# MultiChoice South Africa Holdings Proprietary Limited

Consolidated annual financial statements

for the year ended 31 March 2023

# Statement of responsibility by the board of directors

*for the year ended 31 March 2023*

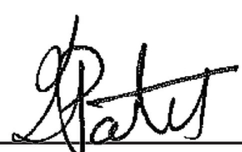
The consolidated annual financial statements are the responsibility of the directors of MultiChoice South Africa Holdings Proprietary Limited (MCSAH). In discharging this responsibility, they rely on management to prepare the consolidated annual financial statements presented on pages 1 to 60 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the requirements of the South African Companies Act, No 71 of 2008, as amended (the Companies Act). The group's activities are guided by the best practice and governance principles as set out in the King IV Report on Corporate Governance for South Africa 2016 (King IV ™). In conformity with IFRS, the consolidated annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the consolidated annual financial statements. No facts have been omitted or untrue statements made that would make the consolidated annual financial statements false or misleading. Internal financial controls have been put in place to ensure that material information relating to MCSAH and its consolidated subsidiaries have been provided to effectively prepare the consolidated annual financial statements. The group operates in an established control environment, which is documented and regularly reviewed. The group risk committee plays an integral role in risk management.

The group's internal audit function, which operates unimpeded by operational management, and has unrestricted access to the group's audit committee, assesses and, when necessary, recommends improvements in the system of internal control and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business. The directors believe that the group has adequate resources to continue operations as a going concern in the foreseeable future, based on budgets, cash flow forecasts and available cash resources. The consolidated annual financial statements, reflecting the current financial position and existing borrowing facilities, support the viability of the group. The preparation of the consolidated annual financial statements was supervised by the group's Chief Financial Officer, Tim Jacobs CA(SA). These results were made public on 13 June 2023.

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the consolidated annual financial statements. The directors believe that all representations made to the independent auditor during their audit were valid and appropriate. A copy of PricewaterhouseCoopers Inc.'s unqualified audit report is presented on pages 6 to 8.

The consolidated annual financial statements were approved and authorised by the board of directors on 13 June 2023 and are signed on its behalf by:



**Imtiaz Patel**
*Non-executive Chair*

**Calvo Mawela**
*Chief Executive Officer*

# Company secretary's certification

*for the year ended 31 March 2023*

In terms of section 88(2)(e) of the Companies Act No 71 of 2008, in my capacity as group company secretary of MultiChoice South Africa Holdings Proprietary Limited, I confirm that for the year ended 31 March 2023 the company has lodged with the Companies and Intellectual Property Commission, all such returns as are required of a private company in terms of the Companies Act and that all such returns and notices are, to the best of my knowledge, true, correct and up to date.

**Carmen Miller**
*Company Secretary*
13 June 2023

The directors have pleasure in submitting their report on the consolidated annual financial statements of MultiChoice South Africa Holdings Proprietary Limited for the year ended 31 March 2023.

**1. Nature of operations**

MultiChoice South Africa Holdings Proprietary Limited (MCSAH or the group) was incorporated on 19 May 2006 under the laws of the Republic of South Africa. The principal activities of MCSAH and its operating subsidiaries, joint ventures and associated companies (collectively "the group") is the operation of video-entertainment services via satellite and online platforms. These activities are conducted primarily in South Africa.

**2. Operating and financial review**

The South African consumer-facing business environment faced severe challenges during the year ended 31 March 2023 (FY23). At a time when consumers were already battling with interest rate hikes, elevated inflation, and high levels of unemployment, loadshedding moved from being intermittent to becoming a permanent fixture in customers' lives. This has had a negative impact on the subscriber base and activity levels, with a noticeable increase in churn when loadshedding reaches stage 4 and above, even when consumers have available funds. This is evidenced by the disconnect between the 0.3m growth in 90-day subscribers (that shows customers still value our products) and the 0.1m decline in the active subscriber base at the end of March (customers are more selective when they sign up to avoid periods of excessive loadshedding).

Total revenue of ZAR42bn (down 3% Year on Year (YoY)) was affected by a 3% decline in total subscription revenues, partially offset by a ZAR0.2bn increase in insurance premiums and subscriber reconnections. The mix of subscriber growth remains in line with prior years, with the Premium decline continuing to slow, the mid-market being the most exposed to the current macro-economic pressures and the mass market still demonstrating room to grow. The changing mix, combined with the lower level of subscriber activity, resulted in monthly average total revenue per user (ARPU) declining 5% from ZAR268 to ZAR254.

Trading profit[1] of ZAR8.7bn resulted in a trading margin of 25%.

As the group matures, generating additional revenue streams and driving value-added services, to counteract reducing ARPU and margin pressure, remains a key focus. The group has seen continued success around its insurance products with polices growing by 458k to 2.8m, generating ZAR0.7bn in revenues (22% YoY growth). DStv Internet grew by 51k subscribers and increased revenues to ZAR133m (FY22: ZAR15m).

Cash balances from continuing operations were impacted by working capital investments, especially around prepayments for sports rights renewals and the timing of payments brought forward due to a major financial system upgrade which went live on 1 April 2023.

The group's established cost optimisation programme delivered a further ZAR1.0bn in cost savings, exceeding the target of ZAR0.7bn, with major contributions from renegotiated sport and general entertainment content contracts.

Core headline earnings, the group's measure of sustainable business performance from total operations, decreased 7% YoY to ZAR6.7bn in line with lower trading profit.

As one of the largest taxpayers in Africa, the group paid direct cash taxes of ZAR2.2bn which decreased 21% YoY due to lower taxable profits.

A dividend of ZAR6.0bn was paid to shareholders in September 2022, with ZAR4.5bn paid to MultiChoice Group Limited (MCG) and ZAR1.5bn paid to Phuthuma Nathi (PN).

The partnership with Comcast (owners of NBCU, Sky and Peacock), announced in March 2023, represents a significant step-up for the MultiChoice future OTT (Over The Top) ambitions. The new Showmax business will bring the world's best local and international content to Africa and will be supported by Peacock's scalable and feature rich technology platform. The transaction successfully closed on 4 April 2023 with MultiChoice Group Limited (MCG) now owning 70% of the new Showmax group and NBCU owning the remaining 30%. New products and launch dates will be announced in due course, with the platform expected to go live in the second half of FY24 (refer to note 27).

**3. Share capital**

There has been no change to the group's authorised or issued share capital during the year. Refer to note 23.

*1 Trading profit includes finance cost on transponder lease liabilities but excludes the amortisation of intangible assets (other than software), impairment/derecognition of assets, equity-settled share-based payment expenses and other operating gains/losses for the total operations for FY23.*

**4. Directorate**

No changes have been made to the directorate of the group.

The directors' names, details and meeting attendance are presented below and the group company secretary's name, business and postal addresses are presented on page 61.

Directors and attendance at meetings in the 2023 financial year:

| Name of Director | Date first appointed | Board Attendance | Classification |
|---|---|---|---|
| MI Patel | 12 November 2019 | 5/5 | Non-Executive Chair |
| JJ Volkwyn | 8 March 2007 | 5/5 | Lead Non-Executive |
| KD Moroka | 8 March 2007 | 5/5 | Non-Executive |
| E Masilela | 1 April 2015 | 5/5 | Non-Executive |
| L Stephens | 6 August 2018 | 5/5 | Non-Executive |
| FA Sanusi | 11 June 2020 | 5/5 | Non-Executive |
| CM Sabwa | 11 June 2020 | 4/5 | Non-Executive |
| JH du Preez | 1 April 2021 | 5/5 | Non-Executive |
| CP Mawela | 1 November 2018 | 5/5 | Executive - CEO |
| TN Jacobs | 1 November 2018 | 5/5 | Executive - CFO |

**5. Property, plant and equipment**

There was no change in the nature of the property, plant and equipment of the group or in the policy regarding their use.

At 31 March 2023, the group's investment in property, plant and equipment amounted to ZAR7.3bn (FY22: ZAR8.0bn). Details are reflected in note 15.

Capital commitments at 31 March 2023 amounted to ZAR165.8m (FY22: ZAR273.6m). Details are reflected in note 11.

**6. Dividends**

An ordinary dividend of ZAR6.0bn (FY22: ZAR6.0bn) was paid in the current year. The ordinary dividend paid was 1 666.67 cents per share (FY22: 1 666.67 cents per share).

The board has declared a gross dividend of 1 527.78 cents per share (ZAR5.5bn). The dividend declaration is subject to the approval of the company's shareholders at the annual general meeting to be held on Wednesday, 23 August 2023.

**7. Group**

MCSAH's principal shareholders are MultiChoice Group Limited (75%) and Phuthuma Nathi Investments (RF) Limited (25%). MCSAH's ultimate controlling party is MultiChoice Group Limited, a company listed on the Johannesburg Stock Exchange (JSE) in South Africa.

The name, country of incorporation and effective financial percentage interest in each of the group's principal subsidiaries, joint ventures and associates are disclosed in notes 21 and 22.

**8. Auditor**

PricewaterhouseCoopers Inc. (PwC) was the appointed auditor of the group for the 2023 financial year.

**9. Audit firm rotation and external auditor for the year ending 31 March 2024 (FY24)**

MultiChoice Group Limited (MCG) has completed its process in line with IRBA's audit firm rotation guidance and MCG elected to rotate its external auditors by FY24. The MCG audit committee has selected Ernst & Young Inc. as the recommended external auditors from FY24. The group has aligned to MCG in rotating external auditors.

**10. Group company secretary**

Carmen Miller continues as the group's company secretary following appointment on 11 June 2020.

**11. Borrowing**

The group has unlimited borrowing powers in terms of its Memorandum of Incorporation.

**12. Subsequent events**

*Dividend*

The board has declared a gross dividend of 1 527.78 cents per share (ZAR5.5bn). The dividend declaration is subject to the approval of the company's shareholders at the annual general meeting to be held on Wednesday, 23 August 2023.

*MultiChoice and Comcast's NBCUniversal partnership*

MultiChoice Group Limited (MultiChoice) and Comcast Corporation, through its subsidiary NBCUniversal Media LLC., entered into an agreement to form a new partnership (transaction) that will bring content and technology to MultiChoice's Subscription Video on Demand (SVoD) customers across their footprint in Sub-Saharan Africa. MCSAH forms part of the larger transaction, refer to note 28.

*Other*

No other events have occurred subsequent to 31 March 2023 and up to the date of signing that have required the company to make further adjustment or disclosure in these annual financial statements.

**13. Going concern**

The directors are satisfied that the group is in sound financial position and have considered that the company has adequate resources to continue operating for the foreseeable future and therefore deem it adequate to adopt the going concern basis in preparing the financial statements for this reporting period.

# *Independent auditor's report*

To the Shareholders of MultiChoice South Africa Holdings Proprietary Limited

## *Our opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of MultiChoice South Africa Holdings Proprietary Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

**What we have audited**

MultiChoice South Africa Holdings Proprietary Limited's consolidated financial statements set out on pages 9 to 60 comprise:

- the consolidated statement of financial position as at 31 March 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

## *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

**Independence**

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

## *Other information*

The directors are responsible for the other information. The other information comprises the information included in the document titled "MultiChoice South Africa Holdings Proprietary Limited Consolidated Annual Financial Statements for the year ended 31 March 2023" and the document titled "MultiChoice South Africa Holdings Proprietary Limited Separate Annual Financial Statements for the year ended 31 March 2023", which includes the Directors' Report to shareholders as required by the Companies Act of South Africa and the Company secretary's certification. The other information does not include the consolidated and separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of the directors for the consolidated financial statements*

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error[1].

In preparing the consolidated financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

[1] The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the consolidated financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on their website.

## *Auditor's responsibilities for the audit of the consolidated financial statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D.H. Höll
Registered Auditor
Johannesburg
South Africa
13 June 2023

# Consolidated statement of financial position

*as at 31 March 2023*

| | Note | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | **13 737** | **13 835** |
| Property, plant and equipment | 15 | **7 294** | 7 990 |
| Goodwill and other intangible assets | 20 | **4 816** | 4 516 |
| Investments and loans | 22 | **51** | 44 |
| Derivative financial instruments | 9 | **3** | - |
| Deferred taxation | 7 | **1 573** | 1 285 |
| **Current assets** | | **29 075** | **18 573** |
| Inventory | 17 | **257** | 206 |
| Programme and film rights | 16 | **3 280** | 2 747 |
| Trade and other receivables | 18 | **5 358** | 4 623 |
| Amounts due from related parties | 25 | **17 635** | 9 609 |
| Derivative financial instruments | 9 | **1 369** | 12 |
| Cash and cash equivalents | 19 | **1 176** | 1 376 |
| Assets held for sale | 28 | 70 | - |
| **TOTAL ASSETS** | | **42 882** | **32 408** |
| **Equity and Liabilities** | | | |
| **Equity reserves attributable to the group's equity holders** | | **13 064** | **12 697** |
| Share capital | 23 | **17 216** | 17 216 |
| Other reserves | 24 | **(12 515)** | (13 867) |
| Retained earnings | | **8 363** | 9 348 |
| **Non-current liabilities** | | **16 006** | **7 771** |
| Lease liabilities | 9 | **7 447** | 7 102 |
| Long-term loans | 9 | **3** | 5 |
| Amounts due to related parties | 25 | **8 000** | 375 |
| Derivative financial instruments | 9 | **-** | 149 |
| Deferred taxation | 7 | **556** | 140 |
| **Current liabilities** | | **13 698** | **11 940** |
| Lease liabilities | 9 | **1 195** | 947 |
| Programme and film rights | 9 | **5 021** | 3 484 |
| Provisions | 13 | **145** | 286 |
| Accrued expenses and other current liabilities | 12 | **4 029** | 4 917 |
| Amounts due to related parties | 25 | **2 611** | 1 010 |
| Derivative financial instruments | 9 | **-** | 1 088 |
| Taxation liabilities | | **697** | 208 |
| Liabilities directly associated with assets held for sale | 28 | 114 | - |
| **TOTAL EQUITY AND LIABILITIES** | | **42 882** | **32 408** |

*The accompanying notes are an integral part of the consolidated annual financial statements.*

# Consolidated income statement

*for the year ended 31 March 2023*

| | Note | 2023 ZAR'm | 2022 Represented* ZAR'm |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | 3 | **41 649** | 42 980 |
| Cost of providing services and sale of goods | 4 | **(23 452)** | (23 175) |
| Selling, general and administration expenses | 4 | **(9 143)** | (8 656) |
| Net impairment loss on trade receivables | 18 | **(102)** | (88) |
| Other operating gains/(losses) - net | 5 | **32** | (277) |
| **Operating profit** | | **8 984** | **10 784** |
| Interest income | 10 | **803** | 393 |
| Interest expense | 10 | **(914)** | (603) |
| Net foreign exchange translation losses | 10 | **(1 637)** | (275) |
| Share of equity-accounted results | | **2** | 8 |
| Reversal of impairment of equity - accounted investments | | **-** | 8 |
| **Profit before taxation** | | **7 238** | **10 315** |
| Taxation | 6 | **(2 302)** | (2 967) |
| **Profit from continuing operations** | | **4 936** | **7 348** |
| **Discontinued operations** | | | |
| Loss from discontinued operations | 28 | (67) | (96) |
| **Profit for the year** | | **4 869** | **7 252** |
| **Equity holders of the group** | | | |
| From continuing operations | | **4 936** | 7 368 |
| From discontinued operations | | **(67)** | (96) |
| **Non-controlling interests** | | | |
| From continuing operations | | **-** | (20) |
| From discontinued operations | | **-** | - |
| | | **4 869** | **7 252** |
| **Earnings per share** | | | |
| **From continuing operations** | | | |
| Basic and diluted earnings for the year (ZAR'm) | | **4 936** | 7 368 |
| Basic earnings per ordinary share (ZAR cents) | | **1 371** | 2 047 |
| **From discontinued operations** | | | |
| Basic and diluted earnings for the year (ZAR'm) | | **(67)** | (96) |
| Basic earnings per ordinary share (ZAR cents) | | **(19)** | (27) |

** Comparative figures previously reported have been amended to reflect continuing operations prevailing for the year ended 31 March 2022.*

*The accompanying notes are an integral part of the consolidated annual financial statements.*

# Consolidated statement of comprehensive income

*for the year ended 31 March 2023*

| | 2023<br>ZAR'm | 2022<br>Represented*<br>ZAR'm |
|---|---|---|
| **Profit for the year** | **4 869** | **7 252** |
| **Total other comprehensive income for the year:** | | |
| Hedging reserve[1] | **1 644** | (449) |
| - Net fair value gain/(loss)[2] | **2 336** | (583) |
| - Hedging reserve recycled to the income statement[2] | **(210)** | (12) |
| - Net tax effect of movements on hedging reserve[3] | **(482)** | 146 |
| **Total comprehensive income for the year** | **6 513** | **6 803** |
| **Equity holders of the group** | | |
| From continuing operations | 6 580 | 6 919 |
| From discontinued operations | (67) | (96) |
| **Non-controlling interests** | | |
| From continuing operations | - | (20) |
| From discontinued operations | - | - |
| | **6 513** | **6 803** |

** Comparative figures previous reported have been amended to reflect continuing operations prevailing for the year ended 31 March 2022.*

*1 These components of other comprehensive income may subsequently be reclassified to the consolidated income statement during future reporting periods.*
*2 The movement relates primarily to the ZAR depreciation against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23.*
*3 The movement relates to tax at 27% (FY22: 28%) on net fair value gains/(losses) recognised.*

*The accompanying notes are an integral part of the consolidated annual financial statements.*

# Consolidated statement of changes in equity

*for the year ended 31 March 2023*

| | Share capital[1] ZAR'm | Other reserves[2] ZAR'm | Retained earnings ZAR'm | Non-controlling interest ZAR'm | Total equity ZAR'm |
|---|---|---|---|---|---|
| **Balance as at 1 April 2021** | **17 216** | **(13 632)** | **7 950** | **5** | **11 539** |
| Profit for the year | - | - | 7 272 | (20) | 7 252 |
| Other comprehensive loss | - | (449) | - | - | (449) |
| **Total comprehensive income for the year** | **-** | **(449)** | **7 272** | **(20)** | **6 803** |
| Hedging reserve basis adjustment[3] | - | 402 | - | - | 402 |
| Share-based compensation movement | - | (160) | 105 | - | (55) |
| Transactions with non-controlling shareholders[5] | - | (28) | - | 15 | (13) |
| Dividends declared[4] | - | - | (5 979) | - | (5 979) |
| **Balance as at 1 April 2022** | **17 216** | **(13 867)** | **9 348** | **-** | **12 697** |
| Profit for the year | **-** | **-** | **4 869** | **-** | **4 869** |
| Other comprehensive income | **-** | **1 644** | **-** | **-** | **1 644** |
| **Total comprehensive income for the year** | **-** | **1 644** | **4 869** | **-** | **6 513** |
| Hedging reserve basis adjustment[3] | **-** | **(100)** | **-** | **-** | **(100)** |
| Share-based compensation movement | **-** | **(192)** | **125** | **-** | **(67)** |
| Dividends declared[4] | **-** | **-** | **(5 979)** | **-** | **(5 979)** |
| **Balance at 31 March 2023** | **17 216** | **(12 515)** | **8 363** | **-** | **13 064** |

*1 Share capital includes share premium (refer to note 23).*
*2 Other reserves include the hedging reserve, fair value reserve, share-based payment reserve, existing control business combination reserve and foreign currency translation reserve (note 24).*
*3 Relates to the basis adjustment (net of tax gains of ZAR3m (FY22: ZAR120m tax gains) on programme and film right assets as content comes into licence.*
*4 Relates to dividends declared and paid to MultiChoice Group Limited (ZAR4.5bn) and Phuthuma Nathi Investments (RF) Limited (ZAR1.5bn).*
*5 In March 2022, the group acquired the remaining 49% of shares in SuperSport Schools Proprietary Limited which is now 100% owned by the group.*

*The accompanying notes are an integral part of the consolidated annual financial statements.*

# Consolidated statement of cash flows

*for the year ended 31 March 2023*

| | Notes | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|---|
| **Cash generated from operating activities** | 8 | **2 207** | 12 543 |
| Interest income received | | **809** | 392 |
| Interest costs paid | | **(662)** | (394) |
| Taxation paid[1] | | **(2 209)** | (2 798) |
| **Net cash generated from operating activities** | | **145** | **9 743** |
| **Cash flows from investing activities** | | | |
| Property, plant and equipment acquired | | **(369)** | (378) |
| Intangible assets acquired | | **(450)** | (460) |
| Proceeds from sale of intangible assets | | **15** | 15 |
| Cash received from other investments and loans | | **43** | 38 |
| Cash paid for other investments and loans | | **(46)** | (59) |
| **Net cash utilised in investing activities** | | **(807)** | **(844)** |
| **Cash flows from financing activities** | | | |
| Proceeds from long- and short-term loans raised | 9 | **-** | 3 |
| Proceeds from related party funding | 9 | **12 606** | 3 448 |
| Repayments of related party funding | 9 | **(5 106)** | (5 258) |
| Repayments of lease liabilities | 9 | **(889)** | (1 087) |
| (Gain)/loss on matured foreign exchange contracts related to lease liabilities | 9 | **(90)** | 81 |
| Repayments of loans to related parties | | **(2)** | - |
| Purchases of shares for group share schemes[2] | | **(238)** | (224) |
| Additional investment in existing subsidiary[3] | | **-** | (9) |
| Dividends paid | | **(5 979)** | (5 979) |
| **Net cash utilised in financing activities** | | **302** | **(9 025)** |
| Net decrease in cash and cash equivalents for the year | | **(360)** | (126) |
| Foreign exchange translation adjustments on cash and cash equivalents | | **160** | 13 |
| Cash and cash equivalents at the beginning of the year | | **1 376** | 1 489 |
| **Cash and cash equivalents at the end of the year** | 19 | **1 176** | **1 376** |

*1 Decrease due to reduced taxable income.*
*2 Relates to the purchase of group shares which were used to settle the group's share-based compensation awards.*
*3 In March 2022, the group acquired the remaining 49% of shares in SuperSport Schools Proprietary Limited, which is now 100% owned by the group.*

*The accompanying notes are an integral part of the consolidated annual financial statements.*

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**1. Basis of preparation**

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the requirements of the South African Companies Act No 71 of 2008 as amended (the Act). The group also subscribes in all its activities to principles of best practice and corporate governance, as set out in the King IV Report on Corporate Governance for South Africa 2016 (King IV™).

The consolidated annual financial statements include amounts based on judgements and estimates made by management.

The consolidated annual financial statements are prepared using the historic cost convention apart from certain financial instruments (including derivative instruments) which are stated at fair value.

The consolidated annual financial statements are presented on the going concern basis.

The directors believe that the group has adequate resources to continue operations as a going concern in the foreseeable future, based on budgets, cash flow forecasts and available cash resources. The consolidated annual financial statements, reflecting the current financial position and existing borrowing facilities, support the viability of the group.

The consolidated annual financial statements are presented in South African Rand (ZAR), which is the group's presentation currency, rounded to the nearest million, unless otherwise indicated.

Management has elected the indirect method for the presentation of the statement of cash flows.

The group has adopted all new and amended accounting pronouncements issued by the International Accounting Standards Board that are effective for financial years commencing 1 April 2022. A number of these amendments are effective from 1 January 2022, but they do not have a material effect on the group's consolidated annual financial statements based on the assessment that has been provided in note 2.

**2. Principal accounting policies**

The principal accounting policies applied in the preparation of the consolidated annual financial statements are set out in the relevant notes.

The accounting policies have been consistently applied to all years presented other than for the impact of the new accounting pronouncements adopted during the current year.

The group adopted the following new accounting pronouncements during the current year.

| **Accounting pronouncement** | **Adoption impact** |
|---|---|
| *Annual improvements cycle - IFRS 9 ‘Financial Instruments’ (effective 1 January 2022)* | In May 2020, the IASB amended IFRS 9 ‘Financial Instruments’ to include only those costs or fees paid between the borrower and the lender in the calculation of “the 10% test” for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. The amendments did not have a material impact for the group. |
| *Annual improvements cycle - IFRS 16 ‘Leases’ (effective 1 January 2022)* | IFRS 16, ‘Leases’, amendment to remove the illustration of payments from the lessor relating to leasehold improvements in one of illustrative examples. The amendment intends to remove any potential confusion about the treatment of lease incentives. The amendments did not have a material impact for the group. |
| *IAS 37 Onerous Contracts - Cost of Fulfilling a Contract (effective 1 January 2022)* | The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of ‘costs to fulfil a contract’. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract. The amendments did not have a material impact for the group. |

**2. Principal accounting policies (continued)**

| Accounting pronouncement | Adoption impact |
|---|---|
| *IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use (effective 1 January 2022)* | The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss. The amendments did not have a material impact for the group. |
| *IFRS 3 'Business combinations' - Asset or liability in a business combination clarity (effective 1 January 2022)* | The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. The amendments did not have a material impact for the group. |

**Accounting judgements and sources of estimation uncertainty**

The preparation of the consolidated annual financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates and assumptions affect the reported amounts of assets, liabilities and contingent assets and liabilities at the statement of financial position date as well as reported income and expenses. Although estimates are based on management's best knowledge and judgement of current facts as at the statement of financial position date, the actual outcomes may differ.

Where relevant, the group has provided sensitivity analysis demonstrating the impact of changes in key estimates and assumptions on reported results.

The significant accounting estimates and judgements have been set out in the note to which it relates, these are:

| | Note reference | Estimate/judgement relates to: | Judgement versus Estimate |
|---|---|---|---|
| Equity compensation benefits | 4 | Valuation/estimates of vesting | Estimate |
| Taxation liabilities | 6 | Uncertainties around timing, quantum and amount | Judgement |
| Deferred taxation assets | 7 | Uncertainties around future financial performance | Judgement |
| Lease liabilities | 9 | Determination of the incremental borrowing rate | Estimate |
| Property, plant and equipment | 15 | Residual values and useful lives | Estimate |
| Programme and film rights | 16 | Amortisation period | Estimate |
| Goodwill and other intangible assets | 20 | Impairment | Estimate |

## PART I. INCOME STATEMENT

### 3. Revenue

The group recognises revenue from the following major sources:

- Subscription fees
- Decoder sales
- Installation revenue
- Advertising revenue
- Programming and sub-licensing revenue
- Management fee income
- Insurance premiums
- Other revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Revenue is measured as the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

**Subscription fees**

Pay-television, subscription video-on-demand, transactional video-on-demand and access fees are earned over the period the services are provided. Subscription revenue arises from the monthly advanced billing of subscribers for pay-television and online services provided by the group. Subscribers are required to pay subscription fees in advance, while commercial subscribers are required to pay within 30 days. Revenue is recognised in the month the service is rendered. Any subscription revenue received in advance of the service being provided is recorded as deferred revenue as part of accrued expenses and other current liabilities and recognised as revenue in the month the service is provided.

**Decoder sales**

Revenue is recognised at a point in time, when the devices are provided to the customer. Payments for the devices are either received upon delivery of the device or through extension of credit to the customer. Repayment terms for credit sales are up to 24 months, however the extended repayment terms are deemed insignificant to the group.

**Installation revenue**

Installation revenue on devices is recognised at a point in time when the device is installed and customer is connected. Payments for the installation are either received upon delivery of the device or through extension of credit to the customer. Repayment terms for credit sales are up to 24 months, however the extended repayment terms are deemed insignificant to the group.

**Advertising revenue**

The group mainly derives advertising revenues from advertisements and sponsorships broadcast on its video-entertainment platforms and shown online on its websites and instant messaging windows. Advertising revenues from video-entertainment platforms are recognised at the point it is broadcast. Online advertising revenues are recognised at the point in which the advertisements are displayed. Sponsorship revenues are recognised at a point in time of the event. Advertising revenue is billed in arrears with 45-day payment terms.

**Programming and sub-licensing revenue**

Programming revenue is generated by packaging content into dedicated channels for broadcast. Revenue is recognised at the point the service is rendered. Any programming revenue received in advance of the service being provided is recorded as deferred revenue and recognised at the point the service is provided.

Sub-licensing revenue is recognised over the licensing period. Amounts received in advance are recorded as contract liabilities and recognised over the licensing period. Contract assets are raised for services performed in advance. Sub-licensing revenue is recognised using the output method based on the value of the programming services and content provided.

| | 2023 ZAR'm | 2022 Represented* ZAR'm |
|---|---|---|

## 3. Revenue (continued)

### Management fee income

Management fee income primarily relates to fees charged to companies within the MultiChoice Group for subscriber management support services. These fees are earned over the period for services that are rendered.

### Insurance premiums

Insurance premiums relate to the insurance on decoders of the pay-television subscribers as well as life insurance policies. The revenue for the insurance premiums is recognised over time, as and when the services are rendered. Premiums are payable in advance.

### Other revenue

Other revenue primarily comprises of sub-licensing revenue relating to the provision of content to other broadcasters and reconnection fees relating to amounts charged to customers for the reconnection of their pay-television services. The revenue from sub-licensing is recognised over time as content and services are delivered. The revenue from reconnection fees is recognised at a point in time when the customer has been reconnected.

| | 2023 ZAR'm | 2022 Represented* ZAR'm |
|---|---|---|
| Subscription fees | **27 385** | 28 483 |
| Advertising | **3 266** | 3 258 |
| Decoders | **994** | 1 069 |
| Installation fees | **284** | 321 |
| Programming and sub-licensing | **5 874** | 6 532 |
| Management fee income | **1 977** | 1 686 |
| Insurance premiums[1] | **717** | 587 |
| Other revenue[2] | **1 152** | 1 044 |
| | **41 649** | **42 980** |

** Comparative figures previously reported have been amended to reflect continuing operations prevailing for the year ended 31 March 2022.*

*1 FY22 numbers have been represented to disclose this line separately to improve disclosure. The increase relates primarily to the introduction of new insurance products into the market during FY23.*
*2 Other revenue primarily includes reconnection fees.*

## 4. Expenses by nature

Operating profit includes the following items:

| | 2023 ZAR'm | 2022 Represented* ZAR'm |
|---|---|---|
| **(a) Cost of providing services and sale of goods** | | |
| Content[1] | **18 818** | 17 971 |
| Decoders | **2 557** | 2 745 |
| Depreciation: Owned assets (Note 15) | **223** | 270 |
| Depreciation: Right of use asset for transmission equipment (Note 15) | **668** | 668 |
| Amortisation (Note 20) | **25** | 21 |
| Subscriber transaction fees | **541** | 553 |
| Licence Fees | **196** | 190 |
| Other[2] | **424** | 757 |
| | **23 452** | **23 175** |

** Comparative figures previously reported have been amended to reflect continuing operations prevailing for the year ended 31 March 2022.*

*1 Includes amortisation and impairment of programme and film rights of ZAR14.8bn in FY23 (FY22: ZAR14.1bn), refer to note 16.*
*2 Includes various cost items such as transmission costs.*

| | 2023 ZAR'm | 2022 Represented* ZAR'm |
|---|---|---|
| **4. Expenses by nature (continued)** | | |
| **(b) Selling, general and administration expenses** | | |
| Employee costs | **3 193** | 3 208 |
| Sales and marketing | **1 552** | 1 350 |
| Depreciation: Right of use asset for buildings (Note 15) | **24** | 24 |
| Depreciation: Right of use asset for vehicles (Note 15) | **1** | 1 |
| Depreciation: Owned assets (Note 15) | **216** | 216 |
| Amortisation (Note 20) | **139** | 136 |
| Consulting costs | **174** | 143 |
| Management fees | **212** | 149 |
| Low-value lease liabilities | **2** | 2 |
| Auditor remuneration | **20** | 21 |
| Maintenance | **1 922** | 1 889 |
| Other[1] | **1 688** | 1 517 |
| | **9 143** | **8 656** |

** Comparative figures previously reported have been amended to reflect continuing operations prevailing for the year ended 31 March 2022.*

*1 Includes various cost items such as administration, general overheads (including ZAR42m related to the cost of diesel required during loadshedding), communication costs and project costs.*

Profit and loss on the sale of property, plant and equipment and intangible assets are included in other operating gains/(losses) - net (note 5).

**(c) Employee-related expenditure**

Employee remuneration is charged to the consolidated income statement and recognised as an expense in the period in which the employees render the related service.

**Short-term employee benefits**

Short-term employee benefits include salaries and wages, medical-aid contributions, paid vacation leave, sick leave and incentive bonuses.

**Long-term employee benefits**

Long-term employee benefits are those benefits that are expected to be wholly settled more than 12 months after the end of the annual reporting period in which the services have been rendered and are discounted to their present value.

**Retirement benefits**

The group provides retirement benefits to its full-time employees, by means of monthly contributions to a defined contribution pension fund. The assets of this fund are held in separate trustee administered funds. The group’s contribution to the retirement fund is recognised as an expense in the period in which the employees render the related service.

**Termination benefits**

The group recognises termination benefits when it is demonstrably committed to either terminate the employment of employees before the normal retirement date or provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Where termination benefits fall due more than 12 months after the reporting period, they are discounted. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Termination benefits are immediately recognised as an expense in the consolidated income statement.

| | 2023 | 2022 Represented* |
|---|---|---|
| | ZAR'm | ZAR'm |

**4. Expenses by nature (continued)**

**(c) Employee-related expenditure (continued)**

**Equity-settled share-based compensation benefits**

Employees of MultiChoice South Africa Holdings Proprietary Limited participate in the MultiChoice Group Limited (MCG) Restricted Stock Plan Trust (RSU). RSUs were granted to employees by MultiChoice Group Limited who has the obligation to settle the awards with shares. As such, the RSU awards are classified as equity settled.

All awards are granted subject to the completion of a requisite service period by employees, ranging from two to five years. The awards granted vest in tranches which results in a comparatively higher charge in earlier years.

Equity-settled share-based payments are measured at fair value at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is charged as employee costs, with a corresponding increase in equity, on a straight-line basis over the period that the employees become unconditionally entitled to the shares, adjusted to reflect management's estimate of the awards that will vest. These equity-settled share-based payments are not subsequently revalued. In respect of RSU's, awards are automatically settled in MultiChoice Group Limited (MCG) equity instruments on the vesting date.

**Cash-settled share-based compensation benefits**

The group has granted Phantom Performance Shares (PPS), which allow certain employees to earn a long-term incentive amount calculated with reference to the increase in the underlying entity's share price between the offer date to the date the employee exercises their right. In respect of the share options on exercise date, following completion of the vesting period, awards are settled with employees in the equity instruments of MCG in cash or other assets for cash-settled plans.

**Staff costs**

The group had 3 644 permanent employees in FY23 (FY22: 3 620).

| **The total cost of employment of all employees, including subsidiary executive directors, was as follows:** | **Note** | | |
|---|---|---|---|
| Salaries, wages and bonuses | | **2 881** | 3 002 |
| Share-based compensation | | **185** | 168 |
| Cash-settled: PPS | | **-** | 2 |
| Equity-settled: RSUs | 4.1 | **185** | 166 |
| Retirement benefit costs | | **223** | 185 |
| Medical aid fund contributions | | **177** | 137 |
| Other costs[1] | | **124** | 102 |
| **Total staff costs** | | **3 590** | **3 594** |
| | | | |
| Included in cost of providing services and sale of goods[2] | | **397** | 386 |
| Included in selling, general and administration expenses | | **3 193** | 3 208 |
| | | **3 590** | **3 594** |

** FY22 numbers have been represented to disclose this line separately to improve disclosure. The increase relates primarily to the introduction of new insurance products into the market during FY23.*

*1 Other costs primarily include training and recruitment costs.*
*2 Relates to local production staff costs which gets included within content costs.*

**4. Expenses by nature (continued)**

**4.1. RSUs**

Employees of the group participate in the MCG Restricted Stock Plan Trust (RSU). RSUs are granted to employees by MultiChoice Group Limited who has the obligation to settle the awards. As such, the RSU awards are classified as equity-settled.

| Award date | Staff level | Split of award | Vesting period | Vesting split |
|---|---|---|---|---|
| Before November 2020 | Executive committee | 50% RSU<br>50% PSU | 4 years | 50% equally in year 3 and 4 |
| Before 27 August 2020 | Rest of organisation | 100% RSU | 5 years | 25% equally from year 2 to 5 |
| After 27 Aug 2020 | Rest of organisation (excluding executive committee/certain senior managers) | 100% RSU | 4 years | 50% equally in year 3 and 4 |
| November 2020 | Executive committee/certain senior managers | 25% RSU<br>75% PSU | RSU: 4 years<br>PSU: 3 years | RSU: 50% equally in year 3 and 4<br>PSU: 100% in year 3 |
| March 2021 onwards | Executive committee/certain senior managers | 100% PSU | 3 years | 100% in year 3 |

For awards before 18 June 2022, performance conditions include core headline earnings per share, return on capital employed and cumulative free cash flow over a 3-year period. The vesting percentages for each measure, for performance below threshold, at threshold, target, and stretch and above is 0%, 50%, 75% and 100% respectively, with linear interpolation between these levels.

In all of the above RSU allocations, RSUs are automatically settled with participants on the vesting date and do not have an exercise price.

The shares in terms of the RSU scheme are administered by the MultiChoice Group Restricted Share Plan Trust, which is a consolidated entity of the MultiChoice Group Limited. The shares are acquired on market and are held as treasury shares until such time as they vest. Forfeited shares are reallocated in subsequent grants. Under the terms of the trust deed, MultiChoice Group Limited and its subsidiaries are required to provide the trust with the necessary funding for the acquisition of the shares at the time of the grant.

The fair value of the RSUs at grant date (weighted average FY23: ZAR115.36) (weighted average FY22: ZAR118.86) was estimated by taking the market value of the MultiChoice Group Limited shares on that date less the present value of future dividends that will not be received by employees during the vesting period.

| **Movement in number of RSUs** | **MultiChoice Group RSU** |
|---|---|
| **Outstanding at 1 April 2021** | 3 953 357 |
| Movements out | (162 612) |
| Granted during the year | 2 403 237 |
| Exercised during the year | (512 247) |
| Forfeited during the year | (460 510) |
| **Outstanding at 31 March 2022** | **5 221 225** |
| Movements out | (127 081) |
| Granted during the year | 3 181 078 |
| Exercised during the year | (763 326) |
| Forfeited during the year | (773 214) |
| **Outstanding at 31 March 2023** | **6 738 682** |
| Weighted average remaining contractual life (years) | 3.18 |

The fair value of the equity-settled options was calculated at grant date using the Bermudan binomial tree model, taking into account the following significant assumptions:

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|

## 4. Expenses by nature (continued)

### 4.1 RSU's (continued)

| **Weighted average** | **MultiChoice Group RSU** |
|---|---|
| **2022** | |
| Expected dividend yield (%) | 4.7 |
| Expiry date (years) | 4.0 |
| **2023** | |
| Expected dividend yield (%) | 4.8 |
| Expiry date (years) | 4.0 |

### 4.2. Phantom Performance Share scheme (PPS)

The PPS scheme is based on a portfolio of new investments made and to be made by the group and the associated growth in those investments. The PPS awards are 100% linked to performance conditions and vesting will only occur should portfolio returns (measured using an internal rate of return (IRR) calculation) of 12.5% be achieved, with full vesting occurring at 25%. Vesting occurs over a 5 year period (50% in year 4 and 50% in year 5). The scheme is settled with MCG shares and the responsibility for sourcing and settlement of shares remain with the employer company. Hence, the scheme is classified as cash-settled.

| **Weighted average** | **Number of units** |
|---|---|
| **Outstanding at 31 March 2021** | 50 314 |
| Employee transfers | (26 159) |
| **Outstanding at 31 March 2022** | 24 155 |
| Granted during the year | 2 622 |
| **Outstanding at 31 March 2023** | **26 777** |
| Weighted average remaining contractual life (years) | 4.50 |

## 5. Other operating gains/(losses) - net

| **Other operating gains/(losses) - net** | Note | 2023 | 2022 |
|---|---|---|---|
| Loss on sale of property, plant and equipment | 8 | **(21)** | (7) |
| Profit on sale of Intangible assets | 8 | **16** | 13 |
| Derecognition of intangible assets[1] | | **-** | (287) |
| Leasehold property | | **-** | 4 |
| Insurance proceeds | | **2** | - |
| Settlement gains | | **35** | - |
| | | **32** | **(277)** |

*1 Relates to the derecognition of information technology assets that occurred in the prior year as part of the group's periodic asset review process, and in line with its conservative accounting policies.*

| | 2023 ZAR'm | 2022 Represented* ZAR'm |
|---|---|---|

### 6. Taxation

The tax charge is determined based on taxable income for the year and includes current tax, deferred tax and dividend withholding tax.

The current tax charge is the tax payable on the taxable income for the financial year applying enacted or substantively enacted tax rates.

Deferred tax is provided for on all temporary differences between the carrying amount of assets and liabilities for accounting purposes and the amounts used for tax purposes. No deferred tax is provided on temporary differences relating to:

- the initial recognition of goodwill; and
- investments in subsidiaries, associates and interests in joint arrangements to the extent that the temporary difference will probably not reverse in the foreseeable future and the control of the reversal of the temporary difference lies with the parent, investor, joint venturer or joint operator.

The group has not recognised any deferred tax assets for carry forward unused tax losses in any of the years presented.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences and unused tax losses can be utilised.

The groups corporate income tax rate is 27% for FY23 (FY22: 28%).

**Major components of the South African normal tax expense**

| | 2023 ZAR'm | 2022 Represented* ZAR'm |
|---|---|---|
| **Normal** | **2 457** | 2 935 |
| Current year | **2 544** | 2 949 |
| Prior year over provision | **(87)** | (14) |
| Foreign taxation[1] | **174** | - |
| Current year | **174** | - |
| | **2 631** | **2 935** |
| Discontinued operations | **(26)** | (37) |
| Continuing operations | **2 657** | 2 972 |
| | **2 631** | **2 935** |
| **Deferred** | **(355)** | (5) |
| Current year | **(438)** | (73) |
| Prior year under provision | **83** | 34 |
| Change in rate | **-** | 34 |
| **Total taxation** | **2 276** | **2 930** |
| Discontinued operations | **(26)** | (37) |
| Continuing operations | **2 302** | 2 967 |
| | **2 276** | **2 930** |

** FY22 numbers have been represented to disclose this line separately to improve disclosure. The increase relates primarily to the introduction of new insurance products into the market during FY23.*

*1 Relates to Corporate Income Tax provision raised for advertising revenues earned outside of South Africa.*

| | 2023 ZAR'm | 2022 Represented* ZAR'm |
|---|---|---|
| **6. Taxation (continued)** | | |
| **Reconciliation of taxation** | | |
| **Taxation for both continuing and discontinued operations at statutory rate of 27% (2022: 28%)** | **1 931** | 2 851 |
| Adjusted for: | | |
| Non-deductible expenses | **99** | 74 |
| Prior period (over)/under provision of taxes | **(7)** | 20 |
| Non-taxable income | **(23)** | (43) |
| Temporary differences not provided for | **18** | (4) |
| Tax attributable to equity-accounted earnings | **(1)** | (2) |
| Change in rate | **-** | 34 |
| Capital gains tax | **120** | - |
| Uncertain tax provision movements | **139** | - |
| **Total taxation provided in income statement** | **2 276** | **2 930** |

** FY22 numbers have been represented to disclose this line separately to improve disclosure. The increase relates primarily to the introduction of new insurance products into the market during FY23.*

## 7. Deferred taxation

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **Reconciliation of deferred taxation - net** | | |
| Deferred tax asset | **1 573** | 1 285 |
| Deferred tax liability | **(556)** | (140) |
| **Deferred taxation - net** | **1 017** | **1 145** |
| **Reconciliation of deferred taxation - net** | | |
| At beginning of year | **1 145** | 1 119 |
| Credited to income statement | **355** | 5 |
| Credited to other comprehensive income | **(483)** | 21 |
| | **1 017** | **1 145** |
| **Deferred taxation is attributable to the following temporary differences** | | |
| **Assets** | | |
| Provisions and other current liabilities | **272** | 328 |
| Lease liabilities | **2 331** | 2 169 |
| Income received in advance | **193** | 166 |
| Hedging reserve | **15** | 371 |
| Debtors and other current assets | **115** | 110 |
| Programme and film rights | **72** | 44 |
| Other | **143** | 132 |
| | **3 141** | **3 320** |

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **7. Deferred taxation (continued)** | | |
| **Liabilities** | | |
| Property, plant and equipment | **(2)** | (3) |
| Intangible assets | **(29)** | (31) |
| Receivables and other current assets | **(107)** | (76) |
| Right-of-use assets | **(1 313)** | (1 499) |
| Programme and film rights | **(389)** | (416) |
| Hedging reserve | **(240)** | - |
| Derivative liabilities | **(6)** | (110) |
| Other | **(38)** | (40) |
| | **(2 124)** | **(2 175)** |

For all temporary differences noted, the current year movement has been recognised in profit and loss with the exception of changes in the fair value of derivative financial instruments that relate to cash flow hedges which have been recognised in other comprehensive income.

## PART II. CASH FLOWS AND LIABILITY MANAGEMENT

### 8. Cash generated from operations

| | Notes | 2023 ZAR'm | 2022 Represented* ZAR'm |
|---|---|---|---|
| **Operating profit from:** | | | |
| **Continuing operations** | | **8 984** | 10 784 |
| **Discontinued operations** | | **(93)** | (133) |
| | | **8 891** | 10 651 |
| **Adjustments:** | | | |
| **Non-cash and other** | | **16 143** | 16 155 |
| Loss/(profit) on sale of assets | 5 | **5** | (6) |
| Depreciation and amortisation | 15/20 | **1 297** | 1 336 |
| Share-based compensation expenses | | **184** | 164 |
| Net realisable value adjustments on inventory | 17 | **174** | 237 |
| Reversal of net realisable value adjustments on inventory | 17 | **(205)** | (258) |
| Expected credit losses on trade and other receivables | 18 | **102** | 88 |
| Derecognition of intangible assets | 5 | **-** | 287 |
| Reversal of impairment of equity - accounted investments | 5 | **-** | (4) |
| Amortisation and impairment of programme and film rights | 16 | **14 827** | 14 110 |
| Hedge accounting revaluations | | **(181)** | 88 |
| Provisions | | **17** | 38 |
| Other[1] | | **(77)** | 75 |
| **Working capital** | | **(22 827)** | (14 263) |
| Cash movement in trade and other receivables | | **(655)** | 149 |
| Cash movement in accrued expenses and other current liabilities | | **(544)** | 286 |
| Cash movement in programme and film rights | | **(15 422)** | (15 352) |
| Cash movement in related party current accounts[2] | | **(6 186)** | 627 |
| Cash movement in inventory | | **(20)** | 27 |
| **Cash generated from operations** | | **2 207** | **12 543** |

** Comparative figures previously reported have been amended to reflect continuing operations prevailing for the year ended 31 March 2022.*

*1 Primarily relates to reversal of the tax provisions.*
*2 FY23 movement includes the working capital outflow from the new MultiChoice Group Treasury Services Proprietary Limited term loan. The cash inflow from the loan was transferred to the cashpool, over which the group has the rights and which is managed by MultiChoice Group Treasury Services Proprietary Limited on behalf of the group.*

### 9. Liabilities funding operations

The group's long-term sources of financing primarily consists of lease liabilities for transponder capacity, related party loans and amounts due for programme and film rights.

Financial liabilities include current and non-current debt. Financial liabilities are classified as current unless the borrowing entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities, other than those arising under leases, are initially recognised at fair value, net of transaction costs incurred and are subsequently stated at amortised cost.

**Derivative instruments and hedge accounting**

*Hedging strategy*

The group applies hedging where economically viable for periods up to 36 months as part of its foreign currency risk management strategy which is reviewed regularly by the board of directors. This provides certainty in terms of future financial assets and obligations denominated in foreign currency and allows the group to set achievable financial plans and deliver sustainable returns to shareholders.

**9. Liabilities funding operations (continued)**

*Hedging of foreign currency costs*

The group uses FECs (Foreign Exchange Contracts) to hedge exposures arising from its cash obligations denominated in US dollars and Euros. These include transponder lease payments and US dollar and Euro denominated payments to purchase sport and general entertainment content. This is performed for all cash obligations within the next 12 months and can be extended up to 36 months for contractually committed exposures, in terms of the group treasury policy.

*Hedge accounting*

The group applies hedge accounting where all the relevant criteria are met.

The group designates hedging instruments taken out as either a cash flow hedge or fair value hedge as follows:

- *Cash flow hedge*: hedge of the foreign currency risk of a firm commitment to purchase programming and channels;
- *Fair value hedge*: hedge of the fair value of recognised transponder lease liabilities

Changes in the fair value of FECs that are designated, and qualify, as cash flow hedges are recognised in other comprehensive income and the ineffective part of the hedge is recognised in the consolidated income statement. The amounts deferred in other comprehensive income are transferred to the consolidated income statement and classified as income or expense in the same periods during which the hedged transaction affects the consolidated income statement. The amounts transferred are recognised in either 'cost of providing services and sale of goods' or 'selling, general and administration expenses'. To the extent that amounts deferred in other comprehensive income pertain to hedges of programme and film rights, these amounts are subsequently transferred to the initial cost of the asset when it is recognised in the consolidated statement of financial position (basis adjustment) and is recognised subsequently to the consolidated income statement as the asset is amortised. This basis adjustment is presented directly in the consolidated statement of changes in equity and not through other comprehensive income.

Changes in the fair value of derivatives that are designated, and qualify, as fair value hedges are recorded in the consolidated income statement, along with changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. These are presented in interest (expense)/income (note 10).

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms (notional value and timing of exposure) of the hedging instrument match the terms of the hedged item. In addition, the gain or loss on the hedged item (which for transponder lease liabilities is designated as the portion of the contractual cash flows covered by forward exchange contracts) is compared to the gain or loss on the hedging instrument to ensure the hedging relationship is effective. The group therefore performs a qualitative and quantitative assessment of effectiveness.

Rebalancing will occur when adjustments need to be made to the hedged instrument due to a material change in the underlying hedged item. This is treated as a continuation of the hedging relationship.

Hedge ineffectiveness will be assessed and recognised immediately in the consolidated income statement before adjusting the hedging relationship.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes significantly from what was originally estimated, the total amount of the hedged item reduces or if there are changes in the credit risk of either party to the hedging relationship.

Hedge accounting will be discontinued in its entirety when the hedging relationship no longer meets the risk management objective, the hedging relationship no longer complies with the qualifying criteria or the hedging instrument has been sold or terminated.

Partial discontinuation occur when a portion of the forecast transaction is no longer highly probable, or a portion of the hedged item is no longer part of the hedging relationship due to an adjustment to the hedge ratio (percentage cover in relation to highly probable forecasted transactions).

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **9. Liabilities funding operations (continued)** | | |
| **(a) Interest-bearing: Lease liabilities** | **7 447** | **7 102** |
| Total liabilities | **8 642** | 8 049 |
| Less: Current portion | **(1 195)** | (947) |
| **(b) Non-interest-bearing: Programme and film rights** | **-** | - |
| Total liabilities | **5 021** | 3 484 |
| Less: Current portion | **(5 021)** | (3 484) |
| **(c) Interest and non-interest-bearing: Related party loans** | **8 000** | **375** |
| Total liabilities | **10 611** | 1 385 |
| Less: Current portion | **(2 611)** | (1 010) |
| **Non-interest bearing: Loans and other liabilities** | **3** | **5** |
| Total liabilities | **3** | 5 |
| Less: Current portion | **-** | - |
| Net non-current liabilities | **15 450** | 7 482 |
| Net non-current loans and other liabilities | **3** | 5 |

The impact of these liabilities on the group's liquidity is disclosed in note 14.

| **Reconciliation of liabilities arising from financing activities** | **Lease liabilities ZAR'm** | **Interest bearing liabilities ZAR'm** | **Non - interest bearing liabilities ZAR'm** |
|---|---|---|---|
| **Balance at 1 April 2022** | **8 049** | **1 385** | **5** |
| Additional liabilities recognised | **13** | [1]**14 332** | **-** |
| Repayments[2] | **(1 322)** | **(5 106)** | **-** |
| Interest accrued | **343** | **-** | **-** |
| Foreign exchange translation[3] | **1 559** | **-** | **-** |
| Share-Based Payments: Old share scheme release | **-** | **-** | **(2)** |
| Balance at 31 March 2023 | **8 642** | **10 611** | **3** |
| Less: Current portion | **(1 195)** | **(2 611)** | **-** |
| **Non-current liabilities** | **7 447** | **8 000** | **3** |

*1 Includes amounts of ZAR1.7bn which are non-cash in nature.*
*2 Capital repayments of ZAR889m (FY22: ZAR1bn) are included in repayment of lease liabilities within financing activities and ZAR343m (FY22: ZAR336m) is included as part of interest paid within operating activities in the cash flow statement.*
*3 These items comprises the loss on translation of lease liabilities of ZAR1.65bn (2022: gains of ZAR92m) and gains on matured forward exchange contracts of ZAR90m (2022: losses of R81m) and are non-cash in nature.*

| **Reconciliation of liabilities arising from financing activities** | **Lease liabilities ZAR'm** | **Interest bearing liabilities ZAR'm** | **Non - interest bearing liabilities ZAR'm** |
|---|---|---|---|
| Balance at 1 April 2021 | 9 001 | 1 646 | 2 |
| Additional liabilities recognised[1] | 65 | 4 997 | 3 |
| Repayments[2] | (1 342) | (5 258) | - |
| Interest accrued | 336 | - | - |
| Foreign exchange translation[3] | (11) | - | - |
| Balance at 31 March 2022 | 8 049 | 1 385 | 5 |
| Less: Current portion | (947) | (1 010) | - |
| Non-current liabilities | 7 102 | 375 | 5 |

*1 Includes amounts of ZAR1.5bn non-cash.*
*2 Capital repayments of ZAR1bn (FY21: ZAR932m) are included in repayment of lease liabilities within financing activities and ZAR336m (FY21: ZAR406m) is included as part of interest paid within operating activities in the cash flow statement.*
*3 These items are non-cash in nature.*

**9. Liabilities funding operations (continued)**

**a) Interest-bearing: Lease liabilities**

| **Asset leased** | **Related platform** | **Years of final repayment (calendar year)** | **Weighted average year-end interest rate** | **2023 ZAR'm** | **2022 ZAR'm** |
|---|---|---|---|---|---|
| Transponder 1-19 | SA DTH | 2027 | 4.50% | **2 520** | 2 483 |
| Transponder 20 | SA DTH | 2027 | 4.50% | **133** | 131 |
| Transponder 21 | SA DTH | 2030 | 4.98% | **225** | 205 |
| Transponder 20B | SA DTH | 2031 | 3.50% | **5 635** | 5 088 |
| Lease liabilities for buildings and vehicles | | 2023-2031 | 7.60% | **129** | 142 |
| **Total Lease liabilities**[1] | | | | **8 642** | **8 049** |

*1 All transponder lease liabilities are denominated in US dollars. Increase mainly due to higher closing exchange rate of ZAR17.79 (FY22: ZAR14.61)*

Lease liabilities are initially measured at the present value of the lease liability payments and subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease liability payments made.

The lease liability payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for lease liabilities in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received, adjusted to reflect changes in financing conditions since this financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for lease liabilities held by the group, which does not have recent third-party financing, and/or
- makes adjustments specific to the lease liability, e.g. term, country, currency and security.

At inception, the rate used for transponder leases is determined using a 3 month US LIBOR plus a premium of 1.75% for the incremental borrowing rate. The incremental borrowing rate is unchanged for the duration of lease. The interest rate applicable to the interest that accrues is not indexed to the 3 month US LIBOR and as such the group expects no impact from the cessation of the 3 month US LIBOR on 30 June 2023.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The group applies judgement in assessing whether it is reasonably likely that options will be exercised. Factors considered include how far in the future an option occurs, the group's business planning cycle, significance of related leasehold improvements and past history of terminating/not renewing a lease.

Management considers renewal and extension options when determining the lease liability period.

The group is not exposed to potential future increases in variable lease payments based on an index or rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Certain lease contracts include both lease and non-lease components. The group has elected the practical expedient to account for non-lease components as part of its lease liabilities and right-of-use assets.

As per IFRS 16, management elects to apply the practical expedient for low-value and short term assets.

Financial liabilities are derecognised when the obligation in the contract is discharged, cancelled or has expired. Premiums or discounts arising from the difference between the fair value of debt raised and the amount repayable at maturity date are charged to the consolidated income statement as interest expense based on the effective interest rate method.

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|

**9. Liabilities funding operations (continued)**

**a) Interest-bearing: Lease liabilities (continued)**

| The maturity analysis of the lease liabilities cash flows is as follows: | | |
|---|---|---|
| Within one year | **1 499** | 1 236 |
| Two to five years | **5 554** | 4 898 |
| More than five years | **2 795** | 3 202 |
| Less interest charges | **(1 206)** | (1 287) |
| **Carrying amount of lease liabilities** | **8 642** | **8 049** |

The total cash outflow for lease liabilities in FY23 was ZAR1.3bn (FY22: ZAR1.3bn).

**(b) Non-interest-bearing: Programme and film rights**

| **Unsecured** | **Currency of year-end balance** | **Years of final repayment (calendar year)[1]** | 2023 | 2022 |
|---|---|---|---|---|
| Content creditors | KES | 2023 | **5** | - |
| Sports rights creditors | EUR | 2023 | **15** | - |
| Sports rights creditors | ZAR | 2023 | **295** | - |
| Sports rights creditors | GBP | 2023 | **2** | - |
| Various trade suppliers | ZAR | 2023 | **2 756** | 2 321 |
| Various trade suppliers | ZAR | 2024-2027 | **7** | 12 |
| Various trade suppliers | EUR | 2023 | **-** | 13 |
| Various international production studios | USD | 2023 | **1 941** | 1 138 |
| **Total programme and film rights** | | | **5 021** | **3 484** |

*1 In line with the accounting policy of the group (note 16), all programme and film rights liabilities are current in nature.*

**(c) Interest- and non-interest-bearing: Amounts due to related parties**

| **Amounts due to related parties: Non-current** | **Nature of relationship** | 2023 | 2022 |
|---|---|---|---|
| MultiChoice Group Treasury Services Proprietary Limited[1] | Fellow subsidiary | **8 000** | 375 |
| | | **8 000** | **375** |

| **Amounts due to related parties: Current** | **Nature of relationship** | 2023 | 2022 |
|---|---|---|---|
| Irdeto Africa BV | Fellow subsidiary | **96** | 96 |
| MSS Local Productions Nigeria Limited | Fellow subsidiary | **65** | 53 |
| Local Productions (Kenya) Limited | Fellow subsidiary | **1** | - |
| MultiChoice Group Services Proprietary Limited | Fellow subsidiary | **288** | 117 |
| MultiChoice Group Treasury Services Proprietary Limited[2] | Fellow subsidiary | **1 919** | 543 |
| MultiChoice Africa Services BV | Fellow subsidiary | **11** | 5 |
| MultiChoice Africa Holdings BV | Fellow subsidiary | **219** | 196 |
| MultiChoice Holdings BV | Fellow subsidiary | **1** | - |
| EntriqUKLtd | Fellow subsidiary | **4** | - |
| Irdeto USA Inc | Fellow subsidiary | **7** | - |
| | | **2 611** | **1 010** |

*1 The unsecured loan between M-Net, SuperSport International Proprietary Limited and MultiChoice Proprietary Limited, with MultiChoice Group Treasury Services Proprietary Limited was granted in FY23, with the interest payable quarterly in arrears at 3 months JIBAR +1.44%. The capital portion is scheduled to be repaid and settled in FY28, after a period of 5 years. The loan has been classified as non-current.*

*2 The loan between SuperSport International Proprietary Limited and MultiChoice Group Treasury Services Proprietary Limited was granted in FY21 and is unsecured, repayable quarterly over a three-year term and bears interest at a fixed rate of 5.75%. This loan will be settled in FY24 and has been classified as current.*

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|

**9. Liabilities funding operations (continued)**

**(d) Management of foreign currency exposure on cash obligations**

A significant portion of the group's cash obligations under contracts for transponder lease liabilities as well as programming and channels are denominated in US dollars and Euro. The group uses forward exchange contracts to hedge the exposure to foreign currency risk, as the group's functional currency is ZAR. The group generally covers highly probable forecasted exposures in foreign currency for a minimum of 18 months and committed exposures up to three years. This results in the group typically taking out cover as follows:

- Programming and channels; operating costs and decoder costs: highly probable forecasted exposures to purchase programming and channels, operating costs and decoder costs.
- Transponder lease liability payments: due to the long-term nature of the transponder lease liability agreements. A portion of the foreign exchange movement in the recognised lease liability is therefore unhedged.

*Market Risk*

The group uses forward exchange contracts, to hedge its exposure to foreign currency risk. Under the group's policy, an economic relationship should exist between the hedged item and hedging instrument.

The group designates the contracted forward rate of foreign currency hedges in the hedge relationships. The contracted forward rate is determined with reference to relevant market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. This differential is discounted where it is material.

The fair value of the derivative financial instruments, and whether those derivatives were designated in a hedge relationship or not, is set out below:

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **Non-current assets** | | |
| Forward exchange contracts[1] | **3** | - |
| **Current assets** | **1 369** | 12 |
| Forward exchange contracts[1] | **1 347** | - |
| Currency depreciation features[1] | **22** | 12 |
| **Non-current liabilities** | | |
| Forward exchange contracts[2] | **-** | (149) |
| **Current liabilities** | | |
| Forward exchange contracts[2] | **-** | (1 088) |
| **Net derivative assets/(liabilities)** | **1 372** | **(1 225)** |

*1 Currency depreciation features relate to clauses in Programme & film rights acquisition agreements that provide the group with a contractually specified level of currency depreciation protection.*
*2 Movement relates primarily to the ZAR depreciation against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23.*

Movements in the hedging reserve related to cash flow hedges are detailed below. The amount deferred is expected to realised over one year in line with the maturity of the forward exchange contracts.

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **Opening balance** | **(788)** | (741) |
| Net fair value losses | **2 336** | (583) |
| Hedging reserve recycled to the income statement | **(210)** | (12) |
| Hedging reserve recycled to the statement of financial position | **(96)** | 522 |
| Net tax effect of the movements in hedging reserve | **(486)** | 26 |
| **Closing balance** | **756** | **(788)** |

**9. Liabilities funding operations (continued)**

**Exposure to foreign currency on uncovered commitments**

The below details the group's uncovered commitments that are denominated in a currency other than the functional currency of the settling entity.

| **Uncovered commitments:** | **2023** | | **2022** | |
|---|---|---|---|---|
| | **Currency amount of commitments 'm** | **ZAR'm** | **Currency amount of commitments 'm** | **ZAR'm** |
| US dollar[1] | **1 214** | **21 342** | 377 | 5 575 |
| Euro[2] | **6** | **114** | 17 | 268 |
| Other currencies[3,4] | **23 513** | **609** | 21 104 | 560 |
| | | **22 065** | | **6 403** |

*1 The increase in uncovered USD commitments relates primarily to the execution of fewer forward exchange contracts in the current year and the renewal of major sports rights. These deals are for extended periods in comparison to previous years and fall outside the 36 month hedging window as allowed by the group treasury policy.*
*2 The decrease in uncovered Euro commitments relates primarily to the unwinding of previous commitments that were not replaced by new commitments due to ongoing negotiations.*
*3 Primarily relates to the Nigerian Naira ZAR180m (FY22: ZAR222m), Kenyan Shilling ZAR95m (FY22: ZAR97m), Zambian Kwacha ZAR86m (FY22: ZAR101m) and Australian Dollar ZAR21m (FY22: ZAR32m).*
*4 The increase in local currency uncovered commitments primarily relates to content deals in Uganda ZAR64m (FY22: ZAR41m), Tanzania ZAR25m (FY22: ZAR22m), Mozambique ZAR66m (FY22: ZAR3m) & Angola ZAR29m (FY22: ZAR9m) taken in the prior year. These deals are not hedged.*

**Effects of hedge accounting on the financial position and performance**

The effects of the foreign currency related hedging instruments on the group's financial position and performance are as follows:

| **Foreign exchange contracts** | **2023** | | **2022** | |
|---|---|---|---|---|
| | **Cash flow hedges** | **Fair value hedges** | **Cash flow hedges** | **Fair value hedges** |
| **Carrying amount per currency pair - liability (ZAR'm)** | | | | |
| - USD/ZAR | **1 139** | **188** | (873) | (260) |
| - EUR/ZAR | **23** | **-** | (104) | - |
| | **1 162** | **188** | **(977)** | **(260)** |
| **Notional amount per currency pair - buy/(sell)** | | | | |
| - USD/ZAR - (USD'm) | **508** | **85** | 1 074 | 260 |
| - EUR/ZAR - (EUR'm) | **27** | **-** | 52 | - |
| Maturity date range | **April 2023 - April 2024** | **April 2023 - April 2024** | April 2022 - April 2024 | April 2022 - December 2023 |
| **Hedge ratio per currency pair** | | | | |
| - USD/ZAR | **100 %** | **100 %** | 100 % | 100 % |
| - EUR/ZAR | **100 %** | **100 %** | 100 % | 100 % |
| **Change in value of hedged item used to determine hedge effectiveness per currency pair - (loss)/gain (ZAR'm)** | | | | |
| - USD/ZAR | **1 978** | **422** | (1 351) | (254) |
| - EUR/ZAR | **(24)** | **(8)** | (148) | (4) |
| | **1 954** | **414** | **(1 499)** | **(258)** |
| **Weighted average hedged rate per currency pair for the year** | | | | |
| - USD/ZAR | **15.72** | **15.71** | 16.01 | 16.08 |
| - EUR/ZAR | **18.79** | **-** | 19.87 | - |

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|

**9. Liabilities funding operations (continued)**

**Sensitivity analysis**

**Foreign exchange risk**

The group holds significant US dollar liabilities, (e.g. Transponder lease liabilities (Note 9(a))), resulting in foreign exchange profit and loss exposures (Note 10). In addition, a significant portion of the group's programme and film rights purchases are in US dollars whereas the corresponding revenues are in ZAR, which exposes the group to cash flow foreign exchange risk. As explained in note 9(a) the group enters into hedging arrangements to partially mitigate this risk.

The group's sensitivity to a 10% weakening in the Rand against the US dollar, Euro are shown below. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for the above percentage change in foreign currency rates.

A 10% weakening of the Rand against the US Dollar and Euro would result in profit after tax decreasing by ZAR0.7bn (FY22: decreasing ZAR0.2bn). Changes in other reserves would increase by ZAR0.6bn (FY22[1]: increase ZAR0.9bn). A 10% strengthening of the Rand against the US Dollar would result in the inverse result from the sensitivity provided above.

*1 The FY22 amount was previously disclosed as an increase of ZAR 0.4bn. The FY22 amount has been restated as this amount was previously calculated incorrectly. This restated amount did not impact any of the primary statements nor did it impact any other financial information previously presented.*

**Interest rate risk**

The majority of the group's borrowings relate to transponder lease liabilities that have fixed interest rates (note 9(a)).

The group has no other significant variable rate borrowings or assets.

The group is mainly exposed to interest rate fluctuations of the South African Repo/JIBAR. The following amounts represent management's best estimate of the possible impact of changes in interest rates at the respective year-ends:

- South African Repo/JIBAR rate: increases by 100 basis points (FY22: increases by 100-basis points).

If interest rates changed as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's net profit after tax would increase by ZAR7.1m (FY22: increase ZAR8.8m). A similar decrease in interest rates would have the inverse effect on net profit after tax.

Total equity would be unaffected by the above changes in interest rates (FY22:ZARNil).

**10. Interest (expense)/income and net foreign exchange translation losses**

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **Interest expense** | | |
| Loans and bank accounts[1] | **(193)** | (68) |
| Lease liabilities[2] | **(343)** | (336) |
| Other[3] | **(378)** | (199) |
| | **(914)** | **(603)** |

*1 Relates to General Banking Facility (GBF) interest repayments.*
*2 Relates primarily to transponder leases of ZAR336m (FY22: ZAR328m).*
*3 Relates to content finance charges amounting to ZAR203m in FY23 (FY22: ZAR144m) and interest relating to Tax authorities of ZAR44m in FY23 (FY22: ZARnil).*

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **Interest income** | | |
| Bank accounts[1] | **778** | 372 |
| Other | **25** | 21 |
| | **803** | **393** |

*1 Mainly due to increase in cash pool received from Treasury and higher interest rates in FY23.*

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|

### 10. Interest (expense)/income and net foreign exchange translation losses (continued)

A significant portion of the group's operations are exposed to foreign exchange risk. The table below presents the net profit or loss from foreign exchange exposures and incorporates effects of qualifying forward exchange contracts that hedge this risk.

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **Net loss from foreign exchange translation and fair value adjustments on derivative financial instruments** | | |
| On translation of assets and liabilities | **(758)** | (51) |
| On translation of transponder leases[1] | **(1 650)** | 92 |
| Losses on translation of forward exchange contracts[2] | **(1 240)** | (1 692) |
| Gains on translation of forward exchange contracts[2] | **2 011** | 1 376 |
| **Net foreign exchange translation losses** | **(1 637)** | **(275)** |

*1 Movement relates to the depreciation of the ZAR at reporting date to ZAR17.79 (FY22: ZAR14.61).*
*2 The movement relates primarily to the ZAR depreciation against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23, a lower overall notional value of hedging contracts and an improvement in the achieved average hedge rate.*

### 11. Commitments and contingencies

The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group plans to fund these commitments and contingencies, should they materialise, out of existing facilities and internally generated funds.

**Commitments**

**(a) Capital expenditure**

Commitments in respect of contracts placed for capital expenditure at 31 March 2023 amount to ZAR165.8m (FY22: ZAR273.6m).

**(b) Programme and film rights**

At 31 March 2023 the group had entered into contracts for the purchase of programme and film rights. The group’s commitments in respect of these contracts amount to ZAR42.0bn (FY22: ZAR36.1bn).

**(c) Decoders**

At 31 March 2023 the group had entered into contracts for the purchase of decoders. The group’s commitments in respect of these contracts amount to ZAR0.8bn (FY22: ZAR1.5bn).

**(d) Assets pledged as security**

The group pledged property, plant and equipment with a net carrying value of ZAR4.9bn (FY22: ZAR5.6bn) as security against certain assets acquired in terms of lease liabilities. Refer to note 15 for further details.

**(e) Other commitments**

At 31 March 2023 the group had entered into contracts for the receipt of various services. These service contracts are for transmission services, computer and decoder support services, access to networks and contractual relationships with customers, suppliers and employees. The group’s commitments in respect of these agreements amount to ZAR2.7bn (FY22: ZAR3.4bn).

| | | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|---|

## 12. Accrued expenses and other current liabilities

| | Note | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|---|
| Trade payables | | **605** | 1 074 |
| Deferred income[1] | | **1 717** | 1 645 |
| Accrued expenses | | **843** | 1 070 |
| Taxes and other statutory liabilities | | **251** | 252 |
| Employee benefits | | **630** | 693 |
| Bonus accrual | | **488** | 529 |
| Accrual for leave | | **142** | 164 |
| Share based payment liability | | **-** | 3 |
| Other current liabilities[2] | | **97** | 180 |
| **Accrued expenses and other current liabilities before assets held for sale** | | **4 143** | **4 917** |
| Classified as liabilities directly associated with assets held for sale | 28 | **(114)** | - |
| | | **4 029** | **4 917** |

*1 Relates to subscription fees received from customers in advance. Subscription fees received in advance which are outstanding at the end of the prior year are recognised during the following year as the subscription services are provided.*
*2 Relates to other personnel provisions and sundry creditors.*

## 13. Provisions

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| Warranties | **31** | 32 |
| Legal and tax provisions | **114** | 254 |
| | **145** | **286** |

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Legal and tax provisions primarily relate to the group being currently involved in various litigation matters and tax queries. The legal and tax provisions have been estimated based on legal counsel and management's estimates of costs and probable claims relating to these. Legal proceedings tend to be unpredictable in terms of timing of settlement, however management's best estimate is that these matters will be resolved within the next 12 months.

| **Legal and tax provisions:** | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| Balance at 1 April | **254** | 195 |
| Additional provisions charged to the income statement | **31** | 65 |
| Provisions reversed to the income statement | **(152)** | (6) |
| Provisions utilised | **(19)** | - |
| | **114** | **254** |

**14. Liquidity management**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. In terms of the memorandum of incorporation of the company, no limitation is placed on its borrowing capacity. The facilities expiring within one year are subject to renewal.

The following analysis details the remaining contractual maturity of the group's non-derivative and derivative financial liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to settle the liability. The analysis includes both interest and principal cash flows.

| 31 March 2023 | Carrying value | Contractual cash flows | 0-12 months | 1-5 years | 5 years+ |
|---|---|---|---|---|---|
| | ZAR'm | ZAR'm | ZAR'm | ZAR'm | ZAR'm |
| **Non-derivative financial liabilities** | | | | | |
| Interest-bearing: Lease liabilities | **8 642** | **9 847** | **1 498** | **5 554** | **2 795** |
| Non-interest-bearing: Programme and film rights | **5 021** | **5 293** | **5 286** | **7** | **-** |
| Non-interest-bearing: Loans and other liabilities | **3** | **3** | **-** | **3** | **-** |
| Related party loans | **10 611** | **14 310** | **3 364** | **10 946** | **-** |
| Trade payables | **605** | **605** | **605** | **-** | **-** |
| Accrued expenses | **843** | **843** | **843** | **-** | **-** |
| **Derivative financial (liabilities)/assets** | | | | | |
| Currency devaluation features | **22** | **22** | **22** | **-** | **-** |
| | **25 747** | **30 923** | **11 618** | **16 510** | **2 795** |

| 31 March 2022 | Carrying value | Contractual cash flows | 0-12 months | 1-5 years | 5 years+ |
|---|---|---|---|---|---|
| | ZAR'm | ZAR'm | ZAR'm | ZAR'm | ZAR'm |
| **Non-derivative financial liabilities** | | | | | |
| Interest-bearing: Lease liabilities | 8 049 | 9 336 | 1 236 | 4 898 | 3 202 |
| Non-interest-bearing: Programme and film rights | 3 484 | 4 259 | 4 245 | 14 | - |
| Non-interest-bearing: Loans and other liabilities | 5 | 5 | - | 5 | - |
| Related party loans | 1 385 | 1 385 | 1 010 | 375 | - |
| Trade payables | 1 074 | 1 074 | 1 074 | - | - |
| Accrued expenses | 1 073 | 1 073 | 1 073 | - | - |
| **Derivative financial (liabilities)/assets** | | | | | |
| Forward exchange contracts - outflow | (1 237) | (1 237) | (1 088) | (149) | - |
| Currency devaluation features | 12 | 12 | 12 | - | - |
| | **13 845** | **15 907** | **7 562** | **5 143** | **3 202** |

**Guarantees**

The group is exposed to credit risk relating to guarantees it provides to MultiChoice Group Treasury Services Proprietary Limited ("Treasury") for the various facilities that Treasury has with local and international financial institutions.

The group stands as a guarantor for these facilities and is liable for the full facility utilisation amount in the event of default. Treasury, in turn, benefits from the guarantee provided as it is able to negotiate favourable terms on the facilities it enters into on behalf of the MultiChoice group. The risk of default attributed to Treasury is based on the depletion of cash resources within the MultiChoice Group Limited and MultiChoice South Africa Holdings Proprietary Limited entities it manages cash on behalf of. In management's assessment of the risk of default it was necessary to assess the level of cash resources within these entities.

The outcome was that at an overall MultiChoice Group Limited Consolidated level sufficient cash resources are available at reporting date as well as in the forecast periods. Therefore a remote risk of default exists in respect of these facilities.

Management further assessed the potential impact of default by applying various credit metrics such as loss given default, exposure at default and probability of default to year end and future anticipated exposures on short and long term debt facilities, current foreign exchange exposures and bank guarantees.

**Financial Guarantees**

| | 2023 Maximum exposure ZAR'm | 2023 Liability included in statement of financial position[1] ZAR'm | 2022 Maximum exposure ZAR'm | 2022 Liability included in statement of financial position[1] ZAR'm |
|---|---|---|---|---|
| Short term borrowing facilities[2] | **5 000** | **-** | 5 000 | - |
| Long term borrowing facilities[3] | **8 375** | **-** | 3 975 | - |
| Other[4] | **9** | **-** | 9 | - |
| | **13 384** | **-** | **8 984** | **-** |

**Foreign Exchange Guarantees**

| | 2023 Foreign exchange guarantees facility value guaranteed ZAR'm | 2023 Liability included in statement of financial position[1] ZAR'm | 2022 Foreign exchange guarantees facility value guaranteed ZAR'm | 2022 Liability included in statement of financial position[1] ZAR'm |
|---|---|---|---|---|
| Foreign exchange guarantees[5] | **8 248** | **-** | 8 491 | - |
| | **8 248** | **-** | **8 491** | **-** |

*1 No expected credit losses have been provided for in the current or previous financial year in relation to the guarantees that MultiChoice (Pty) Ltd, SuperSport International (Pty) Ltd and Electronic Media Network (Pty) Ltd provides to Treasury, as this was determined to be immaterial.*
*2 Relates to general banking facilities which can only be used for short term draw-down and is repayable by Treasury within 0-12 months to the financial institution.*
*3 Relates to long term facilities with financial institutions, where Treasury is able to make repayment on any amounts drawn down in excess of one year.*
*4 Relates to external guarantees.*
*5 Relates to financial guarantees on hedging facilities.*

**Guarantees liquidity management**

| | 2023 Carrying value ZAR'm | 2023 Contractual cash flows ZAR'm | 2023 0-12 months ZAR'm | 2022 Carrying value ZAR'm | 2022 Contractual cash flows ZAR'm | 2022 0-12 months ZAR'm |
|---|---|---|---|---|---|---|
| Financial guarantees[1] | **-** | **13 384** | **13 384** | - | 8 984 | 8 984 |
| Foreign exchange guarantees[1] | **-** | **8 248** | **8 248** | - | 8 491 | 8 491 |
| | **-** | **21 632** | **21 632** | **-** | **17 475** | **17 475** |

*1 These guarantees are all repayable on default, however, the likelihood of default is considered remote. The financial guarantee amount repayable, should Treasury default, is based on utilisation of the facility. The foreign exchange guarantee is based on the unrealised profit or loss on actual open FECs and the potential future exposure limit of the facility.*

**PART III. ASSETS TO SUPPORT OUR OPERATIONS**

**15. Property, plant and equipment**

The group's property, plant and equipment is acquired either as an outright purchase or, in the case of transmission equipment and certain land and buildings, by entering into a lease liability.

Property, plant and equipment is stated at cost plus any cost to prepare these assets for their intended use, less accumulated depreciation and accumulated impairment losses.

Subsequent costs, including major renovations, are included in an asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the consolidated income statement.

Land is not depreciated as its deemed to have an indefinite life. All other property, plant and equipment is depreciated to its estimated residual value on a straight-line basis over its expected useful life.

The estimated remaining useful lives and residual values are reviewed at least annually. The estimation of the useful lives of property, plant and equipment is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management.

| | **South Africa** |
|---|---|
| Buildings - owned | 10 to 50 years |
| Right of use – Buildings - leased | 5 years |
| Improvements to buildings - owned | 4 to 50 years |
| Improvements to buildings - leased | 5 years |
| Office equipment | 2 to 10 years |
| Computer equipment | 1 to 10 years |
| Furniture | 5 years |
| Vehicles | 2 to 10 years |
| Transmission equipment - owned | 5 to 20 years |
| Right of use – transmission equipment - leased | 15 years |

The carrying value of work-in-progress mainly comprises digital terrestrial transmission broadcasting equipment and land and buildings that are under construction.

The group recognised no impairment losses on property, plant and equipment in the current year (FY22: ZARNil).

The group has pledged property, plant and equipment with a carrying value of ZAR4.9bn (FY22: ZAR5.6bn) as security against certain assets acquired in terms of leases. The pledge primarily relates to assets acquired in terms of transponder leases. The pledge would come into effect should default on the lease payments occur (refer to note 11).

Right-of-use assets are initially measured at cost. The cost consists of the initial lease liability plus any lease payments made to the lessor at or before the commencement date (less any lease incentives received), plus the initial estimate of the restoration costs and any initial direct costs incurred by the group.

Right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. Right-of-use assets are depreciated over the shorter of the assets' useful lives and the lease term on a straight-line basis. Lease liability payments, under the right-of-use model, are disclosed as depreciation and interest expense.

**15. Property, plant and equipment (continued)**

| | Land and buildings ZAR'm | Right of use - buildings ZAR'm | Transmission equipment ZAR'm | Right of use for transmission equipment ZAR'm | Vehicles, furniture, computers and office equipment[1] ZAR'm | Total including assets held for sale ZAR'm |
|---|---|---|---|---|---|---|
| **1 April 2022** | | | | | | |
| Cost | 1 850 | 196 | 3 877 | 10 035 | 1 212 | 17 170 |
| Accumulated depreciation and impairment | (551) | (67) | (3 342) | (4 603) | (774) | (9 337) |
| Carrying value at 1 April 2022 | 1 299 | 129 | 535 | 5 432 | 438 | 7 833 |
| Transfer from work-in-progress | 42 | - | (6) | - | 9 | 45 |
| Acquisitions | 2 | 9 | 253 | - | 137 | 401 |
| Disposals/scrappings | (1) | (2) | - | - | (5) | (8) |
| Depreciation | (67) | (24) | (219) | (668) | (156) | (1 134) |
| Classified as held for sale[2] | (2) | - | - | - | (5) | (7) |
| **31 March 2023** | | | | | | |
| Cost | 1 853 | 191 | 3 950 | 10 035 | 1 200 | 17 229 |
| Accumulated depreciation and impairment | (580) | (79) | (3 387) | (5 271) | (780) | (10 097) |
| **Carrying value excluding work-in-progress** | 1 273 | 112 | 563 | 4 764 | 420 | 7 132 |
| Work-in-progress[3] | | | | | | 162 |
| **Total carrying value at 31 March 2023** | 1 273 | 112 | 563 | 4 764 | 420 | 7 294 |

*1 Includes leased vehicles, furniture, computers & office equipment with a carrying value of ZAR3.8m.*
*2 Refer to note 28.*
*3 Movements in work-in-progress during FY23 relate to transfers out of work-in-progress amounting to ZAR46m and acquisitions of ZAR67m.*

| | Land and buildings ZAR'm | Right of use - buildings ZAR'm | Transmission equipment ZAR'm | Right of use for transmission equipment ZAR'm | Vehicles, furniture, computers and office equipment[1] ZAR'm | Total ZAR'm |
|---|---|---|---|---|---|---|
| **1 April 2021** | | | | | | |
| Cost | 1 858 | 158 | 3 864 | 10 035 | 1 545 | 17 460 |
| Accumulated depreciation and impairment | (513) | (60) | (3 255) | (3 935) | (1 147) | (8 910) |
| Carrying value at 1 April 2021 | 1 345 | 98 | 609 | 6 100 | 398 | 8 550 |
| Transfer from work-in-progress | 68 | - | 13 | - | 35 | 116 |
| Acquisitions | 4 | 55 | 175 | - | 171 | 405 |
| Disposals/scrapings | (51) | - | - | - | (8) | (59) |
| Depreciation | (67) | (24) | (262) | (668) | (158) | (1 179) |
| **31 March 2022** | | | | | | |
| Cost | 1 850 | 196 | 3 877 | 10 035 | 1 212 | 17 170 |
| Accumulated depreciation and impairment | (551) | (67) | (3 342) | (4 603) | (774) | (9 337) |
| **Carrying value excluding work-in-progress** | 1 299 | 129 | 535 | 5 432 | 438 | 7 833 |
| Work-in-progress[2] | | | | | | 157 |
| **Total carrying value at 31 March 2022** | 1 299 | 129 | 535 | 5 432 | 595 | 7 990 |

*1 Includes leased vehicles, furniture, computers & office equipment with a carrying value of ZAR0.7m.*
*2 Movements in work-in-progress during FY22 relate to transfers out of work-in-progress amounting to ZAR114m and acquisitions of ZAR7m.*

**16. Programme and film rights**

Programme and film rights are recognised at cost when the rights come into licence or the period to which the sports event relates commences, as set out in the table below. The group may make prepayments for the rights and such prepayments are recognised as prepayment assets (refer to note 18) until such time as the asset meets the criteria for initial recognition as a programme and film right.

The operating cycle for content is 18-24 months which is based on either the average period it takes to generate new content or the average license period of the acquired content. Therefore, unless the average periods are expected to exceed 24 month, programme and film rights are classified as current on the consolidated statement of financial position.

The group often contracts for programme and film rights in advance. These non-cancellable contracts are disclosed as commitments (note 11), unless a prepayment has been made as explained above.

The table below reflects the accounting policies applicable to programme and film rights, split between general entertainment programming (it should be noted that local sports productions follow the same accounting policy) and sports events rights:

| | **General entertainment rights** | **Sports events rights** |
|---|---|---|
| Nature | Rights to broadcast programmes, series and films (including co-productions). | Rights to broadcast sports events. |
| **Initial recognition and measurement** | | |
| Date recognised as an asset | *Purchased:* Date the rights come into license.<br>*Produced:* Capitalised as incurred. | Start of the period to which the events relate. |
| Measurement on initial recognition | *Purchased (no prepayment):* Purchase price translated at spot rate on the purchase date.<br>*Purchased (prepayment):* The right will be recorded at the spot rate on prepayment date for the portion of the right prepaid and at the spot rate on licence date for the portion of the licence not prepaid.<br>*Produced:* All costs necessary to produce and complete a programme. Costs in excess of the expected net realisable value of the production are assessed on an ongoing basis and expensed accordingly. | *Purchased (no prepayment):* Purchase price translated at spot rate on the date of initial recognition.<br>*Purchased (prepayment):* Any amounts prepaid are recognised at the spot rate on the date of each payment transaction. A blended rate results on initial recognition based on the weighting and timing of advance payments made. Payments made to negotiate and secure the broadcasting of sports events are expensed as incurred. |
| | Gains and losses recognised on foreign exchange contracts entered into to hedge foreign currency cash flows are capitalised to the asset on the date of initial recognition. | |
| **Subsequent measurement** | | |
| Pattern of recognition as an expense | The rights are amortised based on the contract period or expensed where management have confirmed that it is their intention that the rights will no longer be available, despite the contracted period end. | The rights are amortised based on the period to which the event relates. |
| Average period over which recognised as an expense | Programme and film rights are expensed over 5-7 television screenings or over the contracted period. | Sports rights are expensed on a straight-line basis over the period to which the events relate. |
| Impairment | Unscreened content is assessed and any unscheduled content or content that will not be screened is written off immediately. | Sports rights are assessed for impairment by assessing likelihood of the sporting event being cancelled based on facts and circumstances available at year-end. |

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|

**16. Programme and film rights (continued)**

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| Cost price | **13 786** | 12 784 |
| Accumulated amortisation and impairment | **(10 506)** | (10 037) |
| **Carrying value of programme and film rights assets** | **3 280** | **2 747** |

The movement in programme and film right assets for the year is set out below:

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| Cost | **12 784** | 10 742 |
| Accumulated amortisation and impairment | **(10 037)** | (7 903) |
| Opening carrying value at 1 April | **2 747** | 2 839 |
| Acquisitions | **15 360** | 14 018 |
| Amortisation and impairment[1] | **(14 827)** | (14 110) |
| Closing carrying value at 31 March | **3 280** | 2 747 |
| Cost | **13 786** | 12 784 |
| Accumulated amortisation and impairment[1] | **(10 506)** | (10 037) |

*1 Includes impairment losses of ZAR328m (FY22: ZAR212m) primarily relating to rights which lacked commercial value and/or were older than 3 years. This occurs where content is not scheduled a sufficient amount of times within the 3 year period and is written off in line with the group's conservative accounting policies. Impairment of programme and film rights has been recognised in cost of providing services and sale of goods in the consolidated income statement.*

**17. Inventory**

Inventory is stated at the lower of cost and net realisable value (NRV). The cost of inventory is determined by means of the weighted average method.

NRV is the estimate of the selling price, less the costs of completion and selling expenses. Allowances are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

NRV write-downs relate primarily to decoder subsidies. The group sells decoders below cost as part of its marketing strategy to acquire subscribers. However, decoders are not necessarily sold at the same time as a customer signs up for a subscription service, therefore the two events are considered as separate transactions.

The group has reviewed costing of inventories (decoders and associated components) and is satisfied that the appropriate considerations have been taken into account in measuring inventories.

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| Decoders and associated components | **482** | 462 |
| Allowance for slow-moving and obsolete inventories[1] | **(225)** | (256) |
| | **257** | **206** |

*1 Mainly relates to customer acquisition strategy to sell hardware at a value less than cost.*

The total allowance charged to the consolidated income statement to write inventory down to net realisable value amounted to ZAR174m (FY22: ZAR237m). The total reversal of allowances credited to the consolidated income statement amounted to ZAR205m (FY22: ZAR258m).

## 18. Trade and other receivables

Trade and other receivables consist primarily of invoiced amounts from normal trading activities. The group has a relatively homogenous customer base, which is primarily residential in nature and is dispersed across many geographical areas. Trade and other receivables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest rate method, less expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. The group always recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experienced, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast of conditions at the reporting date, including time value of money where appropriate. The group has identified inflation, GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Once a debt is considered irrecoverable it is written off as a bad debt.

The group has based the measurement of the of expected credit losses on an unbiased, probability-weighted amount that is determined by evaluating a range of possible outcomes and reflecting the time value of money. The group operates a prepaid business model which limits exposure to credit losses on subscription revenue, the group's major revenue stream.

**Expected credit losses**

**Trade receivables from residential subscriptions**

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables from residential subscriptions. To measure the expected credit losses, trade receivables from the sales of residential subscriptions have been grouped based on shared credit risk characteristics and the days past due. Residential receivables consists of subscription fees charged to residential customers. The payments are received in advance for residential customers. Write offs relate to customers with debt exceeding a 3 year period, where the debt has been prescribed. Once a debtor has been written off, the group no longer pursues the collection of the debtor. No specific write offs were recognised by the group during the current or prior year.

**Trade receivables from commercial subscriptions and hardware**

The group applies the *IFRS 9* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables commercial subscriptions and hardware. To measure the expected credit losses, trade receivables from the sales of commercial subscriptions and hardware have been grouped based on shared credit risk characteristics and the days past due. Commercial receivables consists of subscription fees charged to non-residential customers which primarily comprises of hospitality customers. Hardware receivables relate to decoder sales to distributors and retailers who sell the group's product. Both commercial and hardware customers are primarily extended 30-day payment terms. After *IFRS 9* assessments were conducted, expected credit losses was not determined to be material. The majority of these hardware receivables relates to retailers with low credit risk as they have a low risk of default and a strong capacity to meet contractual cash flow obligations as and when they become due. The group identifies specific credit loss allowances if these receivables are greater than 90 days. Receivables are written-off after 365 days. No specific write-offs were recognised by the group during the current or prior year.

**Other receivables relating to sundry services and sales**

The group applies an internal expected credit loss model on a similar basis to trade receivables of commercial subscriptions and hardware sales to measure the expected credit losses which uses a lifetime expected loss allowance for other receivables. Defaults are considered based on contractual terms which are determined on a contract by contract basis. After IFRS 9 assessments were conducted by the group, the expected credit loss was not determined to be material as the suppliers are reputable international entities and the group has not identified any factors which would result in the non-delivery of services, tax credits or receipts.

Upon assessment the expected credit loss was determined as immaterial.

As at 31 March 2023, the directors were unaware of any significant unprovided and/or uninsured concentrations of credit risk.

| | | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|---|

## 18. Trade and other receivables (continued)

| | Note | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|---|
| Trade receivables | | **1 796** | 1 593 |
| Expected credit loss for trade receivables | | **(524)** | (503) |
| **Net trade receivables** | | **1 272** | 1 090 |
| **Other receivables** | | **4 149** | 3 533 |
| Prepayments[1,2] | | **3 773** | 3 139 |
| VAT and related taxes receivable | | **103** | 167 |
| Other receivables[3] | | **273** | 227 |
| **Trade and other receivables before assets held for sale** | | **5 421** | **4 623** |
| Classified as assets held for sale | 28 | **(63)** | - |
| **Total trade and other receivables** | | **5 358** | **4 623** |
| The movement in the expected credit loss for trade receivables during the year was as follows: | | | |
| **Opening balance at 1 April** | | **(503)** | (483) |
| Additional allowances charged to the income statement | | **(135)** | (92) |
| Allowances reversed through the income statement | | **33** | 4 |
| Allowances utilised | | **81** | 68 |
| | | **(524)** | **(503)** |

*1 Prepayments consist of transponder lease, decoder, licenses, programme & film rights and service level agreement prepayments.*
*2 Includes work-in-progress amounts related to co-productions amounting to ZAR243m (FY22: ZAR89m).*
*3 Other receivables include sundry debtors such as platform recharges, bank guarantee cost recoveries, deposits, recoveries and other clearing receipts.*

The group has not pledged any of its trade receivables as security against its lease liabilities or other liabilities.

The group's maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above. The group does not hold any form of collateral as security relating to trade receivables.

Write offs mainly relate to residential customers with debt exceeding a 3 year period, where the debt has prescribed. Once a debtor has been written off, the group no longer pursues the collection of the debtor.

The ageing of trade receivables as well as the expected credit loss per age class is presented below:

| | **2023** | | | **2022** | | |
|---|---|---|---|---|---|---|
| | **Carrying value ZAR'm** | **Impairment ZAR'm** | **ECL loss rate (%)[1]** | **Carrying value ZAR'm** | **Impairment ZAR'm** | **ECL loss rate (%)[1]** |
| Current | **823** | **(59)** | **7** | 739 | (65) | 9 |
| Past due 30 to 59 days | **326** | **(33)** | **10** | 293 | (13) | 4 |
| Past due 60 to 89 days | **101** | **(28)** | **28** | 55 | (19) | 35 |
| Past due 90 to 119 days | **58** | **(24)** | **41** | 33 | (26) | 79 |
| Past due 120 days and older | **488** | **(380)** | **78** | 473 | (380) | 80 |
| | **1 796** | **(524)** | **29** | **1 593** | **(503)** | **32** |

*1 The total expected credit loss rate (ECL) (%) represents an average percentage.*

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|

**19. Cash and cash equivalents**

Cash and cash equivalents are accounted for at amortised cost and comprise cash on hand and deposits held on call, all of which are available for use by the group.

Cash and cash equivalents consist of:

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **Cash at bank and on hand** | **1 176** | 1 376 |

Cash and cash equivalents consists of South African accounts denominated in Rands and foreign bank accounts. Foreign accounts are translated in to South African Rands using the closing spot rate at reporting date. All foreign accounts translated at year-end amounted to ZAR231m (FY22: ZAR599m). Foreign accounts include US dollar accounts amounting to ZAR212m (FY22: ZAR481m).

Included in cash and cash equivalents are cash balances (restricted cash) amounting to ZAR129m (FY22: ZAR105m) that primarily relate to fixed deposits with maturity dates shorter than 3 months, in terms of insurance regulations in South Africa, relating to the group's insurance business.

The group is exposed to certain concentrations of credit risk relating to its cash and Investments. It places its cash mainly with major banking groups in South Africa. The group's treasury policy is designed to limit exposure to any one institution and invests its excess cash in low-risk investment accounts. The counterparties that are used by the group are evaluated on a continuous basis. As at 31 March 2023, cash has been spread across financial institutions to limit credit risk.

The group has considered the following with regards to cash:

- Liquidity management - refer to note 14;
- In assessing the credit risk exposure, the group applies the following considerations;
  - The credit ratings of individual banks were obtained and noted that the S&P credit rating is BB- (FY22: BB-) for the long-term local currency ratings of The Standard Bank of South Africa Limited, FirstRand Bank Limited, ABSA Bank Limited, Nedbank Limited and Investec Bank Ltd.
  - Risk on South African Banks is considered negligible as they are financially sound and conform to capital requirements set out by Basel III which are monitored by the South African Reserve Bank.

Based on the approach noted above, the group has not identified any significant risks associated with the cash balance.

As required by *IFRS 9*, cash balances have been assessed for expected credit losses. This has been performed through assessment of the counterparty risk of the related financial institutions where the cash is held, through adjusted credit risk factors. The majority of cash in the group is held with financial institutions guaranteed by the South African Reserve Bank, which reduces credit risk further. No expected credit losses have been provided for in the current or previous financial year as these were immaterial.

**20. Goodwill and other intangible assets**

Goodwill in a business combination is recognised at the acquisition date when the consideration transferred, and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually.

Amortisation periods for intangible assets with finite useful lives vary in accordance with the expected benefits that are to be derived, but are subject to the following maximum limits:

| | |
|---|---|
| Patents | 5-10 years |
| Title rights | 5-10 years |
| Brand names and trademarks | 8-30 years |
| Software | 2-10 years |
| Intellectual property rights | 20-30 years |
| Customer-related assets | 8-10 years |

## 20. Goodwill and other intangible assets (continued)

An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the revised recoverable amount exceeds the carrying amount. The reversal of such an impairment loss is recognised in "other operating gains/(losses) - net" in the consolidated income statement.

| | Goodwill ZAR'm | Software ZAR'm | Other ZAR'm | Total including assets held for sale ZAR'm |
|---|---|---|---|---|
| **1 April 2022** | | | | |
| Cost | **3 279** | **1 072** | **1 372** | **5 723** |
| Accumulated amortisation and impairment | **(7)** | **(796)** | **(1 358)** | **(2 161)** |
| Carrying value at 1 April 2022 | **3 272** | **276** | **14** | **3 562** |
| Acquisitions | **-** | **119** | **26** | **145** |
| Classified as held for sale[1] | ***** | ***** | ***** | ***** |
| Transfers from work-in-progress | **-** | **185** | **-** | **185** |
| Disposals | **-** | **-** | **(5)** | **(5)** |
| Amortisation | **-** | **(151)** | **(13)** | **(164)** |
| **31 March 2023** | | | | |
| Cost | **3 279** | **1 357** | **1 385** | **6 021** |
| Accumulated amortisation and impairment | **(7)** | **(928)** | **(1 363)** | **(2 298)** |
| Carrying value excluding work-in-progress | **3 272** | **429** | **22** | **3 723** |
| Work-in-progress[2] | | | | **1 093** |
| **Total carrying value at 31 March 2023** | **3 272** | **429** | **22** | **4 816** |

** Amounts less than ZAR1m.*
*1 Refer to note 28.*
*2 Movements in work-in-progress during FY23 relate to transfers out of work-in-progress to software ZAR185m and acquisitions of ZAR324m primarily related to the group's investment in a multi-year programme to upgrade the group's customer service, billing and data capabilities.*

| | Goodwill ZAR'm | Software ZAR'm | Other ZAR'm | Total ZAR'm |
|---|---|---|---|---|
| **1 April 2021** | | | | |
| Cost | 3 279 | 1 267 | 1 389 | 5 935 |
| Accumulated amortisation and impairment | (7) | (958) | (1 363) | (2 328) |
| Carrying value at 1 April 2021 | 3 272 | 309 | 26 | 3 607 |
| Acquisitions | - | 91 | 12 | 103 |
| Transfers from/(to) work-in-progress | - | 16 | (3) | 13 |
| Disposals | - | - | (4) | (4) |
| Amortisation | - | (140) | (17) | (157) |
| **31 March 2022** | | | | |
| Cost | 3 279 | 1 072 | 1 372 | 5 723 |
| Accumulated amortisation and impairment | (7) | (796) | (1 358) | (2 161) |
| Carrying value excluding work-in-progress | 3 272 | 276 | 14 | 3 562 |
| Work-in-progress[1] | | | | 954 |
| **Total carrying value at 31 March 2022** | **3 272** | **276** | **14** | **4 516** |

*1 Movements in work-in-progress during FY22 relate to transfers out of work-in-progress to software ZAR16m, derecognition of information technology assets in the current period as part of the group's periodic asset review process of ZAR287m and acquisitions of ZAR373m primarily related to the group's investment in a multi-year programme to upgrade the group's customer service, billing and data capabilities.*

### Impairment testing of goodwill

The group recognised impairment losses on goodwill of ZARnil (FY22: ZARnil).

**20. Goodwill and other intangible assets (continued)**

The group has allocated goodwill to various cash-generating units. The recoverable amounts of these cash-generating units have been determined based on value in use calculations. Value in use is based on discounted cash flow calculations. The group based its cash flow calculations on three year budgeted and forecast information approved by the board of directors. Long-term average growth rates, where more appropriate, the growth rate of the cash-generating units, were used to extrapolate cash flows into the future. The discount rates used reflect specific risks relating to the relevant cash-generating units while maximising the use of market observable data. Other assumptions are closely linked to entity-specific key performance indicators.

The group allocated goodwill to the following segments of cash-generating units:

| **2023**<br>**Segments of cash-generating units** | **Carrying value**<br>**ZAR'm** | **Basis of determination of recoverable amount** | **Pre-tax discount rate**<br>**%** | **Growth rate**<br>**%** |
|---|---|---|---|---|
| M-Net and SuperSport businesses | 3 272 | Value in use | 19.2 | 4.2 |

| **2022**<br>**Segments of cash-generating units** | **Carrying value**<br>**ZAR'm** | **Basis of determination of recoverable amount** | **Pre-tax discount rate**<br>**%** | **Growth rate**<br>**%** |
|---|---|---|---|---|
| M-Net and SuperSport businesses | 3 272 | Value in use | 19.4 | 4.3 |

The discount rate calculation is based on the specific circumstances of the group and is derived from its weighted average cost of capital, as a starting point. Pre-tax discount rates have been applied as value in use was determined using pre-tax cash flows. Impairment testing is performed using the appropriate local currency cash flows, and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate.

The group used steady growth rates to extrapolate revenues beyond the budget period cash flows. The growth rates were consistent with publicly available information relating to long-term average growth rates.

A reasonable change in the inputs used to the determine the value in use would not result in an impairment being recognised.

**Software not yet available for use**

Included in the carrying amount of work-in-progress is the group's Technology Modernisation project with a carrying amount of ZAR935m (FY22: ZAR837m) that relates to costs capitalised for software not yet available for use. The group is committed to investing in the development of software to upgrade the company's digital, customer experience, billing, payments, partnership, and data capabilities. The multi-year Technology Modernisation project relates to the development and implementation of a multi-year investment in internally generated software. The gross amount of software not yet available for use was evaluated for impairment by management on 31 March 2023, and it was determined that no impairment was required.

Impairment methodology

Value-in-use

The recoverable amount of the Technology Modernisation project (the project) was determined based on a value-in-use calculation. The calculation mainly used cash flow projections based on financial budgets approved by management, covering a finite six-year operational forecast period. Cash flow forecasts are derived from an analysis of historic performance and knowledge of the current market, together with the group's views on the future achievable growth and the impact of committed initiatives, the results of which are reviewed by management on at least an annual basis. Management has made certain assumptions as to incremental revenue growth in the operational period in accordance with guidance obtained from industry specialists. In determining the value-in-use, the forecasted cash flows were discounted using the group's post-tax discount rate.

Key assumptions and sensitivity analyses:

The key assumptions applied in the value-in-use model is a 19.2% (FY22: 19.4%) pre-tax discount rate which is derived from the group's weighted average cost of capital as well as the forecasted cash flows reflecting expected benefits to be derived from the project.

**20. Goodwill and other intangible assets (continued)**

Management has performed sensitivity analysis on the key assumptions in the impairment model using reasonable possible changes in these key assumptions:

- **Discount rate**: The discount rate used reflects both time value of money and other specific risks relating to the technology modernisation project. An increase of one percentage point in the discount rate would decrease the value-in-use by ZAR203m (FY22: ZAR243m). A decrease of one percentage point in the discount rate would increase the value-in-use by ZAR213m (FY22: ZAR256m).
- **Growth rate**: The group used steady growth rates to extrapolate revenues for the budget period cash flows. The growth rates were consistent with publicly available information relating to long-term average growth rates. An increase of one percentage point in the growth rate would increase the value-in-use by ZAR99.8m (FY22: ZAR100m). A decrease of one percentage point in the growth rate would decrease the value-in-use by ZAR98.1m (FY22: ZAR102m).
- **Forecasted revenue cash flows**: The forecasted revenue cash flows for the project's operational period, reflects the forecasted South Africa and Rest of Africa subscriber revenue growth for the operational period and the incremental revenue to be derived. An increase of three percentage points in the forecasted revenue cash flows would result in an increase in the value-in-use by ZAR175m (FY22: ZAR178m) and a decrease of three percentage points in the forecasted revenue cash flows would result in a decrease in the value-in-use by ZAR175m (FY22: ZAR178m).

**21. Investments in subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

All subsidiaries have the same financial year-end as MultiChoice South Africa Holdings Proprietary Limited.

The following information relates to the group's interest in its significant subsidiaries:

| Name of subsidiary | Effective % interest 2023 | Effective % interest 2022 | Nature of business | Country of incorporation | Functional currency | Direct/ indirect |
|---|---|---|---|---|---|---|
| **South Africa** | | | | | | |
| DStv Media Sales Proprietary Limited | **100** | 100 | Commercial air-time sales | South Africa | ZAR | Direct |
| Electronic Media Network Proprietary Limited (M-Net) | **100** | 100 | Video-entertainment content provider | South Africa | ZAR | Direct |
| MultiChoice Proprietary Limited | **100** | 100 | Subscription television | South Africa | ZAR | Direct |
| MultiChoice South Africa Proprietary Limited | **100** | 100 | Investment holding | South Africa | ZAR | Direct |
| MultiChoice Support Services Proprietary Limited | **100** | 100 | Subscriber management, subscription video on demand and technical support services | South Africa | ZAR | Direct |
| Orbicom Proprietary Limited | **100** | 100 | Broadcasting technology and signal transmission services | South Africa | ZAR | Direct |
| SuperSport International Proprietary Limited | **100** | 100 | Sports content provider | South Africa | ZAR | Direct |
| SuperSport International Holdings Proprietary Limited | **100** | 100 | Sports broadcasting | South Africa | ZAR | Direct |
| SuperSport Sports Holdings Proprietary Limited | **100** | 100 | Sports Holdings | South Africa | ZAR | Direct |
| SuperSport United Football Club Proprietary Limited | **100** | 100 | Football Club | South Africa | ZAR | Direct |
| SuperSport Schools Proprietary Limited | **100** | 100 | School Sports live streaming application | South Africa | ZAR | Direct |

| | | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|---|

## 22. Investments and loans

| | Notes | 2023 | 2022 |
|---|---|---|---|
| Investment in joint ventures | (a) | **11** | 15 |
| Investment in associates | (b) | **(67)** | (73) |
| Investments held at fair value through profit or loss | | **22** | 20 |
| Other investments and loans | | **85** | 82 |
| | | **51** | **44** |

### (a) Investment in joint ventures

All of these entities are unlisted. They are all incorporated and have their principal place of business in South Africa.

| Name of company | Effective interest 2023 % | Effective interest 2022 % | Carrying value 2023 ZAR'm | Carrying value 2022 ZAR'm |
|---|---|---|---|---|
| Titans Cricket Proprietary Limited | **50** | 50 | **10** | 14 |
| SuperSportSAS Proprietary Limited | **50** | 50 | **1** | 1 |
| | | | **11** | **15** |

### (b) Investment in associates

All of these entities are unlisted. They are all incorporated and have their principal place of business in South Africa. All these entities have the South African Rand as their functional currency:

| Name of company | Effective interest 2023 % | Effective interest 2022 % | Carrying value 2023 ZAR'm | Carrying value 2022 ZAR'm |
|---|---|---|---|---|
| Africa Cricket Development (Pty) Ltd (SA20)[1] | **30** | - | **23** | - |
| The Sharks Proprietary Limited | **23** | 23 | **(90)** | (73) |
| | | | **(67)** | **(73)** |

*1 During FY23, the group (through SuperSport) acquired 30% of the equity of Africa Cricket Development (Pty) Ltd (SA20) through a share subscription, for an insignificant initial investment. Africa Cricket Development (Pty) Ltd is responsible for the ownership, operation and management of the annual SA20 professional cricket tournament in South Africa. SA20 was assessed to be an associate based on the group's board representation (2 of 6 directors) and was initially measured at cost.*

The group continues to recognise losses in these investments as the group is committed to fund future obligations.

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|

**PART IV. OTHER DISCLOSURES**

**23. Share capital**

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **Authorised** | | |
| 3 000 000 000 ordinary shares of R0.0001 each | * | * |
| **Issued** | | |
| 360 000 000 ordinary shares of R0.0001 each | * | * |
| Share premium | 17 216 | 17 216 |
| | **17 216** | **17 216** |

* Amounts less than ZAR1m.

**Capital management**

The group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits for other stakeholders by pricing products and services commensurately with the level of risk.

The group relies upon distributions, including dividends, from its subsidiaries to generate the funds necessary to meet the obligations and other cash flow requirements of the group.

Management elects to present dividends paid under the financing activities in the Statement of Cash flows.

The group optimises the management of its capital through a centralised treasury holding company MultiChoice Group Treasury Services. This structure is approved by the South African Reserve Bank. MultiChoice Group Treasury Services is responsible for:

- Centralised cash management and yield maximisation;
- Forward exchange contracts on behalf of operating entities;
- Treasury policy compliance; and
- Group funding requirements.

Funding to subsidiaries is provided through loans. Intergroup loan funding is generally considered to be part of the capital structure.

The group follows a risk-based approach to the determination of the optimal capital structure. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or modify the capital structure, the group may adjust the amount of dividends paid to shareholders.

The group does not have a formally targeted leverage policy.

South African exchange control regulations provide for a common monetary area consisting of the Republic of South Africa, the Kingdom of Lesotho, the Kingdom of Swaziland and the Republic of Namibia, and restrict the export of capital from the common monetary area.

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|

**24. Other reserves**

Other reserves as disclosed in the consolidated statement of changes in equity consists of the following reserves.

| | Share-based compensation reserve | Hedging reserve | Fair-value reserve | Existing control bus comb reserve | Foreign currency translation reserve | Total other reserves |
|---|---|---|---|---|---|---|
| | ZAR'm | ZAR'm | ZAR'm | ZAR'm | ZAR'm | ZAR'm |
| **Balance at 1 April 2021** | **2 131** | **(741)** | **5** | **(15 051)** | **24** | **(13 632)** |
| Share-based compensation movements | (160) | - | - | - | - | (160) |
| Net hedging reserve movements - net of tax | - | (449) | - | - | - | (449) |
| Hedging reserve basis adjustment[1] | - | 402 | - | - | - | 402 |
| Transactions with non-controlling shareholders[2] | - | - | - | (28) | - | (28) |
| **Balance at 1 April 2022** | **1 971** | **(788)** | **5** | **(15 079)** | **24** | **(13 867)** |
| Share-based compensation movements | (192) | - | - | - | - | (192) |
| Net hedging reserve movements - net of tax | - | 1 644 | - | - | - | 1 644 |
| Hedging reserve basis adjustment[1] | - | (100) | - | - | - | (100) |
| **Balance at 31 March 2023** | **1 779** | **756** | **5** | **(15 079)** | **24** | **(12 515)** |

*1 Relates to the basis adjustment on programme and film right assets as content comes into licence.*
*2 In March 2022, the group acquired the remaining 49% of shares in SuperSport Schools Proprietary Limited. SuperSport Schools Proprietary Limited is now 100% owned by the group.*

**25. Related parties**

**Related party receivables**

In assessing the expected credit loss on related party receivable balances, the following was considered:

- Whether the borrower has sufficient available highly liquid current assets (which can be accessed immediately after taking into consideration any more senior external or internal loans which would need to be repaid) to repay the outstanding related party loan if the loan was demanded at reporting date. If sufficient highly liquid current assets could be accessed the probability of default would approximate 0%.
- If it was determined that the borrower does not have sufficient highly liquid current assets, the group would allow the borrower to continue trading or to sell assets over a period of time. A review of a cash flow forecast is performed to give an indication of the expected trading cash flows and/or liquid assets expected to be generated during the recovery period. The expected credit losses were limited to the effect of discounting the amount due on the loan over the period until cash is realised and repaid to the group. *IFRS 9* requires the discount rate to be the loan's effective interest rate. The related party loans are interest free and repayable on demand and such have an effective interest rate of 0%. Accordingly, for such loans, discounting over the recovery period has no effect.

Upon assessment the expected credit loss was determined as immaterial.

**(a) Related party balances[1]**

| | Note | 2023 | 2022 |
|---|---|---|---|
| Amounts due to related parties: Non-current | 25a(i) | **(8 000)** | (375) |
| Amounts due to related parties: Current | 25a(ii) | **(2 611)** | (1 010) |
| Amounts due from related parties: Current | 25a(iii) | **17 635** | 9 609 |
| Derivative financial instruments: Non-current | 25a(iv) | **3** | (149) |
| Derivative financial instruments: Current | 25a(v) | **1 347** | (1 088) |
| | | **8 374** | **6 987** |

| **(i) Amounts due to related parties: Non-current** | **Nature of relationship** | 2023 | 2022 |
|---|---|---|---|
| MultiChoice Group Treasury Services Proprietary Limited[2,3] | Fellow subsidiary | **(8 000)** | (375) |
| | | **(8 000)** | **(375)** |

| | | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|---|

**25. Related parties (continued)**

| **(ii) Amounts due to related parties: Current** | **Nature of relationship** | | |
|---|---|---|---|
| Irdeto Africa B.V. | Fellow subsidiary | **(96)** | (96) |
| MSS Local Productions Nigeria Limited | Fellow subsidiary | **(65)** | (53) |
| Local Productions (Kenya) Limited | Fellow subsidiary | **(1)** | - |
| MultiChoice Group Services Proprietary Limited | Fellow subsidiary | **(288)** | (117) |
| MultiChoice Group Treasury Services Proprietary Limited[3] | Fellow subsidiary | **(1 919)** | (543) |
| MultiChoice Africa Services B.V. | Fellow subsidiary | **(11)** | (5) |
| MultiChoice Africa Holdings BV | Fellow subsidiary | **(219)** | (196) |
| MultiChoice Holdings BV | Fellow subsidiary | **(1)** | - |
| Irdeto USA Inc | Fellow subsidiary | **(7)** | - |
| EntriqUKLtd | Fellow subsidiary | **(4)** | - |
| | | **(2 611)** | **(1 010)** |

| **(iii) Amounts due from related parties: Current** | **Nature of relationship** | | |
|---|---|---|---|
| MultiChoice Group Limited | Parent | **66** | 66 |
| MultiChoice Group Treasury Services Proprietary Limited | Fellow subsidiary | **15 456** | 8 015 |
| MultiChoice Africa Holdings B.V. | Fellow subsidiary | **720** | 841 |
| MSS Local Productions Nigeria Limited | Fellow subsidiary | **23** | 61 |
| MultiChoice Nigeria Limited | Fellow subsidiary | **588** | 12 |
| Irdeto South Africa Proprietary Limited | Fellow subsidiary | **9** | 9 |
| Showmax SRO | Fellow subsidiary | **2** | - |
| MultiChoice Group Services Proprietary Limited | Fellow subsidiary | **770** | 605 |
| Showmax international | Fellow subsidiary | **1** | - |
| | | **17 635** | **9 609** |

| **(iv) Derivative financial instruments: Non-current** | **Nature of relationship** | | |
|---|---|---|---|
| MultiChoice Group Treasury Services Proprietary Limited | Fellow subsidiary | **3** | (149) |

| **(v) Derivative financial instruments: Current** | **Nature of relationship** | | |
|---|---|---|---|
| MultiChoice Group Treasury Services Proprietary Limited | Fellow subsidiary | **1 347** | (1 088) |

*1 The current balances are unsecured, interest free and have no fixed terms of repayment.*
*2 The loan between M-Net, SuperSport International Proprietary Limited and MultiChoice Proprietary Limited, with MultiChoice Group Treasury Services Proprietary Limited was granted in FY23 and the loan is unsecured, of which the interest is payable quarterly at 3 months JIBAR +1.44%. The capital portion is scheduled to be repaid and settled in FY28, after a period of 5 years. The loan has currently been classified as non-current.*
*3 The loan between SuperSport International Proprietary Limited and MultiChoice Group Treasury Services Proprietary Limited was granted in FY21 and is unsecured, repayable quarterly over a three-year term and bears interest at a fixed rate of 5.75%. This loan will be settled in FY24 and has been classified as current.*

The balances related to the cashpool are repayable on call to the related party and the interest charged is based on the variable rate as per the investments held with the respective banks. The balances related to the forward exchange contracts are repayable based on the maturity date of the underlying external forward exchange contracts held with the respective banks.

The related party loans are unsecured, have fixed repayment terms and carries interest at the SA prime lending rate. The remaining balances are unsecured, interest free and have no fixed terms of repayment.

**(b) Related party transactions**

The group entered into transactions with a number of related parties. Transactions that are eliminated on consolidation are not included.

| **Sales of goods and services** | **Nature of relationship** | | |
|---|---|---|---|
| MultiChoice Africa Holdings B.V. | Fellow subsidiary | **7 342** | 7 791 |
| MultiChoice Group Services Proprietary Limited | Fellow subsidiary | **1** | - |
| | | **7 343** | **7 791** |

## 25. Related parties (continued)

| Purchases of goods and services: | Nature of relationship | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|---|
| Irdeto Africa B.V. | Fellow subsidiary | **898** | 833 |
| Irdeto USA Inc | Fellow subsidiary | **6** | 8 |
| Local Productions (Kenya) Limited | Fellow subsidiary | **1** | 1 |
| MSS Local Productions Nigeria Limited | Fellow subsidiary | **27** | 16 |
| MultiChoice Group Services Proprietary Limited | Fellow subsidiary | **378** | 217 |
| MultiChoice Africa Holdings B.V. | Fellow subsidiary | **209** | 303 |
| MultiChoice Group Treasury Services Proprietary Limited | Fellow subsidiary | **16** | 45 |
| | | **1 535** | **1 423** |

| Recoveries, recharges and other | Nature of relationship | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|---|
| MultiChoice Nigeria Limited | Fellow subsidiary | **37** | 54 |

| Hedging | Nature of relationship | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|---|
| MultiChoice Group Treasury Services Proprietary Limited - Cash flow hedging gains/(losses) (net) | Fellow subsidiary | **2 126** | (595) |
| MultiChoice Group Treasury Services Proprietary Limited - Fair value hedging (losses)/gains (net) | Fellow subsidiary | **241** | 66 |
| | | **2 367** | **(529)** |

**Key management remuneration**

| Consolidated | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| Short-term employee benefits | **222** | 180 |
| Long-term post-employment benefits | **10** | 10 |
| Share-based payment charge | **149** | 103 |
| **Fees paid to key management** | **381** | **293** |

| Non-executive directors | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| Directors' fees | **35** | **32** |

All of these amounts are paid by companies in the group other than MultiChoice South Africa Holdings Proprietary Limited (MCSAH).

**Key management remuneration and participation in share-based incentive plans**

Key management staff are those persons who have authority and responsibility for planning, directing and controlling the activities of the company.

Comparatives have not been restated to account for the change in the composition of key management.

**For shares listed on a recognised stock exchange as follows:**

1 004 423 (FY22: 90 803) MCG shares were awarded during the FY23 and aggregate of 3 200 616 (FY22: 2 871 395) MCG shares were allocated and unvested as at 31 March 2023.

**For Phantom Performance shares in unlisted companies as follows:**

24 337 (FY22: Nil) Phantom Performance shares were awarded during FY23 and aggregate of 213 760 (FY22: 225 417) Phantom Performance shares were allocated and unvested as at 31 March 2023.

### 26. Fair value of financial instruments

The calculation of fair value requires various inputs into the valuation methodologies used.

The source of the inputs used affects the reliability and accuracy of the valuations. Significant inputs have been classified into the hierarchical levels in line with *IFRS 13 – Fair value* measurement, as shown below.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly).

Level 3: Inputs for the asset or liability that are unobservable.

**Fair value of instruments measured at fair value**

The fair values of the group's financial instruments that are measured at fair value are categorised as follows:

| Financial instrument | Fair value 2023 ZAR'm | Fair value 2022 ZAR'm | Valuation method | Level in fair value hierarchy |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Investments held at fair value through profit or loss | **22** | 20 | Unit trusts comprising of quoted prices in a public market | Level 2 |
| Forward exchange contracts | **1 350** | - | Fair value using forward exchange rates that are publicly available | Level 2 |
| Currency depreciation features | **22** | 12 | Discounted cash flow techniques | Level 3 |
| **Financial liabilities** | | | | |
| Forward exchange contracts | **-** | 1 237 | Fair value using forward exchange rates that are publicly available | Level 2 |

Currency depreciation features relate to clauses in content acquisition agreements that provide the group with protection in the event of significant depreciation of the group's functional currency relative to the currency of the content acquisition agreement. The fair value of currency depreciation features is measured through the use of discounted cash flow techniques using the LIBOR rate of 0.46%. Key inputs used in measuring fair value include the terms and benchmark rates contained in content acquisition agreements and average spot exchange rates prevailing at the relevant measurement dates.

The carrying values of all other financial instruments are considered to be a reasonable approximation of their fair values.

Fair values are mainly determined using observable inputs, which reflect market conditions in their expectations of future cash flows related to the asset or liability at 31 March 2023.

### 27. Subsequent events

*Dividend*

The board has declared a gross dividend of 1 527.78 cents per share (ZAR5.5bn). The dividend declaration is subject to the approval of the company's shareholders at the annual general meeting to be held on Wednesday, 23 August 2023.

*MultiChoice and Comcast's NBCUniversal partnership*

MultiChoice Group Limited (MultiChoice) and Comcast Corporation, through its subsidiary NBCUniversal Media LLC., entered into an agreement to form a new partnership (transaction) that will bring content and technology to MultiChoice's Subscription Video on Demand (SVoD) customers across their footprint in Sub-Saharan Africa. MCSAH forms part of the larger transaction, refer to note 28.

*Other*

No other events have occurred subsequent to 31 March 2023 and up to the date of signing that have required the company to make further adjustment or disclosure in these annual financial statements.

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|

**28. Assets held for sale**

MultiChoice Group Limited (MultiChoice) and Comcast Corporation, through its subsidiary NBCUniversal Media LLC., entered into an agreement to form a new partnership (transaction) that will bring content and technology to MultiChoice's Subscription Video on Demand (SVoD) customers across their footprint in Sub-Saharan Africa. The agreement will be structured through a newly formed entity, Showmax SA Proprietary Limited (Showmax SA), which will be 70% owned by MultiChoice and 30% owned by NBCUniversal. The agreement consists of several steps which are considered to be one transaction due to all steps being designed to achieve a single commercial objective. The transaction was finalised on 4 April 2023 (refer to note 28).

The Company currently operates the SVoD business, i.e. Showmax South Africa (MSS Showmax). As part of the larger transaction noted above, the Company entered into an agreement with Showmax SA to dispose of its SVoD business (including its subscribers) (together the "disposal group") on 31 March 2023, effective 4 April 2023, for a consideration price of ZAR525m that will be settled on the effective date. The disposal group excludes the Showmax Pro packages, specifically identifiable Showmax assets and liabilities which includes cash and cash equivalent and related parties balances.

As at 31 March 2023, the disposal group has been classified as held for sale as well as the Company's SVoD business classified as a discontinued operation.

The financial performance and cash flow information presented for the discontinued operation are for the year ended 31 March 2023 and the year ended 31 March 2022.

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **Discontinued operations** | | |
| Revenue | 474 | 370 |
| Cost of providing services and sale of goods | (43) | (43) |
| Selling, general and administration costs | (524) | (460) |
| Loss before taxation | (93) | (133) |
| Taxation | 26 | 37 |
| **Net loss for the year from discontinued operations** | **(67)** | **(96)** |
| | | |
| **Loss attributable to:** | | |
| Equity holders of the group | (67) | (96) |
| Non-controlling interest | - | - |
| | **(67)** | **(96)** |
| | | |
| **Net cash flow in relation to discontinued operations** | | |
| **Net decrease in cash and cash equivalents:** | | |
| Operating activities | (50) | (133) |

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 March 2023.

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **Assets and liabilities** | | |
| Property, plant and equipment | 7 | - |
| Intangible assets | * | - |
| Trade receivables | 37 | - |
| Expected credit losses for trade receivables | (1) | - |
| Other receivables | 27 | - |
| **Assets held for sale** | **70** | **-** |

** Amounts less than ZAR1m.*

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **28. Assets held for sale (continued)** | | |
| **Liabilities directly associated with assets held for sale** | | |
| Trade payables | 61 | - |
| Deferred income | 23 | - |
| Bonus accrual | 25 | - |
| Accrual for leave | 5 | - |
| **Liabilities directly associated with assets held for sale** | **114** | **-** |
| **Net liabilities directly associated with the disposal group** | **(43)** | **-** |

**29. Recently issued accounting standards**

The following new standards, interpretations and amendments to existing standards are not yet effective as at 31 March 2023 and have not been early adopted by the group. The group does not expect the changes to materially impact the consolidated annual financial statement.

| Standard/Interpretation | Title | Effective date |
|---|---|---|
| IAS 1 Presentation of Financial Statements | *Classification of liabilities as current or non-current* | Deferred until accounting periods starting not earlier than 1 January 2024 |
| IFRS 17 Insurance contracts | *IFRS 17 replaces IFRS 4* | Effective for accounting period starting on or after 1 January 2023 |
| IFRS 4 Insurance Contracts | *Extension of the temporary Exemption* | Effective for accounting period starting on or after 1 January 2023 |
| IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associate and Joint Ventures | *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* | Effective for accounting period starting on or after 1 January 2023 |
| IAS 1 Presentation of financial statements, IFRS Practice Statement 2 Making materiality judgements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors | *Accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies* | Effective for accounting period starting on or after 1 January 2023 |
| IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors | *Definition of accounting estimates* | Effective for accounting period starting on or after 1 January 2023 |
| IAS 12 Taxation | *Deferred tax relate to-assets and liabilities arising from a single transaction* | Effective for accounting period starting on or after 1 January 2023 |

## 30. Directors' emoluments

| | 2023 ZAR'm | 2022 ZAR'm |
|---|---|---|
| **Executive Directors and prescribed officers emoluments** | **45** | **38** |
| **Non-executive directors** | | |
| Remuneration for services to other group companies | 27 | 23 |
| Fees for services as directors of other group companies | 8 | 9 |
| | 35 | 32 |
| | **80** | **70** |

Refer to note 25 for the accounting policy adopted by the group for comparative information on directors emoluments.

No director has a notice period of more than one year.

The group directors' service contracts do not include predetermined compensation as a result of termination that would exceed one year's salary and benefits.

The individual directors received the following remuneration and emoluments:

| **2023** | **Salary and other allowances** | **Annual cash bonuses and performance related payments** | **Pension contributions paid on behalf of the director** | **Total** |
|---|---|---|---|---|
| **Executive directors** | **ZAR'000** | **ZAR'000** | **ZAR'000** | **ZAR'000** |
| CP Mawela[1] | 15 106 | 9 212 | 1 403 | 25 721 |
| TN Jacobs[1,2] | 7 827 | 10 910 | 524 | 19 261 |
| | **22 933** | **20 122** | **1 927** | **44 982** |

*1 Director and Prescribed officer.*
*2 The annual cash bonuses and performance related payments includes ZAR4.57m received as a result of the sale of MCG shares in June 2022. These shares were initially acquired through the exercise of MultiChoice Group RSU offers.*

| **2022** | **Salary and other allowances** | **Annual cash bonuses and performance related payments** | **Pension contributions paid on behalf of the director** | **Total** |
|---|---|---|---|---|
| **Executive directors** | **ZAR'000** | **ZAR'000** | **ZAR'000** | **ZAR'000** |
| CP Mawela[1] | 13 554 | 8 381 | 1 179 | 23 114 |
| TN Jacobs[1] | 7 459 | 6 825 | 640 | 14 924 |
| | **21 013** | **15 206** | **1 819** | **38 038** |

*1 Director and Prescribed officer.*

**30. Directors' emoluments (continued)**

| 2023 | Directors' remuneration | | Directors' fees[1] | | Committee and trustee fees | | |
|---|---|---|---|---|---|---|---|
| **Non-executive directors** | **Paid for services to the group ZAR'000** | **Paid for services to other group companies ZAR'000** | **Paid for services to the group ZAR'000** | **Paid for services to other group companies ZAR'000** | **Paid for services to the group ZAR'000** | **Paid for services to other group companies ZAR'000** | **Total ZAR'000** |
| J du Preez | - | - | - | 776 | - | 517 | 1 293 |
| E Masilela | - | - | - | 776 | - | 359 | 1 135 |
| KD Moroka[2] | - | 1 560 | - | 776 | - | 790 | 3 126 |
| L Stephens | - | - | - | 776 | - | 1 188 | 1 964 |
| JJ Volkwyn[3] | - | 5 142 | - | - | - | - | 5 142 |
| MI Patel[3] | - | 20 008 | - | - | - | - | 20 008 |
| CM Sabwa | - | - | - | 776 | - | 716 | 1 492 |
| FA Sanusi | - | - | - | 776 | - | 123 | 899 |
| | **-** | **26 710** | **-** | **4 656** | **-** | **3 693** | **35 059** |

*1 Non-executive directors receive an annual fee for their attendance at board meetings.*
*2 Director remuneration based on consultancy agreement for professional advisory services to the company and its subsidiaries.*
*3 Director remuneration based on consultancy services provided to the Group.*

Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the Companies Act.

| 2022 | Directors' remuneration | | Directors' fees[1] | | Committee and trustee fees | | |
|---|---|---|---|---|---|---|---|
| **Non-executive directors** | **Paid for services to the group ZAR'000** | **Paid for services to other group companies ZAR'000** | **Paid for services to the group ZAR'000** | **Paid for services to other group companies ZAR'000** | **Paid for services to the group ZAR'000** | **Paid for services to other group companies ZAR'000** | **Total ZAR'000** |
| J du Preez | - | - | - | 746 | - | 459 | 1 205 |
| FLN Letele[2] | - | - | - | 558 | - | 230 | 788 |
| E Masilela | - | - | - | 746 | - | 344 | 1 090 |
| KD Moroka[3] | - | 1 500 | - | 746 | - | 758 | 3 004 |
| SJZ Pacak[4] | - | - | - | - | - | - | - |
| L Stephens | - | - | - | 746 | - | 1 141 | 1 887 |
| JJ Volkwyn[5] | - | 5 152 | - | - | - | - | 5 152 |
| JA Mabuza[6] | - | - | - | 272 | - | 99 | 371 |
| MI Patel[5] | - | 16 713 | - | - | - | - | 16 713 |
| CM Sabwa | - | - | - | 746 | - | 581 | 1 327 |
| FA Sanusi | - | - | - | 746 | - | 118 | 864 |
| | **-** | **23 365** | **-** | **5 306** | **-** | **3 730** | **32 401** |

**Notes**

*1 Non-executive directors receive an annual fee for their attendance at board meetings.*
*2 Retired 1 December 2021.*
*3 Director remuneration based on consultancy agreement for professional advisory services to the company and its subsidiaries.*
*4 Retired 1 April 2021.*
*5 Director remuneration based on consultancy services provided to the Group.*
*6 JA Mabuza passed away on 16 June 2021.*

Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the Companies Act.

**Directors' interest in the group's share incentive schemes**

For details of the various share plans within the group refer to note 4.

**30. Directors' emoluments (continued)**

**2023**

| Name | Share plan | Offer date | Number of shares | Offer price | Release date | Option fair value R |
|---|---|---|---|---|---|---|
| CP Mawela | MultiChoice Group RSU[1] | 18-Jun-19 | 30 581 | 0.00 | 18-Jun-23 | 130.80 |
| | | 18-Jun-19 | 30 581 | 0.00 | 18-Jun-23 | 130.80 |
| | | 18-Jun-19 | 30 581 | 0.00 | 18-Jun-24 | 130.80 |
| | | 18-Jun-19 | 30 581 | 0.00 | 18-Jun-24 | 130.80 |
| | | 10-Jun-20 | 25 574 | 0.00 | 10-Jun-23 | 87.00 |
| | | 10-Jun-20 | 25 573 | 0.00 | 10-Jun-23 | 87.00 |
| | | 10-Jun-20 | 25 573 | 0.00 | 10-Jun-24 | 82.32 |
| | | 10-Jun-20 | 25 574 | 0.00 | 10-Jun-24 | 82.32 |
| | | 10-Jun-20 | 25 574 | 0.00 | 10-Jun-25 | 77.91 |
| | | 10-Jun-20 | 25 575 | 0.00 | 10-Jun-25 | 77.91 |
| | | 17-Nov-20 | 10 102 | 0.00 | 17-Nov-23 | 109.92 |
| | | 17-Nov-20 | 60 615 | 0.00 | 17-Nov-23 | 109.92 |
| | | 17-Nov-20 | 10 103 | 0.00 | 17-Nov-24 | 105.08 |
| | | 31-Mar-21 | 120 809 | 0.00 | 31-Mar-24 | 113.06 |
| | | 18-Jun-22 | 143 872 | 0.00 | 18-Jun-25 | 100.93 |
| | | | **621 268** | | | |
| | Phantom Performance Share Plan 2021[2] | 31-Mar-21 | 42 767 | 0.00 | 31-Mar-25 | 100.84 |
| | | 31-Mar-21 | 42 767 | 0.00 | 31-Mar-26 | 97.53 |
| | | 20-Jun-22 | 4 720 | 0.00 | 20-Jun-26 | 231.76 |
| | | 20-Jun-22 | 4 721 | 0.00 | 20-Jun-27 | 220.85 |
| | | | **94 975** | | | |

**2023**

| Name | Share plan | Offer date | Number of shares | Offer price | Release date | Option fair value R |
|---|---|---|---|---|---|---|
| TN Jacobs | MultiChoice Group RSU[1] | 18-Jun-19 | 7 884 | 0.00 | 18-Jun-23 | 130.80 |
| | | 18-Jun-19 | 7 884 | 0.00 | 18-Jun-23 | 130.80 |
| | | 18-Jun-19 | 7 885 | 0.00 | 18-Jun-24 | 130.80 |
| | | 18-Jun-19 | 7 884 | 0.00 | 18-Jun-24 | 130.80 |
| | | 10-Jun-20 | 10 604 | 0.00 | 10-Jun-23 | 87.00 |
| | | 10-Jun-20 | 10 603 | 0.00 | 10-Jun-23 | 87.00 |
| | | 10-Jun-20 | 10 603 | 0.00 | 10-Jun-24 | 82.32 |
| | | 10-Jun-20 | 10 604 | 0.00 | 10-Jun-24 | 82.32 |
| | | 10-Jun-20 | 10 603 | 0.00 | 10-Jun-25 | 77.91 |
| | | 10-Jun-20 | 10 604 | 0.00 | 10-Jun-25 | 77.91 |
| | | 17-Nov-20 | 7 456 | 0.00 | 17-Nov-23 | 109.92 |
| | | 17-Nov-20 | 44 739 | 0.00 | 17-Nov-23 | 109.92 |
| | | 17-Nov-20 | 7 457 | 0.00 | 17-Nov-24 | 105.08 |
| | | 31-Mar-21 | 80 732 | 0.00 | 31-Mar-24 | 113.06 |
| | | 18-Jun-22 | 90 383 | 0.00 | 18-Jun-25 | 100.93 |
| | | | **325 925** | | | |
| | Phantom Performance Share Plan 2021[2] | 31-Mar-21 | 28 579 | 0.00 | 31-Mar-25 | 100.84 |
| | | 31-Mar-21 | 28 580 | 0.00 | 31-Mar-26 | 97.53 |
| | | 20-Jun-22 | 2 965 | 0.00 | 20-Jun-26 | 231.76 |
| | | 20-Jun-22 | 2 966 | 0.00 | 20-Jun-27 | 220.85 |
| | | | **63 090** | | | |

**30. Directors' emoluments (continued)**

**2023**

| Name | Share plan | Offer date | Number of shares | Offer price | Release date | Option fair value R |
|---|---|---|---|---|---|---|
| MI Patel | MultiChoice Group RSU[1] | 18-Jun-19 | 25 774 | 0.00 | 18-Jun-2023 | 130.80 |
| | | 18-Jun-19 | 25 774 | 0.00 | 18-Jun-2023 | 130.80 |
| | | | **51 548** | | | |

**2022**

| Name | Share plan | Offer date | Number of shares | Offer price | Release date | Option fair value R |
|---|---|---|---|---|---|---|
| CP Mawela | MultiChoice Group RSU[1] | 18-Jun-19 | 61 162 | 0.00 | 18-Jun-2022 | 130.80 |
| | | 18-Jun-19 | 61 162 | 0.00 | 18-Jun-2023 | 130.80 |
| | | 18-Jun-19 | 61 162 | 0.00 | 18-Jun-2024 | 130.80 |
| | | 10-Jun-20 | 25 573 | 0.00 | 10-Jun-2022 | 91.71 |
| | | 10-Jun-20 | 25 574 | 0.00 | 10-Jun-2022 | 91.92 |
| | | 10-Jun-20 | 51 147 | 0.00 | 10-Jun-2023 | 87.00 |
| | | 10-Jun-20 | 51 147 | 0.00 | 10-Jun-2024 | 82.32 |
| | | 10-Jun-20 | 51 149 | 0.00 | 10-Jun-2025 | 77.91 |
| | | 17-Nov-20 | 60 615 | 0.00 | 17-Nov-2023 | 109.79 |
| | | 17-Nov-20 | 10 102 | 0.00 | 17-Nov-2023 | 109.92 |
| | | 17-Nov-20 | 10 103 | 0.00 | 17-Nov-2024 | 105.08 |
| | | 31-Mar-21 | 120 809 | 0.00 | 31-Mar-2024 | 113.06 |
| | | | **589 705** | | | |
| | Phantom Performance Share Plan 2021[2] | 31-Mar-21 | 42 767 | 0.00 | 31-Mar-2025 | 100.84 |
| | | 31-Mar-21 | 42 767 | 0.00 | 31-Mar-2026 | 97.53 |
| | | | **85 534** | | | |

**2022**

| Name | Share plan | Offer date | Number of shares | Offer price | Release date | Option fair value R |
|---|---|---|---|---|---|---|
| MI Patel | MultiChoice Group RSU[1] | 18-Jun-19 | 25 774 | 0.00 | 18-Jun-2022 | 130.80 |
| | | 18-Jun-19 | 25 774 | 0.00 | 18-Jun-2023 | 130.80 |
| | | 18-Jun-19 | 25 774 | 0.00 | 18-Jun-2024 | 130.80 |
| | | | **77 322** | | | |

**30. Directors' emoluments (continued)**

**2022**

| Name | Share plan | Offer date | Number of shares | Offer price | Release date | Option fair value R |
|---|---|---|---|---|---|---|
| TN Jacobs | MultiChoice Group RSU[1] | 18-Jun-19 | 15 768 | 0.00 | 18-Jun-2022 | 130.80 |
| | | 18-Jun-19 | 15 768 | 0.00 | 18-Jun-2023 | 130.80 |
| | | 18-Jun-19 | 15 769 | 0.00 | 18-Jun-2024 | 130.80 |
| | | 10-Jun-20 | 10 604 | 0.00 | 10-Jun-2022 | 91.71 |
| | | 10-Jun-20 | 10 603 | 0.00 | 10-Jun-2022 | 91.92 |
| | | 10-Jun-20 | 21 207 | 0.00 | 10-Jun-2023 | 87.00 |
| | | 10-Jun-20 | 21 207 | 0.00 | 10-Jun-2024 | 82.32 |
| | | 10-Jun-20 | 21 207 | 0.00 | 10-Jun-2025 | 77.91 |
| | | 17-Nov-20 | 44 739 | 0.00 | 17-Nov-2023 | 109.79 |
| | | 17-Nov-20 | 7 456 | 0.00 | 17-Nov-2023 | 109.92 |
| | | 17-Nov-20 | 7 457 | 0.00 | 17-Nov-2024 | 105.08 |
| | | 31-Mar-21 | 80 732 | 0.00 | 31-Mar-2024 | 113.06 |
| | | | **272 517** | | | |
| | Phantom Performance Share Plan 2021[2] | 31-Mar-21 | 28 579 | 0.00 | 31-Mar-2025 | 100.84 |
| | | 31-Mar-21 | 28 580 | 0.00 | 31-Mar-2026 | 97.53 |
| | | | **57 159** | | | |

*1 50% of RSUs awarded between June 2019 and September 2020, 75% of RSUs awarded in November 2020, and 100% of RSUs awarded in March 2021 are subject to performance conditions.*
*2 100% of Phantom Performance Share Scheme awards issued are subject to performance conditions.*

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