept, collectively and individually, full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, there are no other facts that have been omitted which would make any statement herein false or misleading, and that they have made reasonable enquiries to ascertain such facts and that this document contains all information required by law and the Listings Requirements.

These Revised Listing Particulars have been prepared in compliance with the Listings Requirements as they pertain to Huge. Information and disclosures relating to Adapt IT have been included where possible from publicly available information and can be found in the Adapt IT integrated annual report for the year ended 30 June 2020, which is incorporated by reference in the Circular and is available on the Adapt IT website at <https://www.adaptit.com/investor-reports-new>. Shareholders are referred to **Annexure 14** of this Circular for a summary of the disclosures required to be included in these Revised Listing Particulars for Adapt IT in terms of the JSE Listings Requirements.

1. HISTORY

- 1.1 Huge was incorporated on 31 July 2006 under the name Northern Lights Trading 107 Proprietary Limited. On 23 September 2006, the Company changed its name to Vanquish Fund Managers Proprietary Limited. The shareholders of Vanquish Fund Managers Proprietary Limited approved the conversion from a private to a public company, a name change to Huge Group Limited and the acquisition of TelePassport Proprietary Limited on 2 July 2007.

- 1.2 Huge listed on the Alternative Exchange of the JSE on Wednesday, 8 August 2007. On 1 March 2016, its listing was transferred to the Mobile Telecommunications list of the Main Board of the JSE. The Huge business has been operational for the past 15 years.
- 1.3 Huge Telecom has over two decades of local South African telecoms experience. The company commenced operations in 1993 as TelePassport Southern Africa Proprietary Limited. In 2007, when Huge Group listed on the Alternative Exchange JSE, TelePassport was merged with smaller telecoms operator Centracell Proprietary Limited, and renamed Huge Telecom. This achieved the economies of scale and talent required to become a serious player in South Africa's competitive corporate telecommunications market.
- 1.4 Since 2005, Huge Connect (previously ConnectNet) has been providing value-added data services using GSM-based cellular data networks for business-to-business and machine-to-machine applications. This comprehensive suite of telecommunications solutions includes customised SIM solutions, bulk SMS solutions, 2G/3G/4G mobile data connectivity solutions, branch connectivity, internet access, fixed mobile voice solutions and hosted PBX solutions. Huge Connect has business hubs conveniently located in Centurion, Cape Town, Durban, Bloemfontein and Port Elizabeth, with support staff busy across the whole of South Africa. Huge Connect has a diverse portfolio of over 33 000 clients, covering a wide range of small, medium and large enterprises across a broad spectrum of industries, including agriculture, financial services, fuel and oil, retail, security, transport and logistics.
- 1.5 Huge Networks was established in 2008 with the primary purpose of providing wholesale voice and data services. Huge Networks is an end-to-end, licensed information and communications technology (ICT) company providing top-quality broadband, voice as well as cloud-based services and related ICT equipment.
- 1.6 Neither the business of Huge, nor that of any of its subsidiaries, is managed or is proposed to be managed by a third party under a contract or arrangement.
- 1.7 Huge is duly incorporated under the law of South Africa and is operating in conformity with its MOI.
- 1.8 Details of Huge's subsidiaries are included in **Annexure 8** of the Circular.

2. DIRECTORS AND DIRECTORS' INTERESTS

2.1 Directors

Information relating to the Directors and managers of Huge's major subsidiaries is set out below. Details of directorships and/or partnerships held by the Directors and executive management of Huge during the past five years are set out in **Annexure 6** of the Circular.

Name	Business address	Position	Qualifications
Duarte Ferdinand da Silva <i>(South African)</i>	Unit 6, 1 Melrose, Boulevard, Melrose Arch	Non-executive Chairman	DPhil Eng
Dennis Robert Gammie <i>(South African)</i>	Unit 6, 1 Melrose, Boulevard, Melrose Arch	Independent Non-executive Director	CA(SA)
Vincent Mokhele Mokholo <i>(South African)</i>	Unit 6, 1 Melrose, Boulevard, Melrose Arch	Non-executive Director	BSc, MBA
Craig Lyons <i>(South African)</i>	Unit 6, 1 Melrose, Boulevard, Melrose Arch	Independent Non-executive Director	BCom, D.Soc (Economics)
Brian Armstrong <i>(South African)</i>	Unit 6, 1 Melrose, Boulevard, Melrose Arch	Independent Non-executive Director	BSc (Eng), MSc (Eng), PhD
James Charles Herbst <i>(South African)</i>	Unit 6, 1 Melrose, Boulevard, Melrose Arch	Chief Executive Officer	CA(SA), CFA
Samantha Sequeira <i>(South African)</i>	Unit 6, 1 Melrose, Boulevard, Melrose Arch	Chief Financial Officer	CA(SA)

Name	Business address	Position	Qualifications
Andy Openshaw <i>(South African)</i>	Unit 6, 1 Melrose, Boulevard, Melrose Arch	Chief Operating Officer	BPharm
Rokeya Hansa <i>(South African)</i>	Unit 6, 1 Melrose, Boulevard, Melrose Arch	Company Secretary	LLB
Robert Burger <i>(South African)</i>	146a Kelvin Drive, Woodmead	Managing Director – Huge Telecom	CA(SA)
Keven Sinclair <i>(South African)</i>	267 West Building, 26 West Avenue, Centurion	Managing Director – Huge Connect	BCom
Marius Oberholzer <i>(South African)</i>	Unit 6, 1 Melrose, Boulevard, Melrose Arch	Managing Director – Huge Networks	Doctor of Business Administration

None of the Directors have:

- been involved in any bankruptcies, insolvencies or individual voluntary compromise arrangements;
- been involved in any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of Section 129 (7) of the Act, receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company;
- been involved in any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships;
- been involved in any receiverships of any asset(s);
- been publicly criticised by a statutory or regulatory authority, including recognised professional bodies or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- been convicted of an offence involving dishonesty, fraud, theft, perjury, misrepresentation or embezzlement;
- been adjudged bankrupt or sequestrated in any jurisdiction;
- been party to a scheme of arrangement or made any other compromise with creditors;
- been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
- been barred from entry into any profession or occupation;
- been convicted in any jurisdiction of any criminal offence;
- been removed from an office of trust on the grounds of misconduct involving dishonesty; or
- had any court grant an order declaring him/her to be delinquent or placing him/her under probation in terms of section 162 of the Companies Act and/or Section 47 of the Close Corporations Act, 1984 (Act No. 69 of 1984) or disqualifying him to act as a director in terms of Section 219 of the Companies Act, 1973 (Act No. 61 of 1973).

Save for the resignation of Stephen Tredoux from the Board on 23 September 2020, no change in the directorate has occurred since the financial year end of the Company on 29 February 2020 and the Last Practicable Date.

2.2 Profile of Directors

Directors' profiles are included in **Annexure 5** of the Circular.

2.3 Directors' interests

Other than as set out in paragraph 11.1 of the Circular, none of the other Directors (and their Associates), including any directors who resigned during the last 18 months, had any direct or indirect beneficial interests in the issued share capital of Hugel as at the Last Practicable Date.

It is not expected that there will be any change in the Directors' interests as a result of the Proposed Transaction and the Specific Repurchases.

No amounts have been paid or agreed to be paid to any Director in the three years preceding this Circular to induce him to become or qualify him as a director.

2.4 Directors' interests in Transactions

None of the Directors have any direct or indirect, beneficial or non-beneficial, interests in any transactions effected by Hugel in the current or preceding financial year, or in any transactions during an earlier financial year that remain currently outstanding or unperformed.

2.5 Directors' emoluments

The Directors' emoluments paid by the Company for the year ended 29 February 2020 were as follows:

Executive

All figures in R	Basic salary	Risk, retirement and medical contributions	Incentives	Total
JC Herbst	3 736 182	524 781	3 960 000	8 220 963
AP Openshaw	2 919 966	111 819	–	3 031 785
SL Sequeira	1 138 416	–	75 000	1 213 416
Total	7 794 564	636 600	4 035 000	12 466 164

Non-executive

All figures in R	Total annual retainer paid	Total annual attendance fees paid	Total fees paid for attendance at special board meetings	Consulting fees paid	Total
DF da Silva	720 000	90 000	36 000	720 000	1 566 000
VM Mokholo	372 000	90 000	18 000	200 000	680 000
DR Gammie	372 000	90 000	18 000	–	480 000
SP Tredoux	372 000	72 000	18 000	–	462 000
CWJ Lyons	372 000	90 000	18 000	–	480 000
BC Armstrong	372 000	90 000	18 000	–	480 000
Total	2 580 000	522 000	126 000	920 000	4 148 000

Save for as disclosed above, no management, consulting, technical or other fees, directly or indirectly, including payments to management companies, have been paid to any of the Directors.

No other amounts have been paid to Directors for expense allowances, commissions, gains, bonuses or performance related payments, profit sharing or any other material benefit. Other than disclosed above, there are no share options held by Directors and no share incentive scheme is in place. In addition, there are no contractual obligations with respect to Directors' remuneration.

No fees have been paid to a third party in lieu of Directors' fees, and the Directors' remuneration shall not be varied as a result of the Proposed Transaction and the Specific Repurchases.

There will be no change to the Directors' emoluments as a result of the Proposed Transaction or the Specific Repurchases.

There are no restraint of trade payments paid nor due to any Director.

2.6 Directors' service contracts

All executive Directors have service contracts with a notice period of three months and which do not contain any provisions for restraint of trade payments.

The term of appointment of the executive directors and non-executive directors is indefinite but remains subject to all applicable law (including common law) and the provisions of the MOI.

2.7 Interests of promoter

No amounts, in cash or securities, have been paid or any benefit given within the preceding three years to any promoter.

None of the Directors and promoters of Huge have received any material beneficial interest, direct or indirect, in the promotion of the Company during the three years preceding this Circular. This includes a partnership, company, syndicate or other association.

No amount has been paid, or agreed to be paid, within the three years preceding the date of this Circular, to any Director, or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director ("the associate company") or to any partnership, syndicate or other association of which he is a member ("the associate entity"), in cash, securities or otherwise, by any person, either to induce him to become, or to qualify him as a director or otherwise for services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of Huge.

2.8 Commissions paid in respect of underwriting

No commissions in respect of underwriting have been paid in the three years preceding the Circular for subscribing or agreeing to subscribe for any Shares nor have any discounts, brokerages or other special terms been granted in the preceding 3 years in connection with the issue/sale of Shares.

2.9 Royalties payable

As at the Last Practicable Date, no royalties or items of a similar nature were payable in respect of Huge and any of its major subsidiaries.

3. NATURE OF BUSINESS AND PROSPECTS OF HUGE

3.1 Nature of business

The nature of the Huge business is set out in paragraph 3 of the Circular.

3.2 Prospects

Details of the Huge's prospects and strategy are set out in paragraph 3 of the Circular.

4. SHARE CAPITAL INFORMATION

4.1 Authorised and issued share capital prior to the Proposed Transaction and the Specific Repurchases

The table below reflects the authorised and issued share capital prior to the Proposed Transaction and the Specific Repurchases:

	R
Authorised	
1 000 000 000 ordinary shares of R0.0001 each	100 000
Issued	
171 744 611 ordinary shares of R0.0001 cent each	17 174
Share premium	599 930 212
TOTAL SHARE CAPITAL	599 947 386

As at the Last Practicable Date, Huge Telecom held 9 646 926 Shares as treasury shares.

4.2 **Authorised and issued share capital after the Specific Repurchases**

The table below reflects the authorised and issued share capital subsequent to the Specific Repurchases but before the Proposed Transaction, assuming that Shareholders approve the Specific Repurchases:

	R
Authorised	
1 000 000 000 ordinary shares of R0.0001 cent each	100 000
Issued	
166 157 611 ordinary shares of R.0001 cent each	16 616
Share premium	574 805 886
TOTAL SHARE CAPITAL	574 822 502

Pursuant to the Specific Repurchases, Huge Telecom will still hold 9 646 926 as treasury Shares.

4.3 **Authorised and issued share capital after the Proposed Transaction**

The table below reflects the authorised and issued share capital subsequent to the Specific Repurchases and the Proposed Transaction, assuming that the Offer is accepted by Adapt IT Shareholders holding 100% of the Adapt IT Shares in issue:

	R
Authorised	
1 000 000 000 ordinary shares of R0.0001 cent each	100 000
Issued	
296 566 358 ordinary shares of R0.0001 cent each	29 656
Share premium	1 374 133 033
TOTAL SHARE CAPITAL	1 374 162 689

Pursuant to the Proposed Transaction and Specific Repurchases, Huge Telecom will still hold 9 646 926 Shares as treasury shares and Adapt IT Proprietary Limited will hold 6 863 092 Shares as treasury shares.

Save for the listings on the JSE and A2X Markets, no securities of Huge are listed on any other stock exchange. There are no other classes of share in issue aside from the ordinary shares detailed above.

Save for the options granted by Huge to JC Herbst, AP Openshaw and SL Sequeira in terms of the Executive Option Agreements entered into in August 2019, details of which are contained in **Annexure 13** of this Circular and the circular to Huge shareholders dated 29 January 2020 incorporated by reference in terms of paragraph 25 of the Revised Listing Particulars, no other option or preferential right of any kind was or is proposed to be given to any person/s to subscribe for any Shares.

4.4 **Alterations to share capital**

The details of all alterations to share capital and issues or offers of securities during the past three years are disclosed in **Annexure 9** of the Circular.

4.5 **Rights attaching to Huge Shares**

In accordance with the Memorandum of Incorporation, at any General Meeting every member present in person or by proxy shall have one vote on a show of hands, provided that a proxy shall, irrespective of the number of members he represents, have only one vote. On a poll, every member present in person or by proxy shall have that proportion of the total votes in the Company which the aggregate amount of the nominal value of the Shares held by that member bears to the aggregate of the nominal value of all the Shares issued by the Company.

All of the Shares are of the same class and rank *pari passu* in every respect. There are no conversion or exchange rights attached to such Shares. Any variation in the rights attaching to the Huge Shares will require either the written consent of the holders of at least three-fourths of the nominal amount of the issued Huge shares of that class or with the sanction of a resolution passed at a separate General Meeting of the holders of the Shares of that class, which shall be passed in the same manner, *mutatis mutandis*, as if it were a special resolution in terms of the Companies Act.

Extracts from the Memorandum of Incorporation relating to the voting rights attaching to the Shares are set out in **Annexure 7** of the Circular.

5. MAJOR SHAREHOLDERS

Insofar as is known to the Directors, as at the Last Practicable Date, Huge Shareholders who hold a direct or indirect interest of 5% or more in the issued share capital of Huge before and after the implementation of the Proposed Transaction and the Specific Repurchases, are as follows:

Shareholder	Before the transactions*	%	After the Transactions**	%
Praesidium Hedge Fund***	36 500 000	21.23	36 500 000	12.31
Pacific Breeze Trading 417 Proprietary Limited****	14 260 891	8.29	14 260 891	4.81
Standard Chartered Bank	9 967 386	5.68	9 967 386	3.36
Eagle Creek Investments 223 Proprietary Limited****	9 805 567	5.58	9 805 567	3.31
Government Employees Pension Fund	8 623 678	5.02	8 623 678	2.91

* Based on 171 924 611 Shares including 9 646 926 treasury shares as at the Last Practicable Date.

** Based on 296 566 388 Shares including 16 510 018 treasury shares as at the Last Practicable Date.

*** As set out in the Circular, Praesidium is defined as acting in its capacity as the manager of various funds that collectively own 30.44% of the issued Shares (excluding treasury shares). Praesidium Hedge Fund is the individual entity that holds in excess of 5% in the issued share capital of Huge.

**** An Associate of JC Herbst.

There is no controlling shareholder, and there will be no change in control as a result of the Proposed Transaction or the Specific Repurchases. There has been no change in control of Huge or in the trading objects of Huge and its subsidiaries over the past five years.

6. MATERIAL CONTRACTS AND LOANS

6.1 Material Contracts

Other than the Specific Repurchase Agreements referred to in paragraph 7 of the Circular and the Executive Option Agreements referred to in paragraph 4.3 of these Revised Listing Particulars, no material contracts or restrictive funding arrangements have been entered into by Huge either verbally or in writing during the two years preceding the Last Practicable Date or at any other time containing an obligation or settlement that is or may be material to the Company or its Subsidiaries at the Last Practicable Date, otherwise than in the ordinary course of business.

As at the Last Practicable Date, details of material contracts of Adapt IT and any of its subsidiaries were not made available to Huge and accordingly have not been included in the Circular.

6.2 Material Loans

Other than the material loans set out in **Annexure 10**, Huge has no other material loans, including debentures advances to it or its subsidiaries. None of the material loans listed below have any redemption or conversion rights attaching to them.

Details of the material loans of Adapt IT are set out in note 13 of the annual financial statements of Adapt IT, to be found on page 122 of the 2020 Adapt IT Integrated Report, and are incorporated herein by reference.

As at the Last Practicable Date, no loans have been made or security furnished by the Company to or for the benefit of any Director or manager or Associate of any Director or manager of the Company.

As at the Last Practicable Date, Huge had no loan capital outstanding.

At the Last Practicable Date, other than as set out in **Annexure 12**, there were no other intercompany loans or other financial transactions.

7. BORROWING POWERS

An extract from the Memorandum of Incorporation, detailing the Company's borrowing powers, is set out in **Annexure 7** of the Circular. There are no restrictions on the Company's borrowing powers. The borrowing powers of the Company and/or its major subsidiaries have not been exceeded during the three years preceding the date of these Revised Listing Particulars.

8. LOANS RECEIVABLE

As at the last reporting date, being 28 February 2021, Huge had the following loans receivable outstanding:

Lender	Borrower	Directors of the borrowers*	Amount (R'000)
Huge Group	Huge Cellular	JC Herbst, VM Mokholo, SL Sequeira	61 269
Huge Group	Huge Soho	JC Herbst, AP Openshaw, VM Mokholo, SL Sequeira	2 407
Total			63 676

* The business addresses of the directors of both Huge Cellular and Huge Soho are set out in paragraph 2.1 of the Revised Listing Particulars.

The loans bear no interest, are unsecured and have no fixed repayment periods.

The loans were utilised for working capital requirements as well as organic growth.

The loans were advanced over several payments to the lenders from inception to date, the first tranche of which was made on 26 February 2019 in respect of Huge Soho and 28 February 2013 in respect of Huge Cellular.

9. MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

As at the last reporting date, being 28 February 2021, Huge had material commitments relating to current and non-current lease liabilities of an aggregate amount of R15 833 273. There are no contingent liabilities relating to Huge.

10. PRINCIPAL LEASEHOLD PROPERTIES

Huge has a lease with Apple Squash Proprietary Limited (lease assigned to B & B Media Proprietary Limited) for its premises comprising 330m² and located at 1 Melrose Boulevard, Melrose Arch, Johannesburg, 2076. The lease expires after a period of three years, being 28 February 2021. The current rental payable in terms of the lease is an amount of R97 520 per month. The lease is currently on a month-to-month basis following the completion of the initial 3 year term.

Huge Cellular has a month-to-month lease with 3M South Africa Proprietary Limited for its premises comprising 2 000m² and located at 3M Building, 146a Kelvin Drive, Woodmead, Johannesburg. The lease expires at the end of May 2021. The current gross monthly rental for the lease is an amount of R336 420.

11. DIVIDENDS

Distributions that are dividends are paid to Shareholders according to their respective rights and interest in proportion to the number of Shares held by them in each class in respect of which the dividend is payable. If any share is issued on terms providing that it shall rank for dividends as from a particular date or for all dividends declared after a particular date, such share shall rank for dividends accordingly.

Dividends are payable to Shareholders that are registered as at a date subsequent to the date of declaration of the dividend or the date of confirmation of the dividend, whichever is the later

A dividend may be declared out of the profits or reserves of the Company, whether realised or unrealised, whether of a revenue or a capital nature and whether designated distributions or not, and no dividend carries interest as against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such dividend is payable. Dividends may be declared either free of or subject to the deduction of income tax and any other tax or duty for which the Company may be charged.

Subject to the laws of prescription, unclaimed distributions (including dividends) must be held in trust indefinitely for the benefit of the relevant Shareholders, whereupon the liability of the Company in relation thereto shall be extinguished.

Any distribution may be paid and satisfied, either wholly or in part, by the distribution of specific assets, or in Shares or debt instruments of the Company or of any other company, or in cash, or in any one or more of such ways as the board or Company in general meeting may at the time of declaring the dividend determine and direct, provided that the right of election to receive either scrip dividends or cash dividends (as contemplated in the Listings Requirements) is not prohibited in any way.

The Board may before authorising any dividend whether preferential or otherwise, set aside out of the profits of the Company whether realised or unrealised and whether of a revenue or of a capital nature such sum as they think proper as reserves which shall, at the discretion of the board, be applied for any purpose to which the profits of the Company may be properly applied and pending such application may, at the board's discretion, either be employed in the business of the Company or be invested in such investments as the board may from time to time think fit. The board may also without placing the same to reserve, carry forward any profits of the Company which they may think prudent not to declare as a dividend.

Subject to the provisions of section 47 and any other requirements imposed by the Companies Act, the Shareholders may (if authorised by the board) and the board may resolve that it is desirable to capitalise all or any part of the amount standing to the credit of any of the Company's reserves or of any share premium account or capital redemption reserve fund or to the credit of the income statement or otherwise available for distribution and not required for the payment of the fixed dividends on any preference Shares of the Company, and accordingly that such amount be set free for distribution among the Shareholders or any class of Shareholders who would be entitled thereto if distributed by way of dividend and in the same proportions on the footing that the same be not paid in cash but be applied in paying up unissued Shares of the Company to be issued to such Shareholders as fully paid capitalisation Shares.

There are no arrangements in place whereby any future dividends are waived or agreed to be waived.

12. MATERIAL CHANGE

Other than the Proposed Transaction and the Specific Repurchases dealt with in the Circular, there are no other material changes in the financial or trading position of the Group since the publication of its Provisional Condensed Consolidated financial results for the year ended 28 February 2021.

As at the Last Practicable Date, details of any material change in the financial or trading position of Adapt IT and its subsidiaries were not made available to Huge and accordingly have not been included in the Circular.

13. HISTORY OF CHANGE

There has been no change in the business and trading objects of Huge and its subsidiaries during the previous five years.

14. WORKING CAPITAL STATEMENT

The working capital statement is set out in paragraph 15 of the Circular.

15. PROPERTY AND BUSINESS UNDERTAKINGS ACQUIRED OR TO BE ACQUIRED

Save for the Proposed Acquisition, further details of which are set out in **Annexure 11**, no material immovable properties, fixed assets, securities and/or business undertakings have been acquired by the Company within the past three years or are in the process of being or are proposed to be acquired by the Company (or which the Company has an option to acquire).

16. PROPERTIES, ASSETS AND BUSINESS UNDERTAKINGS DISPOSED OF OR TO BE DISPOSED OF

No other material immovable properties and/or fixed assets and/or business undertakings have been disposed of in the three years preceding the Last Practicable Date or are intended to be disposed of within six months of the date of these Revised Listing Particulars.

17. MATERIAL ACQUISITIONS AND VENDOR INFORMATION

Other than as set out in **Annexure 11**, Huger has made no material acquisitions within the three years prior to the date of the Circular.

Based on information publicly available to Huger as at the Last Practicable Date, Adapt IT has made no material acquisitions (that could be classified as a Category 1 transactions in terms of section 9 of the JSE Listings Requirements) within the three years prior to the date of the Circular.

18. LITIGATION STATEMENT

The litigation statement is set out in paragraph 12 of the Circular.

19. MATERIAL RISKS

All material risks specific to Huger have been incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and are available on the Company's website at the link set out in paragraph 25 of these Revised Listing Particulars. There have been no changes in the material risks of the Company from the date of the integrated annual report of Huger for the year ended 29 February 2020 up until the Last Practicable Date.

20. CORPORATE GOVERNANCE

Huger's corporate governance statement is available on Huger's website (<https://hugergroup.com/>) and will also be available for inspection by prior arrangement at Huger's registered office (Unit 6, 1 Melrose Boulevard, Melrose Arch, Johannesburg, 2076) from the date of issue of these Revised Listing Particulars until the date of the General Meeting. Huger's corporate governance statement has been incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and is available on the Company's website at the link set out in paragraph 25 of these Revised Listing Particulars. Save for a change to the composition of the Board committees as announced on SENS on 29 July 2020, and the resignation of Mr Steve Tredoux on 23 September 2020, there have been no changes to the corporate governance statement of the Company from the date of the integrated annual report of Huger for the year ended 29 February 2020 up until the Last Practicable Date. The SENS announcements aforementioned are incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and are available on the Company's website at the link set out in paragraph 25 of these Revised Listing Particulars.

The social and ethics committee of Huger confirm that it has fulfilled its mandate prescribed by the Companies Regulations, 2011 and that there are no instances of material non-compliance to disclose.

21. GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW

There is no government protection or any investment encouragement law pertaining to the businesses operated by Huger and its subsidiaries.

22. EXPENSES

The estimated total amount of expenses which have been incurred by the Company or that are expected to be incurred in respect of the Proposed Transaction and Specific Repurchases are set out in paragraph 20 of the Circular.

23. SHARE TRADING HISTORY

The prices and trading history of Shares are set out in **Annexure 15** of the Circular.

24. DOCUMENTS AVAILABLE FOR INSPECTION

The documents available for inspection are set out in paragraph 24 of the Circular.

25. DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and are available for viewing on the Company's website at the links provided below, and is also available for inspection free of charge, during business hours at the Company's registered office:

Document	Link
1. Huge's corporate governance statement commencing on page 38 of the integrated annual report of Huge for the year ended 29 February 2020.	https://hugegroup.com/wp-content/uploads/2021/01/2020-08-31-HGRO-Integrated-Report-and-AFS.-29-February-2020.-Full.pdf
2. The SENS announcement released by Huge dated 29 July 2020	https://news.a2x.co.za/?article=1964
3. The SENS announcement released by Huge dated 25 September 2020.	https://news.a2x.co.za/?article=2163
4. Financial information of Adapt IT for the six months ended 31 December 2020 and the three years ended 30 June 2020, 30 June 2019 and 30 June 2018	https://www.adaptit.com/investor-reports-new
5. The integrated annual report of Adapt IT for the year-ended 30 June 2020	https://www.adaptit.com/investor-reports-new
6. Financial information of Huge for the three years ended 28 February 2021, 29 February 2020 and 28 February 2019	https://hugegroup.com/huge-group-unlocking-business-opportunity-financials/
7. The integrated annual report of Huge Group for the year-ended 29 February 2020	https://hugegroup.com/wp-content/uploads/2021/01/2020-08-31-HGRO-Integrated-Report-and-AFS.-29-February-2020.-Full.pdf
8. Huge's material risks statement commencing on page 30 to 37 of the integrated annual report of Huge for the year ended 20 February 2020	https://hugegroup.com/wp-content/uploads/2021/01/2020-08-31-HGRO-Integrated-Report-and-AFS.-29-February-2020.-Full.pdf
9. Circular by Huge to Adapt IT Shareholders dated 16 April 2021	https://hugegroup.com/wp-content/uploads/2021/04/2021-04-16-HGRO-Offeror-Circular-to-Adapt-IT-shareholders.pdf
10. Circular to Huge Shareholders dated 25 October 2019	https://hugegroup.com/wp-content/uploads/2019/10/2019-10-25-HGRO-Circular.-Huge-Connect-Windfall-Related-Party-Transaction.pdf
11. Circular to Huge Shareholders dated 29 January 2020	https://hugegroup.com/wp-content/uploads/2020/01/2020-01-29-HGRO-Circular-to-Shareholders.-Executive-Option-Agreements.pdf
12. Circular to Huge Shareholders dated 17 January 2017	https://hugegroup.com/wp-content/uploads/2017/01/20170117-Huge-Group-Circular-Connectnet-Acquisition.pdf

Signed in Johannesburg by or on behalf of all the Directors on 11 June 2021, in terms of a Directors resolution in term of section 74 of the Companies Act.

By order of the board



JC Herbst

PRO FORMA STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME OF HUGE IN RESPECT OF THE PROPOSED TRANSACTION

These *pro forma* financial statements have been prepared utilising publicly available information of Adapt IT, which is limited. It is possible that there could be a difference between the *pro forma* effects of the Offer presented below and those that will be presented in the Adapt IT Response Circular, particularly insofar as it relates to customer contracts and possible intangible assets that could be raised from goodwill and the related amortisation effect on the Statement of Profit or Loss.

PRO FORMA STATEMENT OF FINANCIAL POSITION

Set out below is the *pro forma* statement of financial position of Huge reflecting the effects of the acquisition of 100% of Adapt IT. The *pro forma* statement of financial position is the responsibility of the directors of Huge and has been provided for illustrative purposes only to provide information about how the Offer may have affected the financial position of Huge, assuming the Offer was implemented on 28 February 2021, and because of their nature, may not fairly represent the financial position of Adapt IT after the Offer.

Figures in Rand (R'000)	Original Consolidation				Total before Pro forma adjustments ⁷	Pro forma Adjustments			Pro forma after ¹¹	
	Huge Group as at 28 February 2021 ¹	Huge Group Investment ²	Huge Group post acquisition ³	Adapt IT as at 31 December 2020 ⁴		Adapt IT treasury shares ⁵	Adapt IT post adjustment ⁶	Acquisition of Adapt IT ⁸		Treasury Shares ⁹
Share-based payment reserve	34 610	-	34 610	-	34 610	-	-	-	-	34 610
Change in control reserve	52 474	-	52 474	-	52 474	-	-	-	-	52 474
Business combination reserves	-	-	-	(15 664)	(15 664)	-	15 664	-	-	-
Foreign currency translation reserve	-	-	-	14 250	14 250	-	(14 250)	-	-	-
Accumulated profit (loss)	327 261	-	327 261	517 239	898 289	53 789	(517 239)	(69 316)	(4 504)	307 230
Non-controlling interest	1 014 292	1 317 027	2 331 319	763 962	3 149 071	53 790	(763 962)	(69 317)	(4 504)	2 311 288
	(49 971)	-	(49 971)	(172)	(50 143)	-	-	-	-	(50 143)
	964 321	1 317 027	2 281 348	763 790	3 098 928	53 790	(763 962)	(69 317)	(4 504)	2 261 145
Liabilities										
Non-current liabilities										
Interest-bearing liabilities	100 777	-	100 777	430 640	531 417	-	-	-	-	531 417
Financial liabilities	-	-	-	5 741	5 741	-	-	-	-	5 741
Lease liabilities	10 969	-	10 969	263 409	274 378	-	-	-	-	274 378
Deferred tax	75 372	-	75 372	32 054	122 953	15 527	-	-	-	122 953
	187 118	-	187 118	731 844	934 489	15 527	-	-	-	934 489
Current liabilities										
Deferred income	34	-	34	-	34	-	-	-	-	34
Loans payable	300	-	300	-	300	-	-	-	-	300
Interest-bearing liabilities	51 263	-	51 263	34 131	85 394	-	-	-	-	85 394
Current tax payable	1 515	-	1 515	3 127	4 642	-	-	-	-	4 642
Lease liabilities	4 864	-	4 864	26 193	31 057	-	-	-	-	31 057
Contract liabilities	-	-	-	63 480	63 480	-	-	-	-	63 480
Trade and other payables	38 217	-	38 217	158 271	196 488	-	-	-	-	196 488
Bank overdraft	12 177	-	12 177	-	12 177	-	-	-	-	12 177
	108 370	-	108 370	285 202	393 572	-	-	-	-	393 572
Total liabilities	295 488	-	295 488	1 017 046	1 328 061	15 527	-	-	-	1 328 061
Total equity and liabilities	1 259 809	1 317 027	2 576 836	1 780 836	4 426 989	69 317	(763 962)	(69 317)	(4 504)	3 589 206
Number of shares in issue ('000) ¹²	162 098			137 262						349 723
Net asset value per share (cents)	594.90			556.45						646.55
Net tangible asset value per share (cents)	205.26			(58.67)						46.08

Notes and assumptions:

1. Extracted, without adjustment, from Huge's reviewed provisional condensed consolidated financial statements for the year ended 28 February 2021.
2. Represents Huge's irrevocable offer to purchase from each Adapt IT Shareholder all, or any, of their Adapt IT Shares for a consideration ("**Sale Consideration**") equivalent to 909 cents per Adapt IT Share. Huge shall discharge its obligations in relation to the Sale Consideration by issuing to each Adapt IT Shareholder that accepts the Offer, ordinary shares in Huge ("**Huge Shares**"), at a swap ratio ("**Swap Ratio**") of 1.37 Huge Shares for each Adapt IT Share tendered (rounded up to the nearest whole number). The Swap Ratio is based on a reference price of 665 cents per Huge Share. Including the following adjustments:
 - a) The acquisition of 100% of Adapt IT shares by Huge for a purchase consideration of R1 317 027 348 settled by the issue of Huge shares, applying a swap ratio of 1.37 Huge shares for every 1 Adapt IT share, resulting in the issue of 198 049 225 Huge shares for the 144 887 497 Adapt IT shares. An investment to the value of R1 317 027 348 is raised in the separate books of Huge which is later eliminated on consolidation.
3. Represents Huge's reviewed provisional condensed consolidated financial statements for the year ended 28 February 2021 post the above issue of shares and related investment in Adapt IT.
4. Extracted, without adjustment, from Adapt IT's unaudited interim financial statements for the half year ended 31 December 2020.
5. Represents the investment held in the Adapt IT relating to the 7 625 658 treasury shares acquired (Adapt IT Proprietary Limited hold Shares in Adapt IT and therefore upon acquisition of 100% of the Shares, Huge will acquire these treasury shares) and swapped for Huge shares at a swap ratio of 1.37 Huge shares for each Adapt IT Share tendered (resulting in 10 423 644 Shares held in treasury under Adapt IT Proprietary Limited post the transaction with Adapt IT). The Swap Ratio is based on a reference price of 665 cents per Huge Share. The profit on sale of treasury shares is taken to retained earnings.
6. Represents the sum of (4) and (5) above.
7. Represents the sum of (3) and (6) above.
8. In accordance with IFRS 3, the consolidation of Adapt IT will result in the recognition of Goodwill of R553 million as a result of the difference in the aggregate consideration paid in shares by Huge and the Adapt IT net asset value as at 28 February 2021. The consideration paid is calculated as the 198 049 225 total new Huge shares to be issued multiplied by a price of 665 cents (see note 2 above). No additional identifiable assets and liabilities have been recognised under IFRS 3 and a full purchase price allocation exercise will be performed post the transaction when the necessary information becomes available. As a result, it is possible that there could be a difference between the *pro forma* effects of the Offer presented below and those that will be presented in the Adapt IT Response Circular, particularly insofar as it relates to customer contracts and possible intangible assets that could be raised from goodwill and the related amortisation effect on the Statement of Profit or Loss. The adjustments include the elimination of stated capital as well as pre-acquisition retained earnings and reserves including the business combination reserve, the foreign currency translation reserve and accumulated profit/loss reserve. The investment in Adapt IT is raised at the purchase consideration of R1 317 027 348 creating the resultant Goodwill of R 553 064 348.

Goodwill is determined as the fair value of the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the investee. When the excess is negative, a gain on bargain purchase is recognised immediately in profit or loss. On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the profit or loss. Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

The reason for the Goodwill payment is substantiated by the qualitative factors included in the rationale for the transaction disclosed in paragraph 2 of the Circular.
9. Represents the elimination of the investment held in Adapt IT relating to the treasury shares held in Adapt IT Proprietary Limited and therefore in the consolidated Group financial statements.
10. The net impact of the transaction costs is assumed to be approximately R4 504 328, which has been expensed in full. Details of the costs have been provided in paragraph 20 of the Circular and are not considered to have a continuing effect on Huge.
11. Represents the "After" column incorporating the adjustments set out above.
12. Represents total ordinary shares in issue excluding treasury shares.

PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Set out below is the *pro forma* statement of comprehensive income of Huge reflecting the effects of the acquisition of 100% of the Adapt IT Shares. The *pro forma* statement of comprehensive income is the responsibility of the directors of Huge and has been provided for illustrative purposes only to provide information about how the Offer may have affected the financial performance of Huge, assuming the Offer was implemented on 1 March 2020, and because of their nature, may not fairly represent the financial performance of Adapt IT after the Offer.

	Huge Group as at 28 February 2021 ¹	Transaction costs ²	Huge Group post adjustment ³	Adapt IT FY2020 as at 30 June 2020 ⁴	Adapt IT HY2020 ⁽¹⁾ as at 31 December 2019 ⁵	Adjusted Adapt IT HY2020 ⁽²⁾ as at 30 June 2020 ⁶	Adapt IT Interim Results 2020 as at 31 December 2020 ⁷	Adapt IT Aggregate base information as at 31 December 2020 ⁸	Adapt Treasury shares ⁹	Adapt IT post adjustment ¹⁰	Eliminating entries ¹¹	Pro forma after ¹²
Revenue	469 857	-	469 857	1 483 347	721 249	762 098	707 394	1 469 492	-	1 469 492	-	1 939 349
Cost of sales (impairment of inventory)	(177 149)	-	(177 149)	(661 285)	(318 019)	(343 266)	(321 117)	(664 383)	-	(664 383)	-	(841 532)
Cost of sales (impairment of inventory)	(31 233)	-	(31 233)	-	-	-	-	-	-	-	-	(31 233)
Gross profit	261 475	-	261 475	822 062	403 230	418 832	386 277	805 109	-	805 109	-	1 066 584
Other income	6 719	-	6 719	-	-	-	-	-	-	-	-	6 719
Waiver of loans	18 606	-	18 606	-	-	-	-	-	-	-	-	18 606
Decommissioning of telephone lines	(13 846)	-	(13 846)	-	-	-	-	-	-	-	-	(13 846)
Selling and administration expenses ⁸	(133 358)	(1 683)	(135 041)	(501 421)	(273 644)	(227 777)	(251 527)	(479 304)	-	(479 304)	-	(614 345)
Executive share-based payment expense (IFRS2)	(34 610)	-	(34 610)	-	-	-	-	-	-	-	-	(34 610)
Impairment of non-current assets	-	-	-	(22 134)	-	(22 134)	-	(22 134)	-	(22 134)	-	(22 134)
Movement in credit loss allowance	(14 752)	-	(14 752)	(1 243)	(397)	(846)	(7 068)	(7 914)	-	(7 914)	-	(22 666)
EBITDA	90 234	(1 683)	88 551	297 264	129 189	168 075	127 682	295 757	-	295 757	-	384 308
Depreciation and amortisation	11 634	-	11 634	(56 502)	(27 741)	(28 761)	(27 436)	(56 197)	-	(56 197)	-	(44 563)
Depreciation on right-of-use assets	(5 627)	-	(5 627)	-	-	-	-	-	-	-	-	(5 627)
Depreciation on intangible assets acquired	-	-	-	(43 574)	(22 316)	(21 258)	(20 418)	(41 676)	-	(41 676)	-	(41 676)
Operating profit	96 241	(1 683)	94 558	197 188	79 132	118 056	79 828	197 884	-	197 884	-	292 442
Finance income	1 285	-	1 285	2 332	621	1 711	435	2 146	-	2 146	-	3 431
Gain on sale of plant and equipment	1 939	-	1 939	-	-	-	-	-	-	-	-	1 939
Profit/(loss) from equity accounted investments	(25)	-	(25)	-	-	-	-	-	-	-	-	(25)

	Huge Group as at 28 February 2021 ¹	Transaction costs ²	Huge Group post adjustment ³	Adapt IT FY2020 as at 30 June 2020 ⁴	Adapt IT HY2020 ⁽¹⁾ as at 31 December 2019 ⁵	Adjusted Adapt IT HY2020 ⁽²⁾ as at 30 June 2020 ⁶	Adapt IT Interim Results 2020 as at 31 December 2020 ⁷	Adapt IT Aggregate base information as at 31 December 2020 ⁸	Adapt Treasury shares ⁹	Adapt IT post adjustment ¹⁰	Eliminating entries ¹¹	Pro forma after ¹²
Figures in Rand (R'000)												
Profit on sale of treasury shares	–	–	–	–	–	–	–	–	69 317	69 317	(69 317)	–
Finance costs	(14 208)	–	(14 208)	(53 982)	(27 739)	(26 243)	(18 826)	(45 069)	–	(45 069)	–	(59 277)
Finance costs on lease liabilities	(1 478)	–	(1 478)	(30 717)	(15 241)	(15 476)	(15 170)	(30 646)	–	(30 646)	–	(32 124)
Profit before taxation	83 754	(1 683)	82 071	114 821	36 773	78 048	46 267	124 315	69 317	193 632	(69 317)	206 386
Income tax (expense)/income ¹³	(19 478)	(2 821)	(22 299)	(44 029)	(16 780)	(27 249)	(18 794)	(46 043)	(15 527)	(61 570)	–	(83 869)
Profit for the year	64 276	(4 504)	59 772	70 792	19 993	50 799	27 473	78 272	53 790	132 062	(69 317)	122 517
Attributable to:												
Owners of the parent	60 431	(4 504)	55 927	70 653	20 097	50 556	27 538	78 094	53 790	131 884	(69 317)	118 494
Non-controlling interest	3 845	–	3 845	139	(104)	243	(65)	178	–	178	–	4 023
Other comprehensive income, net of tax												
Items that may be reclassified subsequently to profit and loss												
Exchange gain/(loss) arising from translation of foreign operations	–	–	–	21 337	2 357	18 980	(10 177)	8 803	–	8 803	–	8 803
Total comprehensive income for the year	64 276	(4 504)	55 927	92 129	22 350	69 779	17 296	87 075	53 790	140 865	(69 317)	131 320
Attributable to:												
Owners of the parent	60 431	(4 504)	55 927	91 990	22 454	69 536	17 361	86 897	53 790	140 687	(69 317)	127 927
Non-controlling interest	3 845	–	3 845	139	(104)	243	(65)	178	–	178	–	4 023
Earnings per share												
Per share information												
Basic earnings per share	36.77			51.47	14.64		20.06	56.89		96.08		33.66
Diluted earnings per share	36.48			51.47	14.64		20.06	56.89		96.08		33.54
Headline earnings per share	41.98							73.17		73.17		46.86
Diluted headline earnings per share	41.66							73.17		73.17		46.69

	Huge Group as at 28 February 2021 ¹	Transaction costs ²	Huge Group post adjustment ³	Adapt IT as at 31 December 2020 ⁴	Adapt IT treasury shares ⁵	Adapt IT post adjustment ⁶	Eliminating entries ⁷	Pro forma after ⁸
Figures in (R'000)								
Headline earnings reconciliation								
Earnings attributable to equity holders of the parent	60 431	(4 504)	55 927	78 094	53 790	131 884	(69 317)	118 494
Adjusted for:								
(Reversal)/Impairment of asset held for sale	–	–	–	(1 674)	–	–	–	(1 674)
Impairment of plant and equipment	13 847	–	13 847	–	–	–	–	13 847
(Profit)/loss on sale of property and equipment	(1 939)	–	(1 939)	454	–	–	–	(1 485)
Profit on sale of treasury shares in Adapt IT Proprietary Limited	–	–	–	–	(69 317)	(69 317)	69 317	–
Impairment of intangible assets acquired through business combinations	–	–	–	5 934	–	–	–	5 934
Scrapping of intangible assets	–	–	–	4 205	–	–	–	4 205
Impairment of goodwill	–	–	–	16 200	–	–	–	16 200
Tax effects on adjustments	(3 334)	–	(3 334)	(2 773)	15 527	12 754	–	9 420
Headline earnings	69 005	(4 504)	64 501	100 440	–	100 440	–	164 941
Number of shares (000s)								
Shares in issue	173 664			152 513				371 713
Weighted average number of shares in issue	164 365			137 262				351 991
Diluted weighted average number of shares in issue	165 638			137 262				353 263

Notes and assumptions:

1. Extracted, without adjustment, from Huger's reviewed provisional condensed consolidated financial statements for the year ended 28 February 2021.
2. Transaction costs are assumed to be approximately R1 683 000 and have been expensed in full. Details of the costs have been provided in paragraph 20 of the Circular. The transaction costs are approximated to be incurred evenly throughout Huger's 2021 financial year and will not have a continuing effect on Huger. Securities transfer tax (STT) amounts to R3 292 568 and the tax impact on the transaction costs amounts to (R471 240).
3. Represents Huger's provisional condensed consolidated financial statements post the above transaction cost expense incurred.
4. Extracted, without adjustment, from Adapt IT's audited financial statements for the year ended 30 June 2020 (FY2020).
5. Extracted, without adjustment, from Adapt IT's unaudited interim financial statements for the six months ended 31 December 2019.
6. Represents Adapt IT's second half of FY2020 as calculated by (4) less (5) above.
7. Extracted, without adjustment, from Adapt IT's unaudited interim financial statements for the six months ended 31 December 2020.
8. Represents Adapt IT's aggregate base information for a full year calculated as the sum of (6) and (7) above.
9. Represents the investment held in the Adapt IT relating to the 7 625 658 treasury shares acquired (Adapt IT Proprietary Limited hold Shares in Adapt IT and therefore upon acquisition of 100% of the Shares, Huger will acquire these treasury shares) and swapped for Huger Shares at a swap ratio of 1.37 Huger Shares for each Adapt IT Share tendered (resulting in 10 423 644 Shares held in treasury under Adapt IT Proprietary Limited post the transaction with Adapt IT). The Swap Ratio is based on a reference price of 665 cents per Huger Share. The profit on sale of treasury shares is taken to retained earnings. These treasury shares are held by Adapt IT Proprietary Limited, a subsidiary of Adapt IT. This will not have a continuing effect on Huger.
10. Represents the sum of (8) and (9) above.
11. Represents the elimination of the treasury shares acquired in (9) above which are deemed to be an intercompany transaction and are therefore eliminated from the consolidated results.
12. Represents the sum of (3), (10) and (11) above.
13. Included in the income tax expense is the Securities Transfer Tax (STT) of R3 292 568 (144 887 497 Adapt IT shares x 909 cents (based on a reference price of 665 cents per Huger Share at a swap ratio of 1.37 Huger shares for each Adapt IT Share tendered) x 0.25% being the current STT rate. This will not have a continuing effect on Huger.
14. The *pro forma* financial information does not take into account any costs incurred by Adapt IT in relation to the Offer. Shareholders are referred to the circular published by Adapt IT on 17 May 2021, which circular may provide additional detail in this regard.
15. Included in the income tax expense is the Securities Transfer Tax (STT) of R3 292 568 (144 887 497 Adapt IT shares x 909 cents (based on a reference price of 665 cents per Huger Share at a swap ratio of 1.37 Huger shares for each Adapt IT Share tendered) x 0.25% being the current STT rate. This will not have a continuing effect on Huger.
16. Earnings per share has been provided in compliance with IFRS and the definition of headline earnings as set out in the Listings Requirements. As this transaction includes the issue of securities, the calculation is to be based on the weighted average number of issued securities adjusted as if that issue had taken place at the beginning of the period.

PRO FORMA STATEMENT OF FINANCIAL POSITION

Set out below is the *pro forma* statement of financial position of Huge reflecting the effects of the acquisition of 20% of Adapt IT. The *pro forma* statement of financial position is the responsibility of the directors of Huge and has been provided for illustrative purposes only to provide information about how the Offer may have affected the financial position of Huge, assuming the Offer was implemented on 28 February 2021, and because of their nature, may not fairly represent the financial position of Adapt IT after the Offer.

Figures in Rand (R'000)	Huge Group as at 28 February 2021 ¹	Investment in Adapt IT ²	Transaction costs ³	Huge Group post acquisition ³
	R'000	R'000	R'000	R'000
Assets				
Non-current assets				
Property, plant and equipment	306 745	–	–	306 745
Right-of-use assets	12 014	–	–	12 014
Goodwill	607 694	–	–	607 694
Intangible assets	23 908	–	–	23 908
Investment in associate companies	–	263 405	–	263 405
Loans to associate companies	63 676	–	–	63 676
Loans receivable	633	–	–	633
Other receivables	20 561	–	–	20 561
Contract assets	2 664	–	–	2 664
Investments at fair value	420	–	–	420
Deferred tax asset	43 644	–	–	43 644
	1 081 959	263 405	–	1 345 364
Current assets				
Inventories	82 105	–	–	82 105
Loans receivable	439	–	–	439
Contract assets	1 623	–	–	1 623
Trade and other receivables	63 712	–	–	63 712
Current tax receivable	509	–	–	509
Cash and cash equivalents	29 462	–	(1 870)	27 592
	177 850	–	(1 870)	175 980
Total assets	1 259 809	263 405	(1 870)	1 521 344
Equity and Liabilities				
Equity				
Equity attributable to holders of parent				
Share capital	17	40	–	57
Share premium	599 930	263 365	–	863 295
Share-based payment reserve	34 610	–	–	34 610
Change in control reserve	52 474	–	–	52 474
Accumulated profit (loss)	327 261	–	(1 870)	325 391
	1 014 292	263 405	(1 870)	1 275 827
Non-controlling interest	(49 971)	–	–	(49 971)
	964 321	263 405	(1 870)	1 225 856
Liabilities				
Non-current liabilities				
Interest-bearing liabilities	100 777	–	–	100 777
Lease liabilities	10 969	–	–	10 969
Deferred tax	75 372	–	–	75 372
	187 118	–	–	187 118

Figures in Rand (R'000)	Huge Group as at 28 February 2021 ¹	Investment in Adapt IT ²	Transaction costs ³	Huge Group post acquisition ³
	R'000	R'000	R'000	R'000
Current liabilities				
Deferred income	34	–	–	34
Loans payable	300	–	–	300
Interest-bearing liabilities	51 263	–	–	51 263
Current tax payable	1 515	–	–	1 515
Lease liabilities	4 864	–	–	4 864
Trade and other payables	38 217	–	–	38 217
Bank overdraft	12 177	–	–	12 177
	108 370	–	–	108 370
Total liabilities	295 488	–	–	295 488
Total equity and liabilities	1 259 809	263 405	(1 870)	1 521 344
Number of shares in issue ('000) ⁵	162 098			199 623
Net asset value per share (cents)	594.90			614.09
Net tangible asset value per share (cents)	205.26			297.69

Notes and assumptions:

1. Extracted, without adjustment, from Huge's reviewed provisional condensed consolidated financial statements for the year ended 28 February 2021.
2. Represents Huge's irrevocable offer to purchase from each Adapt IT Shareholder all, or any, of their Adapt IT Shares for a consideration ("**Sale Consideration**") equivalent to 909 cents per Adapt IT Share. Huge shall discharge its obligations in relation to the Sale Consideration by issuing to each Adapt IT Shareholder that accepts the Offer, ordinary shares in Huge ("**Huge Shares**"), at a swap ratio ("**Swap Ratio**") of 1.37 Huge Shares for each Adapt IT Share tendered (rounded up to the nearest whole number). The Swap Ratio is based on a reference price of 665 cents per Huge Share. Including the following adjustments:
 - a) The acquisition of 20% of Adapt IT Shares by Huge for a purchase consideration of R263 405 470 settled by the issue of Huge shares, applying a swap ratio of 1.37 Huge Shares for every 1 Adapt IT Share, resulting in the issue of 39 609 845 Huge Shares for the 28 977 499 Adapt IT Shares. An investment to the value of R263 405 470 is raised in the separate books of Huge as an Investment in associate. No control is obtained at the 20% acceptance level and as such this is held as an investment in associate.
3. The net impact of the transaction costs is assumed to be approximately R1 870 274 which has been expensed in full. Details of the costs have been provided in paragraph 20 of the Circular and are not considered to have a continuing effect on Huge. The Securities Transfer Tax (STT) amounts to R658 514 as a result of the 20% investment in Adapt IT.
4. Represents the "After" column incorporating the adjustments set out above.
5. Represents total ordinary shares in issue excluding treasury shares.

PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Set out below is the *pro forma* statement of comprehensive income of Huga reflecting the effects of the acquisition of 20% of the Adapt Shares. The *pro forma* statement of comprehensive income is the responsibility of the directors of Huga and has been provided for illustrative purposes only to provide information about how the Offer may have affected the financial performance of Huga, assuming the Offer was implemented on 1 March 2020, and because of their nature, may not fairly represent the financial performance of Adapt IT after the Offer.

Figures in Rand (R'000)	Huge Group as at 28 February 2021 ¹	Transaction costs ²	Share of profits from equity accounted investment ³	Huge Group post adjustment ⁴
Revenue	469 857	–	–	469 857
Cost of sales	(177 149)	–	–	(177 149)
Cost of sales (Impairment of inventory)	(31 233)	–	–	(31 233)
Gross profit	261 475	–	–	261 475
Other income	6 719	–	–	6 719
Waiver of loans	18 606	–	–	18 606
Decommissioning of telephone lines	(13 846)	–	–	(13 846)
Selling and administration expenses	(133 358)	(1 683)	–	(135 041)
Executive share-based payment expense (IFRS2)	(34 610)	–	–	(34 610)
Movement in credit loss allowance	(14 752)	–	–	(14 752)
EBITDA	90 234	(1 683)	–	88 551
Depreciation and amortisation	11 634	–	–	11 634
Depreciation on right-of-use assets	(5 627)	–	–	(5 627)
Operating profit	96 241	(1 683)	–	94 558
Finance income	1 285	–	–	1 285
Gain on sale of plant and equipment	1 939	–	–	1 939
Profit/(loss) from equity accounted investments	(25)	–	17 379	17 354
Finance costs	(14 208)	–	–	(14 208)
Finance costs on lease liabilities	(1 478)	–	–	(1 478)
Profit before taxation	83 754	(1 683)	17 379	99 450
Income tax (expense)/income ⁵	(19 478)	(187)	–	(19 665)
Profit for the year	64 276	(1 870)	17 379	79 785
Attributable to:				
Owners of the parent	60 431	(1 870)	17 379	75 940
Non-controlling interest	3 845	–	–	3 845
Other comprehensive income, net of tax	–	–	–	–
Total comprehensive income for the year	64 276	(1 870)	17 379	79 785
Attributable to:				
Owners of the parent	60 431	(1 870)	17 379	75 940
Non-controlling interest	3 845	–	–	3 845
Earnings per share				
Per share information				
Basic earnings per share	36.77			37.61
Diluted earnings per share	36.48			37.38
Headline earnings per share	41.98			41.86
Diluted headline earnings per share	41.66			41.60

Figures in Rand (R'000)	Huge Group as at 28 February 2021 ¹	Transaction costs ²	Share of profits from equity accounted investment ³	Huge Group post adjustment ⁴
Headline earnings reconciliation				
Earnings attributable to equity holders of the parent	60 431	(1 870)	17 379	75 940
Adjusted for:				
Impairment of plant and equipment	13 847	–	–	13 847
(Profit)/loss on sale of property and equipment	(1 939)	–	–	(1 939)
Tax effects on adjustments	(3 334)	–	–	(3 334)
Headline earnings	69 005	(1 870)	17 379	84 514

Number of shares (000s)			
Shares in issue	173 664		213 274
Weighted average number of shares in issue	164 365		200 522
Diluted weighted average number of shares in issue	165 638		203 060

Notes and assumptions:

1. Extracted, without adjustment, from Huge's reviewed provisional condensed consolidated financial statements for the year ended 28 February 2021.
2. Transaction costs are assumed to be approximately R1 870 274 and have been expensed in full. Details of the costs have been provided in paragraph 20 of the Circular. The transaction costs are approximated to be incurred evenly throughout Huge's 2021 financial year and will not have a continuing effect on Huge. Securities transfer tax (STT) amounts to R658 514 and the tax impact on the transaction costs amounts to (R471 240).
3. Represents the share of Adapt IT profits as an equity accounted investment. Adapt IT profits attributable to owners of the company amounts to R27.5mn x the share held in the equity accounted investment which is 20%.
4. Represents the sum of (1), (2) and (3) above.
5. The *pro forma* financial information does not take into account any costs incurred by Adapt IT in relation to the Offer. Shareholders are referred to the circular published by Adapt IT on 17 May 2021, which circular may provide additional detail in this regard.
6. Included in the income tax expense is the Securities Transfer Tax (STT) of R658 514 (144 887 497 x 20% Adapt IT shares x 909 cents (based on a reference price of 665 cents per Huge Share at a swap ratio of 1.37 Huge shares for each Adapt IT Share tendered) x 0.25% being the current STT rate. This will not have a continuing effect on Huge.
7. Earnings per share has been provided in compliance with IFRS and the definition of headline earnings as set out in the Listings Requirements. As this transaction includes the issue of securities, the calculation is to be based on the weighted average number of issued securities adjusted as if that issue had taken place at the beginning of the period.

PRO FORMA STATEMENT OF FINANCIAL POSITION

Set out below is the *pro forma* statement of financial position of Huge reflecting the effects of the acquisition of 0.01% of Adapt IT. The *pro forma* statement of financial position is the responsibility of the directors of Huge and has been provided for illustrative purposes only to provide information about how the Offer may have affected the financial position of Huge, assuming the Offer was implemented on 28 February 2021, and because of their nature, may not fairly represent the financial position of Adapt IT after the Offer.

Figures in Rand (R'000)	Huge Group as at 28 February 2021 ¹	Investment in Adapt IT ²	Transaction costs ³	Huge Group post acquisition ³
Assets				
Non-current assets				
Property, plant and equipment	306 745	–	–	306 745
Right-of-use assets	12 014	–	–	12 014
Goodwill	607 694	–	–	607 694
Intangible assets	23 908	–	–	23 908
Investment in listed entity	–	132	–	132
Loans to associate companies	63 676	–	–	63 676
Loans receivable	633	–	–	633
Other receivables	20 561	–	–	20 561
Contract assets	2 664	–	–	2 664
Investments at fair value	420	–	–	420
Deferred tax asset	43 832	–	–	43 832
	1 082 147	132	–	1 082 279
Current assets				
Inventories	85 989	–	–	85 989
Loans receivable	439	–	–	439
Contract assets	1 623	–	–	1 623
Trade and other receivables	63 712	–	–	63 712
Current tax receivable	279	–	–	279
Cash and cash equivalents	29 462	–	(1 212)	28 250
	181 504	–	–	180 292
Total assets	1 263 651	132	(1 212)	1 262 571
Equity and Liabilities				
Equity				
Equity attributable to holders of parent				
Share capital	17	–	–	17
Share premium	599 930	132	–	600 062
Share-based payment reserve	34 610	–	–	34 610
Change in control reserve	58 163	–	–	58 163
Accumulated profit (loss)	328 009	–	(1 212)	326 797
	1 020 729	132	(1 212)	1 019 649
Non-controlling interest	(53 611)	–	–	(53 611)
	967 118	132	(1 212)	966 038
Liabilities				
Non-current liabilities				
Interest-bearing liabilities	100 777	–	–	100 777
Lease liabilities	10 969	–	–	10 969
Deferred tax	75 372	–	–	75 372
	187 118	–	–	187 118

Figures in Rand (R'000)	Huge Group as at 28 February 2021 ¹	Investment in Adapt IT ²	Transaction costs ³	Huge Group post acquisition ³
Current liabilities				
Deferred income	34	–	–	34
Loans payable	300	–	–	300
Interest-bearing liabilities	51 263	–	–	51 263
Current tax payable	2 560	–	–	2 560
Lease liabilities	4 864	–	–	4 864
Trade and other payables	38 217	–	–	38 217
Bank overdraft	12 177	–	–	12 177
	109 415	–	–	109 415
Total liabilities	296 533	–	–	296 533
Total equity and liabilities	1 263 651	132	(1 212)	1 262 571
Number of shares in issue ('000) ⁵	162 098			162 116
Net asset value per share (cents)	596.63			595.89
Net tangible asset value per share (cents)	206.98			206.29

Notes and assumptions:

1. Extracted, without adjustment, from Huge's reviewed provisional condensed consolidated financial statements for the year ended 29 February 2021.
2. Represents Huge's irrevocable offer to purchase from each Adapt IT Shareholder all, or any, of their Adapt IT Shares for a consideration ("**Sale Consideration**") equivalent to 909 cents per Adapt IT Share. Huge shall discharge its obligations in relation to the Sale Consideration by issuing to each Adapt IT Shareholder that accepts the Offer, ordinary shares in Huge ("**Huge Shares**"), at a swap ratio ("**Swap Ratio**") of 1.37 Huge Shares for each Adapt IT Share tendered (rounded up to the nearest whole number). The Swap Ratio is based on a reference price of 665 cents per Huge Share. Including the following adjustments:
 - b) The acquisition of 0.01% of Adapt IT Shares by Huge for a purchase consideration of R131 703 settled by the issue of Huge shares, applying a swap ratio of 1.37 Huge Shares for every 1 Adapt IT Share, resulting in the issue of 19 805 Huge Shares for the 14 489 Adapt IT Shares. An investment to the value of R131 703 is raised in the separate books of Huge as an Investment. No control is obtained at the 0.01% acceptance level nor is there significant influence and as such this is held as an investment in a JSE listed entity and accounted for in terms of IFRS9.
3. The net impact of the transaction costs is assumed to be approximately R1 212 089 which has been expensed in full. Details of the costs have been provided in paragraph 20 of the Circular and are not considered to have a continuing effect on Huge. The Securities Transfer Tax (STT) amounts to R329 as a result of the 0.01% investment in Adapt IT.
4. Represents the "After" column incorporating the adjustments set out above.
5. Represents total ordinary shares in issue excluding treasury shares.

PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Set out below is the *pro forma* statement of comprehensive income of Huga reflecting the effects of the acquisition of 0.01% of the Adapt Shares. The *pro forma* statement of comprehensive income is the responsibility of the directors of Huga and has been provided for illustrative purposes only to provide information about how the Offer may have affected the financial performance of Huga, assuming the Offer was implemented on 1 March 2020, and because of their nature, may not fairly represent the financial performance of Adapt IT after the Offer.

Figures in Rand (R'000)	Huge Group as at 28 February 2021 ¹	Transaction costs ²	Fair value loss on investment held ³	Huge Group post adjustment ⁴
Revenue	469 857	–	–	469 857
Cost of sales	(177 149)	–	–	(177 149)
Cost of sales (Impairment of inventory)	(31 233)	–	–	(31 233)
Gross profit	261 475	–	–	261 475
Other income	6 719	–	–	6 719
Waiver of loans	18 606	–	–	18 606
Decommissioning of telephone lines	(13 846)	–	–	(13 846)
Selling and administration expenses	(133 358)	(1 683)	–	(135 041)
Executive share-based payment expense (IFRS2)	(34 610)	–	–	(34 610)
Movement in credit loss allowance	(14 752)	–	–	(14 752)
EBITDA	90 234	(1 683)	–	88 551
Depreciation and amortisation	11 634	–	–	11 634
Depreciation on right-of-use assets	(5 627)	–	–	(5 627)
Depreciation on intangible assets acquired	–	–	–	–
Operating profit	96 241	(1 683)	–	94 558
Finance income	1 285	–	–	1 285
Gain on sale of plant and equipment	1 939	–	–	1 939
Fair value loss on investment held	(25)	–	(85)	(110)
Finance costs	(14 208)	–	–	(14 208)
Finance costs on lease liabilities	(1 478)	–	–	(1 478)
Profit before taxation	83 754	(1 683)	(85)	81 986
Income tax (expense)/income ⁵	(19 478)	471	24	(18 983)
Profit for the year	64 276	(1 212)	(61)	63 003
Attributable to:				
Owners of the parent	60 431	(1 212)	(61)	59 158
Non-controlling interest	3 845	–	–	3 845
Other comprehensive income, net of tax	–	–	–	–
Total comprehensive income for the year	64 276	(1 212)	(61)	63 003
Attributable to:				
Owners of the parent	60 431	(1 212)	(61)	59 158
Non-controlling interest	3 845	–	–	3 845
Earnings per share				
Per share information				
Basic earnings per share	36.77			35.99
Diluted earnings per share	36.48			35.71
Headline earnings per share	41.98			41.20
Diluted headline earnings per share	41.66			40.89

Figures in Rand (R'000)	Huge Group as at 28 February 2021 ¹	Transaction costs ²	Fair value loss on investment held ³	Huge Group post adjustment ⁴
Headline earnings reconciliation				
Earnings attributable to equity holders of the parent	60 431	(1 212)	(61)	59 158
Adjusted for:				
Impairment of plant and equipment	13 847	–	–	13 847
(Profit)/loss on sale of property and equipment	(1 939)	–	–	(1 939)
Tax effects on adjustments	(3 334)	–	–	(3 334)
Headline earnings	69 005	(1 212)	(61)	67 732

Number of shares (000s)				
Shares in issue	173 664			173 684
Weighted average number of shares in issue	164 365			164 384
Diluted weighted average number of shares in issue	165 368			165 656

Notes and assumptions:

1. Extracted, without adjustment, from Huge's reviewed provisional condensed consolidated financial statements for the year ended 28 February 2021.
2. Transaction costs are assumed to be approximately R1 683 000 and have been expensed in full. Details of the costs have been provided in paragraph 20 of the Circular. The transaction costs are approximated to be incurred evenly throughout Huge's 2021 financial year and will not have a continuing effect on Huge. Securities transfer tax (STT) amounts to R329 and the tax impact on the transaction costs amounts to (R471 240).
3. Represents the fair value adjustment on the Adapt IT shares acquired. Huge acquired 14 489 Adapt IT shares on 1 March 2020 for a purchase consideration of R131 703, to which the relating investment was raised. As at 28 February 2021, the Adapt IT share price was 480 cents, therefore requiring a fair value adjustment to the investment from R131 703 to R69 547 (480 cents x 14 489 shares held). This created a R84 963 fair value loss in the Statement of Profit or Loss for the year ended 28 February 2021.
4. Represents the sum of (1), (2) and (3) above.
5. The *pro forma* financial information does not take into account any costs incurred by Adapt IT in relation to the Offer. Shareholders are referred to the circular published by Adapt IT on 17 May 2021, which circular may provide additional detail in this regard.
6. Included in the income tax expense is the Securities Transfer Tax (STT) of R329 (14 489 x 0.01% Adapt IT shares x 909 cents (based on a reference price of 665 cents per Huge Share at a swap ratio of 1.37 Huge shares for each Adapt IT Share tendered) x 0.25% being the current STT rate). This will not have a continuing effect on Huge.
7. Earnings per share has been provided in compliance with IFRS and the definition of headline earnings as set out in the Listings Requirements. As this transaction includes the issue of securities, the calculation is to be based on the weighted average number of issued securities adjusted as if that issue had taken place at the beginning of the period.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF HUGE IN RESPECT OF THE PROPOSED TRANSACTION

The Directors
Huge Group Limited
1 Melrose Boulevard
Melrose Arch
Johannesburg
2076

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF HUGE GROUP LIMITED

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Huge Group Limited ("Huge Group" or the "Company") by the directors. The *pro forma* financial information, as set out in Annexure 1 of the circular dated **14 June 2021** ("the Circular"), consists of the *pro forma* statement of comprehensive income, the *pro forma* statement of financial position and related notes (the "*Pro Forma* Financial Information"). The *Pro Forma* Financial Information has been compiled by the directors based on the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements (the "JSE Listings Requirements") and described in Annexure 1 of the Circular.

The consolidated *Pro Forma* Financial Information has been compiled by the directors to illustrate the impact of the effects of the acquisition of Adapt IT Holdings Limited by Huge Group Limited based on the SENS announcement issued on **27 January 2021**. As part of this process, information about Huge Groups' financial position and financial performance have been extracted by the directors from the Company's published provisional condensed consolidated financial results for the year 28 February 2021, on which an auditor's review report has been issued. The effects of the acquisition of Adapt IT Holdings Limited by Huge Group Limited as at 28 February 2021 is presented as if the acquisition had taken place at 28 February 2021 for net asset value and net tangible asset value per share and 1 March 2020 for purposes of attributable earnings and headline earnings per share.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the *Pro Forma* Financial Information based on the applicable criteria specified in the JSE Listings Requirements and described in Annexure 1 of the Circular.

Reporting Accountants' independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors ("IRBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B).

The firm applies International Standard on Quality Control 1 and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements of the Circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420 Assurance Engagements to Report on the Compilation of *Pro forma* Financial Information included in a Prospectus. This standard requires that we comply with ethical requirements and plan and perform our

procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* consolidated financial information.

As the purpose of *Pro Forma* Financial Information included in a circular is solely to illustrate the impact of a material corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for the purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *Pro Forma* Financial Information provides a reasonable basis for presenting the material effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, based on the applicable criteria specified by the JSE Listings Requirements and described in Annexure 1 and paragraph 5.4 of the Circular.

MOORE JOHANNESBURG INC.

Registered Auditors

Per: Candice Whitefield

Chartered Accountant (SA)

Registered Auditor

Director

PRO FORMA STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME OF HUGE IN RESPECT OF THE SPECIFIC REPURCHASES

1. **CNET EMPOWERMENT REPURCHASE**

PRO FORMA STATEMENT OF FINANCIAL POSITION

Set out below is the *pro forma* statement of financial position of Huge reflecting the effects of the repurchase of 2 724 454 Shares from CNET Empowerment for a purchase consideration of R12 260 043 (constituting a consideration amount of 450 cents per Repurchase Share). The *pro forma* statement of financial position is the responsibility of the directors of Huge and has been provided for illustrative purposes only to provide information about how the repurchase may have affected the financial position of Huge, assuming the repurchase was implemented on 28 February 2021, and because of the nature, may not fairly represent the financial position of Huge after the repurchase.

Figures in Rand (R'000)	Huge Group as at 28 February 2021¹	Pro forma Share Repurchase²	Transaction costs³	Pro forma after⁴
Assets				
Non-current assets				
Property, plant and equipment	306 745	–	–	306 745
Right-of-use assets	12 014	–	–	12 014
Goodwill	607 694	–	–	607 694
Intangible assets	23 908	–	–	23 908
Loans to associate companies	63 676	–	–	63 676
Loans receivable	633	–	–	633
Other receivables	20 561	–	–	20 561
Contract assets	2 664	–	–	2 664
Investments at fair value	420	–	–	420
Deferred tax asset	43 644	–	–	43 644
	1 081 959	–	–	1 081 959
Current assets				
Inventories	82 105	–	–	82 105
Loans receivable	439	–	–	439
Contract assets	1 623	–	–	1 623
Trade and other receivables	63 712	–	–	63 712
Current tax receivable	509	–	–	509
Cash and cash equivalents	29 462	(12 260)	(133)	17 069
	177 850	(12 260)	(133)	165 457
Total assets	1 259 809	(12 260)	(133)	1 247 416

Figures in Rand (R'000)	Huge Group as at 28 February 2021¹	Pro forma Share Repurchase²	Transaction costs³	Pro forma after⁴
Equity and Liabilities				
Equity				
Equity attributable to holders of parent				
Share capital	17	–	–	17
Share premium	599 930	(12 260)	–	587 670
Share-based payment reserve	34 610	–	–	34 610
Change in control reserve	52 474	–	–	52 474
Accumulated profit (loss)	327 261	–	(133)	327 128
	1 014 292	(12 260)	(133)	1 001 899
Non-controlling interest	(49 971)	–	–	(49 971)
	964 321	(12 260)	(133)	951 928
Liabilities				
Non-current liabilities				
Interest-bearing liabilities	100 777	–	–	100 777
Lease liabilities	10 969	–	–	10 969
Deferred tax	75 372	–	–	75 372
	187 118	–	–	187 118
Current liabilities				
Deferred income	34	–	–	34
Loans payable	300	–	–	300
Interest-bearing liabilities	51 263	–	–	51 263
Current tax payable	1 515	–	–	1 515
Lease liabilities	4 864	–	–	4 864
Trade and other payables	38 217	–	–	38 217
Bank overdraft	12 177	–	–	12 177
	108 370	–	–	108 370
Total liabilities	295 488	–	–	295 488
Total equity and liabilities	1 259 809	(12 260)	(133)	1 247 417
Number of shares in issue ('000)	162 098			159 373
Net asset value per share (cents)	594.90			597.31
Net tangible asset value per share (cents)	205.26			200.99

Notes and assumptions:

1. Extracted, without adjustment, from Huge's reviewed provisional condensed consolidated financial statements for the year ended 28 February 2021.
2. Represents Huge's repurchase of 2 724 454 Ordinary Shares held by CNET Empowerment constituting 1.569% (2 724 454/173 663 766) of the total issued shares of Huge as at 28 February 2021.
3. Transaction costs, including legal fees for drafting of the agreements and reporting accountants report, are assumed to be approximately R185 000 and have been expensed in full in the Statement of Profit or Loss and Other Comprehensive Income. The net effect on the transaction costs and related tax has an impact of R133 000 on the profit for the year. These costs are not considered to have a continuing effect on Huge.
4. Represents the "After" column incorporating the adjustments set out above.

PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Set out below is the *pro forma* statement of comprehensive income of Huge reflecting the effects of the repurchase of 2 724 454 Shares from CNET Empowerment for a purchase consideration of R12 260 043 (constituting a consideration amount of 450 cents per Repurchase Share). The *pro forma* statement of comprehensive income is the responsibility of the directors of Huge and has been provided for illustrative purposes only to provide information about how the repurchase may have affected the financial position of Huge, assuming the repurchase was implemented on 1 March 2020, and because of the nature, may not fairly represent the financial performance of Huge after the repurchase.

Figures in Rand (R'000)	Huge Group as at 28 February 2021 ¹	Transaction costs ²	Pro forma after ³
Revenue	469 857	–	469 857
Cost of sales	(177 149)	–	(177 149)
Cost of sales (Impairment of inventory)	(31 233)	–	(31 233)
Gross profit	261 475	–	261 475
Other income	6 719	–	6 719
Waiver of loans	18 606	–	18 606
Decommissioning of telephone lines	(13 846)	–	(13 846)
Selling and administration expenses	(133 358)	(185)	(133 543)
Executive share-based payment expense (IFRS2)	(34 610)	–	(34 610)
Movement in credit loss allowance	(14 752)	–	(14 752)
EBITDA	90 234	(185)	90 049
Depreciation and amortisation	11 634	–	11 634
Depreciation on right-of-use assets	(5 627)	–	(5 627)
Operating profit	96 241	(185)	96 056
Finance income	1 285	–	1 285
Gain on sale of plant and equipment	1 939	–	1 939
Profit/(loss) from equity accounted investments	(25)	–	(25)
Finance costs	(14 208)	–	(14 208)
Finance costs on lease liabilities	(1 478)	–	(1 478)
Profit before taxation	83 754	(185)	83 569
Income tax (expense)/income	(19 478)	52	(19 426)
Profit for the year	64 276	(133)	64 143
Attributable to:			
Owners of the parent	60 431	(133)	60 298
Non-controlling interest	3 845	–	3 845
Other comprehensive income, net of tax	–	–	–
Total comprehensive income for the year	64 276	(133)	64 143
Attributable to:			
Owners of the parent	60 431	(133)	60 298
Non-controlling interest	3 845	–	3 845
Earnings per share			
Per share information			
Basic earnings per share	36.77		37.30
Diluted earnings per share	36.48		37.01
Headline earnings per share	41.98		42.61
Diluted headline earnings per share	41.66		42.27

Figures in Rand (R'000)	Huge Group as at 28 February 2021¹	Transaction costs²	<i>Pro forma</i> after³
Headline earnings reconciliation			
Earnings attributable to equity holders of the parent	60 431	(133)	60 298
Adjusted for:			
Impairment of plant and equipment	13 847	–	13 847
(Profit)/loss on sale of property and equipment	(1 939)	–	(1 939)
Tax effects on adjustments	(3 334)	–	(3 334)
Headline earnings	69 005	(133)	68 872

Number of shares (000s)			
Shares in issue	173 664		170 939
Weighted average number of shares in issue	164 365		161 548
Diluted weighted average number of shares in issue	165 638		162 921

Notes and assumptions:

1. Extracted, without adjustment, from Huge's reviewed provisional condensed consolidated financial statements for the year ended 28 February 2021.
2. Transaction costs, including legal fees for drafting of the agreements and reporting accountants report, are assumed to be approximately R185 000 and have been expensed in full in the Statement of Profit or Loss and Other Comprehensive Income under the Selling and administration expenses line item. The resultant tax impact is reflected under the Income tax (expense)/income line. The net of these two items has an impact of R133 000 on the profit for the year. These costs/adjustments are not considered to have a continuing effect on Huge.
3. Represents the sum of (1) and (2) above.
4. The calculation of earnings and headline earnings is in compliance with IFRS and the definition of headline earnings as set out in the Listings Requirements. No securities will be issued in order effect the Specific Repurchase. The repurchase is considered to have taken place on the first day of the financial period in calculating the weighted average number of shares.

2. DM HOLDCO REPURCHASE

PRO FORMA STATEMENT OF FINANCIAL POSITION

Set out below is the *pro forma* statement of financial position of Huge reflecting the effects of the repurchase of 1 751 434 Shares from DM Holdco for a purchase consideration of R 7 881 453 (constituting a consideration amount of 450 cents per Repurchase Share). The *pro forma* statement of financial position is the responsibility of the directors of Huge and has been provided for illustrative purposes only to provide information about how the repurchase may have affected the financial position of Huge, assuming the repurchase was implemented on 28 February 2021, and because of the nature, may not fairly represent the financial position of Huge after the repurchase.

Figures in Rand (R'000)	Huge Group as at 28 February 2021 ¹	<i>Pro forma</i> Share Repurchase ²	Transaction costs ³	<i>Pro forma</i> after ⁴
Assets				
Non-current assets				
Property, plant and equipment	306 745	–	–	306 745
Right-of-use assets	12 014	–	–	12 014
Goodwill	607 694	–	–	607 694
Intangible assets	23 908	–	–	23 908
Loans to associate companies	63 676	–	–	63 676
Loans receivable	633	–	–	633
Other receivables	20 561	–	–	20 561
Contract assets	2 664	–	–	2 664
Investments at fair value	420	–	–	420
Deferred tax asset	43 644	–	–	43 644
	1 081 959	–	–	1 081 959
Current assets				
Inventories	82 105	–	–	82 105
Loans receivable	439	–	–	439
Contract assets	1 623	–	–	1 623
Trade and other receivables	63 712	–	–	63 712
Current tax receivable	509	–	–	509
Cash and cash equivalents	29 462	(7 881)	(133)	21 448
	177 850	(7 881)	(133)	169 836
Total assets	1 259 809	(7 881)	(133)	1 251 795
Equity and Liabilities				
Equity				
Equity attributable to holders of parent				
Share capital	17	–	–	17
Share premium	599 930	(7 881)	–	592 049
Share-based payment reserve	34 610	–	–	34 610
Change in control reserve	52 474	–	–	52 474
Accumulated profit (loss)	327 261	–	(133)	327 128
	1 014 292	(7 881)	(133)	1 006 278
Non-controlling interest	(49 971)	–	–	(49 971)
	964 321	(7 881)	(133)	956 307

Figures in Rand (R'000)	Huge Group as at 28 February 2021¹	Pro forma Share Repurchase²	Transaction costs³	Pro forma after⁴
Liabilities				
Non-current liabilities				
Interest-bearing liabilities	100 777	–	–	100 777
Lease liabilities	10 969	–	–	10 969
Deferred tax	75 372	–	–	75 372
	187 118	–	–	187 118
Current liabilities				
Deferred income	34	–	–	34
Loans payable	300	–	–	300
Interest-bearing liabilities	51 263	–	–	51 263
Current tax payable	1 515	–	–	1 515
Lease liabilities	4 864	–	–	4 864
Trade and other payables	38 217	–	–	38 217
Bank overdraft	12 177	–	–	12 177
	108 370	–	–	108 370
Total liabilities	295 488	–	–	295 488
Total equity and liabilities	1 259 809	(7 881)	(133)	1 251 795
Number of shares in issue ('000)	162 098			160 346
Net asset value per share (cents)	594.90			596.40
Net tangible asset value per share (cents)	205.26			202.50

Notes and assumptions:

1. Extracted, without adjustment, from Huges reviewed provisional condensed consolidated financial statements for the year ended 28 February 2021.
2. Represents Huges repurchase of 1 751 434 Ordinary Shares held by DM Holdco constituting 1.009% (1 751 434/ 173 633 766) of the total issued shares of Huges as at 28 February 2021.
3. Transaction costs, including legal fees for drafting of the agreements and reporting accountants report, are assumed to be approximately R185 000 and have been expensed in full in the Statement of Profit or Loss and Other Comprehensive Income. The net effect on the transaction costs and related tax has an impact of R133 000 on the profit for the year. These costs are not considered to have a continuing effect on Huges.
4. Represents the "After" column incorporating the adjustments set out above.

PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Set out below is the *pro forma* statement of comprehensive income of Huge reflecting the effects of the repurchase of 1 751 434 Huge Shares from DM Holdco for a purchase consideration of R7 881 453 (constituting a consideration amount of 450 cents per Repurchase Share). The *pro forma* statement of comprehensive income is the responsibility of the directors of Huge and has been provided for illustrative purposes only to provide information about how the repurchase may have affected the financial position of Huge, assuming the repurchase was implemented on 1 March 2020, and because of the nature, may not fairly represent the financial performance of Huge after the repurchase.

Figures in Rand (R'000)	Huge Group as at 28 February 2021 ¹	Transaction costs ²	Pro forma after ³
Revenue	469 857	–	469 857
Cost of sales	(177 149)	–	(177 149)
Cost of sales (Impairment of inventory)	(31 233)	–	(31 233)
Gross profit	261 475	–	261 475
Other income	6 719	–	6 719
Waiver of loans	18 606	–	18 606
Decommissioning of telephone lines	(13 846)	–	(13 846)
Selling and administration expenses	(133 358)	(185)	(133 543)
Executive share-based payment expense (IFRS2)	(34 610)	–	(34 610)
Movement in credit loss allowance	(14 752)	–	(14 752)
EBITDA	90 234	(185)	90 049
Depreciation and amortisation	11 634	–	11 634
Depreciation on right-of-use assets	(5 627)	–	(5 627)
Operating profit	96 241	(185)	96 056
Finance income	1 285	–	1 285
Gain on sale of plant and equipment	1 939	–	1 939
Profit/(loss) from equity accounted investments	(25)	–	(25)
Finance costs	(14 208)	–	(14 208)
Finance costs on lease liabilities	(1 478)	–	(1 478)
Profit before taxation	83 754	(185)	83 569
Income tax (expense)/income	(19 478)	52	(19 426)
Profit for the year	64 276	(133)	64 143
Attributable to:			
Owners of the parent	60 431	(133)	60 298
Non-controlling interest	3 845	–	3 845
Other comprehensive income, net of tax	–	–	–
Total comprehensive income for the year	64 276	(133)	64 143
Attributable to:			
Owners of the parent	60 431	(133)	60 298
Non-controlling interest	3 845	–	3 845
Earnings per share			
Per share information			
Basic earnings per share	36.77		37.08
Diluted earnings per share	36.48		36.79
Headline earnings per share	41.98		42.35
Diluted headline earnings per share	41.66		42.02

Figures in Rand (R'000)	Huge Group as at 28 February 2021¹	Transaction costs²	<i>Pro forma</i> after³
Headline earnings reconciliation			
Earnings attributable to equity holders of the parent	60 431	(133)	60 298
Adjusted for:			
Impairment of plant and equipment	13 847	–	13 847
(Profit)/loss on sale of property and equipment	(1 939)	–	(1 939)
Tax effects on adjustments	(3 334)	–	(3 334)
Headline earnings	69 005	(133)	68 872

Number of shares (000s)			
Shares in issue	173 664		171 912
Weighted average number of shares in issue	164 365		162 618
Diluted weighted average number of shares in issue	165 638		163 891

Notes and assumptions:

1. Extracted, without adjustment, from Huge's reviewed provisional condensed consolidated financial statements for the year ended 28 February 2021.
2. Transaction costs, including legal fees for drafting of the agreements and reporting accountants report, are assumed to be approximately R185 000 and have been expensed in full in the Statement of Profit or Loss and Other Comprehensive Income. Under the Selling and administration expenses line item. The resultant tax impact is reflected under the Income tax (expense)/income line. The net of these two items has an impact of R133 000 on the profit for the year. These costs/adjustments are not considered to have a continuing effect on Huge.
3. Represents the sum of (1) and (2) above.
4. The calculation of earnings and headline earnings is in compliance with IFRS and the definition of headline earnings as set out in the Listings Requirements. No securities will be issued in order effect the Specific Repurchase. The repurchase is considered to have taken place on the first day of the financial period in calculating the weighted average number of shares.

3. PRAESIDIUM REPURCHASE

PRO FORMA STATEMENT OF FINANCIAL POSITION

Set out below is the *pro forma* statement of financial position of Huge reflecting the effects of the repurchase of 1 111 112 Shares from Praesidium for a purchase consideration of R5 000 004 (constituting a consideration amount of 450 cents per Repurchase Share). The *pro forma* statement of financial position is the responsibility of the directors of Huge and has been provided for illustrative purposes only to provide information about how the repurchase may have affected the financial position of Huge, assuming the repurchase was implemented on 28 February 2021, and because of the nature, may not fairly represent the financial position of Huge after the repurchase.

Figures in Rand (R'000)	Huge Group as at 28 February 2021 ¹	<i>Pro forma</i> Share Repurchase ²	Transaction costs ³	<i>Pro forma</i> after ⁴
Assets				
Non-current assets				
Property, plant and equipment	306 745	–	–	306 745
Right-of-use assets	12 014	–	–	12 014
Goodwill	607 694	–	–	607 694
Intangible assets	23 908	–	–	23 908
Loans to associate companies	63 676	–	–	63 676
Loans receivable	633	–	–	633
Other receivables	20 561	–	–	20 561
Contract assets	2 664	–	–	2 664
Investments at fair value	420	–	–	420
Deferred tax asset	43 644	–	–	43 644
	1 081 959	–	–	1 081 959
Current assets				
Inventories	82 105	–	–	82 105
Loans receivable	439	–	–	439
Contract assets	1 623	–	–	1 623
Trade and other receivables	63 712	–	–	63 712
Current tax receivable	509	–	–	509
Cash and cash equivalents	29 462	(5 000)	(133)	24 329
	177 850	(5 000)	(133)	172 717
Total assets	1 259 809	(5 000)	(133)	1 254 676
Equity and Liabilities				
Equity				
Equity attributable to holders of parent				
Share capital	17	–	–	17
Share premium	599 930	(5 000)	–	594 930
Share-based payment reserve	34 610	–	–	34 610
Change in control reserve	52 474	–	–	52 474
Accumulated profit (loss)	327 261	–	(133)	327 128
	1 014 292	(5 000)	(133)	1 009 159
Non-controlling interest	(49 971)	–	–	(49 971)
	964 321	(5 000)	(133)	959 188

Figures in Rand (R'000)	Huge Group as at 28 February 2021¹	Pro forma Share Repurchase²	Transaction costs³	Pro forma after⁴
Liabilities				
Non-current liabilities				
Interest-bearing liabilities	100 777	–	–	100 777
Lease liabilities	10 969	–	–	10 969
Deferred tax	75 372	–	–	75 372
	187 118	–	–	187 118
Current liabilities				
Deferred income	34	–	–	34
Loans payable	300	–	–	300
Interest-bearing liabilities	51 263	–	–	51 263
Current tax payable	1 515	–	–	1 515
Lease liabilities	4 864	–	–	4 864
Trade and other payables	38 217	–	–	38 217
Bank overdraft	12 177	–	–	12 177
	108 370	–	–	108 370
Total liabilities	295 488	–	–	295 488
Total equity and liabilities	1 259 809	(5 000)	(133)	1 254 676
Number of shares in issue ('000)	162 098			160 987
Net asset value per share (cents)	594.90			595.82
Net tangible asset value per share (cents)	205.26			203.49

Notes and assumptions:

1. Extracted, without adjustment, from Huges reviewed provisional condensed consolidated financial statements for the year ended 28 February 2021.
2. Represents Huges repurchase of 1 111 112 Ordinary Shares held by Praesidium constituting 0.640% (1 111 112/ 173 663 766) of the total issued shares of Huges as at 28 February 2021.
3. Transaction costs, including legal fees for drafting of the agreements and reporting accountants report, are assumed to be approximately R185 000 and have been expensed in full in the Statement of Profit or Loss and Other Comprehensive Income. The net effect on the transaction costs and related tax has an impact of R133 000 on the profit for the year. These costs are not considered to have a continuing effect on Huges.
4. Represents the "After" column incorporating the adjustments set out above.

PRO FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Set out below is the *pro forma* statement of comprehensive income of Huge reflecting the effects of the repurchase of 1 111 112 Huge Shares from Praesidium for a purchase consideration of R5 000 004 (constituting a consideration amount of 450 cents per Repurchase Share). The *pro forma* statement of comprehensive income is the responsibility of the directors of Huge and has been provided for illustrative purposes only to provide information about how the repurchase may have affected the financial position of Huge, assuming the repurchase was implemented on 1 March 2020, and because of the nature, may not fairly represent the financial performance of Huge after the repurchase.

Figures in Rand (R'000)	Huge Group as at 28 February 2021 ¹	Transaction costs ²	Pro forma after ³
Revenue	469 857	–	469 857
Cost of sales	(177 149)	–	(177 149)
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Other income	6 719	–	6 719
Waiver of loans	18 606	–	18 606
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Executive share-based payment expense (IFRS2)	(34 610)	–	(34 610)
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EBITDA	90 234	(185)	90 049
Depreciation and amortisation	11 634	–	11 634
Depreciation on right-of-use assets	(5 627)	–	(5 627)
Operating profit	96 241	(185)	96 056
Finance income	1 285	–	1 285
Gain on sale of plant and equipment	1 939	–	1 939
Profit/(loss) from equity accounted investments	(25)	–	(25)
Finance costs	(14 208)	–	(14 208)
Finance costs on lease liabilities	(1 478)	–	(1 478)
Profit before taxation	83 754	(185)	83 569
Income tax (expense)/income	(19 478)	52	(19 426)
Profit for the year	64 276	(133)	64 143
Attributable to:			
Owners of the parent	60 431	(133)	60 298
Non-controlling interest	3 845	–	3 845
Other comprehensive income, net of tax	–	–	–
Total comprehensive income for the year	64 276	(133)	64 163
Attributable to:			
Owners of the parent	60 431	(133)	60 298
Non-controlling interest	3 845	–	3 845
Earnings per share			
Per share information			
Basic earnings per share	36.77		36.93
Diluted earnings per share	36.48		36.65
Headline earnings per share	41.98		42.19
Diluted headline earnings per share	41.66		41.86

Figures in Rand (R'000)	Huge Group as at 28 February 2021¹	Transaction costs²	<i>Pro forma</i> after³
Headline earnings reconciliation			
Earnings attributable to equity holders of the parent	60 431	(133)	60 298
Adjusted for:			
Impairment of plant and equipment	13 487	–	13 847
(Profit)/loss on sale of property and equipment	(1 939)	–	(1 939)
Tax effects on adjustments	(3 334)	–	(3 334)
Headline earnings	69 005	(133)	68 872

Number of shares (000s)		
Shares in issue	173 664	172 553
Weighted average number of shares in issue	164 365	163 257
Diluted weighted average number of shares in issue	165 638	164 530

Notes and assumptions:

1. Extracted, without adjustment, from Huge's reviewed provisional condensed consolidated financial statements for the year ended 28 February 2021.
2. Transaction costs, including legal fees for drafting of the agreements and reporting accountants report, are assumed to be approximately R185 000 and have been expensed in full in the Statement of Profit or Loss and Other Comprehensive Income under the Selling and administration expenses line item. The resultant tax impact is reflected under the Income tax (expense)/income line. The net of these two items has an impact of R133 000 on the profit for the year. These costs/adjustments are not considered to have a continuing effect on Huge.
3. Represents the sum of (1) and (2) above.
4. The calculation of earnings and headline earnings is in compliance with IFRS and the definition of headline earnings as set out in the Listings Requirements. No securities will be issued in order effect the Specific Repurchase. The repurchase is considered to have taken place on the first day of the financial period in calculating the weighted average number of shares.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF HUGE IN RESPECT OF THE SPECIFIC REPURCHASES

The Directors
Huge Group Limited
1 Melrose Boulevard
Melrose Arch
Johannesburg
2076

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF HUGE GROUP LIMITED

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Huge Group Limited ("Huge Group" or the "Company") by the directors. The *pro forma* financial information, as set out in Annexure 3 of the circular dated **14 June 2021** ("the Circular"), consists of the *pro forma* statement of comprehensive income, the *pro forma* statement of financial position and related notes (the "*Pro Forma* Financial Information"). The *Pro Forma* Financial Information has been compiled by the directors based on the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements (the "JSE Listings Requirements") and described in Annexure 3 of the Circular.

The consolidated *Pro Forma* Financial Information has been compiled by the directors to illustrate the impact of the effects of the Specific Repurchases based on the SENS announcement issued on 25 February 2021. As part of this process, information about Huge Groups' financial position and financial performance have been extracted by the directors from the Company's published provisional condensed consolidated financial results for the year 28 February 2021, on which an auditor's review report has been issued. The effects of the Specific Repurchases by Huge Group Limited as at 28 February 2021 is presented as if the acquisition had taken place at 28 February 2021 for net asset value and net tangible asset value per share and 1 March 2020 for purposes of attributable earnings and headline earnings per share.

Directors' Responsibility for the *Pro Forma* Financial Information

The directors are responsible for compiling the *Pro Forma* Financial Information based on the applicable criteria specified in the JSE Listings Requirements and described in Annexure 3 of the Circular.

Reporting Accountants' independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors ("IRBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B).

The firm applies International Standard on Quality Control 1 and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements of the Circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420 Assurance Engagements to Report on the Compilation of *Pro forma* Financial Information included in a Prospectus. This standard requires that we comply with ethical requirements and plan and perform our

procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* consolidated financial information.

As the purpose of *Pro Forma* Financial Information included in a circular is solely to illustrate the impact of a material corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for the purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *Pro Forma* Financial Information provides a reasonable basis for presenting the material effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, based on the applicable criteria specified by the JSE Listings Requirements and described in Annexure 3 and paragraph 7.5 of the Circular.

MOORE JOHANNESBURG INC.

Registered Auditors

Per: Candice Whitefield

Chartered Accountant (SA)

Registered Auditor

Director

DIRECTORS' PROFILES

Dr Duarte Ferdinand da Silva (56) – Non-executive Chairman, DPhil Eng

Appointed: 1 March 2016

Duarte has more than 20 years' experience in the investment industry. He holds a doctorate of Philosophy in Engineering from the University of the Witwatersrand, which he obtained at the age of 24. In 1988/1989 he lectured Thermodynamics and Propulsion Systems at Wits University.

Until recently he was Chief Executive Officer of Macquarie First South (MFS), a joint venture established in 2006 between Macquarie Bank of Australia and First South Financial Services (a company that he founded in 2001/2002 with the backing of the J&J Group, supported by Old Mutual). In 2013 Macquarie appointed Dr da Silva as Regional Head – Sub Saharan Africa – responsible for all of their African activities. He presided as Executive Chairman of the Corporate Finance and Equities businesses of MFS, including all Equity Capital Markets activities. He also had oversight of two other Macquarie businesses in South Africa: AIIM (the largest and oldest infrastructure fund in the region – until recently a joint venture with Old Mutual) and MSSA (the structuring and derivatives business). Dr da Silva left the Macquarie group at the end of 2015, after successfully selling the MFS joint venture to Macquarie Bank.

He is a past director of Merrill Lynch South Africa.. In 1998 he founded a technology fund with the support of institutional backers. The fund was established to conduct primarily private equity, technology related investments. The fund completed 18 successful investments (with notable IPOs in Helsinki, London and Johannesburg) and was used to assume control of McCarthy Bank. Duarte was Deputy Chairman of McCarthy Bank.

In 2001, Duarte founded First South Financial Services while assuming the Chief Investment Officer role for the J&J Group. Between 2001 and 2005 Duarte actively identified and executed numerous investments for the J&J Group.

Dennis Robert Gammie (67) – Independent Non-executive Director, CA(SA)

Appointed: 29 June 2012

Dennis is a CA (SA) and has previously served as the Financial Director of the Imperial Group, Murray & Roberts Materials and the Aveng Group. Prior to taking early retirement, Dennis served as an executive director on the board of the Aveng Group, where he was Chairman of the Growth Committee, the Tender Risk Committee, and acting Managing Director of an Aveng Group subsidiary company for a time. Dennis is Chairman of the Audit Committee and the Risk Committee.

Vincent Mokhele Mokholo (47) – Non-independent Non-executive Director, BSc, MBA

Appointed: 2 July 2007

Vincent has worked in the telecommunications industry for the last 20 years. After graduating in 1995, he joined GSM Cellular where he applied himself across the different business disciplines within the company, developing his professional skills and finishing his tenure as the corporate account manager. Vincent joined TelePassport in 1999 to focus on business growth. Vincent was instrumental in developing TelePassport into a successful and growing business. At the helm of a consortium he played a major role in tailoring a BBBEE transaction for TelePassport, which culminated in Mojaho Trading acquiring 30% of the company. He assumed the role of Client Services Director when TelePassport and CentraCell formed Huge Telecom, and was responsible for bedding down the operations and service deliverables of the combined entity. Vincent was appointed to the position of Product and Business Development Director in January 2009, and was involved in rejuvenating the Group's product portfolio, with the continual introduction of new products. Huge Telecom acquired a controlling shareholding in Ambient Mobile in January 2011, which has resulted in Vincent's appointment as the head of Ambient Mobile Proprietary Limited. Vincent was instrumental in the acquisition of Ambient, having identified the potential growth of mobile messaging not only in South Africa but in the rest of the African continent as well. He has also completed a mini MBA (Telecoms) with Informa Telecom academy, based in the United Kingdom.

Craig Lyons (50) – Independent Non-executive director, BCom, D.Soc (Economics)

Appointed: 3 July 2017

Craig is an experienced and accomplished investment banker and businessman with extensive strategic, management and finance experience gained in various industries and from having developed and led a number of pre-eminent businesses in Southern Africa. He actively participates as an independent director on various company boards, committees and investment funds. Some of his career highlights include successfully co-founding, leading and managing two South African investment companies, one of which was listed on the JSE. He has spear-headed a number of high-profile investment transactions in a multitude of sectors with a combined transaction value in excess of R28 billion. Craig holds a B.Com from the University of the Witwatersrand and a D.Soc from Oxford University in the United Kingdom, where he majored in Economics. Craig is a member of the Audit Committee, a member of the Social and Ethics Committee and the Investment Committee.

Brian Armstrong (60) – Independent Non-executive director, BSc (Eng), MSc (Eng), PhD

Appointed: 1 September 2017

Brian has more than 30 years of top-level management experience in telecommunications, IT, technology research and development and systems engineering, both in South Africa and internationally. He is widely regarded as a thought leader in digitalisation, convergence and business strategy.

Brian presently holds the position of Professor in the Chair of Digital Business at Wits Business School, where he focuses on building a comprehensive knowledge base on the diverse dimensions of Digital Business, and developing more scientifically rigorous models for core concepts in digitalisation.

Previously, Brian held the positions of Group Chief Operating Officer and Group Chief Commercial Officer at Telkom SA SOC Limited, where he formed an integral part of the leadership team credited with turning the group around. In his time with Telkom, Brian revived the ailing Telkom Business unit and conceived and led the acquisition of BCX and its integration into the group. He was also responsible for the group's Retail unit, as well as leading group strategy and transformation activities.

Prior to joining Telkom in 2010, Brian was the Vice President for Middle East and Africa at the BT Group Plc, and was tasked with responsibility for overseeing and growing the group's activities across that region. Prior to joining the BT Group, Dr Armstrong held various positions at the CSIR, ultimately as the Director of the Division for Information and Communications Technology. He was the Managing Director of listed ICT services Group AST Networks (now Gijima).

Brian completed his BSc (Eng) and MSc (Eng) at the University of the Witwatersrand in 1982 and 1984 respectively, and obtained his PhD from University College London in 1992. Brian is a member of the Audit Committee, a member of the Risk and Remuneration Committee and the Investment Committee.

James Charles Herbst (50) – Chief Executive Officer, CA(SA), Chartered Financial Analyst

Appointed: 1 September 2006

James is a Chartered Accountant with sound experience in corporate finance, corporate law and investment management. After completing his articles with Coopers & Lybrand and the Chartered Financial Analyst programme, James worked for Fleming Martin Private Asset Management where he managed full discretionary funds. He left in 2001 to start a private equity business that later culminated in the listing of DataPro (which then became Vox Telecom). Having completed his service contract with DataPro, James went on to pursue corporate finance and deal-making and in July 2007 he acted as corporate advisor to TelePassport, which was reverse-listed into Huge Group. James was appointed as CEO of Huge Group in 2008.

Samantha Sequeira (32) – Chief Financial Officer, CA(SA)

Appointed: 25 March 2019

Samantha is a Chartered Accountant with experience in the telecommunications industry, beginning her career as the audit and practice manager at ARC Incorporated, and thereafter being appointed as the Financial Director of Virgin Mobile South Africa Proprietary Limited. During her tenure at Virgin Mobile, Samantha was responsible for leading and managing the finance team, as well as key financial planning and analysis. Samantha is a member of the Risk and Social and Ethics Committee and the Investment Committee.

Andy Openshaw (57) – Chief Operating Officer, BPharm

Appointed: 1 March 2019

Andy has spent the last ten years of his career at ECN. Initially he joined as the Chief Sales and Commercial Officer. He was subsequently instrumental in the sale of ECN to Reunert in 2011, and its integration into the Reunert ICT segment, where he was appointed as ECN's CEO. Under his leadership ECN has become one of South Africa's leading Voice and Data service providers, selling in excess of 1.2 billion voice minutes a year. He successfully leveraged the ECN offerings through a wide base of channel partners including the Reunert owned Nashua franchise channel, making it a significant contributor to Reunert. In October 2016, Andy assumed the CEO role of the Reunert Communication Cluster. ECN has continued to evolve from an IP voice provider to a full suite data services business, while the other units in the cluster focus on connectivity, cloud and Microsoft opportunities. Prior to ECN, Andy participated in numerous successful entrepreneurial initiatives. Andy holds a B Pharm degree that he obtained from Rhodes University. He has also completed the Advanced Executive Program at the UNISA school of Business Leadership.

Andy will assume responsibility for extracting value from Huger's current real estate of customers, which now exceeds 50 000, and thereafter, growing it, both organically and by acquisition. Andy is a member of the Risk and Social and Ethics Committee and the Investment Committee.

DIRECTORSHIPS OF OTHER COMPANIES OVER THE PAST FIVE YEARS

Director	Current directorships	Past directorships
DF da Silva	Huge Group Casa da Luz LXG Invest Kela Securities	Calshelf Investments 210 Calshelf Investments 209 Calshelf Investments 208 First South Financial Services First South Group First South Securities First South Specialised Finance Jay and Jayendra Trustlink
DR Gammie	Huge Group	
VM Mokholo	Huge Cellular Huge Connect Huge Group Huge SOHO Huge Services FVDCJ Mining Inzuzu Trading and Investments Mano Coal Sightfull Coal Windfall 111 Properties	Huge Messaging Huge Telecom Farakanya Mojaho Trading
C Lyons	Huge Group AGT Foods Africa AGT Foods Fraaigelegen Development GP Fraaigelegen Properties MyBucks Banking Corporation Malawi MyBucks SA Novare Equity Partners Novare Holdings Roper Family TerraCom Limited	African Road and Rail SA Cub Investments Road and Rail Company
B Armstrong	Huge Group Old Mutual Incorporated WITS Incubator	Telkom SA SOC CSIR Group AST Networks (now Gijima)

Director	Current directorships	Past directorships
JC Herbst	Huge Capital Huge Cellular Huge Connect Huge Distribution Huge Group Huge Media Huge Messaging Huge Management Huge Networks Huge Payments Huge Services Huge Software Huge SOHO Huge Technologies Huge Telecom Eagle Creek Investments 223 Herbst Investments 001 Pacific Breeze Trading 417 Silver Meadow Trading 3	Farakanya Managed Voice Solutions
S Sequeira	Huge Cellular Huge Group Huge Media Huge Messaging Huge Management Huge SOHO Huge Technologies Huge Services Huge Payments ACE Cycles NL Administration Services	Virgin Mobile South Africa Crossfin Investments
A Openshaw	Huge Cellular Huge Connect Huge Distribution Huge Group Huge Networks Huge Software Huge Telecom Openshaw Investments Radford Dale Telecoms & Data Centre Telecoms Properties	ECN Reunert Communication Cluster

EXTRACTS FROM HUGE'S MEMORANDUM OF INCORPORATION

The extracts below relate to the rights attaching to Huge Shares and the articles concerning the Directors.

3. Securities of the company

3.1 Shares

- (1) The Company is authorised to issue the following Shares:

Number	Class
1 000 000 000	ordinary par value Shares

- (2) Each share entitles the holder to the rights attaching to the particular class of share set out in this clause 3.1 (2).
- (a) Each ordinary share shall rank *pari passu* and *entitles* the holder to:
- (i) vote on any matter to be decided by a vote of the ordinary Shareholders on the basis contemplated in clause 4.3 (1);
 - (ii) participate in any distribution to the ordinary Shareholders; and
 - (iii) participate in the distribution of the residual value of the Company upon its dissolution.
- (3) Subject always to the prior approval of the Shareholders of the Company in general meeting and the JSE, the Company's board is authorised to issue Shares and/or grant options to subscribe for unissued Shares in accordance with the Listings Requirements at any time, but only within the classes, and only to the extent that the Shares have been authorised by or in terms of this Memorandum of Incorporation. Any such approval may be in the form of a general authority to the Directors, whether conditional or unconditional, to allot or issue any Shares or grant options in their discretion, or in the form of a specific authority in respect of any particular allotment or issue of Shares or grant of options. If any such approval is given in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting but it may be varied or revoked by any general meeting of the Company prior to the holding of the next annual general meeting.
- (4) A special resolution of the Shareholders of the Company is required to issue shares in the circumstances contemplated in section 41 of the Act.
- (5) Subject always to the prior approval of the Shareholders by ordinary resolution at a Shareholders meeting and the JSE, the board is authorised to offer shares to existing Shareholders at any time, but such offer shall be *pro rata* to their existing shareholding, and on the same terms and conditions as have been offered to all Shareholders of the Company or to all Shareholders of the class or classes of shares being issued, unless issued for the acquisition of assets.
- (6) The authority of the board to increase or decrease the number of authorised Shares of any class, to reclassify any classified Shares that have been authorised but not issued, to classify any unclassified Shares that have been authorised but not issued, or to determine the preferences, rights, limitations or other terms of any class of Shares, is restricted or varied in the manner contemplated in clauses 2.3 (1)(b) and 2.3 (2) and must be exercised in accordance with the Listings Requirements.
- (7) The authority of the board to authorise the Company to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person in relation to the purchase of any Securities or the subscription of any option or security of the Company or a related or inter-related company, subject to the provisions of section 44(3), is not restricted or varied by this Memorandum of Incorporation.

- (8) Subject to this clause 3.1 and the provisions of section 47, the board may approve the issuing of any authorised Shares of the Company as capitalisation Shares or the issuing of Shares of one class as capitalisation Shares in respect of Shares of another class and may permit Shareholders to elect to receive a cash payment in lieu of a capitalisation share.
- (9) Subject to the provisions of sections 46 and 48 and the Listings Requirements, the board may determine that the Company will acquire a number of its own shares provided that such resolution by the board:
- (a) is approved by a special resolution of the Shareholders, if any shares are to be acquired by the Company from a director or prescribed officer of the Company, or a person related to a director or prescribed officer of the Company; and
 - (b) is subject to the requirements of sections 114 and 115 if, considered alone, or together with other transactions in an integrated series of transactions, it involves the acquisition by the Company of more than 5% of the issued shares of any particular class of the Company's shares.
- (10) Subject to the provisions of sections 46 and 48 the Company may determine that it will acquire shares in its holding company provided that:
- (a) not more than 10%, in aggregate, of the number of issued shares of any class of shares of the holding company may be held by, or for the benefit of, all of the subsidiaries of the holding company, taken together; and
 - (b) no voting rights attached to those shares may be exercised while the shares are held by the Company, and it remains a subsidiary of the holding company whose shares it holds.
- (11) The Company may not pay commission exceeding 10% to any person in consideration for their subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Securities of the Company.
- (12) Securities of the Company are to be issued in certificated form.
- (13) A certificate evidencing any certificated Securities of the Company:
- (a) must state on its face:
 - (i) the name of the Company;
 - (ii) the name of the person to whom the Securities were issued;
 - (iii) the number and class of Shares and the designation of the series, if any, evidenced by that certificate;
 - (iv) a number distinctive for each certificate; and
 - (v) any restriction on the transfer of the Securities evidenced by that certificate.provided that any share certificate issued by the Company as a pre-existing company will not be invalidated solely by reason of it failing to comply with these requirements;
 - (b) must be signed by two persons authorised by the board; and
 - (c) is proof that the named security holder owns the Securities, in the absence of evidence to the contrary.
- (14) A signature contemplated in clause 3.1 (13)(b) may be affixed or placed on the certificate by autographic, mechanical or electronic means.
- (15) If a Securities certificate is defaced, lost or destroyed, it may be replaced on payment of any duty payable on the new certificate and on such terms (if any) as to evidence, indemnity and payment of the out-of-pocket expenses of the Company of investigating such evidence and, in the case of loss or destruction, of advertising the same, as the board may think fit and, in the case of defacement, on delivery of the old certificate to the Company.

- (16) A Securities certificate in the names of two or more persons shall be delivered to the person named first in the register, or to that person's authorised agent, and in case of the legal capacity of any one or more of the joint registered holders of any security, the survivor then named first in the register will be the only person recognised by the Company as being entitled to such certificate, or any new certificate which may be issued in its place. The Company is not bound to register more than four persons as the holders of any security.
- (17) Subject to clause 3.1 (18), the Company must enter in its Securities register every transfer of certificated Securities, including in the entry:
 - (a) the name and address of the transferee;
 - (b) the description of the Securities or interest transferred;
 - (c) the date of the transfer; and
 - (d) the value of any consideration still to be received by the Company on each security or interest, in the case of a transfer of Securities contemplated in sections 40(5) and (6).
- (18) The Company may make an entry contemplated in clause 3.1 (17) only if the transfer:
 - (a) is evidenced by a proper instrument of transfer in a form and substance satisfactory to the board that has been delivered to the Company; or
 - (b) was effected by operation of law.
- (19) The provisions of the Act shall apply in respect of the issuance or transfer of uncertificated Securities.
- (20) All authorities to sign transfer deeds granted by Shareholders for the purpose of transferring Securities that may be lodged, produced or exhibited with or to the Company at any of its transfer offices shall as between the Company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect, and the Company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the Company's transfer offices at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notices the Company shall be entitled to give effect to any instruments signed under the authority to sign, and certified by any officer of the Company, as being in order before the giving and lodging of such notice.
- (21) Shareholders may provide the Company with an address either in the Republic of South Africa or elsewhere to be inserted in the Securities register.
- (22) Under no circumstances shall the Company be entitled to claim a lien on any Securities issued by the Company.

6. Directors and Officers

6.1 Composition of the Board

- (1) The Company's board must comprise not less than five Directors, elected by the Shareholders, provided that any Shareholder may nominate any Director for the purposes of such election.
- (2) Subject to clause 6.1 (6), each Director, other than the first Directors and any Directors appointed in this Memorandum of Incorporation, must be elected by the persons entitled to exercise voting rights in such an election, provided that no director may be appointed for life or for an indefinite period.
- (3) In any election of Directors, the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy.
- (4) In each vote to fill a vacancy, each voting right entitled to be exercised may be exercised once and the vacancy is filled only if a majority of the voting rights exercised support the candidate.
- (5) There are no *ex officio* Directors in addition to any Directors appointed in terms of this Memorandum of Incorporation and the elected Directors.

- (6) The authority of the board to fill any vacancy on the board on a temporary basis is not restricted or varied by this Memorandum of Incorporation. A Director appointed on a temporary basis must be a person who satisfies the requirements for election as a Director and has all the powers, functions and duties, and is subject to all the liabilities, of any other Director.
- (7) The appointment of a director, whether to fill a casual vacancy, or as an addition to the board (or otherwise), must be confirmed by Shareholders at the annual general meeting following such appointment.
- (8) If the number of Directors falls below the minimum provided in clause 00, the remaining Directors must as soon as possible and, in any event not later than three months from the date that the number of Directors falls below the minimum, fill the vacancies or call a general meeting for the purpose of filling the vacancies, provided that the failure by the Company to have the minimum number of Directors during the three month period does not limit or negate the authority of the board of Directors or invalidate anything done by the board of Directors or the Company. After the expiry of the three month period the remaining Directors shall only be permitted to act for the purpose of filling vacancies or calling general meetings of Shareholders.
- (9) To become or to continue to act as a Director or a prescribed officer of the Company, a person must not be:
 - (a) a juristic person;
 - (b) an unemancipated minor, or a person under a similar legal disability;
 - (c) a person who has been declared a delinquent or placed under probation by a court in terms of section 162 or section 47 of the *Close Corporations Act, 1984*, except to the extent permitted by the order of probation;
 - (d) an unrehabilitated insolvent;
 - (e) prohibited in terms of any public regulation to be a Director;
 - (f) removed from an office of trust, on the grounds of misconduct involving dishonesty;
 - (g) a person who has been convicted, in the Republic or elsewhere, and imprisoned without the option of a fine, or fined more than the prescribed amount, for theft, fraud, forgery, perjury or an offence:
 - (i) involving fraud, misrepresentation or dishonesty;
 - (ii) in connection with the promotion, formation or management of a company;
 - (iii) in connection with having been appointed or elected as a Director or acting as a Director whilst ineligible or disqualified, or whilst having been placed under probation by a court; or
 - (iv) under the Act, the *Insolvency Act, 1936*, the *Close Corporations Act, 1984*, the *Competition Act, 1998*, the *Financial Intelligence Centre Act, 2001*, the *Securities Services Act, 2004*, or Chapter 2 of the *Prevention and Combating of Corruption Activities Act, 2004*.
- (10) A person need not satisfy any further eligibility requirements or qualifications.

6.2 Rotation of Directors

At least one third of non-executive Directors must retire at the Company's annual general meetings or other general meetings on an annual basis, provided the meeting is not conducted in terms of section 60 of the Act. These retiring members of the board of Directors may be re-elected, provided they are eligible. The board of Directors through the nomination committee, should recommend eligibility, taking into account past performance and contribution.

6.3 Alternate Directors

- (1) Each director may, subject to Shareholder approval in accordance with the Act, appoint and remove any person, including another director, to act as an alternate director in such director's place and during their absence, provide that such person has been approved for that purpose by a resolution of the Company's board. Any appointment or removal of an alternate director shall be effected by written notice to the Company signed by the person appointing or removing that alternative.
- (2) An alternate Director shall, except as regards the power to appoint an alternate (if applicable) and to receive remuneration, be subject in all respects to the terms and conditions applicable to the Director appointing them, and each alternate Director shall be entitled:
 - (a) to receive notice of all meetings of the Directors or of any committee of the Directors of which the alternate's appointor is a member;
 - (b) to attend and vote at any such meetings at which the alternate's appointor is not personally present;
 - (c) to furnish written consent to adopt a decision which could be voted on at a board meeting;
 - (d) to be appointed as an alternate to more than one Director and shall have a vote for each Director for whom such alternate acts, in addition to their own vote as Director, if any; and
 - (e) generally, to exercise and discharge all the functions, powers and duties of the alternate's appointor in such appointor's absence as if such alternate were a Director.
- (3) An alternate Director shall cease to be an alternate Director if the alternate's appointor ceases for any reason to be a Director, but if any Director retires and is re-elected at the same meeting, any appointment made by such Director shall remain in force as though the Director had not retired.

6.4 Authority of the board

- (1) The authority of the Company's board to exercise all of the powers and perform any of the functions of the Company and to manage and direct the business and affairs of the Company, is not restricted or varied by this Memorandum of Incorporation.
- (2) If, at any time, the Company has only one Director, the authority of that Director to act without notice or compliance with any other internal formalities, is not restricted or varied by this Memorandum of Incorporation.

6.5 Directors' meetings

- (1) A Director authorised by the board of the Company:
 - (a) may call a meeting of the board at any time; and
 - (b) must call such a meeting if required to do so by at least:
 - (i) 25% of the Directors, in the case of a board that has at least 12 members; or
 - (ii) two Directors, in any other case.
- (2) Notwithstanding clause 6.5 (1), any Director may call a meeting of Directors if such Director considers there is good reason to do so.
- (3) The authority of the board to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, so long as the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting, is not restricted or varied by this Memorandum of Incorporation.

- (4) The authority of the board to adopt a decision, that could be voted on at a board meeting, by way of written consent of a majority of the Directors, given in person or by electronic communication, provided that each Director has received notice of the matter to be decided, is not restricted or varied by this Memorandum of Incorporation. Any decision made in the manner contemplated in this clause 6.5 (4):
 - (a) has the same effect as if it had been approved by voting at a meeting;
 - (b) must be inserted into the minute book of the Company; and
 - (c) may consist of several documents and will be deemed to have been passed on the date on which it was signed by the last director who signed it (unless otherwise stated in the resolution).
- (5) The board may determine the form and time for giving notice of its meetings but such a determination must comply with any requirements set out in this Memorandum of Incorporation, provided that no meeting of the board shall be convened without notice to all of the Directors subject, however, to the provisions of clause 6.5 (6).
- (6) The authority of the board to proceed with a meeting even if there was a failure to give the required notice or there was a defect in the giving of such notice, provided that all of the Directors acknowledge actual receipt of the notice or are present at the meeting or waive notice of the meeting, is not restricted or varied by this Memorandum of Incorporation.
- (7) The quorum requirement for a meeting is a majority of Directors.
- (8) Each Director has one vote on a matter and a majority of votes cast on a resolution is sufficient to approve that resolution.
- (9) The board is entitled to elect a chairman, deputy chairman and/or any vice-chairman from one of its number and may determine the period for which such persons will hold office. In the case of a tied vote the chairman or vice-chairman will not have a deciding vote and the resolution will fail.

6.6 Directors' power to affect borrowing

The Company's board may raise or borrow from time to time for the purposes of the Company, or secure the payment, of such sums as they think fit and may secure the repayment or payment of any such sums by guarantee, bond or mortgage upon all or any of the property or assets of the Company or by the issue of debt instruments or otherwise as they may think fit.

6.7 Directors' compensation and financial assistance

- (1) The authority of the Company to pay remuneration to the Directors, in accordance with a special resolution approved by the Shareholders within the previous two years, is not restricted or varied by this Memorandum of Incorporation.
- (2) A Director may be employed in any other capacity in the Company or as a director or employee of a company controlled by, or itself a subsidiary of, this Company, provided that their appointment and remuneration in respect of such other office is determined by:
 - (a) a disinterested quorum of Directors in the case of executive Directors; and
 - (b) the Shareholders, within the previous two years, in the case of non-executive Directors.
- (3) The Directors may be paid all their traveling and other expenses properly and necessarily incurred by them in and about the business of the Company, and in attending meetings of the Directors or of committees thereof. If any Director is required to perform extra services or to reside abroad or will be specifically occupied about the Company's business, they shall be entitled to receive such remuneration as is determined in accordance with clause 6.7 (2).

6.8 Indemnification of Directors

- (1) For purposes of this clause 6.8, Director includes a former Director, an alternate Director, a prescribed officer or a person who is a member of a committee of a board of the Company, or of the audit committee of the Company, irrespective of whether or not the person is also a member of the board.
- (2) The authority of the Company to advance expenses to a Director to defend litigation in any proceedings arising out of the Director's service to the Company and to directly or indirectly indemnify a Director for such expenses if those proceedings are abandoned or exculpate the Director or arise in respect of any liability for which the Company may indemnify the Director, is not restricted or varied by this Memorandum of Incorporation.
- (3) The authority of the Company to indemnify a Director in respect of any liability for which the Company may indemnify a Director, is not restricted or varied by this Memorandum of Incorporation and the Act.
- (4) The authority of the Company to purchase insurance to protect:
 - (a) a Director against any liability or expenses for which the Company may indemnify a Director as contemplated in clause 6.8 (2) or clause 6.8 (3); or
 - (b) the Company against any contingency including but not limited to any expenses that the Company is permitted to advance or for which the Company is permitted to indemnify a Director as contemplated in clause 6.8 (2) or any liability for which the Company is permitted to indemnify a Director as contemplated in clause 6.8 (3),is not restricted or varied by this Memorandum of Incorporation.
- (5) The Company shall be entitled to claim restitution from a Director or a related company for any money paid directly or indirectly by the Company to or on behalf of that Director in any manner inconsistent with this clause 6.8 or the Act.

DETAILS OF SUBSIDIARY COMPANIES OF HUGE

The following were wholly owned subsidiaries of Huge as at the Last Practicable Date:

Company	Registration number and place and date of incorporation	Authorised share capital	Issued share capital	Nature of business	Directors
Huge Telecom	1993/003902/07 South Africa 1993/07/13	4 000	1 000	Managed Telecommunications	JC Herbst, AP Openshaw, RR Burger, SJ Morony
Huge Messaging	2008/001288/07 South Africa 2008/01/22	4 000	1 000	Telecommunications	JC Herbst, VMIM Mokholo, SL Sequeira
Huge Technologies	2008/006066/07 South Africa 2008/03/07	1 000	100	Software and Technology	JC Herbst, SL Sequeira
Huge Management	2007/033510/07 South Africa 2007/11/21	1 000	300		JC Herbst, SL Sequeira
Huge Payments	2014/112952/07 South Africa 2014/06/11	100 000	10 000		JC Herbst, SL Sequeira

The following were subsidiaries of Hugel Telecom as at the Last Practicable Date:

Company	Registration number and place and date of incorporation	Authorised share capital	Issued share capital	% held	Nature of business	Directors
Hugel Cellular	2008/004068/07 South Africa 2008/02/15	1 000	100	49	Procurement	JC Herbst, AP Openshaw, VM Mokholo, SL Sequeira
Hugel Networks	2014/009214/07 South Africa 2014/01/16	10 000	2 001	50.3	Telecommunications	JC Herbst, AP Openshaw, N Lakha, A Bagoon, H du Toit, SM Oberholzer, R Jankovic, A Engelbrecht
Hugel Services	2006/027671/07 South Africa 2006/09/05	1 000	240	100	Short messaging services	VM Mokholo, GB Shiers, JD Ingram

The remaining 49.7% of Hugel Networks is held by Otel Communications.

DETAILS OF ALTERATIONS TO HUGE'S SHARE CAPITAL IN THE LAST THREE YEARS

Other than as set out below, there have been no other issues or offers of Shares in the three years preceding these Revised Listing Particulars.

Date	Shares issued by –	Shares issued to –	Number of securities issued	Price and terms	Reason	Premium or discount	Value of the asset the acquire or to acquire, if any
2018 ¹	Huge	Praesidium SA Hedge Fund, Peregrine Equities Proprietary Limited, K2017082648 South Africa Proprietary Limited, K2017038068 South Africa Proprietary Limited, K2017038099 South Africa Proprietary Limited, K2017038086 South Africa Proprietary Limited, DM Holdco Proprietary Limited, RF Mushonga and CNet Empowerment Trust	24 373 551	615 cents per Share	Specific issue of shares for cash	N/A	R149 897 339
21 September 2018 ²	Huge	EM Kerby	25 000	900 cents per Share	Issue in respect of the acquisition by Huge Telecom of minority shareholdings in Huge Messaging	N/A	R225 000
29 August 2019 ³	Huge Connect	Huge	1 000	R457 075 per Huge Connect preference share	Disposal of an equity interest in Huge Connect to a B-BBEE investor	N/A	R457 075 000

Notes:

1. During 2018, 24 373 551 Shares were issued at a price of 615 cents per Share, in terms of the specific issue of Shares for cash approved by shareholders on 20 December 2016. The proceeds of this issue amounted to R149 897 339 and from which expenses of R5 624 208 were deducted. Non-public shareholders to whom Shares were issued were Praesidium SA Hedge Fund, Peregrine Equities Proprietary Limited, K2017082648 South Africa Proprietary Limited, K2017038068 South Africa Proprietary Limited, K2017038099 South Africa Proprietary Limited, K2017038086 South Africa Proprietary Limited, DM Holdco Proprietary Limited, RF Mushonga and CNet Empowerment Trust.
2. On 21 September 2018, the Company issued 25 000 Shares to EM Kerby in terms of an acquisition issue, in respect of the acquisition by Huge Telecom of minority shareholdings in Huge Messaging. These Shares were issued at a price of 900 cents per Share, amounting to R225 000.
3. On 29 August 2019, shareholders were advised that the Company and Huge Connect had entered into an implementation agreement ("the Implementation Agreement") with Windfall 111 Properties Proprietary Limited ("Windfall"), an associate of Mr Vincent Mokholo, who is a non-executive director of the Company, and a related party to Huge. The Implementation Agreement contemplated the conclusion of various transaction agreements, including a preference share subscription agreement ("Preference Share Subscription Agreement") between Huge and Huge Connect, an ordinary share subscription agreement ("the Subscription Agreement") between Huge Connect and Windfall and a shareholders agreement between Huge, Windfall and Huge Connect ("the Transaction Agreements"). In terms of the Preference Share Subscription Agreement, Huge subscribed for 1 000 preference shares in Huge Connect for a subscription price of R457 075 000. Thereafter, Huge Connect declared an ordinary dividend of R457 075 000 to the holders of the ordinary shares in Huge Connect, being Huge. The obligation of Huge Connect to effect payment of the ordinary dividend was discharged *in toto* by set-off against the obligation of Huge to effect payment of the preference shares subscription price. Thereafter, and in terms of the Subscription Agreement, Windfall will subscribe ("the Subscription") for 36 ordinary no par value shares ("the Subscription Shares") in the issued ordinary capital of Huge Connect, such that after the Subscription, Windfall will own 16.296% of the issued share capital of Huge Connect. The consideration for the Subscription Shares is an aggregate amount of R180 000 and was settled by Windfall in cash. Further information in respect of this transaction is set out in the circular to Shareholders dated 25 October 2019, which circular is incorporated by reference.

Other than as set out below, there have been no other repurchases of Shares in the three years preceding these Revised Listing Particulars.

During FY2020, Huge established a share repurchase programme. In terms of this repurchase programme Huge and/or its subsidiary companies can repurchase up to 4 million Huge Shares for an aggregate consideration not exceeding R20 million, pursuant to and in accordance with the authority granted by Shareholders at the Company's annual general meeting held on Thursday, 29 August 2019 ("2020 General Authority"). The 2020 General Authority commenced on 29 August 2019 and terminated on the date of the next annual general meeting of the Company, being 8 October 2020. In terms of the 2020 General Authority, Huge acquired 1 963 311 Shares at an average repurchase price of 367.2 cents per Share. Huge was unable to undertake Repurchases from 1 September 2020 to 25 November 2020 due to the Company being in a closed period pending the release of its August 2020 interim results and because Huge had not submitted the details of a repurchase programme to the JSE in writing prior to the commencement of the closed period.

The most recent general authority to give effect to the Company's repurchases was granted on 8 October 2020 ("2021 General Authority"). From 4 December 2020 until the Last Practicable Date, the Company has acquired 2 068 559 Shares at an average repurchase price of 577.70 cents per Share. A further 1 931 441 Shares remain available to be acquired under the 2021 General Authority.

The Company entered a closed period on 1 March 2021, due to the pending release of its year end results in respect of the period ended 28 February 2021 ("**2021 Closed Period**"). The Company is continuing with the repurchases during the 2021 Closed Period as it has, in accordance with paragraph 5.72(h) of the JSE Listings Requirements, submitted the details of a repurchase programme to the JSE in writing prior to the commencement of the 2021 Closed Period.

Other than as described above, no Shares have been issued during the past three years. There has been no subdivision or consolidation of Share during the three years preceding the date of the issue of these Revised Listing Particulars.

MATERIAL LOANS

Set out below are the material borrowings of Hugel its subsidiaries as at the Last Practicable Date:

Lender	Borrower	Description	Origination	Capital amount outstanding	Interest rate	Capital repayments (quarterly/monthly)	Security	Maturity date
Futuregrowth	Hugel	Term facility of R200 million ("Hugel Facility")	See note 1.1 below	R119 434 486	3-month JIBAR plus 4%	Quarterly	See note 1.2 below	December 2023
FirstRand	Hugel Telecom	Overdraft facility of R18 million	Normal business activities	Nil	Linked to prime, currently 7%	Repayable on demand	See note 2.2 below	Demand facility settled monthly
FirstRand	Hugel Telecom	Short-term direct facility of R420 000	Normal business activities	R49 163	14.50%	Monthly, 'demand facility'	- See note 2.2 below	Balance settled monthly
FirstRand	Hugel Telecom	Long-term Contingent facility of R180 000	Normal business activities	Nil	n/a	Repayable on demand	See note 2.2 below	No maturity date
FirstRand	Hugel Telecom	Settlement facility of R3 million	Normal business activities	Nil	n/a	Repayable on demand	See note 2.2 below	No maturity date
Futuregrowth	Hugel Technologies	Term facility of R30 million ("Hugel Technologies Facility")	Normal business activities	R30 000 000	JIBAR plus 4.5%	Quarterly	See note 1.2 below	29 November 2021

Notes:

1. Huge facility conditions:

1.1 The facility replaced the R90 million term facility agreement concluded as part of the acquisition of ConnectNet Broadband Wireless and Sainet Internet, details of which are contained in the circular to Huge shareholders dated 17 January 2017, incorporated by reference in terms of paragraph 25 of the Revised Listing Particulars, and provides Huge with access to additional funds to fulfil its growth aspirations.

1.2 The Huge Facility provides for various Group's subsidiary companies, associate companies and joint venture companies ("the Obligors") to provide various guarantees, cessions, pledges and subordinations.

- The Obligors irrevocably and unconditionally undertake to pay to Futuregrowth all amounts which Huge and any other Obligor is obliged to pay to Futuregrowth in terms of the Huge Facility, to the extent to which Huge or any other Obligor fails to pay those amounts.
- In terms of the cession between Futuregrowth and Huge, Huge cedes in *securitatem debiti* and pledges to Futuregrowth as continuing covering security for the fulfilment of its obligations under the Huge Facility, all of its right, title and interest in and to all of the shares held by Huge in and claims held by Huge against the Obligors.

1.3 The Huge Facility is subject to the following material covenants:

- Debt to EBITDA Ratio shall be between 0 and 2.5 times;
- EBITDA to Debt Interest Ratio shall not be less than 3 times;
- EBITDA to Debt Service Ratio shall not be less than 1.5 times;
- Group Debt to Group EBITDA Ratio shall be between 0 and 2.5 times;
- Huge's Debt to subsidiaries Debt Ratio shall not be less than:
 - 86.96%; 13.04% in the period between Signature Date and 29 November 2019;
 - 90%; 10% in the period between 29 November 2019 and the final repayment date; and
- A Security Cover Ratio which is equal to or greater than 3.

2. Huge Telecom banking facilities conditions:

2.1 Huge Telecom concluded an agreement with FirstRand for the provision of the following additional banking facilities which are subject to annual review and where amounts owing are repayable on demand:

- Overdraft Facility of R8 000 000;
- Short-term Direct Facility of R420 000 which is an auto card demand facility;
- Long-term Contingent Facility of R180 000 which is a demand facility where individual guarantees may not exceed 36 months;
- Short-term Contingent Facility of R108 000 which is a demand facility where individual guarantees may not exceed 12 months, alternatively, individual guarantees must provide for notice of cancellation by the bank with the notice period not exceeding three months; and
- Settlement Facility of R3 008 000 which is a demand facility

2.2 Huge Telecom has ceded, as security, all its rights, title and interest in and to the Huge Telecom book debts of R30 000 000 to FirstRand.

2.3 The overdraft facility is subject to the following material terms and covenants:

Collateral

- an unlimited cession in *securitatem debiti* given in favour of the bank by the Borrower of any and all rights which the Borrower has against its debtors from time to time;
- a limited cross suretyship for the joint and several obligations of, and by, and between, the companies listed below, provided that such cross suretyship be limited to R15 709 000, now and/or in future towards the Bank:
 - Huge Telecom
 - Huge
- Utilisation of the facility may not exceed 50% of the value of the borrower's good ceded debtors;
- The Borrower undertakes to maintain a minimum adjusted shareholder interest of R20 000 000; and
- The Borrower undertakes to maintain a minimum EBITDA of R10 000 000.

3. Huge Technologies facility conditions:

3.1 On 29 November 2019, Huge Technologies concluded an Addendum to the R30 million term facility agreement with Futuregrowth. The parties amended the final repayment date to 29 November 2021 and agreed to increase the lending margin from JIBAR + 400 bps to JIBAR + 450 bps, nominal annual, compounded quarterly.

3.2 The Huge Technologies Facility is subject to the following material covenants:

- Debt to EBITDA Ratio shall be between 0 and 4 times;
- EBITDA to Debt Interest Ratio not less than 4 times;
- Group Debt to Group EBITDA Ratio shall be between 0 and 2.5 times; and
- Group Debt Interest to Group EBITDA Ratio shall not be less than 3 times.

4. Any outstanding amounts repayable by Huge or its subsidiaries within the next 12 months in respect of the above facilities will be paid utilising Huge's existing cash resources.

ACQUISITIONS AND VENDORS

Within the three year period preceding the Last Practicable Date, the following material acquisitions have been made by Huga:

Name	Beneficial shareholder of vendor (direct and indirect)	Address	Asset Purchased and nature of interest acquired	Price paid to vendor in cash (R)	Price paid to vendor in securities (R)	Price paid to vendor in respect of goodwill (R)	Loans incurred to finance acquisition (R)	Date purchased	Price paid by vendor and date of acquisition by vendor if within preceding three years (R)
Adapt IT	Adapt IT is listed on the JSE	Adapt IT Johannesburg Campus 152 14th Road Midrand South Africa	Direct beneficial interest in Adapt IT ordinary shares	–	Note 1	–	2 August 2021 (Note 2)	N/A.	

Notes:

1. A maximum of 198 million Huga Shares to be issued pursuant to the Proposed Acquisition. Huga shall discharge its obligations in relation to the Sale Consideration by issuing to each Adapt IT Shareholder that accepts the Offer, ordinary shares in Huga, at a swap ratio ("Swap Ratio") of 1.37 Shares for each Adapt IT Share tendered. The Swap Ratio is based on a reference price of 665 cents per Huga Share.
2. This is the estimated date that the Proposed Acquisition will become effective post closure of the Offer.

INTER-COMPANY LOANS

Details of material loans receivable by Huge, as at 31 August 2020, being its last reporting date, are set out below:

Borrower	Type of facility	Amount outstanding as at 31 August 2020 (ZAR)	Repayment/renewal terms	Interest rate	Security
Huge Soho		1 206 542	There are currently no fixed repayment terms on for the loan.	JIBAR+7%	Unsecured
Huge Technologies		36 457 848	There are currently no fixed repayment terms on for the loan.	JIBAR+7%	Unsecured
Huge Telecom	Long term funding to subsidiary	38 760 856	There are currently no fixed repayment terms on for the loan.	JIBAR+7%	Unsecured
Huge Management		82 971 177	There are currently no fixed repayment terms on for the loan.	JIBAR+7%	Unsecured
Huge Distribution		15 814 363	There are currently no fixed repayment terms on for the loan.	JIBAR+7%	Unsecured

EXECUTIVE OPTIONS

Details of the Executive Options granted by the Company are set out below:

JC Herbst	Option 1	Option 2	Option 3
Number of options	2 500 000	2 500 000	2 500 000
Option period	1 March 2020 to 28 February 2025 (both days inclusive)	1 March 2021 to 28 February 2026 (both days inclusive)	1 March 2022 to 28 February 2027 (both days inclusive)
Date of vesting *	Beginning of the option 1 option period, being 1 March 2020	Beginning of the Option 2 option period, being 1 March 2021	Beginning of the Option 3 option period, being 1 March 2022
Strike price at date of vesting	R5.31 per Share	R5.31 per Share	R5.31 per Share
Nature	American	American	American
AP Openshaw	Option 1	Option 2	Option 3
Number of options	2 500 000	2 500 000	2 500 000
Option period	1 March 2020 to 28 February 2025 (both days inclusive)	1 March 2021 to 28 February 2026 (both days inclusive)	1 March 2022 to 28 February 2027 (both days inclusive)
Date of vesting *	Beginning of the option 1 option period, being 1 March 2020	Beginning of the Option 2 option period, being 1 March 2021	Beginning of the Option 3 option period, being 1 March 2022
Strike price at date of vesting	R5.31 per Share	R5.31 per Share	R5.31 per Share
Nature	American	American	American
SL Sequeira	Option 1	Option 2	Option 3
Number of options	250 000	250 000	250 000
Option period	1 March 2020 to 28 February 2025 (both days inclusive)	1 March 2021 to 28 February 2026 (both days inclusive)	1 March 2022 to 28 February 2027 (both days inclusive)
Date of vesting *	Beginning of the option 1 option period, being 1 March 2020	Beginning of the Option 2 option period, being 1 March 2021	Beginning of the Option 3 option period, being 1 March 2022
Strike price at date of vesting	R5.31 per Share	R5.31 per Share	R5.31 per Share
Nature	American	American	American

*The option will vest on the first day of the option period, and the option holder is entitled to exercise the option at any time during the option period.

DISCLOSURES IN RESPECT OF THE SUBJECT OF THE PROPOSED TRANSACTION

Set out below is a summary of the disclosures required in terms of the JSE Listings Requirements in respect of the subject of the Proposed Transaction (Adapt IT):

Listings Requirements paragraph	Description	Circular or Revised Listing Particulars reference	Link
7.A.1	Name, address and incorporation	See “Corporate information and Advisors” section of the Circular	–
7.A.15	Details of material loans	See paragraph 6.2 “Material loans” of the Revised Listing Particulars	Adapt IT’s material loans are set out in note 13 of the annual financial statements which can be found on page 122 of the 2020 Adapt IT Integrated Report.
7.B.17(b)	Preliminary expenses and issue expenses	See note 1 below	https://www.adaptit.com/corporate-action
7.D.5	Group prospects	See paragraph 4 “Overview of Adapt IT” of the Circular	Shareholders are referred to the discussion of prospects on pages 29, 39, 41, 43, 45, 47 and 49 of the 2020 Adapt IT Integrated Report.
7.D.11	Litigation	See paragraph 12 “Litigation” of the Circular	Not disclosed
7.E.10	Material change	See note 3 below	Not disclosed
7.F.1	Material contracts	See note 4 below	Not disclosed
7.G.1	Documents and consents to be available for inspection	See paragraph 24 “Documents Available for Inspection” of the Circular	–
7.H	Vendors	See Annexure 11 of the Circular	–

Notes:

1. The costs and expenses pertaining to the Proposed Transaction which are applicable to Adapt IT are available in the Adapt IT Response Circular, which is incorporated herein by reference.
2. Details of any material change in the financial or trading position of Adapt IT and its subsidiaries were not made available to Huger and accordingly have not been included in the Circular.
3. Details of material contracts of Adapt IT and any of its subsidiaries were not made available to Huger and accordingly have not been included in the Circular.

SHARE TRADING HISTORY

The Share trading history of Shares on the JSE is set out below:

Date – 2021	Close (cents)	High (cents)	Low (cents)	Volume	Value R
4 June*	598	598	598	0	0
3 June	598	598	598	1 335	7 983
2 June	598	598	598	6 386	38 188
1 June	585	598	585	6 307	36 896
31 May	585	585	545	10 685	62 507
28 May	575	575	520	19 259	110 739
27 May	526	570	526	1 600	8 416
26 May	525	540	525	2 743	14 401
25 May	540	555	540	12 078	65 221
24 May	575	575	555	6 321	36 346
21 May	576	576	576	11 978	68 993
20 May	575	575	575	–	–
19 May	575	575	575	–	–
18 May	575	575	575	496	2 852
17 May	575	575	575	582	3 347
14 May	598	598	575	200	1 196
13 May	605	605	605	–	–
12 May	605	605	600	8 550	51 728
11 May	599	604	556	12 751	76 378
10 May	570	570	570	–	–
7 May	570	570	555	9 010	51 357
6 May	560	560	560	8 728	48 877
5 May	555	555	551	1 166	6 471
4 May	545	545	530	1 166	6 355
3 May	570	570	570	91 842	523 499
30 April	570	570	560	1 487	8 476
29 April	540	542	530	17 200	92 880
28 April	605	605	605	–	–
26 April	605	605	600	1391	8 416
23 April	600	600	600	100	600

Month ended	Close (cents)	High (cents)	Low (cents)	Volume	Value R
May 2021	585	605	520	199 155	1 165 057
April 2021	570	610	530	256 352	1 461 206
March 2021	580	690	520	581 668	3 373 674
February 2021	690	690	519	825 037	5 692 755
January 2021	600	615	451	1 475 959	8 855 754
December 2020	499	499	402	696 310	3 474 587
November 2020	430	430	383	549 888	2 364 518
October 2020	445	450	415	809 143	3 600 686
September 2020	449	500	405	324 266	1 455 954
August 2020	435	448	300	2 421 150	10 532 003
July 2020	349	400	285	941 950	3 287 406
June 2020	435	450	382	367 498	1 598 616

* Last Practicable Date



HUGE GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2006/023587/06)
Share code: HUG
A2X share code: HUG ISIN: ZAE000102042

NOTICE OF GENERAL MEETING

Terms defined in the Circular to which this Notice is attached bear a corresponding meaning in this Notice.

Notice is hereby given that a meeting of the Shareholders will be held in electronic format in accordance with the provisions of section 63(2) of the Companies Act at 10:00 on Tuesday, 13 July 2021, to –

- (i) deal with such business as may lawfully be dealt with at a General Meeting; and
- (ii) consider and, if deemed fit, pass, with or without modification, the Resolutions set out hereunder in the manner required by the Companies Act, as read with the Listings Requirements.

Identification

In accordance with section 63(1) of the Companies Act, meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to attend or participate in the General Meeting. Forms of identification include valid identity documents, drivers' licences and passports.

Salient Dates

In terms of section 59(1)(a) and (b) of the Companies Act, the Directors have set the record dates for the purposes of determining which Shareholders are entitled to receive notice, participate in, and vote at the General Meeting:

Record date to receive the notice of General Meeting	Friday, 4 June
Last date to trade to be eligible to participate in and vote at the General Meeting	Tuesday, 29 June
Record date to be eligible to participate in and vote at the General Meeting	Friday, 9 July

Electronic participation arrangements

The Company's MOI authorises the conduct of shareholders' meetings entirely by electronic communication as does section 63(2)(a) of the Companies Act. The Board has decided that the General Meeting will only be accessible through a remote interactive electronic platform as detailed below.

Shareholders or their duly appointed proxies who wish to participate in the General Meeting are required to complete the Electronic Participation Application Form and email same to The Meeting Specialist at proxy@tmsmeetings.co.za and to Huge at rhansa@hugegroup.com as soon as possible, but in any event by no later than 10:00 on Friday, 9 July 2021.

Shareholders or their duly appointed proxies are required to provide satisfactory identification before being entitled to participate in the General Meeting.

Upon receiving a completed Electronic Participation Application Form, The Meeting Specialist will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the General Meeting. The Meeting Specialist will provide the Company with the nominated email address of each verified shareholder or their duly appointed proxy to enable the Company to forward them a meeting invitation required to access the General Meeting.

Fully verified shareholders or their duly appointed proxies who have applied to participate electronically in the General Meeting are requested by no later than 09:50 on Tuesday, 13 July 2021 to join the meeting by clicking on the link to be provided by The Meeting Specialist, and whose admission to the meeting will be controlled by the company secretary/secretarial office.

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of The Meeting Specialist or Huge who

will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder or their proxy from participating in and/or voting at the General Meeting.

Voting and proxies

For an ordinary resolution to be approved by the shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution.

For a special resolution to be approved by the shareholders, it must be supported by at least 75% of the voting rights exercised on the resolution.

Voting will be via a poll, every shareholder of the Company shall have one vote for every share held in the Company by such shareholder.

A shareholder entitled to participate and vote at the General Meeting is entitled to appoint a proxy or proxies to electronically participate, speak and vote in his/ her stead. A proxy need not be a shareholder of the Company. While the electronic platform to be utilised to host the General Meeting does provide for electronic voting during the meeting, shareholders are strongly encouraged to submit votes by proxy in advance of the General Meeting, by completing the Form of Proxy and lodging this form with The Meeting Specialist by no later than 10:00 on Friday, 9 July 2021 by:

- delivery to The Meeting Specialist at JSE Limited, One Exchange Square, 2 Gwen Lane, Sandown, Johannesburg; or
- email to proxy@tmsmeetings.co.za.

A Form of Proxy may alternatively still be emailed to proxy@tmsmeetings.co.za before the proxy exercises the voting rights of the Shareholder at the General Meeting or adjourned or postponed General Meeting, as the case may be.

Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the General Meeting.

Shareholders who indicate in the Electronic Participation Application Form that they wish to vote during the electronic meeting, will be contacted by the Meeting Specialist to make the necessary arrangements.

Ordinary Resolution Number 1 – Approval of the Proposed Transaction

“RESOLVED THAT, insofar as the acquisition is classified as a Category 1 transaction or a Reverse Takeover in terms of section 9 of the JSE Listings Requirements, the Company be and is hereby authorised to acquire up to 100% of the issued share capital of Adapt IT on the terms and subject to the conditions set out in the Circular.”

Voting requirement:

In order for Ordinary Resolution Number 1 to be adopted, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by Shareholders, present in person or by proxy at the General Meeting, is required.

Ordinary Resolution Number 2 – Directors’ Authorisation

“Resolved that any Director of the Company be and is hereby authorised to take all such steps and sign all such documents as are necessary for or incidental to give effect to the special resolutions and ordinary resolutions contained in this Notice, and to the extent that such Director has, as at the date of this resolution, already performed any of the actions contemplated herein, such actions are hereby ratified and approved.

Voting requirement:

In order for Ordinary Resolution Number 2 to be adopted, the support of more than 50% (fifty per cent) of the voting rights exercised on the resolution by Shareholders, present in person or by proxy at the General Meeting, is required.

Special Resolution Number 1 – Specific Authority to repurchase the Repurchase Shares from CNET Empowerment

“RESOLVED THAT, the Company be and is hereby authorised, by way of a specific authority, in terms of the Companies Act, the JSE Listings Requirements and the Company’s Memorandum of Incorporation, to repurchase 2 724 454 (two million, seven hundred and twenty four thousand four hundred and fifty four)

Shares at the Repurchase Price (price of 450 cents per Share), from CNET Empowerment upon the terms and conditions of the CNET Empowerment Repurchase Agreement and that such shares will be restored to the authorised, but unissued, share capital of Huge Group Limited and will be delisted from the JSE.”

Voting requirement:

In order for Special Resolution number 1 to be passed, the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by the Shareholders present in person, or represented by proxy, excluding the Sellers and their Associates, at the General Meeting is required.

Special Resolution Number 2 – Specific Authority to repurchase the Repurchase Shares from DM Holdco

“**RESOLVED THAT**, the Company be and is hereby authorised, by way of a specific authority, in terms of the Companies Act, the JSE Listings Requirements and the Company’s Memorandum of Incorporation, to repurchase 1 751 434 (one million, seven hundred and twenty one thousand four hundred and thirty four) Shares at the Repurchase Price (price of 450 cents per Share), from DM Holdco upon the terms and conditions of the DM Holdco Repurchase Agreement and that such shares will be restored to the authorised, but unissued, share capital of Huge Group Limited and will be delisted from the JSE.”

Voting requirement:

In order for Special Resolution number 2 to be passed, the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by Shareholders present in person, or represented by proxy, excluding the Sellers and their Associates, at the General Meeting is required.

Special Resolution Number 3 – Specific Authority to repurchase the Repurchase Shares from Praesidium

“**RESOLVED THAT**, the Company be and is hereby authorised, by way of a specific authority, in terms of the Companies Act, the JSE Listings Requirements and the Company’s Memorandum of Incorporation, to repurchase 1 111 112 (one million, one hundred and eleven thousand one hundred and twelve) Shares at the Repurchase Price (price of 450 cents per Share), from Praesidium upon the terms and conditions of the Praesidium Repurchase Agreement and that such shares will be restored to the authorised, but unissued, share capital of Huge Group Limited and will be delisted from the JSE.”

Voting requirement:

In order for Special Resolution number 3 to be passed, the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by Shareholders present in person, or represented by proxy, excluding the Sellers and their Associates, at the General Meeting is required.

Special Resolution Number 4 – Specific authority to issue Shares as required in terms of the Act

“**RESOLVED THAT**, subject to the approval of Ordinary Resolution 1 above, to the extent that the aggregate Shares issued pursuant to the implementation of the Proposed Transaction referred to in Ordinary Resolution 1 is equal to or exceeds 30% of the voting power of all Shares presently in issue, the issue of all such Shares be and is hereby authorised and approved in terms of section 41(3) of the Companies Act.”

Voting requirement

In order for Special Resolution number 4 to be passed, the support of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution by Shareholders present in person, or represented by proxy. The reason for Special Resolution number 4 is that section 41(3) of the Companies Act requires that companies obtain the approval of shareholders by special resolution for any issue of securities, in a single transaction or an integrated series of transactions, if the voting power of the securities that will be issued will be equal to or exceed 30% of the voting power of all the securities of that class held immediately before the issue. The effect of Special Resolution number 4 will therefore be to grant the Company the requisite approval to issue the Shares as required in terms of section 41(3) of the Companies Act.

By order of the Board

Company Secretary

14 June 2021



HUGE GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2006/023587/06)
Share code: HUG
A2X share code: HUG ISIN: ZAE000102042

FORM OF PROXY

FOR USE BY CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALIZED SHAREHOLDERS AT THE GENERAL MEETING OF THE COMPANY TO BE HELD ON TUESDAY, 13 JULY 2021 AT 10:00.

Certificated Shareholders or Dematerialised Shareholders with Own-Name Registration who are entitled to attend and vote at the General Meeting, are entitled to appoint one or more proxies to attend, speak and vote in their stead. A proxy need not be a Shareholder and shall be entitled to vote on a show of hands or poll.

Dematerialised Shareholders, other than Dematerialised Shareholders with Own-Name Registration, should instruct their CSDP or Broker as to what action they wish to take. This must be done in the manner and time stipulated in the agreement entered into between them and their CSDP or Broker.

I/We _____ (name in block letters)

Of _____ (address)

Telephone (work) _____ (home)

Mobile _____ (email)

Being the holder(s) of _____ Shares

Hereby appoint (see note 1)

1. _____ or failing him/her

2. _____ or failing him/her

the chairman of the General Meeting, as my/our proxy to attend, speak and act on my/our behalf at the General Meeting (and at any postponement thereof) and, on a poll, to vote in my stead and to vote for or against the Resolutions or abstain from voting thereon in respect of the Shares registered in my/our name(s), in accordance with the following instructions (see note 3):

	For	Against	Abstain
Ordinary Resolution No. 1 – Approval of the Proposed Transaction			
Ordinary Resolution No. 2 – Directors’ Authorisation			
Special Resolution No. 1 – Specific Authority to repurchase the Repurchase Shares from CNET Empowerment			
Special Resolution No. 2 – Specific Authority to repurchase the Repurchase Shares from DM Holdco			
Special Resolution No. 3 – Specific Authority to repurchase the Repurchase Shares from Praesidium			
Special Resolution Number 4 – Specific authority to issue Shares as required in terms of the Act			

Please indicate with an “x” or the relevant proposed number of Huge Group Shares, in the applicable space, how you wish your vote to be cast.

Signed at _____ on _____ 2021

Signatures _____ Capacity _____

Assisted by (where applicable) _____ Signature _____

Every person entitled to vote and who is present at the General Meeting shall be entitled to either:

- (a) One vote on a show of hands, irrespective of the number of Shares such person holds or represents, provided that a proxy shall, irrespective of the number of Shareholders they represent, have only one vote; or
- (b) That proportion of the total votes in the Company which the aggregate amount of the nominal value of the Shares held by the Shareholder bears to the aggregate amount of the nominal value of all Shares issued by the Company in respect of every matter that may be decided by polling.

A proxy may delegate his/her authority to act on his/her behalf to another person (see note 4).

This Form of Proxy will lapse and cease to be of force and effect immediately after the General Meeting of the Company and any adjournment(s) thereof unless it is revoked earlier (as to which see notes 9 and 10).

Notes to the Form of Proxy

1. This Form of Proxy is for use by certificated Shareholders and Dematerialised Shareholders with Own-Name Registration whose Shares are registered in their own names on the record date and who wish to appoint another person to represent them at the General Meeting. If duly authorised, companies and other corporate bodies who are Shareholders having Shares registered in their own names may appoint a proxy using this Form of Proxy or may appoint a representative in accordance with the last paragraph below. Other Shareholders should not use this form. All beneficial holders who have Dematerialised their Shares through a CSDP or Broker, and do not have their Shares registered in their own name, must provide the CSDP or Broker with their voting instructions. Alternatively, if they wish to attend the General Meeting in person, they should request the CSDP or Broker to provide them with a letter of representation in terms of the custody agreement entered into between the beneficial owner and the CSDP or broker.
2. For administrative purposes, Forms of Proxy should be lodged at or posted to The Meeting Specialist at JSE Limited, One Exchange Square, 2 Gwen Lane, Sandown, Johannesburg, PO Box 62043, Marshalltown, 2107 or proxy@tmsmeetings.co.za, by no later than 10:00 on Friday, 9 July 2021. If Shareholders who have not Dematerialised their Shares or who have Dematerialised their Shares with Own-Name Registration and who are entitled to attend, participate in and vote at the General Meeting do not deliver the Form of Proxy to The Meeting Specialist by the relevant time, such Shareholders will nevertheless be entitled to lodge the Form of Proxy in respect of the General Meeting immediately prior to the proxy exercising such Shareholder's rights as a Shareholder at the General Meeting, in accordance with the instructions therein, with the Chairman of the General Meeting.
3. This proxy shall apply to all the ordinary Shares registered in the name of Shareholders at the record date unless a lesser number of Shares are inserted.
4. A Shareholder may appoint one person as the proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a Shareholder of the Company. If the name of the proxy is not inserted, the Chairman of the General Meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on this Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this Form of Proxy may delegate the authority given to him/her in this Form of Proxy by delivering to the Company, in the manner required by these instructions, a further Form of Proxy which has been completed in a manner consistent with the authority given to the proxy of this Form of Proxy.
5. Unless revoked, the appointment of proxy in terms of this Form of Proxy remains valid until the end of the General Meeting even if such meeting or a part thereof is postponed or adjourned.
6. If:
 - 6.1. a Shareholder does not indicate on this instrument that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or
 - 6.2. the Shareholder gives contrary instructions in relation to any matter; or
 - 6.3. any additional resolution/s which are properly put before the General Meeting; or
 - 6.4. any resolution listed in the Form of Proxy is modified or amended, the proxy shall be entitled to vote or abstain from voting, as he/ she thinks fit, in relation to that resolution or matter. If, however, the Shareholder has provided further written instructions which accompany this Form of Proxy and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.
7. If this proxy is signed by a person (signatory) on behalf of the Shareholder, whether in terms of a power of attorney or otherwise, then this Form of Proxy will not be effective unless:
 - 7.1. it is accompanied by a certified copy of the authority given by the Shareholder to the signatory; or
 - 7.2. the Company has already received a certified copy of that authority.
8. Any alterations made in this Form of Proxy must be initialled by the authorised signatory/ies.
9. This Form of Proxy is revoked if the Shareholder who granted the proxy:
 - 9.1. delivers a copy of the revocation instrument to the Company and to the proxy or proxies concerned, so that it is received by the Company prior to the proxy exercising such Shareholder's rights as a Shareholder at the General Meeting, in accordance with the instructions therein, with the Chairman of the General Meeting; or
 - 9.2. appoints a later, inconsistent appointment of proxy for the General Meeting; or
 - 9.3. attends the General Meeting in person.
10. If duly authorised, companies and other corporate bodies who are Shareholders of the Company having Shares registered in their own name may, instead of completing this Form of Proxy, appoint a representative to represent them and exercise all of their rights at the General Meeting by giving written notice of the appointment of that representative. This notice should be received by The Meeting Specialist by no later than 10:00 on Friday, 9 July 2021 and must be accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed.



HUGE GROUP LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2006/023587/06)
Share code: HUG
A2X share code: HUG ISIN: ZAE000102042

APPLICATION FORM FOR ELECTRONIC PARTICIPATION AT THE GENERAL MEETING

Where appropriate and applicable, the terms defined in the Circular to which this application for electronic participation form is attached and forms part of shall bear the same meaning in this application form.

Instructions

Shareholders or their proxies, have the right, as provided for in the Company's MOI and the Companies Act, to participate in the General Meeting by way of electronic communication.

Shareholders or their duly appointed proxies who wish to participate in the General Meeting must complete this application form and email it (together with the relevant supporting documents referred to below) to The Meeting Specialist at proxy@tmsmeetings.co.za and to the Company at rhansa@hugegroup.com as soon as possible, but in any event by no later than 10:00 on Friday, 9 July 2021.

Upon receiving a completed Electronic Participation Application Form, The Meeting Specialist will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the General Meeting. The Meeting Specialist will provide the Company with the email address of each verified shareholder or their duly appointed proxy (each, "a Participant") to enable the Company to forward the Participant a meeting invitation required to access the General Meeting.

Huge will send each Participant a meeting invitation with a link to join the meeting by no later than 09:50 on Tuesday, 13 July 2021 to enable Participants to link up and participate electronically in the General Meeting. This link will be sent to the email address nominated by the Participant in the table below.

Please note

The electronic platform to be utilised for the General Meeting does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the General Meeting, by completing the Form of Proxy and lodging the completed Form of Proxy together with this Electronic Participation Application Form with The Meeting Specialist.

Participants who indicate in this form that they wish to vote during the electronic meeting, will be contacted by The Meeting Specialist to make the necessary arrangements.

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of The Meeting Specialist or Huge who will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Participant from participating in and/or voting at the General Meeting.

By signing this application form, the Participant indemnifies and holds the Company harmless against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines to participate in the General Meeting or any interruption in the ability of the Participant to participate in the General Meeting via electronic communication, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else, including without limitation the Company and its employees.

Information required for participation by electronic communication at the General Meeting

Full name of shareholder:
Identity or registration number of shareholder:
Full name of authorised representative (if applicable):
Identity number of authorised representative:
Email address:

**Note: This email address will be used by the Company to share the invitation required to access the General Meeting electronically: cellphone number, telephone number, including dialing codes*

**Note: The electronic platform to be utilised for the General Meeting does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the General Meeting, by completing the Form of Proxy*

Indicate (by marking with an 'X') whether:

<input type="checkbox"/>	votes will be submitted by proxy in advance of the General Meeting (in which case, please enclose the duly completed Form of Proxy with this form); or
<input type="checkbox"/>	the Participant will not be submitting votes by proxy in advance of the General Meeting and wishes to cast votes during the General Meeting. If this option is selected, The Meeting Specialist will contact you to make the necessary arrangements.

By signing this application form, I consent to the processing of my personal information above for the purpose of participating in Huger's General Meeting.		
Signed at	on	2021
Signed		

Documents required to be attached to this application form

1. In order to exercise their voting rights at the General Meeting, shareholders who choose to participate electronically may appoint a proxy, which proxy may participate in the General Meeting, provided that a duly completed Form of Proxy has been submitted in accordance with the instructions on that form, and as envisaged in the notice of the General Meeting.
2. Documentary evidence establishing the authority of the named person, including any person acting in a representative capacity, who is to participate in the General Meeting, must be attached to this application.
3. A certified copy of the valid identity document/passport/ of the person attending the General Meeting by electronic participation, including any person acting in a representative capacity, must be attached to this application.

Applications to participate by electronic communication will only be considered if this application form is completed in full, signed by the shareholder, its proxy or representative, and delivered as detailed above. The Company may in its sole discretion accept any incomplete application forms.