

## Huge Group merges its Huge Networks business with the businesses of Otel

Huge Group is merging independent telco company Otel with its networks business, Huge Networks (the **Transactions**). Huge Networks is a subsidiary company of the JSE-listed Huge Group (JSE: HUG) and a data service provider and communications company. Otel is a nationwide provider of Voice over Internet Protocol (**VoIP**) and broadband Infrastructure-as-a-Service telecommunications solutions. The Transactions were implemented on 14 March 2019 and the Otel brand will be migrated to the Huge Networks brand during the course of 2019.

The Transactions allow Huge Group to progress its 'Growing Huge Strategy' by scaling its operations and growing Huge's real estate of customers. In addition, the Transactions expand both the national reach and footprint of Huge, while also increasing its network capacity and connectivity options and allowing for network synergies and efficiencies. The Transactions are expected to be revenue accretive for Huge Networks. The combination of the management teams from Huge Networks and Otel will significantly enhance the intellectual capacity within the Telecom Grouping.

The VoIP and related products and services acquired through the Transactions allows Huge Networks to become a more substantial provider of end-to-end ICT services. It will also provide Huge Networks with an opportunity to enter new customer segments. Economies of scale leveraged from the Transactions will allow Huge Networks to provide its customers with a diversity of cost-effective ICT products and services.

Following the Transactions, Huge Networks will be well-positioned to capitalise on the further expansion of the ISP and ICT service provider industry through various organic and acquisition growth strategies.

*"We believe that the merger will enable us to extend our customer value proposition and give us access to a Huge real estate of customers. We have already identified several areas of growth and the backing of Huge Group will unlock these growth initiatives",* says Rad Jankovic, CEO of Otel.

Dr Marius Oberholzer, who will remain the Managing Director of the enlarged Huge Networks comments: *"We have seen the benefits of the Huge brand since Huge Networks was acquired by Huge Group in March 2017. The merger with Otel will allow Huge Networks to continue to leverage growth with the backing of the Huge brand".*

*"The merger of these two promising telcos is entirely in line with Huge Group's stated focus. In implementing its 'Growing Huge Strategy', Huge Group continues to focus on unlocking opportunities through the strategic acquisition of successful and complementary subsidiary operations" says James Herbst, CEO of the Huge Group. "Huge Group needs to continue to augment its existing offering by making strategic acquisitions like Otel. It's not only about the big headline transactions but rather that we continue to actively pursue acquisitions and service diversification in a strategic manner."*