



**MultiChoice Group Limited**

Consolidated annual financial statements  
for the year ended 31 March 2024



## Statement of responsibility by the board of directors

for the year ended 31 March 2024

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The consolidated annual financial statements are the responsibility of the directors of MultiChoice Group Limited. In discharging this responsibility, the directors rely on management to prepare the consolidated annual financial statements presented on pages 1 to 103 in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (IFRS) 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), the Johannesburg Stock Exchange (JSE) Listings Requirements 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<sup>™</sup>). In conformity with IFRS Accounting Standards, 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 MultiChoice Group Limited and its consolidated subsidiaries and equity-accounted associates 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's 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 to 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 12 June 2024.

The independent auditing firm Ernst & Young 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 external auditors during their audit were valid and appropriate. A copy of Ernst & Young Inc.'s unqualified audit report is presented on pages 20 to 26.

The consolidated annual financial statements were approved by the board of directors on 12 June 2024 and are signed on its behalf by:

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**Elias Masilela**  
Chair

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**Calvo Mawela**  
Chief executive officer (CEO)



## Company Secretary's Certification and CEO and CFO responsibility statement

for the year ended 31 March 2024

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### Company Secretary's Certification

In terms of section 88(2)(e) of the Companies Act No 71 of 2008, in my capacity as company secretary of MultiChoice Group Limited, I confirm that for the year ended 31 March 2024 the company has lodged with the Registrar of Companies and the Companies and Intellectual Property Commission, all such returns and notices as are required of a public 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.

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**Carmen Miller**  
*Company Secretary*  
12 June 2024

### CEO and CFO responsibility statement

Each of the directors, whose names are stated below, hereby confirm that:

- (a) The consolidated annual financial statements set out on pages 1 to 103, fairly present in all material respects, the financial position, financial performance and cash flows of MultiChoice Group Limited in terms of IFRS Accounting Standards;
- (b) To the best of our knowledge and belief, no facts have been omitted, or untrue statements made that would make the consolidated annual financial statements false or misleading;
- (c) Internal financial controls have been put in place to ensure that material information relating to MultiChoice Group Limited and its consolidated subsidiaries has been provided to effectively prepare the consolidated annual financial statements of MultiChoice Group Limited;
- (d) The internal financial controls are adequate and effective and can be relied upon in compiling the consolidated annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- (e) Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have remediated the deficiencies; and
- (f) We are not aware of any fraud involving directors.

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**Calvo Mawela**  
*Chief executive officer (CEO)*  
12 June 2024

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**Tim Jacobs**  
*Chief financial officer (CFO)*  
12 June 2024



## Report of the audit committee

for the year ended 31 March 2024

I am pleased to present the report of the audit committee (the committee) for the year ended 31 March 2024 (FY24). The committee submits this report, as required by section 94 of the South African Companies Act No 71 of 2008 (the Act).

### Members of the audit committee and attendance at meetings

The committee consists of only independent non-executive directors and meets at least three times per year in accordance with its charter. All members act independently, are financially literate, have sound business and financial acumen and comply with all other requirements of section 94 of the Act. The committee has unrestricted access to group information falling within the committee's mandate and liaises with management on the information it requires to carry out its responsibilities.

During FY24, four meetings were held. The internal and external auditors, in their respective capacity as auditors to the group, attended and reported at all formal meetings of the committee. Both internal and external auditors have unrestricted access to the committee through the chair as well as the opportunity at one meeting per year to report to the committee in the absence of management. The chairperson of the board, group CEO, group CFO and group deputy CFO, group company secretary and group general counsel, while not members, attend committee meetings by invitation.

The names of the members who were in office during FY24, and up to the date of this report, and the details of the committee meetings attended by each of the members are reflected below.

Name of member	Qualifications	Attendance	Category
L Stephens	BBSc, BCom (Hons), CA(SA), CD(SA)	4/4	Independent non-executive (chair)
CM Sabwa	BCom (Accounting), CPA(K)	4/4	Independent non-executive
E Masilela*	BSocSci (Economics and statistics) and MSc (Economic Policy and Analysis)	4/4	Independent non-executive
JH du Preez	CA(SA), CD(SA)	4/4	Independent non-executive

\* Following his appointment as chair of the board, E Masilela stepped down as a member of the audit committee with effect from 23 April 2024.

The board and the nomination committee unanimously recommend to shareholders at the Annual General Meeting (AGM) that the current committee members, excluding E Masilela, be re-elected.

### Responsibilities

The committee has adopted formal terms of reference, delegated by the board of directors, as set out in its charter.

The committee has discharged its responsibilities in terms of its charter and ascribed to it in terms of the Act through the performance of the following:

#### Financial controls

- Review and approve for presentation to and approval by the board, the consolidated annual/summary/abridged financial statements, integrated annual reports, interim and preliminary reports, long form and short form financial results announcements, and any other group press releases with material financial or internal control impacts. These reviews included:
  - taking appropriate steps to ensure the consolidated annual and interim financial statements were prepared in accordance with IFRS Accounting Standards and in the manner required by the Act.
  - considering and, when appropriate, making recommendations on internal financial controls.
  - dealing with concerns or complaints on accounting policies, internal audit, the auditing or content of the consolidated annual and interim financial statements, and internal financial controls.
  - reviewing key audit matters raised by the external auditor and management's response thereto.
  - reviewing legal matters that could have a significant impact on the consolidated annual financial statements.
  - compiling a report to be inserted in the consolidated annual financial statements, describing how the audit committee carried out its functions.
- Disclose in the integrated annual report significant matters that the audit committee has considered in relation to the consolidated annual financial statements, and how these were addressed by management.
- Reviewed the ability of the group to continue as a going concern, including the group's dividend recommendation and an analysis of the group's liquidity and solvency and recommend it to the board for approval.



## Report of the audit committee

for the year ended 31 March 2024

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### External Auditor

- Receive all audit reports directly from the external auditor.
- Annually review the external auditor's performance and disclose the committee's views on the quality of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators.
- Evaluate the lead partner of the external auditor, Charles Edgar Trollope, who will be subject to rotation as required by regulations
- Present the committee's conclusions on the external auditor to the board, preceding the annual request to shareholders to approve the appointment of the external auditor.
- Approve the external auditor's terms of engagement and remuneration.
- Evaluate and provide commentary on the external auditor's audit plans, scope of findings, identified issues and reports.
- Develop a policy for the board to approve non-audit services performed by the external auditor. Approve non-audit services provided by the external auditor in accordance with this policy
- Present the committee's conclusions in respect of the nomination for appointment as external auditors to the MultiChoice Group Limited (MCG) board and consideration of audit firm rotation as required by applicable regulations, preceding the annual request to MCG shareholders to approve the appointment of the external auditors.

### Internal Audit

- Approve and recommend to the board for approval, the internal audit charter, which must be reviewed periodically.
- Oversee the internal audit function and assist the board in fulfilling the following responsibilities:
  - set the direction for internal audit arrangements needed to provide objective and relevant assurance, thereby contributing to the effectiveness of governance, risk management and control processes.
  - ensure that arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the group, and that internal audit is supplemented as required by specialists.
  - confirm the appointment of the head of the group's internal audit function and periodically review his/her performance.
  - monitor that internal audit follows an approved risk-based internal audit plan, review the organisational risk profile regularly, and propose adaptations to the internal audit plan accordingly.
  - ensure internal audit provides a statement annually as to the effectiveness of the group's governance, risk management and control processes.
  - ensure the internal audit function is subject to an external, independent quality review every four years.
  - obtain confirmation annually from the head of the group's internal audit function that internal audit conforms to a recognised industry code of ethics and internal auditing standards.
  - review internal audit and the risk committee's reports to the audit committee.

### Combined Assurance

- Ensure that the arrangements for assurance services are effective in achieving the following objectives:
  - enabling an effective internal control environment,
  - supporting the integrity of information used for internal decision-making by management, the board and its committees, and
  - supporting the integrity of external reports.
- Ensure a combined assurance model is applied which incorporates and optimises the various assurance services and functions so that, taken as a whole, they support the objectives of assurance.
- Ensure that the combined assurance model is designed and implemented to effectively cover the group's significant risks and material matters through a combination of assurance service providers and functions as is appropriate for the group.
- Disclose in the integrated annual report the arrangements in place for combined assurance and the committee's views on its effectiveness.



## Report of the audit committee

for the year ended 31 March 2024

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### Other matters

- Review procedures to ensure that the listing requirements of the Johannesburg Stock Exchange (JSE) are complied with.
- Review practices with reference to the King IV™ Code on Corporate Governance and make specific disclosures recommended by the code.
- Monitor compliance with board-approved group levels of authority.
- Establish procedures for the receipt, retention and treatment of complaints received on accounting, internal control, auditing matters, risk management and management of other fraudulent activities, including procedures for confidential, anonymous reporting by employees.
- Annually evaluate the performance and appropriateness of the expertise and experience of the chief financial officer and the finance function and disclose the results in the integrated annual report.
- Evaluate the effectiveness of risk management, financial controls and governance processes.
- Review audit committee reports and charters of all major subsidiaries, as well as their annual assessment of charter compliance.
- Review the JSE Limited's report on the proactive monitoring of consolidated annual financial statements, as well as other JSE Limited communications directed at audit committees, and ensure correct application in the group's reported financial information.

### Key areas of focus during FY24

The committee's key focus areas during the year included:

- discharging its functions in terms of its charter.
- assessing the impact of changes to accounting standards and the JSE Listings Requirements.
- reviewing implementation of King IV™ recommendations.
- review of material group programme updates.
- focusing regularly on the group's working capital requirements and ensuring that the group continues to operate as a going concern.
- review of the group's treasury risks including illiquid cash, foreign exchange and counterparty risk management.
- oversight and conclusion of the group's audit firm rotation process.
- reviewing at each meeting the accounting for taxation provisions and contingencies.
- reviewing at each meeting the schedule of non-audit services provided by external audit and ensuring compliance with the group policy.
- reviewing financial trading updates prior to release on the SENS.

### Financial statement reporting issues

The committee's main responsibility in relation to the group's financial reporting is to review, with both management and the external auditor, the appropriateness of the consolidated annual and interim financial statements with its primary focus being on:

- the quality and acceptability of accounting policies and practices,
- material areas where significant judgements have been made, along with any significant assumptions or estimates, or where significant issues have been discussed with or challenged by the external auditor, and
- an assessment of whether the consolidated annual and interim financial statements, taken as a whole, are fair and balanced.

The significant judgements, issues and conclusions reached, or actions taken by the committee in relation to the FY24 consolidated annual financial statements are outlined below.

Each of the matters were discussed with the external auditor and, where appropriate, have been addressed as key audit matters in the report on the audit of the consolidated annual financial statements on pages 20 to 26.



## Report of the audit committee

for the year ended 31 March 2024

Key audit matter description	How the audit committee addressed the matter
<p><b>KingMakers Valuation</b></p> <p>During our 31 March 2024 year-end audit, MultiChoice’s equity accounted investment in Blue Lake Ventures (“KingMakers”) was subject to an impairment assessment in accordance with <i>IAS 36 – Impairment of Assets</i>. The assessment was triggered by a significant downturn in economic indicators, most notably the depreciation of the Nigerian Naira. This led to an indicator of a decrease in the investment’s value, which could result in an impairment loss.</p> <p>The company’s investment in KingMakers of ZAR4.3bn as at 31 March 2024 represents 10% of total assets.</p> <p>The determination of the recoverable amount of the Group’s investment in KingMakers relies on the judgement applied and key assumptions made by management in assessing the impact of the Nigerian Naira depreciation on the discounted future cashflows and the judgements applied by management in assessing the discounted future cashflows from the recently launched South African operations.</p> <p>The impairment assessment of the investment is based on the difference between the fair value of the investment and the carrying amount at year-end, determined through a sum of the parts fair value valuation model. The following inputs were included:</p> <ul style="list-style-type: none"> <li>• The discounted cash flows within the valuation model include, the approved and revised budgeted and forecasted 10-year stakes, market and entity growth rates, gross gaming revenues, bonuses and operating cost assumptions, amongst others, of the underlying entities that make up the consolidated Blue Lake Ventures results; and</li> <li>• The growth and discount rates applied in the model consider market, country, sector and entity-specific risks and growth rates, and a combined marketability and minority interest discount is also applied.</li> </ul> <p>Due to the significant judgements applied and key assumptions made by management in determining the recoverable amount of the Group’s investment in KingMakers, this was considered a key audit matter.</p> <p>Refer to note 24: Investments in associates and joint venture</p>	<p>This reporting matter was addressed by the audit committee as follows:</p> <ul style="list-style-type: none"> <li>• Discussion around management’s valuation, including the disclosures in the consolidated financial statements around significant management judgements;</li> <li>• Reliance on the review outcomes from management’s independent valuation expert and KingMakers management;</li> <li>• Review of the external auditors report, specifically the areas dealing with the work performed around the KingMakers valuation;</li> <li>• Challenging the key impairment indicators and their alignment to the committee’s understanding of the group.</li> </ul> <p>Consequently, the audit committee was satisfied with the approach adopted in the consolidated annual financial statements and the fact that no impairment of KingMakers was necessary.</p>



## Report of the audit committee

for the year ended 31 March 2024

Key audit matter description (continued)	How the audit committee addressed the matter
<p><b>Showmax minority sale to Comcast</b></p> <p>The MultiChoice Group entered into an agreement with Comcast Corporation, through its fully owned subsidiary, NBCUniversal Media. The transaction required significant internal restructuring within the business which resulted in the incorporation of the Showmax holding company (Showmax Africa Holdings Limited) in the United Kingdom. The Showmax Africa Holdings Group consists of Showmax SA, incorporated in South Africa and M-SAT, incorporated in Nigeria. The transaction also resulted in various new agreements being concluded within the Group.</p> <p>The transaction resulted in the sale of 30% of Showmax Africa Holdings to NBCUniversal Media for a consideration of ZAR536m. The agreement also stipulates that NBCUniversal Media has the right to sell their 30% stake back to the MultiChoice Group at the end of a 7 year period after launch, which resulted in a put option liability amounting to ZAR3.0bn which has been recognised against equity.</p> <p>In line with the legal and contractual terms of the agreement, management determined the Comcast transaction effective date to be on 4 April 2023. At this date initial recognition of the put-option liability took place.</p> <p>The value of the put option liability was determined through a discounted cashflow valuation model. Management’s model included the following areas of judgement and estimation:</p> <ul style="list-style-type: none"> <li>• The forecast revenue growth rates in South Africa and Rest of Africa based on forecast subscriber growth, forecast foreign currency impact on the USD valuation model due to local currency billing, cost assumptions, blended effective tax rates for South Africa and Rest of Africa and the weighted average cost of capital.</li> <li>• The growth and tax rates applied in the model include market, country, sector and entity-specific risk adjustments.</li> </ul> <p>The transaction has complex accounting implications, and the valuation of the put option liability includes significant judgement and assumptions applied by management.</p> <p>Significant time has been spent by the audit team and specialist teams (valuations and technical accounting) in assessing the contractual terms and conditions, accounting treatment of the agreement and the valuation of the put option and therefore we consider the transaction to be a key audit matter.</p> <p>Refer to note 23: Investment in subsidiaries and note 30: fair value of financial instructions.</p>	<p>This reporting matter was addressed by the audit committee as follows:</p> <ul style="list-style-type: none"> <li>• Reliance on the accounting technical paper prepared by an independent technical accounting expert;</li> <li>• Reliance on the review outcomes from management’s independent valuation expert;</li> <li>• Discussion around management’s put option valuation, including the disclosures in the consolidated financial statements around significant management judgements;</li> <li>• Review of the external auditors report, specifically the areas dealing with the work performed around the Showmax valuation;</li> </ul> <p>Consequently, the audit committee was satisfied with the approach adopted in the consolidated annual financial statements including the valuation of the put option liability.</p>

### Other reporting matters

The committee has reviewed and is satisfied with the adequacy and effectiveness of accounting policies, financial and other internal control systems, and the financial reporting processes which are operating effectively.

### Internal audit

The committee is responsible for ensuring that the group’s internal audit function is independent and has the necessary resources, standing and authority in the group to discharge its duties.





## Report of the audit committee

for the year ended 31 March 2024

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### Internal audit (continued)

The committee oversees cooperation between internal and external auditors and serves as a link between the board of directors and these functions. The group's head of internal audit reports functionally to the chair of the committee and administratively to the group CFO. An assessment of the effectiveness of the internal audit function, as well as the head of internal audit, is performed annually by the committee. Based on the assessment, the committee is of the opinion that the internal audit function, as well as the head of internal audit, are effective.

### Effectiveness of the group's internal financial controls

The committee reports to the board that it is of the opinion that, based on enquiries made and the reports from the internal and external auditors on findings from the audit of the consolidated annual financial statements, the risk management processes and systems of internal control of the group were effective for the year under review. No material weaknesses in financial controls of the group were reported for the year under review.

### Independence and effectiveness of the external auditor

Ernst & Young Inc. (EY) was the appointed auditor of the group for FY24. The committee believes that EY has observed the highest level of business and professional ethics. The committee is satisfied that EY has, at all times, acted with unimpaired independence.

Details of fees paid to EY are disclosed in note 6 to the consolidated annual financial statements. All non-audit services provided by EY were approved by the committee during the current financial year in accordance with the board-approved policy on non-audit services performed by the external auditor. The audit committee approved the provision of non-audit services that it believes are routine and recurring services that would not impair the independence of EY and are consistent with the principles of the Code of Professional Conduct set by the Independent Regulatory Board for Auditors. Approved services included general consulting advice and tax consulting advice such as tax compliance. Services approved for FY24 amounted to ZAR1.4m (FY23: ZARnil) for tax consulting and ZAR1.9m (FY23: ZARnil) for other services.

During FY24, the committee reviewed representations by EY and, after conducting its own review, confirmed the independence of EY. The quality of the external audit for FY24 was reviewed, focusing on a range of factors considered relevant to audit quality and feedback from EY on their performance against their own objectives. Based on this review, the committee concluded the external audit to be satisfactory.

The partner responsible for the audit is required to rotate every five years. Charles Edgar Trollope has been the audit partner for the last financial year.

The committee, in accordance with paragraph 3.84(g)(iii) of the JSE Listings Requirements, confirms that it assessed the suitability of EY and the designated auditor, Charles Edgar Trollope. The committee, as part of its assessment, requested and reviewed the information detailed in paragraph 3.84(g)(iii) of the JSE Listings Requirements from the external auditor.

### Recommended external auditor for FY25

The committee recommends the reappointment of EY as the external auditor for the group, noting the designated auditor as Charles Edgar Trollope, at the next AGM.

### Confidential meetings

Audit committee agendas provide for confidential meetings between committee members and the internal and external auditors, separately and independently from management.

### Expertise and experience of the group's CFO and the finance function

As required by the King IV™ principle 8 practice 59.f and the JSE Limited Listings Requirements 3.84(g), the audit committee has satisfied itself that the group CFO has the appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skills set of the finance function met the group's requirements. Based on an assessment performed annually, the committee is of the opinion that the finance function, as well as the CFO, is effective.



## Report of the audit committee

for the year ended 31 March 2024

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### Combined assurance

The board does not only rely on the adequacy of the embedded internal control process in the business but considers reports on the effectiveness of risk management activities from the risk committee. The committee ensures that the assurance functions of management as well as internal and external audit are sufficiently integrated and is satisfied that these together are effective for combined assurance. The board obtains assurance through the following:

- Senior management and the risk committee considers the group's risk strategy and policy, along with the effectiveness and efficiency thereof. The risk committee also considers the adequacy of risk management strategies, systems of internal control, risk profiles and legal compliance. The audit committee receives assurance from the risk committee that risk management activities are sufficient and effective.
- Information technology governance is assessed by the committee through reporting at each meeting from the group chief information officer.
- The annual renewal of insurance (including directors' and officers' insurance) is specifically considered together with risk management and the group's external insurance consultants.
- The committee considers the systems of internal control, reviews internal audit reports, and reviews the independence of the auditor, the extent and nature of audit engagements, the scope of work and the external audit reports and findings.
- This committee also reviews the level of disclosure in the consolidated annual financial statements and the appropriateness of accounting policies adopted by management and jointly with the risk committee considers material issues of fraud and reporting on fraud.
- The board reviews the performance of the committee against its charter.

The chair of the committee reports to the board at the board meeting following each committee meeting on matters addressed by the committee at its last meeting.

### Discharge of responsibilities

The committee determined that, during FY24, it had discharged its legal and other responsibilities as outlined in terms of its charter, details of which are included in the full corporate governance report at [www.multichoice.com](http://www.multichoice.com). The board concurred with this assessment.

### Key focus areas going forward

The committee's key focus areas for the next financial year include:

- discharging its functions in terms of its charter.
- focusing regularly on the group's working capital requirements and ensuring that the group continues to operate as a going concern.
- review of the group's treasury risks including foreign exchange and hedging practice, liquidity, management of debt and covenants and counterparty risk management.
- monitoring the performance and audit quality of external auditors.
- reviewing at each meeting the management of tax matters together with the accounting for taxation provisions and contingencies.
- reviewing at each meeting the schedule of non-audit services provided by external audit and ensuring compliance with the group policy.
- review of material group programme updates including internal audit's assurance assessment thereof.
- review internal audit updates and any control matters arising from internal audit reviews, including remediation plans from management.
- review and approve, where necessary, any related party transactions.
- review of the accounting treatment and financial statement disclosures for any material transactions.

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**Louisa Stephens**

*Chair: Audit committee*

12 June 2024



# Directors' report to shareholders

for the year ended 31 March 2024

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## 1. Nature of business

MultiChoice Group Limited and its subsidiaries (MultiChoice or the group) operate video-entertainment subscription-based platforms in South Africa and sub-Saharan Africa (50 countries in total) and offer services through direct-to-home satellite broadcast television (DTH), digital terrestrial television (DTT), and linear and subscription video on demand (SVOD) over-the-top (OTT) streaming video. The group's commercial video-entertainment services provide packages of audio-visual programming to consumers for a monthly charge. The group has also expanded in recent years beyond video entertainment and has non-controlling investments in sports betting and fintech segments which offer a broader range of relevant and curated interactive products and services to the wider group's established customer base.

## 2. Group performance overview

The financial year to 31 March 2024 (FY24) saw the culmination of four years of strategic planning, with MultiChoice Group (MultiChoice or the group) now fully operational in its three core segments, namely video entertainment (linear broadcasting and streaming video on demand), interactive entertainment (sports betting and igaming), and fintech (payments, financial services and insurance). Showmax, SuperSportBet and Moment all launched successfully during the year, showing strong initial user traction.

On the back of inflationary pricing across our markets and in a year that included the premiere of *Shaka Illembé* and four World Cup events, the group was able to deliver positive organic revenue growth of 3% despite the severity of the macro and consumer headwinds impacting the business. The group also outperformed on cost optimisation once again, delivering ZAR1.9bn in cost savings against an initial target of ZAR0.8bn (and a revised target of ZAR1.0bn), and tactically reducing set-top box subsidies by ZAR1.5bn YoY.

As a result of management's timely interventions, the group delivered FY24 segmental profitability in line with its guidance, with margins in South Africa in the mid-twenties range (>26%), Rest of Africa increasing trading profit to ZAR1.3bn (48% YoY growth), Showmax posting trading losses of ZAR2.6bn which came in below the ZAR3.0-4.0bn guided range, and Irdeto delivering a trading margin of 23%.

Volatile and weaker local currencies, power challenges in markets like South Africa, and a weak consumer environment due to rising inflation and high interest rates have created an extremely challenging environment for the group's customers and operating segments. Nonetheless, to navigate the current economic downturn and position the business for future upside, the group will further accelerate its cost saving programme (with a target of ZAR2.0bn for FY25) and reduce capital outlays, prioritise customer retention, leverage popular sports renewals, develop its local content pipeline further and leverage promising traction in its new platforms and services.

### Headline figures

Subscriber growth is typically more muted in a year that follows the FIFA World Cup, but FY24 came in below trend as the subscriber base declined YoY in the face of a deteriorating macro and consumer environment. Despite the typical resilience of pay-TV in a downturn, many of our would-be customers cannot afford to consistently pay for our product or choose not to subscribe when power availability is unreliable.

The group has largely focused on its 90-day subscriber metric since listing in order to provide shareholders and market observers with a subscriber metric that looks through the monthly volatility in the subscriber base. However, management is increasingly managing the business on the basis of active subscribers to optimise retention and activity rates from month-to-month in a low growth environment. As a result, the group is focusing and commenting on active subscribers rather than 90-day active subscribers but will continue to disclose both metrics for continuity.

The group's 9% decline in active subscribers was mainly due to a 13% decline in the Rest of Africa business as mass-market customers in countries like Nigeria had to prioritise basic necessities over entertainment, while the South African business showed more resilience with a 5% decline. Showmax, which re-launched in February, is showing encouraging early traction - it delivered record single-month growth in March 2024, with the paying subscriber base growing 16% from the migrated base at relaunch to year-end.

Despite a disciplined approach by the group towards inflation-led pricing, the combination of foreign exchange headwinds and a lower subscriber base resulted in a net decline in group revenues of 5% to ZAR56.0bn (+3% organic). Subscription revenues were 7% lower (+2% organic) and advertising revenues followed a similar trend (-7% reported, +3% organic), both impacted by the weaker naira. Irdeto delivered 17% topline growth, boosted by a weaker ZAR against the USD (+7% organic). The DStv Insurance business maintained strong momentum, with premiums up 35%.



## Directors' report to shareholders

for the year ended 31 March 2024

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### 2. Group performance overview (continued)

#### Headline figures (continued)

Weaker subscriber trends and foreign exchange pressures flowed through to group trading profit which was down 21% to ZAR7.9bn (+24% organic). The commencement of the Showmax investment cycle reduced the group's trading profit by ZAR1.4bn. Nonetheless, the group was able to generate positive operating leverage on the back of a 3% organic increase in revenues against a 1% organic decrease in operating expenses.

Adjusted core headline earnings, the board's revised measure of the underlying performance of the business which now includes losses on cash remittances after tax and minorities, declined by 20% to ZAR1.3bn as higher realised hedging gains and a narrower gap between the official and parallel naira rates in FY24 relative to the prior year were more than offset by weaker trading profitability.

Despite taking significant steps to control costs and protect cash flows, the increased cash flow investment in Showmax, notably through ZAR1.4bn in additional trading losses and ZAR1.7bn in platform technology advances, and the impact of weaker currencies on profitability resulted in the group's free cash flow declining by 79% to ZAR589m. Other cash flow movements included a 4% decline in capex due to tighter capital allocation, offset by a 6% increase in finance lease repayments due to foreign exchange, and an 8% increase in cash taxes paid due to a higher top-up payment required in South Africa versus FY23.

The group remitted USD184m from Nigeria during FY24 (FY23: USD132m) at a weighted average rate of NGN1044:USD (FY23: NGN684:USD). In the process, it incurred remittance losses of USD59m (ZAR1.1bn), compared to USD132m (ZAR2.4bn) in FY23, when there was a greater divergence between the official and parallel exchange rates. The group held USD39m in cash in Nigeria at year-end, down from USD104m at end FY23, a consequence of consistent focus on remitting cash and the impact of translating the balance at the weaker NGN.

Net interest costs increased by ZAR350m to ZAR1.4bn as a result of a higher average debt balance in FY24, following the draw down of the second tranche of the term loan of ZAR4bn in October 2023.

The group's share of equity-accounted losses increased by 23% to ZAR0.6bn. This increase was due to higher net losses in KingMakers, driven by the impact of a weaker NGN and the launch of the SuperSportBet operations in South Africa, and the inclusion of the group's share of equity-accounted losses from Moment, which became operational during FY24.

The group held ZAR7.3bn in cash and cash equivalents at 31 March 2024, and retained access to ZAR4.1bn in undrawn group borrowing facilities. The group's ZAR12.0bn term loan is now fully drawn down, with total group net debt including transponder leases of ZAR16.5bn at the end of the year representing a leverage ratio of 1.53x (FY23: 1.08x) and an interest coverage ratio of 7.95x (FY23: 12.76x).

As at 31 March 2024, the group's hedge position provided cover of around nine months of its USD exposures, at an average forward rate of 18.75.

The group incurred a number of non-cash charges during the year including ZAR4.6bn in losses on the translation of non-quasi inter-group loans between MultiChoice Africa Holdings B.V. and MultiChoice Nigeria Limited, a ZAR1.2bn impairment charge on the group's Technology Modernisation programme, and the recognition of the ZAR2.7bn fair value of the Comcast put option relating to its 30% shareholding in Showmax (estimated in terms of IFRS 9 – *Financial instruments*). This has left the group with a negative equity balance of ZAR1.1bn at year-end. This has no impact on the liquidity of the group.

### 3. Operational performance review

#### General entertainment content (M-Net)

MultiChoice remains the largest producer of original content on the African continent, which is notable at a time when international streamers and broadcasters are slowing down or stopping local content production in our markets to prioritise sustainable streaming economics in their core markets. The group produced in excess of 6 500 hours of local content in FY24, while continuing to license some of the best international content available globally through long-term content partners.

Six years in the making, *Shaka Ilembe* was the highlight of the year, launching on Mzansi Magic in June 2023 to become Africa's biggest TV series. Filmed entirely on location in South Africa, *Shaka Ilembe* was created through the skills and contributions of over 8 000 people. The premiere episode attracted over four million views and comfortably ranked as the year's top-performing show, obtaining an audience share of over 45% in its time slot.



## Directors' report to shareholders

for the year ended 31 March 2024

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### 3. Operational performance review (continued)

#### General entertainment content (M-Net) (continued)

Other developments for the M-Net team during the year included:

- Navigating the US actors' and writers' strikes, which delayed some studio productions, with M-Net leveraging strategic choices, strong selections and precise scheduling to support loyal audiences.
- Strengthening our in-house production department, including post-production services (trailer creation, online and offline editing, final mixing and subtitling), content optimisation, and centralised dubbing services across linear and streaming platforms.
- Airing three successful co-productions on linear, namely *Reyka* season 2, *Devil's Peak* and *White Lies*, which were produced in collaboration with international partners at Fremantle, Canal +, and Abacus Distribution and BBC Studios-owned Lookout Point.
- Airing a further three co-productions on our streaming platform, namely *Spinners*, *Original Sin: My Son The Killer*, and *Catch Me a Killer*.
- Adapting the first local version of global hit *The Bridge* to create a breakout reality success in *Die Brug* on kykNET, delivering record live and Catch Up audiences from October 2023.
- Launching regionally focused telenovelas for the mid-market such as *Umkhokha: The Curse* and *Gqeberha: The Empire* as the multi-award winning *The River* ended its six-year run, having spawned regional adaptations in Kenya, Angola and Nigeria.
- Introducing fresh talent and engaging mass-market customers with DStv Access's inaugural original telenovela, *Sibongile & The Dlaminis*.
- Extending the group's focus on local content channels by introducing Maaddii Abol in Ethiopia, Pearl Magic Loko in Uganda and Maningue Magic Kool in Mozambique, while also producing content in Africa's fourth most spoken language, Oromo.
- Delivering captivating unscripted hit series like *Mutale Mwanza*, *Divas & Hustlas* and *Kampala Crème*, as well as scripted series such as *Zari*, *Kuga Munu*, *Junior Drama Club*, *Damalie*, and *10 Tamanga Street* on our East and Southern African group-owned channels.

While the group continues to invest behind its content portfolio, content spend measurement is embedded in all decision-making. This ensures ROI and cost per minute appropriateness and consistency across platforms, efficient windowing strategies, and also supports contract renegotiations and cost savings initiatives. Key management, staffing structures and processes were reviewed and refreshed during the year, while Showmax's content needs are all now catered for centrally through the new Content Hub, which was formed to optimise resource allocation.

#### Sports content (SuperSport)

SuperSport's headline broadcasts during the year included the men's Rugby World Cup in France, the men's Cricket World Cup in India, a second world-class SA20 season in South Africa, AFCON, the FIFA Women's World Cup in New Zealand and Australia, as well as the women's Netball World Cup in Cape Town. The latter two events were showcased across DStv and GOtv under the broader flagship "Here for Her" campaign.

The FY24 renewal cycle was a busy one, with several renewals or extensions secured, including the UEFA Champions League, La Liga, SA Rugby, the men's and women's IPL, Tour De France, World Athletics Championships, ICC Cricket tournaments and Indian cricket, the PGA Tour and Open Championship Gold, the US Open tennis and the UFC.

Highlights from SuperSport's packed FY24 production schedule included:

- The broadcasting of 34 490 live events during the year (FY23: 24 899).
- A dramatic series of victories enabled the Springboks to win the Rugby World Cup for the fourth time and set the stage for the *Chasing the Sun 2* documentary. The event itself reached more than 8.5m linear viewers on SuperSport channels (+88% vs. 2019) and 0.8m unique users on DStv Stream.
- A semi-final match between Nigeria and South Africa in AFCON, with 3.6m viewers tuning in; the highest on SuperSport to date.
- Cricket World Cup tournament viewership surpassing internal targets, with the 2023 iteration attracting 4.1m viewers, an increase of 47% compared to 2.8m in the 2019 World Cup.
- The SA20 cricket tournament seeing the first ever UHD originated broadcast in Africa, with the SA20's average linear audience up 23% YoY.
- The 2023 Netball World Cup being successfully delivered by a 120 all-female production crew, as a world first, including in-house training for the eight months leading up to the showpiece.
- The Comrades Marathon showing an 81% increase in its linear audience (OTT +13%), with the event available for viewing across all packs, including DStv Access.
- The successful production and broadcast of the ICC Women's T20 World Cup during 2023, as well as the India 2023/2024 cricket tour to South Africa.



## Directors' report to shareholders

for the year ended 31 March 2024

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### 3. Operational performance review (continued)

#### Sports content (SuperSport) (continued)

SuperSport Schools more than doubled its registered user base in FY24, up from 375 000 in FY23 to 794 000 by the end March 2024. The fast-growing platform displayed more than 49 000 hours of live programming across 43 different sports codes, 900 school sport festivals and events, more than 1 100 schools, and over 14 500 teams. SuperSport Schools also achieved a major milestone by delivering the first fully automated, AI-produced, live linear television broadcasts for DStv Channel 216 at the Jenny Orchard Invitational Basketball tournament.

On the technical front, the introduction of internet protocol technology (IP 1) to our outside broadcast (OB) vans allowed us to create a cinematic, full-frame, wireless electronic news gathering camera for SA20. A second internet protocol technology OB van (IP 2) was added to SuperSport's fleet in February 2024, with the world-class and UHD-ready OB van completing its first production in April 2024 during a DStv Premiership match between SuperSport United and Polokwane City.

Similarly to the general entertainment business, SuperSport continues its efforts to retain and extend rights to popular sports, while renewing rights deals at competitive but sustainable rates.

#### South Africa Pay-TV (MultiChoice South Africa)

The South African economy continues to endure severe economic pressure, with consumers under financial distress due to the cost-of-living squeeze from high inflation and interest rates. Consistent loadshedding through FY24 created an environment where customers without backup power were reluctant to subscribe to our service due to the uncertainty of whether they would be able to watch. The net effect was increased pressure on subscriber numbers, activity and viewership, with active subscribers down 5% to 7.6m at year-end.

In terms of subscriber mix, the premium customer tier (which includes the Premium and Compact Plus bouquets) declined by 8%, with the Premium bouquet remaining far more stable than Compact Plus given focused retention efforts and the progression in the Premium base towards a more stable core cohort of subscribers. The Compact base, much like the Compact Plus base, is most exposed to the challenges in the macro-economic environment with the mid-market customer tier down 9% as a result. Having delivered consistent growth in recent years, the mass market tier declined by 2%, due to pressure in the Family base, as well as the impact of loadshedding and reduced decoder subsidies.

Given the challenging environment, the South African leadership team prioritised customer retention and cash generation during the year through the following initiatives:

- Shifted focus from 90-day active subscribers to active subscribers, with volatility in the base managed more pro-actively and leading to flat YoY ARPU's.
- Reintroduced equated subscribers to emphasise subscriber economics, with open windows used to prompt upgrades.
- Grew the contract base 6% YoY.
- More than halved decoder subsidies (-57% YoY or ZAR0.9bn).
- Drove pricing discipline across all offerings, with the average SA price increases of 5.6% following inflation in order to support ARPUs against weaker subscriber activity and ZAR depreciation.
- Stepped up the focus on piracy together with Irdeto, with targeted investments to reduce revenue leakage and a greater emphasis on public awareness and education.
- Continued the drive towards operational efficiencies to protect margins by removing a further R1.0bn in costs, including content cost savings, ongoing process improvement and vacancy freezes, as well as an overall reduction in discretionary spend.
- Relunched DStv Stream with a new look and feel and seamless sign-up journey (closing active base up 3x on FY23), launched Extra Stream to support customers (similar in size to DStv Stream at year-end), and drove the uptake of DStv Internet fixed-wireless LTE (active base up almost 2x on FY23).

Although a 3% decline in subscription revenues weighed on the segment's total revenues (-2% to ZAR33.6bn), the above interventions, coupled with flat ARPUs as inflationary pricing offset mix and activity pressures, enabled the group to meet its mid-twenties margin guidance for South Africa with a trading margin of 26.2%.





## Directors' report to shareholders

for the year ended 31 March 2024

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### 3. Operational performance review (continued)

#### Advertising

South African TV advertising revenues came under pressure from the impact of weak macro trends on marketing budgets and TV ratings, and ongoing competitive pressures from digital online channels. Despite these challenges and given strong organic growth in advertising sales in the Rest of Africa, the DStv Media Sales team delivered organic growth of 3% by leveraging popular sports events, bringing in new clients to TV via its small and medium enterprise initiatives, and driving uptake of the group's digital and OTT advertising channels and innovative solutions such as dynamic ad insertion. Reported advertising revenues were down 7% given translation headwinds from a weak naira.

#### Insurance

NMSIS, the group's insurance business, maintained strong growth momentum. Benefiting from a refined go-to-market process for its new products, in-force policies grew by more than 0.5m to 3.3m at year-end. Gross written premiums were up 35%, reaching almost ZAR1bn, while profit after tax increased ~50% YoY to close to ZAR0.3bn. NMSIS launched a device care plan in December 2023, which provides customers with a comprehensive maintenance plan for their full decoder environment, while the group's non-device lines have grown quickly to approach ~30% of the total book at end FY24.

#### Rest of Africa Pay-TV (MultiChoice Africa)

FY24 presented the toughest set of macro-economic conditions for the Rest of Africa business since 2016. The official and parallel naira exchange rates reached peaks of N1600:1USD and N1900:USD respectively in February 2024, with several other African markets also experiencing extreme foreign exchange depreciation. This resulted in a translation impact for the segment's USD revenues of 32%. High double-digit inflation in many of the group's core markets has led to immense pressure on customer spending power. This, combined with the benefit of the FIFA World Cup and Nigerian elections in the FY23 base, resulted in the active subscriber base falling by 1.2m to 8.1m at end FY24.

Pressure at the bottom end of the market, where subscribers have been most affected by the negative macro conditions, contributed to an improved subscriber mix in FY24, with the premium tier down 9%, the mid-market tier up 13% on the back of focused retention activities and the mass-market down 20%.

Against this challenging backdrop, RoA sought to mitigate the financial impact by supporting ARPUs through:

- Maintaining strict pricing discipline, implementing price increases at or around inflation, including early price increases in Tanzania and Ghana and two price increase in Nigeria to track inflation that exceeded 30%.
- Launching Supa+, a higher-tier GOtv package that includes sport content such as the English Premier League at a higher price point, and Familia Mais (Family Plus) in Angola with a stronger content offering to encourage customer upgrades.
- Launching DStv Stream across all markets, selling through fixed broadband telcos and direct-to-consumer, and GOtv Stream as a supplementary rather than stand-alone service.

As a result of the positive change in the mix and the impact of the business interventions mentioned above, ARPUs improved by 13% on an organic basis. Foreign exchange weakness resulted in a 10% reduction in reported ARPUs. With Rest of Africa revenues up 10% in organic terms, but down 13% on a reported basis to ZAR19.7bn, the segment implemented extraordinary measures to reduce costs and shift focus from subscriber growth to profitability and cash flows in the short term:

- Investment in decoder subsidies was scaled back significantly (-46% YoY or ZAR1.3bn), leading to lower volumes but better-quality new customers. The lower investment was due to increasing selling prices on boxes, unbundling satellite dishes from decoders and selling each separately, unbundling content (e.g. one month's "free" subscription) from decoders, and the further renegotiating of decoder prices with suppliers.
- Cost savings of over ZAR400m were driven by content savings in general entertainment, sports, free-to-air and third-party channels, by reducing marketing in markets like Nigeria and Angola, and by delaying non-critical spend and hiring.



## Directors' report to shareholders

for the year ended 31 March 2024

### 3. Operational performance review (continued)

#### Rest of Africa Pay-TV (MultiChoice Africa) (continued)

These interventions enabled the Rest of Africa business to increase trading profit by 48% YoY to ZAR1.3bn in FY24. In terms of regional operational performance:

- Western: the Nigerian economy and consumers faced persistent challenges through FY24. The removal of fuel subsidies, sharp currency depreciation with the official naira halving in value, inflation climbing to over 30%, and higher emigration of the middle and upper class drove an 18% YoY decline in active subscribers (FY23: +13%), and reduced Nigeria's contribution to Rest of Africa revenues from 44% to 35%. Ghana saw a similar subscriber trend given an inflation rate that is still above 20%.
- Eastern: these markets remain highly competitive, particularly in the DTT segment, where lower end subscribers were most impacted by macro pressure. On the back of macro challenges, active subscribers closed down 7% YoY (FY23: +3%). Ethiopia performed well, while the pressure on the Kenyan shilling, down 17%, necessitated two price increases which brought the total increase for the year to 9%.
- Porto: this region followed a similar trend to Eastern, with active subscribers down 8% (FY23: +7%). The Angolan kwanza was under significant pressure, with the average rate 70% weaker and the business having to manage static pricing due to delays in regulatory approval for price increases.
- Southern: reported a 10% decline in active subscribers YoY (FY23: +6%). Zimbabwe performed well, whereas Zambia was impacted by high inflation, power shortages, delays in salary payments to government employees and a 20% weakening of the Zambian kwacha which necessitated an additional price increase mid-way through the year.

#### Sub-Saharan Africa SVOD (Showmax)

FY24 represented a pivotal year for Showmax. Having officially concluded the partnership with Comcast in April 2023, the long-awaited relaunch took place in February 2024. The launch included several notable achievements:

- Launching across 44 markets in sub-Saharan Africa, initially focusing marketing efforts on South Africa and Nigeria, with markets like Kenya and Ethiopia to follow in FY25.
- Transitioning the entire tech stack to Peacock's world-class platform (which is 4K/HDR and ATMOS ready) and customising it for localised requirements e.g. support for low-bandwidth devices and data-saving options and functionality.
- Migrating ~100% of the eligible customer base to the new Showmax platform, with 88% these accounts reactivated in the seven weeks to year-end.
- Closing the Showmax 1.0, Diaspora and Pro offerings with minimal net impact on the year-end base.
- Relaunching the General Entertainment lean back and mobile offerings with a significant ramp-up in local content alongside NBCUniversal's leading international slate.
- Launching the new English Premier League mobile-only package, offering Africa's 250m+ Premier League fans affordable access to 380 live games annually, plus bespoke content.
- Rebranding and reinvigorating the Showmax brand and logo, with a new app look and feel.
- Finalising local partnerships with leading telcos (e.g. MTN in South Africa), banking and retail partners to support distribution.
- Localising pricing in nine core markets, with compelling new price points across its footprint.
- Delivering a record number of monthly subscriber adds in March 2024, with the base growing by 16% from relaunch to year-end.

Alongside local content from M-Net, Mzansi Magic, Africa Magic and Maisha Magic, Showmax ramped up its local content in FY24, streaming 59 original movies and series in SA, Nigeria, Kenya and Ghana (FY23: 48), of which 14 were released post February 2024 to support the Showmax relaunch. Popular shows that drove up viewership included *Tracking Thabo Bester*, *Koek*, *The Mommy Club*, *Youngins*, *Red Ink*, *Adulging*, *Outlaws* and *Real Housewives of Durban* in South Africa, *Cheta'm*, *Real Housewives of Lagos*, *Dead Serious*, *Wura* and *Flawsome* in Nigeria, and *Single Kiasi* and *Second Family* in Kenya.

Showmax revenues for the year grew by 22% (+22% organic) to ZAR1.0bn, while trading losses increased to ZAR2.6bn. These losses came in below the expected range of ZAR3.0-4.0bn, with some opex and depreciation shifting into FY25 given the February 2024 launch, and FY25 likely to see incremental trading losses on FY24 given a full-year of operational costs. As noted previously, 30% of Showmax's funding needs will be contributed by Comcast group companies.

#### Technology (Irdeto)

Strong execution enabled Irdeto to grow market share and deliver a 7% organic increase in revenue through external customers across video entertainment, gaming and connected transport, while reported revenues grew by 17% due to the USD to ZAR translation benefit. Disciplined cost management supported a 23% trading margin, despite one-off restructuring costs during the year.





## Directors' report to shareholders

for the year ended 31 March 2024

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### 3. Operational performance review (continued)

#### Technology (Irdeto) (continued)

Internal revenues generated from group companies reduced year-on-year primarily because FY23 was marked by higher than usual shipment and subscriber volumes due to the FIFA World Cup. The reduction of decoder subsidies in the linear business during FY24 also had an effect.

Key highlights during the year included:

- Becoming the largest provider of managed security for video services globally for the first time, with a 22% market share compared to 20% and 18% for the next two largest operators (per Omdia).
- Further strategic wins such as a new managed services agreement with Foxtel in Australia.
- Increasing the size of the commercial and residential piracy teams in South Africa, investing in technology solutions to further safeguard DStv Stream content, and improved public awareness through programmes with Partners Against Piracy.
- Consolidating its streaming aggregation platform services under the "Irdeto Experience", which offers a holistic solution to deploy OTT and hybrid video platforms at reduced total cost and time to market.
- Launching Unbotify (focused on behavioural biometric analysis for bot detection in video games using AI) and Watermarking (protecting game builds from leaks by overlaying an invisible watermark to the game pre-release) in its gaming division.
- Shipping its first keyless solutions to leading customers, including one of the largest fleet operators in the US market, resulting in the connected transport division's revenues more than doubling YoY.

#### Sports betting and interactive entertainment (KingMakers)

Although BetKing Nigeria was negatively impacted by poor macro-economic conditions, KingMakers delivered a robust performance in terms of organic growth and operational execution. Key performance outcomes in FY24 included the following:

- Drove further growth in the online business in Nigeria, with monthly active online users up 37% YoY and online gross gaming revenues up 26% YoY in constant currency.
- Delivered organic growth in total gross gaming revenue of 5% YoY, but reported revenue of USD147m, came in 26% lower than FY23 due to the impact of the weaker naira.
- Launched new products into Nigeria, notably BetKing Casino and BetKing FootballGO, a virtual football sportsbook service.
- Delivered positive EBITDA of USD2m, up marginally YoY, with a net loss of USD40m as a result of foreign exchange losses.
- Retained a cash balance of USD113m at end December 2023 (or USD108m at parallel rates).

Following a beta launch in December 2023, KingMakers fully launched the SuperSportBet business in South Africa in January 2024, with the platform experiencing strong user uptake. With SuperPicks and the PlayBook preview show already live in South Africa on SuperSport, we have pushed pre-game shows and live feed integration to leverage the SuperSport platform in driving uptake and engagement on SuperSportBet. SuperSportBet features a fully-fledged sportsbook and casino product suite, as well as virtual and other gaming products. User uptake has been further supported by our official betting partnership with local soccer clubs, Kaizer Chiefs and Orlando Pirates.

#### Fin-tech (Moment)

After being founded during FY23, Moment officially launched its operations in FY24. Moment played a vital role in the Showmax relaunch, stepping up to fill a critical payments gap by facilitating payments across a large footprint. Not only did it provide significant bespoke solutions to optimise flows for the Showmax platform, but in January 2024 Moment also began taking on MultiChoice's payment volumes for DStv at scale.

To date, Moment has:

- Started taking local and cross border card payments in 44 Showmax markets.
- Begun processing DStv payments in South Africa, already accounting for >30% of payment volumes.
- Secured critical licenses in South Africa, with licensing underway in other core markets.
- Built an extensive pan-African network that will be enabled for MultiChoice across FY25.
- Joined real-time payment networks in 18 countries, including South Africa, and is currently piloting instant payment and account activation for DStv with beta users.
- Launched completed partnership agreements with MultiChoice Group entities.

MultiChoice, along with other founding backers, contributed to Moment's Seed+ funding round in the group's fourth quarter of FY24. Moment raised an additional USD USD22m of funding in the round which closed in May 2024, with MultiChoice contributing USD8m of the ~USD19m received as of end March 2024. New external participants in the round placed a post-money valuation on the business of USD82m. MultiChoice owned a 29.6% full-diluted stake as at year-end.



## Directors' report to shareholders

for the year ended 31 March 2024

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### 4. Technology Modernisation programme

The Group has been on a multi-year Technology Modernisation (Tech Mod) programme aimed at upgrading the Group's digital, customer, billing, payments, partnerships and data capabilities. To date, it has successfully developed and implemented four of the six core Tech Mod modules, being an Automated Digital Marketing module to support improved customer value management journeys and automated campaigns, a business Partnership module, a DStv for Business module and a Field Sales and Services module to support improved customer experience and data collection in Rest of Africa.

The Tech Mod programme as a whole has, however, been overtaken by an extremely challenging consumer, macro-economic and foreign exchange rate environment which has necessitated a change in business requirements. A complete refocus of the business on profitability and cash generation has triggered a major cost and capex review. As part of this process, management have recently conducted an in-depth review of the costs to successfully complete and implement the remainder of the Tech Mod programme against the strategic, operational and financial needs of the group. As the time, costs and management focus to complete the remaining Tech Mod modules was deemed to be too high for the business to absorb in the current environment and, taking into account the functionality of the group's current technology stack and plans to incorporate partner technologies and AI and automation in the business, the group has opted to discontinue the programme.

This decision has resulted in the group booking an impairment charge of R1.2bn in FY24 against the capitalised cost of this project, represented mainly by the cost of project architects, software developers, project managers, software testers, consultants and other project specialists over the project period. The project also has onerous contracts, against which the group has raised a provision of R136m at year-end.

### 5. Nigeria non-quasi equity loan

The material depreciation of the NGN through the course of FY24 has resulted in an increase in foreign exchange translation losses on the non-quasi equity component of the USD-denominated inter-group loan between MultiChoice Africa Holdings B.V. and MultiChoice Nigeria Limited. These losses, which are non-cash in nature, amounted to ZAR4.6bn in the consolidated income statement (FY23: ZAR2.4bn).

### 6. Nigeria tax settlement

In February 2024, the group announced that it had reached a settlement with the Nigerian Federal Inland Revenue Service (FIRS) in relation to the tax assessments raised in April 2021 on MultiChoice Nigeria Limited (MCN) and in June 2021 on MultiChoice Africa Holdings BV (MAH).

The parties (FIRS, MCN and MAH) concluded a 'without prejudice or precedent' agreement in full and final settlement of all matters in dispute. In terms of the agreement, MCN and MAH agreed to pay a total tax amount of NGN35.4bn (~USD37.3m), to be offset against the security deposits and good faith payments previously made.

### 7. Share transactions

During FY24, the group repurchased 5.3m shares in the market worth ZAR482m at an average share price of ~ZAR91 per share. These shares will be allocated for future share incentive awards and will not be cancelled by the group. At the end of March 2024, a total of 1.9m shares at an average price of ~ZAR116 per share remain unallocated for future use.

### 8. Subsequent events

Canal+ mandatory offer

The group entered into a Cooperation Agreement with Groupe Canal+ SA (Canal+) in relation to Canal+'s mandatory offer for the group. This followed a ruling by the Takeover Regulation Panel (TRP) of South Africa, which required Canal+ to pursue a mandatory offer after it acquired an interest of more than 35% in MultiChoice Group.

In relation to the mandatory offer:

- Canal+ submitted an offer of R125 per share in cash (an earlier non-binding intention to offer of R105 was rejected).
- MultiChoice Group constituted an independent board of directors, which appointed The Standard Bank of South Africa Limited as an independent expert (IE) to review the terms of the offer and express a "fair and reasonable" opinion as required by the Takeover Regulations. The opinions are contained in the Combined Offer Circular mentioned below.
- Following the posting of a Firm Intention Announcement (FIA) on 8 April 2024, the Combined Offer Circular was distributed on 4 June 2024. In the intervening period, Canal+ increased its shareholding in the group from 35.01% to 45.20%.



## Directors' report to shareholders

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### 9. Corporate social responsibility

As a level 1 B-BBEE rated business, the group continues to play its role as a responsible corporate citizen. ESG targets have formally been included in long-term incentives for management to heighten the focus on sustainability and governance in the group. These objectives include external measures, as well as targets where the group can use its platform to make a real difference on the African continent. These targets include supporting the local broadcasting industry, development of woman's and schools' sports and supporting global initiatives in Africa such as the Earthshot Prize.

The group continues to provide investment into the MultiChoice Innovation Fund to support local entrepreneurs, and into the Sports Development Trust, which largely invests in sporting infrastructure in disadvantaged areas. FY24 saw further investment of ZAR267m (FY23: ZAR209m) into the two trusts.

### 10. Dividend

In view of the group's commitments under the Cooperation Agreement with Canal+, as published in the Combined Offer Circular on 4 June 2024, the question of a dividend declaration does not arise for FY24.

### 11. Outlook

The group has acted quickly to optimally position the business to weather the foreign exchange crisis that has developed across its core markets, while simultaneously ensuring that its long-term strategic initiatives are not compromised. In the short term, the group has prioritised cash generation over growth.

Given ongoing uncertainty around economic recovery across the globe and the group's operating footprint and the opportunity to further "right-size" the business for a changing consumer environment, the group has accelerated its a multi-year cost reduction programme with the target for FY25 increased to ZAR2bn. These targets have been embedded in the group's budgets and within the personal objectives of key executives to drive delivery.

The group will also continue its efforts to drive growth in focused areas, notably Showmax, Moment, SuperSportBet, DStv Insurance, DStv Internet and DStv Stream, while working hard to retain its DStv and GOtv customers and support their activity rates through FY25.

### 12. Share capital

There were no changes in the group's share capital during the year. Refer to note 27.

### 13. Property, plant and equipment

At 31 March 2024 the group's investment in property, plant and equipment amounted to ZAR10.2bn (FY23: ZAR12.1bn). Details are reflected in note 17.

Capital commitments at 31 March 2024 amounted to ZAR6.1m (FY23: ZAR166.3m). Refer to note 13.

### 14. Directorate

Mr A Zappia was appointed as an independent non-executive director with effect from 1 September 2023.

Ms D Klein was appointed as an independent non-executive director with effect from 1 September 2023.

Mr JJ Volkwyn stepped down as lead independent director with effect from 1 April 2024 but will remain on the board as an independent non-executive director.

Mr MI Patel stepped down as chair and non-executive director with effect from 23 April 2024. The board appointed Mr E Masilela as chair with effect from 23 April 2024. (Mr E Masilela filled the role of Deputy Chair and lead independent director from 1 April 2024 to 22 April 2024).

No other 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 102. Directors' shareholdings in the issued share capital of the group are disclosed in note 33.



## Directors' report to shareholders

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### 14. Directorate (continued)

Directors and attendance at meetings during the 2024 financial year:

	Date first appointed	Board	Audit	Risk	Remuneration	Nomination	Social and ethics	Category
		<b>Attendance</b>						
MI Patel <sup>1</sup>	6 December 2018	7/7	*	4/4	*	2/2	*	NE
E Masilela <sup>1</sup>	6 December 2018	7/7	4/4	4/4	*	*	*	INE
JJ Volkwyn <sup>2</sup>	6 December 2018	7/7	*	*	5/5	2/2	*	Lead INE
KD Moroka	6 December 2018	7/7	*	*	5/5	2/2	4/4	INE
L Stephens	6 December 2018	7/7	4/4	4/4	*	2/2	*	INE
CM Sabwa	14 May 2019	7/7	4/4	4/4	*	*	4/4	INE
FA Sanusi	5 July 2019	7/7	*	*	*	*	4/4	INE
JH du Preez	1 April 2021	7/7	4/4	4/4	5/5	*	*	INE
D Klein <sup>3</sup>	1 September 2023	6/6	*	*	4/4	*	*	INE
A Zappia <sup>3</sup>	1 September 2023	6/6	*	*	*	*	*	INE
CP Mawela	6 December 2018	7/7	*	4/4	*	*	4/4	Executive - CEO
TN Jacobs	6 December 2018	7/7	*	4/4	*	*	4/4	Executive - CFO

NE - Non-executive director.

INE - Independent non-executive director.

\* Not a member

<sup>1</sup> MI Patel stepped down as chair and non-executive director and the board appointed Elias Masilela as chair with effect from 23 April 2024.

<sup>2</sup> JJ Volkwyn stepped down as lead independent director with effect from 1 April 2024 but will remain on the board as an independent non-executive director.

<sup>3</sup> D Klein and A Zappia were elected by shareholders as independent non-executive directors with effect from 1 September 2023. Accordingly, they were only eligible to attend 6 of the 7 board meetings held during the reporting period. In addition, D Klein was only eligible to attend 4 of the 5 remuneration committee meetings held during the financial year.

### 15. Group company secretary

Carmen Miller has been the appointed group company secretary since 11 June 2020.

### 16. Auditors

Ernst & Young Inc. were appointed in office as auditors of the company for 2024.

## **Independent Auditor's Report**

*To the Shareholders of MultiChoice Group Limited*

### **Report on the Audit of the Consolidated Financial Statements**

#### *Opinion*

We have audited the consolidated financial statements of MultiChoice Group Limited and its subsidiaries ('the group') set out on pages 27 to 101 which comprise of the consolidated statement of financial position as at 31 March 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 March 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

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

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule) we report:

#### *Final Materiality*

The ISAs do not have a specific definition for materiality. However, the ISAs do recognise that misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The ISAs further clarify that judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both and consider users as a group in the average rather than as individuals whose needs may vary greatly.

The amount we set as final materiality represents a quantum for the above concepts when considering the financial statements as a whole. Qualitative factors are also considered in making final determinations regarding what is material to the financial statements.

We determined final materiality for the group to be R400 000 000, which is 5% of normalised trading profit. We have identified normalised trading profit as the most appropriate basis as we believe profit companies are evaluated by users on their ability to generate profits. In using the earnings-based measure we normalised the base, by adjusting for Project Earth. Project Earth is an unusual, once off project that required non-recurring expenses.

### Group Audit Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each component within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account the size and risk profile of the components in the group. In addition, we further consider the organisation of the group and effectiveness of group wide controls, changes in the business environment, and other factors such as our experience in prior years and recent internal audit results when assessing the level of work to be performed at each component of the group. Our process focuses on identifying and assessing the risk of material misstatements of the group financial statements as a whole including, with respect to the consolidation process.

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors under our instruction.

Of the 5 components selected, we performed an audit of the complete financial information of the 5 components (“full scope components”) which were selected based on their size or risk characteristics.

At a group level, we tested the consolidation process and performed analytical review procedures over components not in scope.

The reporting components where we performed audit procedures accounted for 97% of the group’s EBIT, 97% of the group’s Revenue, and 87% of the group’s Total Assets.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key audit mater description	How the matter was addressed in the audit
<p><b><u>KingMakers Impairment</u></b></p> <p>As disclosed in note 24 to the financial statements, during our 31 March 2024 year-end audit, the MultiChoice’s equity accounted investment in Blue Lake Ventures (“KingMakers”) was subject to an impairment assessment in accordance with IAS 36 <i>Impairment of Assets</i>.</p>	<p>Our audit procedures amongst others, included:</p> <ul style="list-style-type: none"> <li>▶ We obtained management’s valuation of the Kingmaker investment and evaluated the assumptions and judgements applied by management in calculating the discounted future cashflows used in calculating the fair value of the investment for the Nigerian and South African markets.</li> </ul>

Key audit mater description	How the matter was addressed in the audit
<p>The determination of the fair value amount of the Group's investment in KingMakers relies on the judgements applied and key assumptions made by management in assessing, amongst others:</p> <ul style="list-style-type: none"> <li>▶ the impact of the Nigerian Naira devaluation on the discounted future cashflows for the Nigeria operations; and</li> <li>▶ for the recently launched South African operations, the discounted future cashflows impacted by the losses incurred.</li> </ul> <p>Management made use of its own experts to review the methodology, assumptions and inputs used in the valuation model.</p> <p>In assessing the above, we were required to utilise our valuation specialists on our audit team. There was significant audit attention on the following key assumptions within the valuation model for both Nigeria and South Africa:</p> <ul style="list-style-type: none"> <li>▶ The assumptions underpinning the forecasted 10-year gross gaming revenue with specific emphasis on the local currency perpetuity growth rate, stakes and bonuses and other cost assumptions.</li> <li>▶ The weighted average cost of capital used to discount the cash flows of the underlying entities that make up the consolidated Blue Lake Ventures; and</li> <li>▶ In respect of the foreign operations, the forecasted exchange rates applied in translation of the discounted cash flows in order to capture the foreign exchange uncertainty.</li> </ul> <p>As a result of the significant attention on the above matters by us with our specialists we considered the fair value of the Group's investment in KingMakers, a key audit matter.</p> <p>Refer to note 24: Investments in associates and joint venture</p>	<ul style="list-style-type: none"> <li>▶ To perform this evaluation, we assessed the key assumptions against: <ul style="list-style-type: none"> <li>▪ historic achievements,</li> <li>▪ the current market environment, making reference to independent data, and</li> <li>▪ what a market participant could achieve through comparisons to other publicly available data.</li> </ul> </li> <li>▶ We assessed the objectivity, competence and capabilities of management's experts with reference to their qualifications and professional experience in the relevant industry, and the scope of work as agreed with management.</li> <li>▶ We involved our valuation specialists to assist in assessing the appropriateness of the principles and methodologies applied by management in its valuation model against acceptable industry methods and to assist in assessing the discount rates against external market references.</li> <li>▶ We involved our valuation specialists to assist in assessing the inputs used by management in determining the weighted average cost of capital through independently calculating the weighted average cost of capital using independent information and assessing this against managements determined discount rates.</li> <li>▶ We involved our valuation specialists to assist in performing sensitivity analyses on the key assumptions applied by management in the discounted cash flow models for the Nigerian and South African operations to assess the impact that an expected change could have on the fair value of the investment. The impact of the foreign exchange rate uncertainty was specifically considered on the gross gaming revenue, bonuses, stakes, local currency perpetuity growth rates, cost growth, terminal growth and discount rates (the variables) by forecasting future exchange rates based on independent market trends and historic movements. We applied these forecasted exchange rates to the cashflows to evaluate the impact on the valuation. In addition, we tested the variables as follows: <ul style="list-style-type: none"> <li>▪ Discussed the historic performance of the variables based on independent market sources with industry experts;</li> <li>▪ Obtained an understanding of management's forecasting process and compared their forecasted results to results achieved historically; and</li> <li>▪ Assessed the gross gaming revenue forecast to publicly available information of competitors, including information available from the South African and Nigerian Gambling regulation</li> </ul> </li> </ul>



Key audit mater description	How the matter was addressed in the audit
	boards to assess the feasibility of the amounts forecasted.
<p><i>Key Observations – Matter One</i></p> <p><b>Identified misstatements:</b></p> <p>Based on the procedures performed, we identified areas of discussions with management but identified no material differences that management were required to adjust for.</p>	
<p><b><u>Showmax sale to Comcast</u></b></p> <p>As disclosed in Note 23 and Note 30 to the financial statements, MultiChoice Group entered into an agreement with Comcast Corporation, through NBCUniversal Media.</p> <p>The Comcast transaction resulted in the sale of 30% of Showmax Africa Holdings to NBCUniversal Media for a consideration of ZAR 536 million. The agreement also stipulated that NBCUniversal Media has the right to sell their 30% stake back to the MultiChoice Group. A put option liability of ZAR 3 billion was recognised against equity to account for this option.</p> <p>The valuation of this option was considered to be complex which included significant judgement and assumptions applied by management. These included forecasting revenue growth into the new Rest of Africa markets. The fair value of the put option liability was determined using a discounted cashflows valuation model (valuation model). The key assumptions within the valuation model included:</p> <ul style="list-style-type: none"> <li>▶ The discounted cashflows which considered the future performance of the operations;</li> <li>▶ Weighted average cost of capital; and</li> <li>▶ Perpetuity growth rate.</li> </ul> <p>Management made use of its own experts to review the methodology, assumptions and inputs into the put option liability valuation.</p> <p>In assessing the above, we were required to utilise our valuation specialists on our audit team.</p> <p>In addition, the Comcast transaction was considered to have complex accounting implications because of the required restructuring of the business, the assessment of the effective date, the impact of taxation and the overall accounting treatment of the transaction based on the terms of the agreement.</p> <p>This required a detailed assessment and thus necessitated the involvement of our valuation and tax specialists on our audit team on the classification,</p>	<p>Our audit procedures amongst others, included:</p> <ul style="list-style-type: none"> <li>▶ We obtained management's valuation of the put option and evaluated the assumptions and judgements applied by management in calculating the discounted future cashflows used in valuing the put option. To perform this evaluation we considered the historic achievements of the closest competitor, the current market environment making reference to independent data and what a market participant could achieve. The former consideration was done through comparisons to other publicly available data as well as assessing the impact of foreign exchange rates on forecasted cashflows.</li> <li>▶ We assessed the accounting implications of the transaction and the effective date of the transaction by: <ul style="list-style-type: none"> <li>▪ The requirements of IFRS10 to determine if the contract should be accounted for as a single transaction or a multi arrangement transaction; and</li> <li>▪ We assessed whether the MultiChoice Group lost or remained in control of the Showmax business post the restructure through consideration of the terms of the agreement and the factual outcomes.</li> </ul> </li> <li>▶ In assessing the effective date of the transaction, we assessed whether and when the various conditions precedent in the agreement were met against the audit evidence obtained and inspected.</li> <li>▶ We assessed the objectivity, competence and capabilities of management's valuation experts with reference to their qualifications and professional experience in the relevant industry, and the scope of work as agreed with management.</li> <li>▶ We involved our valuation specialists to assist in assessing the weighted average cost of capital and perpetuity growth rate against external market references for the valuation of the put option liability.</li> <li>▶ We involved our valuation and tax specialists to assist in assessing the appropriateness of the principles and methodologies applied by management in the classification, recognition and measurement of the contractual terms.</li> </ul>



Key audit mater description	How the matter was addressed in the audit
<p>recognition and measurement of the contractual terms in order to conclude on the appropriateness of the accounting treatment.</p> <p>Due to the noted complexity of assessing the contractual terms and conditions, accounting treatment of the Comcast agreement and the valuation of the put option liability as it relates to the Comcast transaction, this was considered a key audit matter.</p> <p>Refer to note 23: Investment in subsidiaries and note 30: fair value of financial instructions.</p>	<p>▶ We performed sensitivity analyses on the key assumptions applied by management in their valuation model to assess the impact that an expected change in key assumptions could have on the fair value of Showmax and the put option liability.</p>
<p><i>Key Observations – Matter Two</i></p> <p><b>Material misstatements identified and corrected:</b></p> <p>Based on procedures performed, we identified areas of discussions with management for which adjustments were made. On completing our procedures, we identified a R525 million audit adjustment which was corrected by management.</p>	

*Other Matter*

The consolidated financial statements of MultiChoice Group Limited for the year ended 31 March 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 12 June 2023.

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the 103-page document titled “MultiChoice Group Limited Consolidated Annual Financial Statements for the year ended 31 March 2024”, and the document titled MultiChoice Group Limited Annual Financial Statements for the year ended 31 March 2024, which includes the Directors’ Report to Shareholders, Report of the Audit Committee and the Company Secretary’s Certification as required by the Companies Act of South Africa which we obtained prior to the date of this report, and the other sections of the document titled “MultiChoice Group Limited Integrated Annual Report 2024”, which is expected to be made available to us after the date of this auditor’s report. The other information does not include the consolidated or the separate financial statements and our auditor’s report 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 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 IFRS Accounting Standards as issued by the International Accounting Standards Board 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the group'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.

#### *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 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*Report on Other Legal and Regulatory Requirements*

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. have been the auditors of MultiChoice Group Limited for 1 year.

*Ernst & Young Inc.*

Ernst & Young Inc.  
Director: CE Trollope  
Registered Auditor

12 June 2024  
Johannesburg, South Africa



# Consolidated statement of financial position

as at 31 March 2024

	Note	2024 ZAR'm	2023 ZAR'm
<b>Assets</b>			
<b>Non-current assets</b>		<b>22 695</b>	<b>24 586</b>
Property, plant and equipment	17	10 247	12 129
Goodwill and other intangible assets	22	4 496	5 351
Investments and loans		374	357
Investment in associates and joint ventures	24	4 564	4 876
Amounts due from related parties	29	87	71
Derivative financial instruments	11	-	6
Platform technology advances	25	1 476	247
Deferred taxation	9	1 451	1 549
<b>Current assets</b>		<b>20 841</b>	<b>23 024</b>
Inventory	19	1 435	890
Programme and film rights	18	6 117	6 246
Trade and other receivables	20	5 835	6 864
Amounts due from related parties	29	-	4
Derivative financial instruments	11	179	1 479
Cash and cash equivalents	21	7 275	7 541
Assets held for sale	26	317	-
<b>TOTAL ASSETS</b>		<b>43 853</b>	<b>47 610</b>
<b>Equity and Liabilities</b>			
<b>Equity reserves attributable to the group's equity holders</b>		<b>4 907</b>	<b>9 717</b>
Share capital	27	454	454
Other reserves	28	(11 706)	(9 613)
Retained earnings		16 159	18 876
Non-controlling interests		(5 975)	(4 372)
<b>TOTAL EQUITY</b>		<b>(1 068)</b>	<b>5 345</b>
<b>Non-current liabilities</b>		<b>24 262</b>	<b>19 570</b>
Lease liabilities	11	9 101	10 747
Long-term loans	11	12 043	8 046
Derivative financial instruments	11	2 801	142
Deferred taxation	9	317	635
<b>Current liabilities</b>		<b>20 532</b>	<b>22 695</b>
Lease liabilities	11	2 642	2 355
Short-term loans	11	-	375
Programme and film rights	11	5 256	5 060
Provisions	15	287	225
Accrued expenses and other current liabilities	14	8 918	10 816
Derivative financial instruments	11	24	41
Taxation liabilities	8	3 405	3 823
Liabilities directly associated with assets held for sale	26	127	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>43 853</b>	<b>47 610</b>

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



## Consolidated income statement

for the year ended 31 March 2024

	Note	2024 ZAR'm	2023 ZAR'm
Revenue <sup>1</sup>	5	54 999	58 424
Cost of providing services and sale of goods <sup>1</sup>	6	(29 251)	(32 193)
Insurance service result		589	473
Insurance revenue <sup>1</sup>	5(a)	969	717
Insurance service expense <sup>1</sup>		(380)	(244)
Selling, general and administration expenses	6	(18 371)	(16 615)
Net impairment loss on trade receivables	20	(200)	(24)
Other operating (losses)/gains - net	7	(686)	92
<b>Operating profit</b>		<b>7 080</b>	<b>10 157</b>
Interest income	12	640	449
Interest expense	12	(1 999)	(1 458)
Net foreign exchange translation losses	12	(5 592)	(5 580)
Share of equity-accounted results	24	(588)	(477)
Impairment of equity-accounted investments	24	(164)	(1 998)
Other losses	7	(83)	(172)
<b>(Loss)/profit before taxation</b>		<b>(706)</b>	<b>921</b>
Taxation	8	(3 442)	(3 841)
<b>Loss for the year</b>		<b>(4 148)</b>	<b>(2 920)</b>
<b>Attributable to:</b>			
Equity holders of the group		(3 974)	(3 478)
Non-controlling interests		(174)	558
		<b>(4 148)</b>	<b>(2 920)</b>
<b>Earnings per share</b>			
Basic and diluted loss for the year (ZAR'm)		(3 974)	(3 478)
Basic loss per ordinary share (SA cents)	4	(935)	(815)
Diluted loss per ordinary share (SA cents)	4	(935)	(815)

<sup>1</sup> In order to comply with IFRS 17 disclosure requirements, prior year revenue and cost of providing services and sale of goods has been restated in order to separately disclose insurance revenue and insurance service expense.

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



## Consolidated statement of comprehensive income

for the year ended 31 March 2024

	2024 ZAR'm	2023 ZAR'm
<b>Loss for the year</b>	<b>(4 148)</b>	<b>(2 920)</b>
<b>Total other comprehensive income for the year:</b>		
Exchange gains arising on translation of foreign operations <sup>1,2,3</sup>	1 638	2 373
Hedging reserve <sup>1</sup>	(19)	1 513
- Net fair value gains <sup>4</sup>	429	2 259
- Hedging reserve recycled to the income statement <sup>4</sup>	(433)	(257)
- Net tax effect of movements in hedging reserve <sup>5</sup>	(15)	(489)
<b>Total comprehensive (loss)/income for the year</b>	<b>(2 529)</b>	<b>966</b>
<b>Attributable to:</b>		
Equity holders of the group	(2 326)	923
Non-controlling interests	(203)	43
	<b>(2 529)</b>	<b>966</b>

<sup>1</sup> These components of other comprehensive income may subsequently be reclassified to the consolidated income statement during future reporting periods.

<sup>2</sup> Relates to the translation of Rest of Africa, Technology and Showmax segments, which have a USD reporting currency.

<sup>3</sup> The movement relates primarily to the ZAR depreciation against the USD from a closing rate of ZAR17.79 in FY23 to ZAR18.93 in FY24. This movement is recognised in other reserves on the consolidated statement of changes in equity.

<sup>4</sup> The movement relates primarily to the ZAR depreciation against the USD from a closing rate of ZAR17.79 in FY23 to ZAR18.93 in FY24, a lower overall notional value of hedging contracts and an increase in the achieved average hedge rate on cash flow hedges from ZAR15.69 in FY23 to ZAR18.71 in FY24.

<sup>5</sup> The movement relates to tax on net fair value gains/losses recognised in the South Africa segment as detailed in footnote 4 above which are taxed at 27%. Fair value gains/losses in the Rest of Africa segment, which offset the fair value gains/losses in South Africa, are non-taxable.

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 2024

	Share capital	Other reserves <sup>1</sup>	Retained earnings	Non-controlling interests	Total equity
	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
<b>Balance at 1 April 2022</b>	<b>454</b>	<b>(14 175)</b>	<b>24 673</b>	<b>(2 876)</b>	<b>8 076</b>
Loss for the year	-	-	(3 478)	558	(2 920)
Other comprehensive income	-	4 401	-	(515)	3 886
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>4 401</b>	<b>(3 478)</b>	<b>43</b>	<b>966</b>
Treasury shares disposed <sup>2</sup>	-	238	(238)	-	-
Hedging reserve basis adjustment <sup>3</sup>	-	(77)	-	(22)	(99)
Share-based compensation movement	-	-	492	-	492
Purchase of shares for group share schemes <sup>4</sup>	-	-	(109)	-	(109)
Other share-based compensation movements <sup>5</sup>	-	-	(49)	-	(49)
Dividends declared <sup>6,7</sup>	-	-	(2 415)	(1 517)	(3 932)
<b>Balance at 1 April 2023</b>	<b>454</b>	<b>(9 613)</b>	<b>18 876</b>	<b>(4 372)</b>	<b>5 345</b>
Loss for the year	-	-	(3 974)	(174)	(4 148)
Other comprehensive income	-	1 648	-	(29)	1 619
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>1 648</b>	<b>(3 974)</b>	<b>(203)</b>	<b>(2 529)</b>
Treasury shares acquired <sup>8</sup>	-	(482)	-	-	(482)
Treasury shares disposed <sup>2</sup>	-	280	(280)	-	-
Hedging reserve basis adjustment <sup>3</sup>	-	(497)	-	(150)	(647)
Share-based compensation movement	-	-	543	-	543
Recognition of put option liability <sup>9</sup>	-	(3 042)	-	-	(3 042)
Purchase of shares for group share schemes <sup>4</sup>	-	-	(80)	-	(80)
Transaction with non-controlling interest <sup>10</sup>	-	-	1 074	(1 074)	-
Transactions with non-controlling interest <sup>11</sup>	-	-	-	1 223	1 223
Dividends declared <sup>6</sup>	-	-	-	(1 399)	(1 399)
<b>Balance at 31 March 2024</b>	<b>454</b>	<b>(11 706)</b>	<b>16 159</b>	<b>(5 975)</b>	<b>(1 068)</b>

<sup>1</sup> Other reserves include treasury shares, the hedging reserve, fair value reserve and foreign currency translation reserve (note 28).

<sup>2</sup> During the current and prior year, treasury shares were utilised to settle the group's share-based compensation benefits.

<sup>3</sup> Relates to the basis adjustment net of tax gains of ZAR163m (FY23: ZAR3m tax losses) on other reserves and tax gains of ZAR49m (FY23: ZAR1m tax losses) on non-controlling interests on programme and film right assets as content comes into licence.

<sup>4</sup> Primarily relates to the settlement of share-based compensation benefits.

<sup>5</sup> Relates to the closure of the Irdeto 2012 SAR scheme during FY23.

<sup>6</sup> Non-controlling interests dividends relate primarily to dividends paid to Phuthuma Nathi (PN).

<sup>7</sup> Dividends declared exclude dividends related to treasury shares held by the group. The group declared a gross dividend of 565 SA cents per listed ordinary share in respect of FY22.

<sup>8</sup> During FY24, the group acquired a further 5.3m treasury shares at an average price of ZAR91 per share to fund future RSU share awards. As at 31 March 2024, the group holds 17.7m (FY23: 14.8m) treasury shares at an average purchase price of ZAR101 (FY23: ZAR107) per share.

<sup>9</sup> During FY24, the group recognised a put option liability for the right held by NBCUniversal Media, LLC to sell its minority stake in Showmax to MultiChoice at a predetermined date in the future (note 30).

<sup>10</sup> Relates to a dilution of MultiChoice Africa Holdings. B.V.'s interest in MultiChoice Angola Limitada from 100% to 70% due to local shareholding requirements. MultiChoice Angola Limitada had a negative net asset value of Kz158.5bn (ZAR3.6bn) and there was no carrying value related to the non-controlling interest in MultiChoice Angola Limitada prior to this transaction. This transaction resulted in an increase of ZAR1.1bn in retained earnings and a decrease of ZAR1.1bn in non-controlling interest (note 23).

<sup>11</sup> Relates to NBCUniversal Media, LLC equity contributions into Showmax (note 23).

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



## Consolidated statement of cash flows

for the year ended 31 March 2024

	Note	2024 ZAR'm	2023 ZAR'm
<b>Cash flows from operating activities</b>			
<b>Cash generated from operating activities</b>	10	<b>8 062</b>	9 981
Interest income received		599	289
Interest costs paid		(1 791)	(1 069)
Dividends received from equity-accounted investment		12	-
Settlement of share-based compensation awards <sup>1</sup>		-	(59)
Taxation paid		(3 659)	(3 396)
<b>Net cash generated from operating activities</b>		<b>3 223</b>	<b>5 746</b>
<b>Cash flows from investing activities</b>			
Property, plant and equipment acquired	17	(517)	(690)
Proceeds from sale of property, plant and equipment		6	14
Intangible assets acquired	22	(658)	(545)
Proceeds from sale of intangible assets		15	15
Decrease in margin deposits <sup>2</sup>		-	225
Investment in associate	24	(151)	(202)
Loans to Enterprise Development Trust beneficiaries		(8)	(46)
Repayment of Enterprise Development Trust loans		13	12
Loan to equity-accounted investment <sup>3</sup>		(14)	-
Cash received from other investments and loans		-	30
Other movements in investments and loans <sup>4</sup>		19	(87)
<b>Net cash utilised in investing activities</b>		<b>(1 295)</b>	<b>(1 274)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long and short-term loans raised	11	4 001	12 906
Repayments of long and short-term loans	11	(382)	(8 512)
Repayments of lease liabilities	11	(2 188)	(1 978)
Repurchase of treasury shares		(482)	-
Purchases of shares for group share schemes <sup>5</sup>		(95)	(109)
Transactions with non-controlling interest	23	1 223	-
Dividends paid by holding company		-	(2 415)
Dividends paid by subsidiaries to non-controlling shareholders <sup>6</sup>		(1 399)	(1 517)
<b>Net cash generated from/(utilised in) financing activities</b>		<b>678</b>	<b>(1 625)</b>
Net movement in cash and cash equivalents		2 606	2 847
Foreign exchange translation adjustments on cash and cash equivalents <sup>7</sup>		(2 555)	(1 461)
Cash and cash equivalents at the beginning of the year		7 541	6 155
Cash and cash equivalents classified as held-for-sale		(317)	-
<b>Cash and cash equivalents at the end of the year</b>	21	<b>7 275</b>	<b>7 541</b>

<sup>1</sup> Relates to the settlement paid to employees due to the closure of the Irdeto 2012 SAR scheme in FY23 (note 6.1).

<sup>2</sup> Margin deposits on Nigerian futures hedging instruments that are not highly liquid and have maturities of greater than three months on initial recognition. During FY23, all margin deposits matured.

<sup>3</sup> During October 2023, Irdeto B.V. (Irdeto) concluded a convertible loan agreement with Bidstack Group PLC. The loan bears interest at 10% per annum and has a final repayment date of 31 December 2026.

<sup>4</sup> In FY23, the group made an additional USD5m (ZAR87m) investment in Trust Machines SPV LLC applications and platforms (note 30).

<sup>5</sup> Relates to the purchase of group shares, which were used to settle the group's share-based compensation awards.

<sup>6</sup> Relates primarily to dividends paid to PN, with a lower value in FY24 due to the lower dividend paid by MultiChoice South Africa of ZAR5.5bn compared with ZAR6.0bn in FY23.

<sup>7</sup> Includes losses of ZAR1.1bn (FY23: ZAR2.4bn) primarily incurred in Nigeria, within the Rest of Africa segment, due to differences between the official rate used by the group for translation and the parallel rate at which cash has been remitted.

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





# Notes to the consolidated financial statements

for the year ended 31 March 2024

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# Notes to the consolidated financial statements

for the year ended 31 March 2024

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## 1. Basis of preparation

The consolidated annual financial statements have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (IFRS) 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), the Johannesburg Stock Exchange (JSE) Listings Requirements 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<sup>™</sup>).

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. While the group is in a negative net asset position as at 31 March 2024, this is primarily due to the recognition of foreign exchange translation losses on the USD-denominated non-quasi equity loans between MultiChoice Africa Holdings B.V. and MultiChoice Nigeria Limited as well as the recognition of a put option liability required to be recognised in terms of *IFRS 9 - Financial instruments*. These transactions are non-cash in nature and if they were excluded it would result in the group being in a positive net asset position. Based on the group's forecasts, cash and cash equivalents as at 31 March 2024 and available facilities, the directors believe the group has sufficient resources to continue as a going concern into the foreseeable future.

The consolidated annual financial statements are presented in South African Rand (ZAR), which is the group's presentation currency, rounded to the nearest million. The consolidated statement of financial position was prepared using a closing USD exchange rate at 31 March 2024 of 18.93:1 (31 March 2023: 17.79:1), which has been utilised for the consolidation of the Rest of Africa, Technology and Showmax segments that have a USD presentation currency. The consolidated income statement and statement of comprehensive income were prepared using the average USD exchange rate for the year ended 31 March 2024 of 18.76:1 (31 March 2023: 17.14:1).

These consolidated annual financial statements contain information about MultiChoice Group Limited as a group. The individual company annual financial statements have been prepared separately and have been publicly issued on 12 June 2024. The individual company annual financial statements are available on the company's website, [www.multichoice.com](http://www.multichoice.com), and at the registered office of the company.

The group has adopted all new and amended accounting pronouncements issued by the IASB that are effective for financial years commencing 1 April 2023. A number of amendments to accounting pronouncements are effective from 1 January 2023, but they do not have a material effect on the group's consolidated annual financial statements. The assessment of these pronouncements has been provided in note 2.

The consolidated annual financial statements have been prepared on the historical cost basis adjusted for the material effects of inflation where entities operate in hyperinflationary economies as required by *IAS 29 Financial Reporting in Hyperinflationary Economies*. The economy of Ghana was assessed to be hyperinflationary effective 31 December 2023. During FY24, management performed an assessment on the impact of the initial application of hyperinflationary accounting for MultiChoice Ghana. Based on this assessment management have applied their judgement and have concluded that the application of *IAS 29* did not have a material impact on the consolidated annual financial statements and therefore no adjustments have been made related to hyperinflationary accounting for the year ended 31 March 2024.

Trading profit includes the finance cost on transponder lease liabilities and the derivative profit or loss impact relating to economic hedges (i.e. futures) against foreign currency movements, but excludes the amortisation of intangible assets (other than software), impairment/derecognition of assets, equity-settled share-based payment expenses, cash-settled share-based payment expenses on closure of schemes, severance provisions raised and other operating gains/losses.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 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, set out below, during the current year.

Accounting pronouncement	Adoption impact
<i>IFRS 17 'Insurance Contracts' - IFRS 17 replaces IFRS 4 Insurance Contracts (effective 1 January 2023)</i>	This standard replaced IFRS 4, which permitted a wide variety of practices in accounting for insurance contracts. IFRS 17 fundamentally changes the accounting by all entities that issue insurance contracts. IFRS 17, 'Insurance Contracts', applies to insurance contracts regardless of the entity that issues them, and so it does not apply only to traditional insurance entities. IFRS 17 did not have a material impact for the group apart from additional disclosure requirements which have been applied.
<i>Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (effective 1 January 2023)</i>	These amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The amendments did not have a material impact for the group.
<i>Definition of Accounting Estimates – Amendments to IAS 8 (effective 1 January 2023)</i>	In February 2021, the International Accounting Standards Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments did not have a material impact for the group.
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (effective 1 January 2023)</i>	These amendments require entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments did not have a material impact for the group.
<i>International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12 (effective immediately upon issuance, but certain disclosure requirements are effective later)</i>	In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively. The amendments had no material impact on the group's annual financial statements for the current reporting period, as the estimated impact can only be determined once the tax law is enacted or substantively enacted, which is expected during the FY25 reporting period.

### 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.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 2. Principal accounting policies (continued)

#### Accounting judgements and sources of estimation uncertainty (continued)

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	6	Valuation/estimates of vesting	Estimate
Taxation liabilities	8	Uncertainties around timing, quantum and amount	Judgement
Deferred taxation assets	9	Uncertainties around future financial performance	Judgement
Leases	11	Determination of the incremental borrowing rate	Estimate
Property, plant and equipment	17	Residual values and useful lives	Estimate
Programme and film rights	18	Amortisation period	Estimate
Goodwill and other intangible assets	22	Impairment	Estimate
Investment in associates and joint ventures	24	Purchase price allocation valuation	Estimate
Investment in associates and joint ventures	24	KingMakers recoverable amount or valuation	Estimate
Showmax Put option Liability	30	Valuation of the Showmax Put option liability	Estimate

#### International tax reform – global minimum top-up tax

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy.

The group falls within the scope of the OECD Pillar Two model rules as MultiChoice Group Limited is incorporated in South Africa. On 21 February 2024, the South African Minister of Finance announced that South Africa is committed to implementing the global top-up tax legislation. In this regard, the Draft Global Minimum Tax Bill and the Draft Global Minimum Tax Administration Bill were published for public comment. These draft Tax Bills spell out South Africa's proposed global top-up tax legislation. Once enacted, it is envisaged that the legislation will apply to fiscal years commencing on or after 1 January 2024. As at 31 March 2024, the two draft Bills were yet to be approved by Parliament or signed by the President, hence are not considered to be substantively enacted as at this date.

The group also operates in the Czech Republic, France, the Netherlands and the UK where, as at 31 March 2024, the new Pillar Two global minimum tax rules were substantively enacted but applicable to fiscal years commencing on or after 1 January 2024. Therefore, there is no tax impact for the year ended 31 March 2024.

The group determined that the global minimum top-up tax, which would arise under Pillar Two legislation, is an income tax in the scope of IAS 12. Since the legislation was not effective at the reporting date, the group has no related current tax exposure. The group has applied the exemption related to recognition and disclosure about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the group will be liable to pay a top-up tax for the difference between its Global Anti-Base Erosion (GloBE) effective tax rate per jurisdiction and the 15% minimum rate. The group, using historical financial data, has performed a preliminary impact assessment of its potential exposure to the Pillar Two legislation once it comes into effect. Based on the outcome of the assessment, the group does not anticipate a material top-up tax impact in any of the jurisdictions in which it operates. The group is closely monitoring developments to assess potential future implications and implementation efforts.

#### Environmental responsibility

Most of the group's office buildings are environmentally friendly or, where possible, retrofitted for energy and water efficiency. Our primary environmental impact arises from using coal-fired electricity, which is the primary source of energy in many of the countries where we operate. During electricity outages, we use fuel such as diesel to power generators. The group measures its carbon footprint from scope 1 and 2 emissions according to the Greenhouse Gas Protocol. The group has assessed the potential climate change risk as not material to the consolidated annual financial statements.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

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### PART I. SEGMENTS

#### 3. Segmental information

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segments and to assess their performance. The CODM has been identified as the executive directors of the group.

In FY24, the CODM has identified Showmax as an additional significant operating segment. In FY23 and all previous years the Showmax segment was incorporated within the South Africa segment and not separately disclosed. As a result of Showmax being identified as a separate operating segment FY23 South Africa disclosures have been restated in order to disclose Showmax comparative information.

The group has identified its operating segments based on its business by geography or product as follows: South Africa, Rest of Africa, Technology and Showmax. Below are the types of services and products from which each segment generates revenue:

**South Africa** – offers digital satellite television and online services (including subscription and transactional video on demand) to subscribers in South Africa.

**Rest of Africa** – offers digital satellite television, online services (including subscription and transactional video on demand) and digital terrestrial television services to subscribers across 49 African countries, excluding South Africa.

**Technology** – through the Irdeto group, provides digital content management and cybersecurity services to group companies and customers globally to protect, manage and monetise digital media on multiple platforms.

**Showmax** - offers subscription video-on-demand (SVOD) / over-the-top (OTT) services to streaming subscribers in South Africa and the Rest of Africa.

Sales between the above segments are eliminated in the “Eliminations” row in the tables below. All transactions between segments are at arms length. Unless the contrary is indicated in the footnotes the revenue from external parties and all other items of income, expenses, profits and losses reported in the segment report are measured in a manner consistent with that in the consolidated income statement.

The revenues from external customers for each major group of products and services are disclosed in note 5. The group is not reliant on any one major customer as the group’s products are primarily consumed by the general public in a large number of countries.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 3. Segmental information (continued)

#### Segmental revenue and results

South Africa and total group revenues disclosed below includes ZAR969m (FY23: ZAR717m) of insurance revenue which has been separately disclosed on the face of the consolidated income statement in line with IFRS 17 disclosure requirements.

Years ended 31 March Revenue	2024 (ZAR'm)			2023 (ZAR'm)		
	External	Inter-segment	Total	External	Inter-segment	Total
South Africa	33 556	7 928	41 484	34 145	7 187	41 332
Rest of Africa	19 661	193	19 854	22 680	265	22 945
Technology	1 724	1 905	3 629	1 477	1 939	3 416
Showmax	1 027	294	1 321	839	220	1 059
Eliminations	-	(10 320)	(10 320)	-	(9 611)	(9 611)
<b>Total</b>	<b>55 968</b>	<b>-</b>	<b>55 968</b>	<b>59 141</b>	<b>-</b>	<b>59 141</b>

Revenue by nature	2024 (ZAR'm)				2023 (ZAR'm)					
	South Africa	Rest of Africa	Technology	Showmax	Total	South Africa	Rest of Africa	Technology	Showmax	Total
Subscription fees	26 362	18 026	-	850	45 238	27 294	20 522	-	839	48 655
Advertising	3 173	744	-	-	3 917	3 266	936	-	-	4 202
Decoders	1 066	654	-	-	1 720	994	905	-	-	1 899
Installation fees	154	-	-	-	154	284	-	-	-	284
Technology contracts and licensing	-	-	1 724	-	1 724	-	-	1 477	-	1 477
Insurance premiums	969	-	-	-	969	717	-	-	-	717
Other revenue	1 832	237	-	177	2 246	1 590	317	-	-	1 907
<b>Total external revenue</b>	<b>33 556</b>	<b>19 661</b>	<b>1 724</b>	<b>1 027</b>	<b>55 968</b>	<b>34 145</b>	<b>22 680</b>	<b>1 477</b>	<b>839</b>	<b>59 141</b>



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 3. Segmental information (continued)

#### 2024

	ZAR'm						
	Year ended 31 March 2024						
	Revenue <sup>1</sup>	COPS <sup>2</sup>	SGA <sup>3</sup>	Depreciation	Software amortisation	Lease interest <sup>4</sup>	Trading profit/(loss) <sup>1</sup>
South Africa	41 484	(22 196)	(8 838)	(1 173)	(166)	(319)	8 792
Rest of Africa <sup>1</sup>	19 854	(11 823)	(5 288)	(1 249)	(4)	(165)	1 325
Technology	3 629	(1 170)	(1 912)	(130)	(21)	-	396
Showmax	1 321	(1 513)	(2 412)	(4)	(28)	-	(2 636)
Eliminations	(10 320)	9 113	1 207	-	-	-	-
<b>Total</b>	<b>55 968</b>	<b>(27 589)</b>	<b>(17 243)</b>	<b>(2 556)</b>	<b>(219)</b>	<b>(484)</b>	<b>7 877</b>

#### 2023

	ZAR'm						
	Year ended 31 March 2023						
	Revenue <sup>1</sup>	COPS <sup>2</sup>	SGA <sup>3</sup>	Depreciation	Software amortisation	Lease interest <sup>4</sup>	Trading profit/(loss) <sup>1</sup>
South Africa	41 332	(21 754)	(8 268)	(1 133)	(148)	(336)	9 693
Rest of Africa <sup>1</sup>	22 869	(14 993)	(5 488)	(1 286)	-	(204)	898
Technology	3 416	(1 065)	(1 607)	(114)	(20)	-	610
Showmax	1 059	(1 035)	(1 204)	(2)	(28)	-	(1 210)
Eliminations	(9 611)	8 399	1 212	-	-	-	-
<b>Total</b>	<b>59 065</b>	<b>(30 448)</b>	<b>(15 355)</b>	<b>(2 535)</b>	<b>(196)</b>	<b>(540)</b>	<b>9 991</b>

<sup>1</sup> Total group revenue and trading profit and Rest of Africa revenue and trading profit presented above includes losses of ZARnil (FY23: ZAR76m) related to fair value movements on Nigeria futures contracts as the group discontinued the use of Nigerian futures contracts during FY23.

<sup>2</sup> Refers to cost of providing services and sale of goods. Segmental COPS includes insurance service expense of ZAR380m (FY23: ZAR244m) (note 5(a)) but excludes depreciation of ZAR1 944m (FY23: ZAR1 891m) (note 6) and amortisation of ZAR98m (FY23: ZAR98m) (note 22).

<sup>3</sup> Refers to selling, general and administration expenses. Segmental SGA includes net impairment losses on trade receivables of ZAR200m (FY23: ZAR24m) but excludes depreciation of ZAR612m (FY23: ZAR644m) (note 6), amortisation of ZAR173m (FY23: ZAR148m) (note 22) and equity-settled share-based compensation of ZAR543m (FY23: ZAR492m) (note 6).

<sup>4</sup> Relates to interest on transponder leases only.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 3. Segmental information (continued)

Trading profit as presented in the segment disclosure is the CODM and management's measure of each segment's operational performance. A reconciliation of the segmental trading profit to operating profit as reported in the income statement is provided below:

<b>Trading profit per segmental income statement</b>	<b>7 877</b>	9 991
<b>Adjusted for:</b>		
Interest on transponder leases (note 12)	<b>484</b>	540
Amortisation of intangibles (other than software)	<b>(52)</b>	(50)
Other operating (losses)/gains - net (note 7)	<b>(686)</b>	92
Equity-settled share-based compensation	<b>(543)</b>	(492)
Fair value movements on futures contracts <sup>1</sup>	-	76
<b>Operating profit per the income statement<sup>2</sup></b>	<b>7 080</b>	<b>10 157</b>

<sup>1</sup> Recognised in the Rest of Africa segment.

<sup>2</sup> The consolidated income statement discloses all reporting items from consolidated operating profit to consolidated profit before taxation.

### Geographical information

The group operates in the following geographical areas:

**Africa** - The group derives revenues from video-entertainment platform services and technology products and services predominately to individual consumers. The group is domiciled in South Africa which is managed and consequently presented separately. The main markets throughout the Rest of Africa include Nigeria, Angola, Kenya and Zambia. The Rest of Africa is managed independently by a dedicated team and is consequently presented as a single segment.

**Europe** - The group generates revenue from technology products and services provided by subsidiaries based in the Netherlands, France and the United Kingdom. These revenues are primarily business to business.

**Other** - The group generates revenue from technology products and services provided by subsidiaries primarily based in Canada, the United States of America, Brazil and India.

	Africa				
	South Africa	Rest of Africa	Europe	Other	Total
	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
<b>31 March 2024</b>					
External consolidated revenue <sup>1</sup>	<b>34 330</b>	<b>19 913</b>	<b>1 173</b>	<b>552</b>	<b>55 968</b>
Consolidated assets <sup>2</sup>	<b>10 891</b>	<b>7 627</b>	<b>789</b>	-	<b>19 307</b>

	Africa				
	South Africa	Rest of Africa	Europe	Other	Total
	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
<b>31 March 2023</b>					
External consolidated revenue <sup>1</sup>	34 984	22 680	1 063	414	59 141
Consolidated assets <sup>2</sup>	11 978	9 295	1 083	-	22 356

<sup>1</sup> South Africa and total revenue disclosed above includes ZAR969m (FY23: ZAR717m) of insurance revenue which has been separately disclosed on the face of the consolidated income statement in line with IFRS 17 disclosure requirements.

<sup>2</sup> Consolidated assets includes property, plant and equipment, goodwill and other intangible assets and Investments in associates and joint ventures.

Revenue is allocated to a geographic area based on the location of subscribers or users/customers.

Assets are allocated to a geographic area based on the location of the assets, subscribers or customers.



## PART II. INCOME STATEMENT

### 4. Earnings per share

Earnings per share (EPS) is a measure of the group's profit for the year allocated to each outstanding ordinary share. It is calculated by dividing profit after tax attributable to equity holders of the group by the weighted average number of ordinary shares in issue during the year, excluding treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the profit after tax attributable to equity holders of the group, adjusted for the after tax dilutive effect. The company has dilutive potential ordinary shares which comprise restricted share units (RSU) issued in terms of the group's share scheme. In the event that potential ordinary shares are anti-dilutive these RSUs are not taken into account.

The group is required to calculate headline earnings per share in accordance with the JSE Listings Requirements, determined by reference to the South African Institute of Chartered Accountants' Circular 1/2023 'Headline Earnings'. Headline earnings per share is calculated by dividing headline earnings by the weighted average number of shares in issue during the year, excluding treasury shares.

#### Years ended 31 March

	Note	2024				2023			
		Gross	Taxation	Non-controlling interests	Net	Gross	Taxation	Non-controlling interests	Net
		ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
Reconciliation of basic and diluted losses to basic and diluted headline losses									
Basic and diluted loss attributable to equity holders of the group				(3 974)				(3 478)	
<b>Headline earnings adjustments:</b>									
Dilution (gain)/loss on partial sale of associate	7	(40)	-	-	(40)	13	(3)	-	10
Impairment of currency depreciation features		19	(5)	(3)	11	-	-	-	-
Impairment of equity-accounted investments	24	164	-	-	164	1 998	-	-	1 998
Impairment of intangible assets and software not yet available for use	22	1 282	(164)	(103)	1 015	-	-	-	-
(Reversal of impairment)/Impairment of property, plant and equipment	17	(172)	-	-	(172)	2	-	-	2
(Reversal of impairment)/Impairment of programme and film rights	18	(55)	15	9	(31)	328	(89)	(56)	183
Profit on sale of intangible assets	7	(14)	4	2	(8)	(16)	4	3	(9)
(Profit)/loss on sale of property, plant and equipment	7	(2)	(1)	-	(3)	13	(4)	(2)	7
<b>Basic and diluted headline loss attributable to equity holders of the group</b>				<b>(3 038)</b>				<b>(1 287)</b>	



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

	2024 ZAR'm	2023 ZAR'm
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### 4. Earnings per share (continued)

Basic and diluted headline loss for the year (ZAR'm)	(3 038)	(1 287)
Basic headline loss per ordinary share (SA cents)	(715)	(301)
Diluted headline loss per ordinary share (SA cents) <sup>1</sup>	(715)	(301)
Net number of ordinary shares issued (million)		
- at year-end <sup>2,3</sup>	425	428
- at year-end (including treasury shares) <sup>2</sup>	443	443
- weighted average for the year	425	427
- diluted weighted average for the year <sup>1</sup>	425	427

1 As at 31 March 2024, 15.8m RSUs have been awarded to employees and remain unvested, however due to the group's FY24 basic and diluted headline loss for the year, the impact of these RSUs is anti-dilutive and therefore these RSUs have been excluded from the diluted weighted average number of ordinary shares for FY24. As at 31 March 2023, 14.0m RSUs were awarded and unvested resulting in an anti-dilutive impact in the prior year.

2 As at 31 March 2024, the group held 17.7m treasury shares which resulted in a decrease in the number of ordinary shares issued (FY23: 14.8m treasury shares).

3 During FY24, an additional 5.3m shares were repurchased by MultiChoice Group Restricted Share Plan Trust (a fellow group company) as part of a share buy-back to fund specific RSU share awards. During FY23, the group transferred 4.5m (with a value of ZAR0.5bn at the date of transfer) of the 10.1m treasury shares purchased by MultiChoice Group Treasury Services Proprietary Limited as part of a general share buyback in FY20 to the MultiChoice Group Restricted Share Plan Trust (a fellow group company) to fund the awards made to date under the group's RSU scheme. 2.4m (FY23: 2.1m) RSUs were exercised during the year which reduced the number of treasury shares held by the group at 31 March 2024.

### 5. Revenue

The group recognises revenue from the following major sources:

- **Subscription fees**
- **Decoder sales**
- **Installation revenue**
- **Advertising revenue**
- **Technology contracts and licensing**
- **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. Residential 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. 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 when the device is installed and the 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.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

	2024 ZAR'm	2023 ZAR'm
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### 5. Revenue (continued)

#### Advertising revenue

The group primarily derives advertising revenues from advertisements broadcast on its video-entertainment platforms and shown online on its websites and instant messaging windows as well as sponsorship revenues earned on major broadcast events. Advertising revenues from video-entertainment platforms are recognised upon showing. Online advertising revenues are recognised over the period in which the advertisements are displayed. Sponsorship revenues are recognised over the period of the event. Advertising revenue is billed in arrears with average 45-day payment terms.

#### Technology contracts and licensing

For contracts with multiple obligations (e.g. maintenance and other services), the transaction price is allocated between each of the performance obligations based on the price that the group would charge if the goods or services were sold separately.

The group recognises revenue allocated to maintenance and support fees, for on-going customer support and product updates, ratably over the period of the relevant contracts. Contract periods generally range from between 3-5 years. Payments for maintenance and support fees are generally made in advance and are non-refundable. For revenue allocated to consulting services and for consulting services sold separately, the group recognises revenue as the related services are performed.

The group enters into arrangements whereby application software is licensed to network operators. Where all of the software under the arrangement has been delivered, the revenue is recognised based on the number of subscribers at a point in time. Under arrangements where the group has committed to deliver unspecified future applications, the revenue earned on the delivered applications is ratably recognised over the subscription period. Standard payment terms for network operators are 30 days.

#### 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.

Subscription fees	45 238	48 655
Advertising	3 917	4 202
Decoders	1 720	1 899
Installation fees	154	284
Technology contracts and licensing	1 724	1 477
Other revenue	2 246	1 907
	<b>54 999</b>	<b>58 424</b>

The following table shows unsatisfied performance obligations resulting from long-term technology contracts as at 31 March 2024 and 31 March 2023.

Aggregate amount of the transaction price allocated to long-term technology contracts that are partially or fully unsatisfied	302	111
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Management expects that 36% of the transaction price allocated to the unsatisfied contracts as of 31 March 2024 will be recognised as revenue during FY25 (ZAR108m) and 32% (ZAR97m) will be recognised as revenue during FY26. The remaining 32% (ZAR97m) will be recognised as revenue in FY27 and thereafter. The amount disclosed above does not include variable consideration which is constrained.

Management expects that 57% of the transaction price allocated to the unsatisfied contracts as of 31 March 2023 will be recognised as revenue during FY24 (ZAR63m) and 23% (ZAR26m) will be recognised as revenue during FY25. The remaining 20% (ZAR22m) will be recognised as revenue in FY26 and thereafter. The amount disclosed above does not include variable consideration which is constrained.

All other technology contracts are for periods of one year or less or are billed based on time incurred. As permitted under *IFRS 15*, the transaction price allocated to these unsatisfied contracts is not disclosed and is also not material.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 5. Revenue (continued)

#### 5(a) Insurance service result

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

#### Insurance service revenue

Insurance revenue <sup>1</sup>	969	717
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<sup>1</sup> Disclosed separately to comply with IFRS 17 disclosure requirements.

#### Insurance service expense

Incurred claims and other incurred attributable service expenses	(172)	(103)
Acquisition expenses	(208)	(141)

#### Total insurance service expense

(380)	(244)
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#### Insurance service result

589	473
-----	-----

### 6. Expenses by nature

Operating profit includes the following items:

#### (a) Cost of providing services and sale of goods (COPS)

Content <sup>1</sup>	20 994	20 896
Decoder purchases	4 205	6 553
Depreciation: Owned assets (note 17)	427	448
Depreciation: Right-of-use asset for transponders (note 17)	1 517	1 443
Agency commissions	971	911
Subscriber transaction fees	512	549
Other <sup>2</sup>	625	1 393
	<b>29 251</b>	<b>32 193</b>

<sup>1</sup> Included in content is amortisation and impairment of programme and film rights of ZAR14.9bn (FY23: ZAR14.9bn). Refer to note 18.

<sup>2</sup> Includes various cost items such as licence fees, communication and network costs.

#### (b) Selling, general and administration expenses (SGA)

Employee costs	7 298	6 663
Sales and marketing	3 120	3 053
Depreciation: Owned assets (note 17)	413	450
Depreciation: Right-of-use asset for buildings (note 17)	189	189
Depreciation: Right-of-use asset for vehicles (note 17)	10	5
Short-term leases	39	38
Auditors remuneration	92	72
Software licence costs	1 173	844
Maintenance costs	1 180	1 000
Consulting costs	710	611
Other <sup>1</sup>	4 147	3 690
	<b>18 371</b>	<b>16 615</b>

<sup>1</sup> Includes various cost items such as administration and general overhead costs.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

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### 6. Expenses by nature (continued)

#### (c) Employee-related expenditure

Employee remuneration is charged to the 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.

#### Equity-settled share-based compensation benefits

MultiChoice Group Limited (MCG) operates a number of equity-settled compensation plans which allow certain employees the right to receive ordinary shares in MCG after a prescribed period and for some participants (the executive committee and certain key members of senior management) subject to performance conditions. In terms of these plans, employees are offered awards in the form of either, restricted stock units (RSUs), RSUs with performance conditions (PSUs), Phantom Performance Shares (PPS) and in prior years, share appreciation rights (SARs). As MCG grants these awards and has the obligation to settle the awards in MCG shares, the schemes have been recognised 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 date of the grant. 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 MCG equity instruments on the vesting date.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 6. Expenses by nature (continued)

#### Staff costs

#### Note

The total cost of employment of all employees, including subsidiary executive directors, was as follows:

Salaries, wages and bonuses		6 997	6 311
Equity-settled share-based compensation	6.1-6.5	543	492
Retirement benefit costs		392	373
Medical aid fund contributions		355	343
Severance		49	10
Other costs <sup>1</sup>		108	168
<b>Total staff costs</b>		<b>8 444</b>	<b>7 697</b>
Included in cost of providing services and sale of goods <sup>2,3</sup>		1 146	1 034
Included in selling, general and administration expenses		7 298	6 663
		<b>8 444</b>	<b>7 697</b>

<sup>1</sup> Other costs primarily includes training and recruitment costs.

<sup>2</sup> Primarily relates to local production staff costs which gets included within content costs.

<sup>3</sup> Staff costs included in COPS are allocated to the following line items, salaries, wages and bonuses ZAR999m (FY23: ZAR900m), retirement benefit costs ZAR101m (FY23: ZAR94m), and other costs ZAR46m (FY23: ZAR40m).

#### 6.1. SARs

In previous years the group had granted share appreciation rights (SARs) in the Technology segment, which allowed 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 of the SARs to the date the employee exercises their right. In respect of the SARs on exercise date, following completion of the vesting period, awards were settled with employees in the equity instruments of MCG and are therefore equity-settled.

The SARs were granted subject to the completion of a requisite service period by employees. The SARs granted were subject to tranche vesting. The SARs expired ten years from the date of offer. One fifth of the SAR's in the Irdeto Holdings B.V. 2012 Scheme vested after years one, two, three, four and five.

In FY23, management reassessed the effectiveness of the Irdeto 2012 scheme as a long-term incentive plan and concluded it was no longer meeting its purpose. The scheme was therefore closed following board approval and a 75%+ vote from participants on 17 February 2023 (the effective date). Going forward, this simplifies the group's share scheme profile with future awards being made through the existing MCG RSU plan, and the Irdeto phantom share option plan explained further in 6.3.

The closing down of the scheme included the following terms:

- full acceleration of all unvested awards,
- full and final cash settlement at a value of USD85.10 (ZAR1,543) per SAR,
- the removal of any remaining vesting conditions.

#### Movement in number of SARs

#### Outstanding at 31 March 2022

Exercised during the year<sup>1</sup>

Forfeited during the year

#### Outstanding at 31 March 2023

#### Outstanding at 31 March 2024

Irdeto 2012
Number of options
219 197
(219 000)
(197)
-
-

<sup>1</sup> The weighted average share price at the date of exercise of the options exercised during FY23 for the Irdeto 2012 scheme was USD85.10.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 6. Expenses by nature (continued)

The SAR scheme was closed to new participants in previous years and as a consequence there have been no new grants related to this scheme in the current and prior year.

#### 6.2. RSUs

Employees of the group participate in the MCG Restricted Stock Plan Trust (RSU) which has allocated awards as shown in the table below since FY21. Restricted share units (RSU) and performance share units (PSU) 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 27 August 2020	Rest of organisation	100% RSU	5 years	25% equally from year 2 to 5
After 27 August 2020	Rest of organisation (excluding executive committee/certain senior managers)	100% RSU	4 years	50% equally in year 3 and 4
Before November 2020	Executive committee	50% RSU 50% PSU	4 years	50% equally in year 3 and 4
November 2020	Executive committee/certain senior managers	25% RSU 75% PSU	RSU: 4 years PSU: 3 years	RSU: 50% equally in year 3 and 4 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. For awards on 18 June 2022, performance conditions include core headline earnings per share growth, free cash flow conversion ratio, Nigeria cash extraction, total shareholder return and environmental, social, and governance (ESG) over a 3-year period. For awards on or after 18 June 2023, performance conditions include core headline earnings per share growth, investment growth, free cash flow conversion ratio, Nigeria cash extraction, total shareholder return and environmental, social, and governance (ESG) 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 (the trust), which is a consolidated entity of the group. 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.

Under the RSU scheme the maximum aggregate number of MCG shares which may be issued to settle awards is 22 125 634 (RSU scheme limit). As at 31 March 2024, the group has utilised 12 552 709 (FY23: 12 552 709) of the RSU scheme limit.

#### Movement in number of RSUs

	<b>MultiChoice Group RSU</b>
<b>Outstanding at 31 March 2022</b>	<b>11 367 275</b>
Granted during the year	5 977 297
Exercised during the year	(2 101 719)
Forfeited during the year	(1 208 698)
<b>Outstanding at 31 March 2023</b>	<b>14 034 155</b>
Granted during the year	6 666 947
Exercised during the year	(2 388 012)
Forfeited during the year	(2 504 228)
<b>Outstanding at 31 March 2024</b>	<b>15 808 862</b>
Weighted average remaining contractual life (years)	3.1



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 6. Expenses by nature (continued)

#### 6.2. RSUs (continued)

The fair value of the RSUs at grant date (weighted average: FY24: ZAR95.43 (FY23: ZAR100.89)) was estimated by taking the market value of the MCG shares on that date less the present value of future dividends that will not be received by employees during the vesting period.

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

<b>Weighted average</b>	<b>MultiChoice</b>
<b>2023</b>	<b>Group RSU</b>
Expected dividend yield (%)	4.8
Expiry date (years)	4.0
<b>2024</b>	
Expected dividend yield (%)	-
Expiry date (years)	4.0

#### 6.3. Irdeto phantom share option scheme

During FY21, the group created a new phantom share option scheme for the employees of the Technology segment, Irdeto. This was done to align Irdeto long term incentives to the Irdeto business objectives, rather than those of the overall group. As the scheme will be settled with MCG shares, it has been classified as an equity-settled share based payment arrangement. The vesting period is phased over a four-year period, where participants will receive 50% of their awards granted in year 3 and the remaining 50% in year 4, should performance conditions be met.

Performance conditions include total revenue, external business revenues, earnings before interest, tax, depreciation, and amortisation (EBITDA) 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.

The scheme is valued using a fixed, pre-determined multiple of demonstrated sustainable EBITDA to eliminate subjectivity in the valuation as far as possible. This is calculated as follows:

(Valuation EBITDA x EBITDA Multiple) plus net cash / less net debt.

<b>Movement in number of Irdeto options</b>	<b>Number of options</b>
<b>Outstanding at 31 March 2022</b>	<b>318 176</b>
Granted during the year	108 147
Exercised during the year	(2 961)
Forfeited during the year	(39 685)
<b>Outstanding at 31 March 2023</b>	<b>383 677</b>
Granted during the year	134 196
Exercised during the year	(77 192)
Forfeited during the year	(38 930)
<b>Outstanding at 31 March 2024</b>	<b>401 751</b>





## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 6. Expenses by nature (continued)

#### 6.3. Irdeto phantom share option scheme (continued)

The weighted average fair value of the phantom shares at grant date was USD51.22 (FY23: USD53.72). The fair value of the awards were calculated using the Bermudan binomial tree model, taking into account the following significant assumptions:

Weighted average	2024	2023
Fair value of RSU at measurement date (USD)	51	54
Risk-free interest rate <sup>1</sup> (%)	4.6	4.0
Annual suboptimal rate <sup>2</sup> (%)	122.5	107.5
Expected volatility <sup>3</sup> (%)	43.9	44.0
Weighted average remaining contractual life (years)	3.4	3.3
Option life (years)	6.7	6.4

<sup>1</sup> Based on the zero rate bond yield.

<sup>2</sup> Based on the portion of vested options that were exercised annually.

<sup>3</sup> Determined using historical daily share prices of listed companies with similar operations to Irdeto.

#### 6.4. MCG Phantom Performance Share scheme

On 31 March 2021, the group initiated a new long-term incentive scheme, the Phantom Performance Share (PPS) scheme. The value of this scheme is linked to the value of the portfolio of new investments. PPS units will vest over five years in two equal tranches in years four and five. The returns are measured based on the growth in portfolio valuations. The minimum vesting performance threshold is portfolio growth of 12.5% per annum, and 100% vesting is achieved at a growth in the portfolio value of 25% per annum, with linear interpolation between these levels. The scheme will be settled with MCG shares and therefore it has been classified as an equity-settled share based payment arrangement.

#### Movement in number of PPS units

	Number of units
<b>Outstanding at 31 March 2022</b>	<b>319 748</b>
Granted during the year	31 702
Exercised during the year <sup>1</sup>	(35 994)
<b>Outstanding at 31 March 2023</b>	<b>315 456</b>
Granted during the year	428 754
Forfeited during the year	(29 332)
<b>Outstanding at 31 March 2024</b>	<b>714 878</b>

<sup>1</sup> During FY23, the remuneration committee approved the accelerated vesting of these shares.

The fair value of the awards were calculated using the Bermudan binomial tree model, taking into account the following significant assumptions:

Weighted average	2024	2023
Fair value of PPS Units at measurement date (ZAR)	34.9	226.3
Risk-free interest rate <sup>1</sup> (%)	8.4	11.8
Annual suboptimal rate <sup>2</sup> (%)	100.0	100.0
Expected volatility <sup>3</sup> (%)	26.4	29.0
Weighted average remaining contractual life (years)	4.5	4.5
Option life (years)	10.0	10.0

<sup>1</sup> Based on the zero rate bond yield.

<sup>2</sup> Based on the portion of vested options that were exercised annually.

<sup>3</sup> Determined using historical daily share prices of MCG shares.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 6. Expenses by nature (continued)

#### 6.5. Showmax Restricted Share Unit plan

On 20 June 2023, the group created a new phantom share option scheme for the employees of the group involved with the Showmax business. The purpose of the scheme is to provide those employees with an opportunity to have an economic interest in the company and to directly benefit from an increase in the equity value of the company, thereby protecting and enhancing the business of the group and the group's income.

Performance conditions include total revenue, earnings before interest, tax, depreciation, and amortisation (EBITDA), cumulative free cash flow over a 3 year period and the paying subscriber closing base in year 3. 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.

The scheme is valued using a company enterprise value to eliminate subjectivity in the valuation as far as possible. This is calculated as follows:

- the greater of the Revenue Multiple Valuation and the EBITDA Multiple Valuation plus net cash / less net debt.

The weighted average fair value of the phantom shares at grant date was USD27.50.

#### Movement in number of Showmax units

##### Outstanding at 31 March 2023

Granted during the year

Forfeited during the year

##### Outstanding at 31 March 2024

	Number of options
	-
	144 944
	(22 505)
	<b>122 439</b>

#### Weighted average

Fair value of RSU at measurement date (USD)

Risk-free interest rate<sup>1</sup> (%)

Annual suboptimal rate<sup>2</sup> (%)

Expected volatility<sup>3</sup> (%)

Weighted average remaining contractual life (years)

Option life (years)

	2024
	<b>27.5</b>
	<b>4.6</b>
	<b>122.5</b>
	<b>58.5</b>
	<b>3.0</b>
	<b>9.6</b>

<sup>1</sup> Based on the zero rate bond yield.

<sup>2</sup> Based on the portion of vested options that were exercised annually.

<sup>3</sup> Determined using historical daily share prices of listed companies with similar operations to Showmax.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 7. Other (losses)/gains - net

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

	Note	2024 ZAR'm	2023 ZAR'm
Impairment of intangible assets and software not yet available for use <sup>1</sup>	22	(1 282)	-
Profit/(loss) on sale of property, plant and equipment		2	(13)
Profit on sale of intangible assets		14	16
Reversal of impairment/(Impairment of) property, plant and equipment	17	172	(2)
Impairment of other assets		(2)	-
Fair value adjustments	30	410	91
		<b>(686)</b>	<b>92</b>
<b>Other losses</b>			
Acquisition-related costs <sup>2</sup>		(123)	(159)
Dilution gain/(loss) <sup>3,4</sup>		40	(13)

<sup>1</sup> Relates primarily to the impairment of information technology software as part of the group's periodic asset review process, and follows a strategic decision to discontinue the group's technology modernisation project (note 22).

<sup>2</sup> Relates to acquisition related project costs incurred by the group on potential as well as successful acquisitions, disposals or partnerships.

<sup>3</sup> During FY23, the Questar Auto Technologies board introduced an IFRS 2 share-based payment scheme which resulted in shares being set aside for Questar employees. The introduction of the scheme resulted in the group's shareholding held through Irdeto, diluting from 7.6% to 6.8%.

<sup>4</sup> During FY24, the group, along with other founding backers and new investors, contributed to Moment's Seed+ funding round. Following the additional contributions, the group's fully diluted shareholding in Moment increased from 25.5% to 29.6% and the fair value of Moment increased, which ultimately resulted in the group recognising a dilution gain (note 24).

### 8. 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 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.

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.

Deferred tax assets are recognised for the carry forward amount of unused tax losses relating to the group's operations where there is evidence that it is probable that sufficient taxable profits will be available in the future to utilise all tax losses carried forward. The estimated tax losses available may be subject to various statutory limitations as to its usage. The group has not recognised any deferred tax assets for carry forward unused tax losses in any of the years presented.

The holding company tax rate for the current and prior financial year is 27%.

Dividends paid to shareholders that are not exempted from dividend withholding tax under South African tax law are subject to dividend withholding tax at a rate of 20%. This tax is on the shareholders and is not recognised in the consolidated income statement.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 8. Taxation (continued)

#### Major components of the tax expense

##### Current

South Africa	2 106	2 495
Current year	2 188	2 594
Adjustments in respect of current income tax of previous year	(82)	(99)
Foreign taxation	1 317	1 549
Current year	1 312	1 545
Adjustments in respect of current income tax of previous year	5	4
	<b>3 423</b>	<b>4 044</b>

##### Deferred tax - relating to the origination and reversal of temporary differences

South Africa	30	(225)
Current year	(24)	(447)
Prior year	54	222
Foreign taxation - Current year	(11)	22
	<b>19</b>	<b>(203)</b>

#### Total taxation per income statement

**3 442**      **3 841**

#### Reconciliation of taxation

##### Taxation at statutory rate of 27% (FY23: 27%)

##### Adjusted for:

Non-deductible expenses <sup>1</sup>	469	1 209
Prior period (over)/under provision of taxes	(22)	127
Non-taxable income <sup>2</sup>	(250)	(112)
Differences not provided for	2 893	1 113
Unrecognised RoA losses <sup>3</sup> and other unprovided timing differences <sup>4</sup>	2 894	1 145
Assessed losses utilised	(1)	(32)
Foreign withholding taxes and other direct taxes <sup>5</sup>	1 077	1 055
Movement in uncertain tax positions	(53)	167
Tax adjustment for foreign taxation rates <sup>6</sup>	(640)	(96)
Tax attributable to equity-accounted earnings	159	129
	<b>3 442</b>	<b>3 841</b>

#### Taxation per Income statement

**3 442**      **3 841**

<sup>1</sup> Includes expenditure, interest and penalties which are not deductible in terms of local in-country tax regulations.

<sup>2</sup> Includes forex movements, tax incentives and income items that are not taxable in terms of local in-country tax legislation.

<sup>3</sup> Comprises of unrecognised losses on which no deferred tax asset was raised as it is not yet probable that there will be sufficient future taxable profits against which these losses will be utilised: Rest of Africa ZAR2.2bn (FY23: ZAR681m), Showmax ZAR594m. Increase compared to prior year primarily due to increased foreign exchange losses on intergroup loans with MultiChoice Nigeria Limited.

<sup>4</sup> Other unprovided timing differences relate to temporary differences. These include costs of ZAR81m (FY23: ZARnil), capital allowances ZARnil (FY23: ZAR39m), exchange differences ZAR45m (FY23: ZAR290m).

<sup>5</sup> Withholding taxes which are mainly incurred in the Rest of Africa segment.

<sup>6</sup> Increase due to higher unprovided losses in Nigeria at in country statutory rate of 30%, adjusted to SA statutory rate of 27%.

The group is subject to income taxes in numerous jurisdictions. As a result, significant judgement is required in determining the group's provision for income taxes. There are numerous calculations and transactions for which the ultimate tax position is uncertain during the ordinary course of business.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

	2024 ZAR'm	2023 ZAR'm
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### 8. Taxation (continued)

The group recognises tax liabilities for anticipated tax issues based on estimates of whether the payment of additional taxes will be probable. In determining whether an interpretation and/or application of the various tax rules may result in a dispute of which the outcome may not be favourable to the group, the group seeks, where relevant, expert advice to determine whether an unfavourable outcome is probable, possible or remote. Where payment is determined to be possible but not probable the tax exposure is disclosed as a contingent liability, refer to note 13.

Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax in the period in which such determination is made.

### 9. Deferred taxation

#### Reconciliation of deferred tax asset

At beginning of year	914	1 192
(Debited)/Credited to income statement	(19)	203
Credited/(Charged) to other comprehensive income and directly through equity	197	(493)
Foreign exchange effects	42	12
	<b>1 134</b>	<b>914</b>

#### Deferred tax is attributable to the following temporary differences:

##### Assets

Provisions and other current liabilities	437	382
Lease liabilities	2 152	2 335
Income received in advance	210	225
Receivables and other current assets	65	117
Other <sup>1</sup>	310	369
	<b>3 174</b>	<b>3 428</b>

##### Liabilities

Property, plant and equipment	(34)	(39)
Intangible assets	(54)	(46)
Receivables and other current assets	(58)	(62)
Right-of-use assets	(1 133)	(1 316)
Programme and film rights	(303)	(381)
Hedging reserve	(75)	(241)
Other <sup>2</sup>	(383)	(429)
	<b>(2 040)</b>	<b>(2 514)</b>

<sup>1</sup> Other includes programme and film rights, tax losses carried forward, capital losses and unrealised foreign exchange gains.

<sup>2</sup> Other includes derivative liabilities and share-based compensation.

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.

The group has tax losses carried forward of approximately ZAR15.5bn (FY23: ZAR22.9bn). A summary of the tax losses carried forward at 31 March by tax jurisdiction and the expected expiry dates are set out below:



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 9. Deferred taxation (continued)

#### 2024

	Rest of Africa ZAR'm	Latin America, Europe and USA <sup>1</sup> ZAR'm	Total <sup>2</sup> ZAR'm
Expires in year one	333	112	445
Expires in year two	747	340	1 087
Expires in year three	558	586	1 144
Expires in year four	217	1 058	1 275
Expires in year five	363	1 339	1 702
Expires after year five	6 009	3 843	9 852
	<b>8 227</b>	<b>7 278</b>	<b>15 505</b>

#### 2023

	Rest of Africa ZAR'm	Latin America, Europe and USA <sup>1</sup> ZAR'm	Total ZAR'm
Expires in year one	2	37	39
Expires in year two	516	145	661
Expires in year three	989	320	1 309
Expires in year four	859	551	1 410
Expires in year five	331	995	1 326
Expires after year five	13 300	4 838	18 138
	<b>15 997</b>	<b>6 886</b>	<b>22 883</b>

<sup>1</sup> Technology segment tax jurisdictions.

<sup>2</sup> The decrease in total tax losses carried forward is primarily due to the depreciation of Rest of Africa currencies against the ZAR in FY24.

#### Unrecognised temporary differences

Deductible/(taxable) temporary differences relating to the group's investment in KingMakers (note 24) for which no deferred tax asset/liability has been recognised	<b>3 189</b>	2 438
Unrecognised deferred tax asset/(liability) relating to the above temporary difference	<b>861</b>	658

A temporary difference of ZAR3.2bn (FY23: ZAR2.4bn) has arisen as a result of the group recognising an impairment loss on its KingMakers investment in the prior year as well as through the recognition of its share of KingMakers losses since acquisition. However, a deferred tax asset has not been recognised in the current or prior year as it is not probable that the temporary difference will reverse in the foreseeable future.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### PART III. CASH FLOWS AND LIABILITY MANAGEMENT

#### 10. Cash generated from operations

	Note	2024 ZAR'm	2023 ZAR'm
<b>Operating profit</b>		<b>7 080</b>	<b>10 157</b>
<b>Adjustments:</b>			
<b>Non-cash and other</b>		<b>18 395</b>	<b>17 844</b>
Depreciation and amortisation	17/22	2 827	2 781
Share-based compensation expenses	6	543	492
Net realisable value adjustments on inventory <sup>1</sup>	19	591	413
Reversal of net realisable value adjustments on inventory	19	(482)	(524)
Net impairment loss on trade receivables	20	200	24
Hedge accounting revaluations		(248)	(201)
Amortisation and impairment of programme and film rights	18	14 911	14 946
Movement in legal and tax provisions	15	122	(109)
Impairment of intangible assets and software not yet available for use	22	1 282	-
Other <sup>2</sup>		(1 351)	22
<b>Working capital</b>		<b>(17 413)</b>	<b>(18 020)</b>
Cash movement in trade and other receivables <sup>3</sup>		(1 943)	(1 634)
Cash movement in accrued expenses and other current liabilities		118	(1 031)
Cash movement in programme and film rights		(14 781)	(15 509)
Cash movement in inventory		(807)	154
<b>Cash generated from operating activities</b>		<b>8 062</b>	<b>9 981</b>

<sup>1</sup> Primarily relates to an increase in decoder prices during the year.

<sup>2</sup> Primarily relates to the reversal of VAT accruals previously raised in the Rest of Africa segment.

<sup>3</sup> FY23 includes tax security deposits of ZAR0.6bn related to the prior year Nigeria tax audit. No tax deposits were made in FY24.

#### 11. Liabilities funding operations

The group's long-term sources of financing primarily consist of term loans to finance the group's working capital requirements, lease liabilities for transponder capacity 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.

#### Leases

Lease liabilities are initially measured at the present value of the lease payments and are 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 payments made.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases 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 leases held by the group, which does not have recent third-party financing; and/or
- makes adjustments specific to the lease, e.g. term, country, currency and security.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

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### 11. Liabilities funding operations (continued)

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. Following the cessation of the 3 month US LIBOR on 30 June 2023, the group performed an assessment and no material impact was noted.

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.

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.

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.

### 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 group risk committee and 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. This is applied in the South Africa, Rest of Africa and Technology segments through forward exchange contracts (FECs), non-deliverable forwards (NDFs) and futures instruments in Nigeria.

#### *Hedging of foreign currency costs*

In the South Africa segment, where entities have ZAR as their functional currency, the group uses FECs 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. The group treasury policy states that this is performed for all cash obligations within the next 18 months and can be extended up to 36 months for contractually committed exposures, unless the deviation is approved by the board of directors.

#### *Hedging of local currency remittances*

Where economical, FECs, NDFs and futures (hedging instruments) are used to hedge currency risk relating to local currency remittances in the Rest of Africa segment. This is performed by implementing hedging instruments centrally to secure a foreign exchange rate for all cash to be extracted in the future for periods up to 13 months in markets such as Nigeria, Kenya, Zambia and Ghana. This protects the group against foreign currency depreciation (especially in markets which experience liquidity challenges) and provides certainty of cash remittance rates in markets where FECs and NDFs are used.

#### *Hedging of operating costs in the Technology segment*

The Technology segment utilises FECs and NDFs to hedge operational costs to provide certainty of foreign exchange rates for financial planning purposes.

#### *Hedge accounting*

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





## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 11. Liabilities funding operations (continued)

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, operating costs in the Technology segment and in the Rest of Africa for local in-country remittances;
- *Fair value hedge*: hedge of the fair value of recognised transponder lease liabilities and in the Rest of Africa for local in-country remittances and futures in Nigeria.

FECs and NDFs in the Rest of Africa segment are designated as cash flow hedges whilst the Nigerian futures are designated as fair value hedges.

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 12).

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 occurs 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 is 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 is 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 occurs 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).



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 11. Liabilities funding operations (continued)

<b>(a) Interest-bearing: Lease liabilities</b>	<b>9 101</b>	<b>10 747</b>
Total liabilities	11 743	13 102
Less: Current portion	(2 642)	(2 355)
<b>(b) Interest-bearing: Loans and other liabilities (A)</b>	<b>12 004</b>	<b>8 002</b>
Total liabilities	12 004	8 377
Less: Current portion	-	(375)
<b>(c) Non-interest-bearing: Programme and film rights</b>	<b>-</b>	<b>-</b>
Total liabilities	5 256	5 060
Less: Current portion	(5 256)	(5 060)
<b>(d) Non-interest-bearing: Loans and other liabilities (B)</b>	<b>39</b>	<b>44</b>
Total liabilities	39	44
Total non-current liabilities	21 144	18 793
Total non-current loans and other liabilities (A)+(B)	12 043	8 046

The impact of these liabilities on the group's liquidity is disclosed in note 16.

### Reconciliation of liabilities arising from financing activities

	Lease liabilities	Interest bearing liabilities	Non-Interest bearing liabilities
	2024 ZAR'm	2024 ZAR'm	2024 ZAR'm
Balance at 1 April 2023	13 102	8 377	44
Additional liabilities recognised <sup>1</sup>	102	4 000	1
Repayments <sup>1,2,3</sup>	(2 734)	(1 341)	(7)
Interest accrued	546	966	-
Foreign exchange translation <sup>4</sup>	727	2	1
Balance at 31 March 2024	11 743	12 004	39
Less: Current portion	(2 642)	-	-
Non-current liabilities	9 101	12 004	39

<sup>1</sup> In FY23, the group (through MultiChoice Group Treasury Services Proprietary Limited) concluded a ZAR12.0bn syndicated term loan to fund the group's working capital requirements. In FY23, ZAR8.0bn of this loan had been drawn down. During October 2023, the group completed the second drawdown amounting to ZAR4.0bn. The loan has a five-year term and bears interest at three-month JIBAR +1.44%. The capital portion will be settled via bullet payments five years from each of the drawdown dates.

<sup>2</sup> An amortising working capital loan of ZAR1.5bn was concluded in FY21. The loan had a three-year term and bore interest at three-month JIBAR + 1.70%. As at 31 March 2024, this loan had been fully settled with ZAR375m paid in FY24 (FY23: ZAR500m).

<sup>3</sup> Capital repayments of ZAR2 188m are included in repayment of lease liabilities within financing activities and ZAR546m is included as part of interest costs paid within operating activities in the cash flow statement. Capital repayments of ZAR375m are included in repayment of long and short term loans within financing activities and ZAR966m is included as part of interest costs paid within operating activities in the cash flow statement.

<sup>4</sup> This item is non-cash in nature.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 11. Liabilities funding operations (continued)

#### Reconciliation of liabilities arising from financing activities

	Lease liabilities	Interest bearing liabilities	Non-Interest bearing liabilities
	2023 ZAR'm	2023 ZAR'm	2023 ZAR'm
Balance at 1 April 2022	12 478	3 977	44
Additional liabilities recognised <sup>1,2</sup>	135	12 906	-
Repayments <sup>1,2,3,4,5</sup>	(2 555)	(9 015)	(6)
Interest accrued	577	509	-
Foreign exchange translation <sup>6</sup>	2 467	-	6
Balance at 31 March 2023	13 102	8 377	44
Less: Current portion	(2 355)	(375)	-
Non-current liabilities	10 747	8 002	44

<sup>1</sup> During FY23, the group utilised short-term banking facilities of ZAR4.9bn. These facilities attracted interest at market-related interest rates between 6.4% and 8.3%. The facilities were utilised for working capital purposes. As at 31 March 2023, all these facilities had been settled.

<sup>2</sup> During February 2023, a ZAR12.0bn term loan was concluded to fund the group's working capital requirements. As at 31 March 2023, ZAR8.0bn of this loan had been drawn down. The loan has a five-year term and bears interest at three-month JIBAR +1.44%. The capital portion of each drawdown will be settled via bullet payments five years from each drawdown date.

<sup>3</sup> A ZAR4bn term loan was concluded in FY22 to fund the group's additional investment in KingMakers. The loan had a five-year term and accrued interest at three-month JIBAR +1.35%. As at 31 March 2023, this loan had been settled through an early repayment of ZAR2.3bn and four fixed term repayments totaling ZAR800m during FY23. ZAR900m of this loan was paid during FY22.

<sup>4</sup> An amortising working capital loan of ZAR1.5bn was concluded in FY21. The loan had a three-year term and accrued interest at three-month JIBAR + 1.70%. As at 31 March 2023, ZAR1.125m of this loan had been settled with ZAR500m paid during FY23 and ZAR500m paid during FY22.

<sup>5</sup> Capital repayments of ZAR1 978m are included in repayment of lease liabilities within financing activities and ZAR577m is included as part of interest costs paid within operating activities in the cash flow statement. Capital repayments of ZAR8 506m are included in repayment of long and short term loans within financing activities and ZAR509m is included as part of interest costs paid within operating activities in the cash flow statement.

<sup>6</sup> This item is non-cash in nature.

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

Asset leased	Related platform <sup>1</sup>	Years of final repayment (calendar year)	Weighted average year-end interest rate	2024 ZAR'm	2023 ZAR'm
Transponder 1-21 <sup>2</sup>	SA DTH	2027-2031	3.50-4.98%	7 820	8 513
E36 B&C transponder <sup>2</sup>	RoA DTH	2025-2031	3.93-6.00%	3 181	3 820
IS 904 Intelsat Transponder 1-10, 13 <sup>2</sup>	RoA DTT	2024	3.59-5.11%	178	155
Land and buildings		2023-2037	2.85-30.00%	530	593
Other assets		2023-2029	1.50-10.80%	34	21
<b>Total lease liabilities</b>				<b>11 743</b>	<b>13 102</b>

<sup>1</sup> South Africa direct-to-home (SA DTH), Rest of Africa direct-to-home (RoA DTH) and Rest of Africa digital terrestrial television (RoA DTT).

<sup>2</sup> All transponder leases are denominated in US dollars.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 11. Liabilities funding operations (continued)

#### (b) Interest-bearing: Loans and other liabilities

Unsecured	Loan utilised for	Currency of year-end balance	Years of final repayment (calendar year)	Weighted average year-end interest rate	2024 ZAR'm	2023 ZAR'm
Austrian government	Research and development	EUR	2024	0.75%	2	2
Term loan	Working capital	ZAR	2023	3 month JIBAR +1.7%	-	375
Term loan	Vehicle finance	INR	2027	7.13%	2	-
Term loan <sup>1</sup>	Working capital	ZAR	2028	3 month JIBAR +1.44%	12 000	8 000
<b>Total</b>					<b>12 004</b>	<b>8 377</b>

<sup>1</sup> In FY23, the group (through MultiChoice Group Treasury Services Proprietary Limited) concluded a ZAR12.0bn syndicated term loan to fund the group's working capital requirements. In FY23, ZAR8.0bn of this loan had been drawn down. During October 2023, the group completed the second drawdown amounting to ZAR4.0bn.

#### (c) Non-interest-bearing: Programme and film rights

Unsecured	Currency of year-end balance	Years of final repayment (calendar year) <sup>1</sup>	2024 ZAR'm	2023 ZAR'm
Various trade suppliers	ZAR	2025	3 748	3 057
Various trade suppliers	USD	2025	1 374	1 979
Various trade suppliers	ZAR	2026	114	7
Various trade suppliers	EUR	2025	18	15
Various trade suppliers	GBP	2025	2	2
<b>Total programme and film rights</b>			<b>5 256</b>	<b>5 060</b>

<sup>1</sup> Relates to the length of studio contracts and does not correlate to the recognition of liabilities. In line with the accounting policy of the group (note 18), all liabilities are current in nature.

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

A significant portion of the group's cash obligations under contracts for transponder leases as well as programming and channels are denominated in US Dollars and Euros. In the Rest of Africa segment, for local in-country remittances forward foreign exchange cover is either not available in certain territories or is uneconomical and accordingly exposures in those territories are not hedged. The group uses forward exchange contracts, non-deliverable forwards (NDFs) and futures to hedge the exposure to foreign currency risk. The group generally covers forward 100% of 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 and operating costs:* 100% of all highly probable forecasted exposures to purchase programming and channels and operating costs except in territories where forward exchange cover is not available or is uneconomical.
- *Transponder lease payments:* due to the long-term nature of the transponder lease agreements, the group only takes out cover for up to three years of lease payments. A portion of the foreign exchange movement in the recognised lease liability is therefore unhedged.

#### Market Risk

The group uses a combination of forward exchange contracts, non-deliverable forwards and futures 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.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 11. Liabilities funding operations (continued)

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

#### Non-current assets

Forward exchange contracts

#### Current assets

Forward exchange contracts	179	1 479
Interest rate swap	-	7
Futures contracts	11	28
Currency depreciation features <sup>1</sup>	5	42

#### Non-current liabilities

Forward exchange contracts	(2)	-
Derivative option (note 30)	(87)	(142)
Put option liability (note 30)	(2 712)	-

#### Current liabilities

Forward exchange contracts	(24)	(41)
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#### Net derivative liabilities

	(2 646)	1 302
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<sup>1</sup> Currency depreciation features relate to clauses in content acquisition agreements that provide the group with a contractually specified level of currency depreciation protection.

The following amounts were recognised in the consolidated income statement in relation to forward exchange contracts:

Net gain on forward exchange contracts	351	694
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Movements in the hedging reserve related to cash flow hedges are detailed below. The amount deferred is expected to realise over three years in line with the maturity of the forward exchange contracts.

<b>Opening balance</b>	<b>598</b>	<b>(457)</b>
Net fair value gains recognised in other comprehensive income	429	2 259
Derecognised and added to asset	(859)	(95)
Derecognised and reported in revenue	(95)	(37)
Derecognised and reported in cost of providing services and sale of goods	(248)	(190)
Derecognised and reported in finance cost	(90)	(30)
Tax effects	197	(493)
Non-controlling interests	141	(359)
<b>Closing balance</b>	<b>73</b>	<b>598</b>

#### 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:



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 11. Liabilities funding operations (continued)

#### Uncovered commitments:

	2024		2023	
	Currency amount of commitments	2024	Currency amount of commitments	2023
	'm	ZAR'm	'm	ZAR'm
US dollar <sup>1</sup>	1 373	25 990	1 236	21 700
South African Rands	143	143	74	74
Euro	19	369	19	324
Other currencies	21 439	1 122	28 333	1 164
		<b>27 624</b>		<b>23 262</b>

<sup>1</sup> 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.

#### Effects of hedge accounting on financial position and performance

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

#### Forward exchange contracts

	2024		2023	
	Cash flow hedges	Fair value hedges	Cash flow hedges	Fair value hedges
<b>Carrying amount per currency pair - asset/(liability) (ZAR'm)</b>				
- USD/ZAR	106	49	1 118	188
- EUR/ZAR	(14)	1	23	-
- Other <sup>1</sup>	(2)	1	48	(11)
	<b>90</b>	<b>51</b>	<b>1 189</b>	<b>177</b>
<b>Notional amount per currency pair - buy/(sell)</b>				
- USD/ZAR - (USD'm)	302	144	491	85
- EUR/ZAR - (EUR'm)	-	-	27	-
- Other	1	1	1	1
<b>Maturity date range</b>	<b>April 2024 - February 2025</b>	<b>April 2024 - February 2025</b>	<b>April 2023 - April 2024</b>	<b>April 2023 - December 2024</b>
<b>Hedge ratio per currency pair</b>				
- USD/ZAR	100 %	100 %	100 %	100 %
- EUR/ZAR	- %	- %	100 %	100 %
- USD/NGN	- %	- %	100 %	100 %
- Other	1	1	1	1
<b>Change in value of hedged item used to determine hedge effectiveness per currency pair - gain/(loss) (ZAR'm)</b>				
- USD/ZAR	1 982	336	4 816	422
- EUR/ZAR	(24)	(8)	(24)	(8)
- Other	72	(10)	109	1
	<b>2 030</b>	<b>318</b>	<b>4 901</b>	<b>415</b>
<b>Weighted average hedged rate per currency pair for the year</b>				
- USD/ZAR	18.71	18.80	15.69	15.71
- EUR/ZAR	-	-	18.79	-
- Other	1	1	1	1

<sup>1</sup> Other relates to multiple immaterial hedging currency pairs.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

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### 11. Liabilities funding operations (continued)

#### Sensitivity analysis

##### Foreign exchange risk

Some entities in the group have a functional currency other than the US dollar. These entities hold significant US dollar liabilities, (e.g. Transponder leases (Note 11(a)), resulting in foreign exchange profit and loss exposures (note 12). In addition, a significant portion of the group's programme and film rights purchases are in US dollar whereas the corresponding revenues are in local currencies, which exposes the group to cash flow foreign exchange risk. As explained in note 11(d) 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 and British pound 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, Euro and British Pound would result in profit after tax decreasing by ZAR446.3m (FY23: ZAR355.7m). Changes in other equity would increase by ZAR0.5bn (FY23: ZAR0.7bn). A 10% strengthening of the Rand against the US Dollar would result in the inverse result from the sensitivity provided above.

A 10% weakening of the Nigerian naira official exchange rate and parallel exchange rate against the US dollar would result in profit after tax decreasing by ZAR0.5bn (FY23: ZAR2.0bn). Changes in other equity would decrease by ZAR2.6bn (FY23: ZAR1.2bn). A 10% strengthening of the naira against the US dollar would result in the inverse result from the sensitivity provided above.

##### Interest rate risk

The majority of the group's borrowings relate to transponder leases that have fixed interest rates (note 11(a)) and term loans that have variable interest rates (note 11(b)).

The group is primarily exposed to interest rate fluctuations of the South African Repo/JIBAR, US/GBP LIBOR and EURIBOR rates. The following changes in the rates represent management's best estimate of the impact of the change in rates on the group at the respective year-ends:

- South African Repo/JIBAR rate increases by 100 basis points (FY23: increases by 100 basis points)
- US/GBP LIBOR and EURIBOR rates increases by 100 basis points each (FY23: increases by 100 basis points each)

If interest rates changed as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's profit after tax would decrease by ZAR76.8m (FY23: ZAR21.0m). A decrease in interest rates would result in the inverse result from the sensitivity provided.

Other equity would be unaffected by the above changes in interest rates (FY23: ZARnil).

Group policy is to maintain a minimum fixed/floating interest rate target ratio of 50% on all external long-term borrowings. In FY21, the group entered into long-term borrowings at floating rates (JIBAR plus 1.7%) and swapped it into a fixed rate (5.75%) which is lower than the rate available if the group borrowed at fixed rates directly. The new ZAR12.0bn working capital term loan and KingMakers transaction term loan concluded in FY24 and FY23 respectively were not swapped into a fixed rate, as it would have been uneconomical for the group and this decision was approved by the risk committee. The group's borrowings at a variable rate were denominated in ZAR.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 12. Interest (expense)/income

#### Interest expense

Loans and overdrafts <sup>1</sup>	(1 021)	(511)
Leases <sup>2</sup>	(546)	(577)
Other <sup>3</sup>	(432)	(370)
	<b>(1 999)</b>	<b>(1 458)</b>

<sup>1</sup> FY24 relates primarily to interest on working capital term loans of ZAR966m (FY23: ZAR110m). FY23 also includes interest on short-term banking facilities of ZAR202m and on the KingMakers term loan of ZAR197m.

<sup>2</sup> Relates primarily to transponder leases of ZAR484m (FY23: ZAR540m).

<sup>3</sup> Relates primarily to interest accrued on actual and potential exposures to revenue authorities in the Rest of Africa of ZAR127m (FY23: ZAR149m) and the discounting of liabilities in relation to programme and film rights of ZAR248m (FY23: ZAR203m).

#### Interest income

Loans and bank accounts	424	256
Other	216	193
	<b>640</b>	<b>449</b>

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

#### Net loss from foreign exchange translation and fair value adjustments on derivative financial instruments

On translation of non-quasi equity loans <sup>1</sup>	(4 633)	(1 657)
On translation of assets and liabilities <sup>2</sup>	305	(610)
Losses on cash remittances <sup>3</sup>	(1 084)	(2 353)
On translation of transponder leases <sup>2</sup>	(531)	(1 654)
Gains on translation of forward exchange contracts <sup>4</sup>	1 937	2 097
Losses on translation of forward exchange contracts <sup>4</sup>	(1 586)	(1 403)
<b>Net foreign exchange translation losses</b>	<b>(5 592)</b>	<b>(5 580)</b>

<sup>1</sup> Increase primarily relates to foreign exchange translation losses on USD-denominated non-quasi equity loans between MultiChoice Africa Holdings B.V. and MultiChoice Nigeria Limited. This follows the depreciation of the NGN against the USD from a closing rate of NGN464.50 in FY23 to NGN1 308.00 in FY24.

<sup>2</sup> Movement primarily relates to ZAR depreciation against the USD from a closing rate of ZAR17.79 in FY23 to ZAR18.93 in FY24.

<sup>3</sup> Includes losses within the Rest of Africa segment, due to differences between the official Nigerian naira rate used by the group for translation of results and the Nigerian parallel rate at which cash has been remitted. The group achieved an average extraction rate of NGN1 044:USD (FY23: NGN684:USD) during FY24.

<sup>4</sup> The movement relates primarily to the ZAR depreciation against the USD from a closing rate of ZAR17.79 in FY23 to ZAR18.93 in FY24, a lower overall notional value of hedging contracts and a higher achieved average hedge rate.

### 13. 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 internally generated funds and existing facilities.

#### Commitments

##### (a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2024 amount to ZAR6.1m (FY23: ZAR166.3m).

##### (b) Programme and film rights

At 31 March 2024 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 ZAR48.5bn (FY23: ZAR42.7bn). The group's programme and film rights commitments increased due to multi-year renewals of major sports and general entertainment rights in the current year.





## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024 ZAR'm	2023 ZAR'm
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### 13. Commitments and contingencies (continued)

#### (c) Decoders

At 31 March 2024 the group had entered into contracts for the purchase of decoders. The group's commitments in respect of these contracts amount to ZAR1.4bn (FY23: ZAR1.5bn).

#### (d) Guarantees

The group has guarantees of ZAR5.4bn (restated FY23<sup>1</sup>: ZAR1.7bn) primarily in respect of obligations for service contracts and sports rights. The group's guarantees increased due to multi-year renewals of major sports rights in the current year.

*1 The FY23 amount has been restated as the amount of ZAR55.0m previously disclosed was incorrect. This restated amount did not impact any of the primary statements nor did it impact any other financial information previously presented.*

#### (e) Assets pledged as security

The group pledged property, plant and equipment with a net carrying value of ZAR6.7bn (FY23: ZAR8.0bn) as security against certain assets acquired in terms of leases. Refer to note 17 for further details.

#### (f) Peacock platform fees

At 31 March 2024 the group, through Showmax, had entered into a contract with Peacock TV LLC (Peacock) for the use of a Showmax branded version of the Peacock content streaming platform. In addition, Peacock will also provide managed services to facilitate and support Showmax's use of this platform. The group's commitments in respect of this contract over the next 7 years amounted to ZAR6.8bn (FY23: ZARnil).

#### (g) Other commitments

At 31 March 2024 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 ZAR3.2bn (FY23: ZAR3.5bn).

#### (h) Lease commitments

The group has the following short-term and low value lease commitments:

##### Minimum lease payments due

Payable in year one	11	11
Payable later than one year but not later than five	15	4
	26	15

The group leases office equipment (low value), warehouse (short-term) and office buildings (short-term) under various non-cancellable leases.

#### Contingencies

##### Taxation matters

The group operates a number of businesses in jurisdictions where taxes may be payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. The group's current assessment of possible but unlikely withholding and other tax exposures, including interest and potential penalties, amounts to approximately ZAR0.5bn (FY23: ZAR0.4bn). No provision has been made as at 31 March 2024 for these possible exposures.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 14. Accrued expenses and other current liabilities

Trade payables	2 175	1 952
Deferred income <sup>1</sup>	2 985	3 546
Accrued expenses <sup>2</sup>	1 601	2 348
Taxes and other statutory liabilities <sup>3</sup>	737	1 624
Employee benefits	1 166	1 162
Bonus accrual	851	873
Accrual for leave	266	279
Severance	49	10
Other current liabilities	254	184
	<b>8 918</b>	<b>10 816</b>

<sup>1</sup> 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. Over 99% (FY23: 99%) of the deferred income raised in the current year is realised in the same year in the consolidated income statement.

<sup>2</sup> Decrease relates primarily to accruals settled during FY24 in relation to the preparation of the new Showmax platform (note 25), the settlement of FY23 FIFA World Cup related stock liabilities and lower stock orders in the current year.

<sup>3</sup> Decrease relates primarily to the reversal of VAT related accruals previously raised in the Rest of Africa segment.

### 15. Provisions

Warranties	40	47
Legal and tax provisions	227	159
Lease decommissioning provisions	20	19
	<b>287</b>	<b>225</b>

Warranty provisions arise from the group's obligation to repair decoders under a 12-month warranty period in the South Africa and Rest of Africa segments. These provisions are therefore expected to be fully utilised in the next 12 months, with warranty provisions on new decoder sales being recognised.

The group is currently involved in various litigation matters. The legal and tax provisions have been estimated based on legal counsel and management's estimates of costs and probable claims. These also include estimated amounts related to other regulatory matters. 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.

Lease decommissioning provisions are recognised at the present value of anticipated costs to restore leased office premises back to base building specifications in the Technology segment. These outflows are contractually required over the next 12 months.

The movement in legal and tax and lease decommissioning provisions during the year was as follows:

#### Legal and tax provisions:

<b>Balance at 1 April</b>	<b>159</b>	<b>288</b>
Additional provisions charged to the income statement	164	43
Provisions reversed to the income statement	(42)	(152)
Provisions charged to other accounts	18	-
Provisions utilised	(66)	(20)
Foreign currency translation effects	(6)	-
<b>Balance at 31 March</b>	<b>227</b>	<b>159</b>

#### Lease decommissioning provisions:

<b>Balance at 1 April</b>	<b>19</b>	<b>15</b>
Foreign currency translation effects	1	4
<b>Balance at 31 March</b>	<b>20</b>	<b>19</b>



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 16. 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. The group's borrowing capacity is governed by the group treasury policy and limitations from bank covenants on existing facilities.

Committed/on call	4 095	5 000
Undrawn term loan <sup>1</sup>	-	4 000
	<b>4 095</b>	<b>9 000</b>

<sup>1</sup> In FY23, the group (through MultiChoice Group Treasury Services Proprietary Limited) concluded a ZAR12.0bn syndicated term loan to fund the group's working capital requirements. In FY23, ZAR8.0bn of this loan had been drawn down. During October 2023, the group completed the second drawdown amounting to ZAR4.0bn. The loan has a five-year term and bears interest at three-month JIBAR +1.44%. The capital portion will be settled via bullet payments five years from each of the drawdown dates.

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 2024

	Carrying value	Contractual cash flows	0-12 months	1-5 years	5 years+
	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
<b>Non-derivative financial liabilities</b>					
Interest-bearing: Lease liabilities	11 743	13 179	2 955	7 283	2 941
Interest-bearing: Loans and other liabilities	12 004	16 956	1 193	15 763	-
Non-interest-bearing: Programme and film rights	5 256	5 566	5 452	114	-
Non-interest-bearing: Loans and other liabilities	39	39	-	39	-
Trade payables	2 175	2 175	2 175	-	-
Accrued expenses and other current liabilities	1 670	1 670	1 670	-	-
<b>Derivative financial (liabilities)/assets</b>					
Forward exchange contracts - inflow	163	177	177	-	-
Forward exchange contracts - outflow	(26)	(26)	(24)	(2)	-
Futures contracts	11	11	11	-	-
Currency depreciation features	5	5	5	-	-
Put option liability (note 30)	(2 712)	(2 712)	-	-	(2 712)
Derivative option (note 30)	(87)	(87)	-	-	(87)
	<b>30 241</b>	<b>36 953</b>	<b>13 614</b>	<b>23 197</b>	<b>142</b>

#### 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
<b>Non-derivative financial liabilities</b>					
Interest-bearing: Lease liabilities	13 102	14 887	2 751	8 094	4 042
Interest-bearing: Loans and other liabilities	8 377	12 149	1 140	11 009	-
Non-interest-bearing: Programme and film rights	5 060	5 332	5 325	7	-
Non-interest-bearing: Loans and other liabilities	44	44	-	31	13
Trade payables	1 952	1 952	1 952	-	-
Accrued expenses and other current liabilities	2 341	2 341	2 341	-	-
<b>Derivative financial (liabilities)/assets</b>					
Forward exchange contracts - inflow	1 408	1 484	1 477	7	-
Forward exchange contracts - outflow	(41)	(42)	(42)	-	-
Futures contracts	28	28	28	-	-
Currency depreciation features	42	42	42	-	-
Interest rate swap	7	7	7	-	-
Derivative option (note 30)	(142)	(142)	-	-	(142)
	<b>32 178</b>	<b>38 082</b>	<b>15 021</b>	<b>19 148</b>	<b>3 913</b>



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### PART IV. ASSETS TO SUPPORT OUR OPERATIONS

#### 17. 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.

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.

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 payments, under the right-of-use model, are disclosed as depreciation and interest expense.

Land is not depreciated as it's 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 depreciation methods 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	Rest of Africa	Technology
Buildings - owned	10 to 50 years	5 to 50 years	n/a
Right-of-use – Buildings - leased	5 years	5 to 50 years	1 to 10 years
Improvements to buildings - owned	4 to 50 years	5 to 50 years	n/a
Improvements to buildings - leased	5 years	n/a	3 to 10 years
Manufacturing equipment	n/a	n/a	5 years
Office equipment	2 to 10 years	2 to 5 years	3 to 5 years
Computer equipment	1 to 10 years	3 to 5 years	1 to 5 years
Furniture	5 years	2 to 5 years	n/a
Vehicles	2 to 10 years	4 to 5 years	n/a
Transmission equipment - owned	5 to 20 years	5 to 10 years	n/a
Right-of-use – transmission equipment - leased	15 years	3 to 15 years	n/a

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

The group recognised impairment losses of ZARnil (FY23: ZAR2m) on property, plant and equipment. The recoverable amounts of these assets amounted to ZARnil (FY23: ZARnil).

The group recognised reversal of impairment losses of ZAR172m (FY23: ZARnil) on property, plant and equipment, relating to Mozambique DTT transmission sites due to GOtv Mozambique generating profits and forecasting these profits to continue. The reversal of impairment losses has been included in other gains/(losses) - net in the consolidated income statement. The recoverable amounts of these assets amounted to ZAR172m (FY23: ZARnil). The recoverable amount was determined based on a value-in-use calculation.

The group has pledged property, plant and equipment with a carrying value of ZAR6.7bn (FY23: ZAR8.0bn) 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.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 17. Property, plant and equipment (continued)

	Land and buildings	Right-of-use - buildings	Transmission equipment	Right-of-use - transmission equipment	Vehicles, furniture, computers and office equipment <sup>1</sup>	Total
	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
<b>1 April 2023</b>						
Cost	2 630	1 558	6 922	20 547	2 737	34 394
Accumulated depreciation and impairment	(818)	(1 001)	(6 169)	(12 545)	(1 916)	(22 449)
Carrying value at 1 April 2023	1 812	557	753	8 002	821	11 945
Foreign currency translation effects	(116)	(32)	(169)	198	(59)	(178)
Transfer from work-in-progress	23	-	49	-	4	76
Acquisitions <sup>2</sup>	73	79	389	1	196	738
Disposals/scrappings <sup>3</sup>	(2)	-	(20)	-	(2)	(24)
Reversal of impairment	-	-	172	-	-	172
Depreciation	(92)	(189)	(447)	(1 517)	(311)	(2 556)
<b>31 March 2024</b>						
Cost	2 498	1 470	6 368	21 216	2 521	34 073
Accumulated depreciation and impairment	(800)	(1 055)	(5 641)	(14 532)	(1 872)	(23 900)
Carrying value excluding work-in-progress	1 698	415	727	6 684	649	10 173
Work-in-progress <sup>4</sup>						74
<b>Total carrying value at 31 March 2024</b>						<b>10 247</b>

<sup>1</sup> Includes leased vehicles, furniture, computers and office equipment with a carrying values of ZAR26.3m as at 31 March 2024.

<sup>2</sup> Includes non-cash acquisitions of ZAR221m.

<sup>3</sup> Includes non-cash scrappings of ZAR20m.

<sup>4</sup> Movements in work-in-progress during FY24 relate to transfers out of work-in-progress amounting to ZAR76m, foreign exchange translation effects of ZAR114m and acquisitions of ZAR80m.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 17. Property, plant and equipment (continued)

	Land and buildings	Right-of-use - buildings	Transmission equipment	Right-of-use - transmission equipment	Vehicles, furniture, computers and office equipment <sup>1</sup>	Total
	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
<b>1 April 2022</b>						
Cost	2 561	1 298	6 610	18 671	2 467	31 607
Accumulated depreciation and impairment	(752)	(749)	(5 680)	(9 919)	(1 649)	(18 749)
Carrying value at 1 April 2022	1 809	549	930	8 752	818	12 858
Foreign currency translation effects	36	56	103	693	35	923
Transfer from work-in-progress	42	-	64	-	10	116
Acquisitions <sup>2</sup>	47	141	141	-	294	623
Disposals/scrappings <sup>3</sup>	(15)	-	(14)	-	(9)	(38)
Impairment	-	-	-	-	(2)	(2)
Depreciation	(107)	(189)	(471)	(1 443)	(325)	(2 535)
<b>31 March 2023</b>						
Cost	2 630	1 558	6 922	20 547	2 737	34 394
Accumulated depreciation and impairment	(818)	(1 001)	(6 169)	(12 545)	(1 916)	(22 449)
	1 812	557	753	8 002	821	11 945
Work-in-progress <sup>4</sup>						184
<b>Total carrying value at 31 March 2023</b>						<b>12 129</b>

<sup>1</sup> Includes leased vehicles, furniture, computers and office equipment with a carrying values of ZAR15.1m as at 31 March 2023.

<sup>2</sup> Includes non-cash acquisitions of ZAR67m.

<sup>3</sup> Includes non-cash scrappings of ZAR28m.

<sup>4</sup> Movements in work-in-progress during FY23 relate to transfers out of work-in-progress amounting to ZAR116m, disposals<sup>3</sup> of ZAR17m, foreign exchange translation effects of ZAR38m and acquisitions of ZAR154m.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 18. 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. The group may make prepayments for programme and film rights which are recognised as prepayment assets within programme and film rights on the consolidated statement of financial position, 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 months, programme and film rights are classified as current in 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 (refer note 13), unless a prepayment has been made.

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	Sports events rights
Nature	Rights to broadcast programmes, series and films including local productions (including co-productions).	Rights to broadcast sports events.
<b>Initial recognition and measurement</b>		
Date recognised as an asset	<i>Purchased:</i> Date the rights come into license. <i>Produced:</i> Capitalised as incurred.	Start of the period to which the events relate.
Measurement on initial recognition	<i>Purchased (no prepayment):</i> Purchase price translated at spot rate on the purchase date. <i>Purchased (prepayment):</i> 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. <i>Produced:</i> 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.	<i>Purchased (no prepayment):</i> Purchase price translated at spot rate on the date of initial recognition. <i>Purchased (prepayment):</i> 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 forward exchange contracts entered into to hedge foreign currency cash flows are capitalised to the asset on the date of initial recognition.	
<b>Subsequent measurement</b>		
Pattern of recognition as an expense	Based on contractual screenings or expensed where management have confirmed that it is their intention that no further screenings will occur.	Based on the period to which the events relate.
Average period over which expense is recognised	Programme and film rights are on average expensed over 5-7 television screenings.	Sports rights are expensed on a straight-line basis over the period to which the events relate.
Impairment	Unscreened content is assessed at the end of each reporting period. Unscheduled content which cannot be utilised on the group's platforms is then written off immediately.	Sports rights are assessed for impairment by assessing the likelihood of the sporting event being cancelled based on facts and circumstances available as well as contractual rights to recover these rights through cash.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 18. Programme and film rights (continued)

Cost price	14 605	13 855
Accumulated amortisation and impairment	(10 982)	(10 568)
Carrying value of programme and film rights assets	3 623	3 287
Prepayments for programme and film rights <sup>1</sup>	2 494	2 959
<b>Total programme and film rights</b>	<b>6 117</b>	<b>6 246</b>

<sup>1</sup> Includes work-in-progress amounts related to co-productions amounting to ZAR42m (FY23: ZAR243m).

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

Cost	13 855	12 837
Accumulated amortisation and impairment	(10 568)	(10 213)
Opening carrying value at 1 April	3 287	2 624
Acquisitions	15 247	15 609
Amortisation and impairment <sup>1</sup>	(14 911)	(14 946)
Closing carrying value at 31 March	3 623	3 287
Cost	14 605	13 855
Accumulated amortisation and impairment	(10 982)	(10 568)

<sup>1</sup> FY24 includes ZAR55m reversal of impairment losses within the South Africa segment primarily relating to rights which regained commercial value during the year. This occurs where content can be rescheduled and utilised again across the group. FY23 includes impairment of ZAR328m within the South Africa segment 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 accounting policies. The reversal of impairment and impairment of programme and film rights has been recognised in COPS within the consolidated income statement.

### 19. 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.

Net realisable value 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.

Net realisable value 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 its costing of inventories (decoders and associated components) and is satisfied that the appropriate considerations have been taken into account in measuring inventories.

Decoders and associated components	1 874	1 425
Allowance for slow-moving and obsolete inventories	(439)	(535)
	<b>1 435</b>	<b>890</b>

The total allowance charged to the consolidated income statement to write inventory down to net realisable value amounted to ZAR591m (FY23: ZAR413m). The total provision utilised amounted to ZAR482m (FY23: ZAR524m).





## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

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### 20. 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 experience over a minimum period of 12 months, 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 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 subscriptions revenues, the group's major revenue stream.

#### Expected credit losses

##### 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 all trade receivables.

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 entail subscription fees charged to non-residential customers which primarily comprises 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.

The majority of these hardware receivables relate 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.

##### Trade receivables from technology customers

The majority of technology contract assets are subject to *IFRS 9* impairment tests. The group has applied the full lifetime expected credit loss method on a similar basis to trade receivables of commercial subscriptions and hardware sales. Defaults are considered based on contractual terms which are determined on a contract by contract basis.

##### 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.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 20. Trade and other receivables (continued)

#### 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 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 is 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 receivables 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.

As at 31 March 2024, the directors were unaware of any significant unprovided and/or uninsured concentrations of credit risk.

Trade receivables	3 258	2 840
Expected credit losses	(897)	(712)
<b>Net trade receivables</b>	<b>2 361</b>	<b>2 128</b>
<b>Other receivables</b>	<b>3 474</b>	<b>4 736</b>
Prepayments <sup>1</sup>	909	1 461
Staff debtors	17	23
Nigeria tax security deposits <sup>2</sup>	130	1 267
VAT and related taxes receivable	666	536
Sundry deposits	44	18
Other receivables <sup>3</sup>	1 708	1 431
<b>Total trade and other receivables</b>	<b>5 835</b>	<b>6 864</b>

The movement in the expected credit loss for trade receivables during the year was as follows:

<b>Opening balance at 1 April</b>	<b>(712)</b>	<b>(729)</b>
Additional allowances charged to the income statement	(275)	(169)
Allowances reversed through the income statement	75	145
Allowances utilised	2	84
Foreign currency translation effects	13	(43)
	<b>(897)</b>	<b>(712)</b>

<sup>1</sup> Primarily relates to prepayments for software licenses, transponder leases and inventory.

<sup>2</sup> Relates primarily to the tax security deposits paid in FY23 and FY22 relating to the Nigeria tax audit. Decrease relates to the utilisation of these tax deposits in FY24 following the settlement of tax matters with the Nigerian federal inland revenue service (FIRS).

<sup>3</sup> Primarily includes transmission debtors, accrued income (FY24: ZAR95m, FY23: ZAR118m) and clearing receipts (FY24: ZAR684m, FY23: ZAR362m).

The group has not pledged any of its trade receivables as security against its leases 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.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 20. Trade and other receivables (continued)

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

	2024			2023		
	Carrying value ZAR'm	Impairment ZAR'm	Loss rate (%) <sup>1</sup>	Carrying value ZAR'm	Impairment ZAR'm	Loss rate (%) <sup>1</sup>
<b>Current</b>	<b>941</b>	<b>(118)</b>	<b>13</b>	<b>1 050</b>	<b>(97)</b>	<b>9</b>
<i>Commercial subscriptions and hardware</i>	<i>669</i>	<i>(80)</i>	<i>12</i>	<i>851</i>	<i>(66)</i>	<i>8</i>
<i>Technology customers</i>	<i>272</i>	<i>(38)</i>	<i>14</i>	<i>199</i>	<i>(31)</i>	<i>16</i>
<b>Past due 30 to 59 days</b>	<b>524</b>	<b>(110)</b>	<b>21</b>	<b>564</b>	<b>(56)</b>	<b>10</b>
<i>Commercial subscriptions and hardware</i>	<i>479</i>	<i>(103)</i>	<i>22</i>	<i>482</i>	<i>(44)</i>	<i>9</i>
<i>Technology customers</i>	<i>45</i>	<i>(7)</i>	<i>16</i>	<i>82</i>	<i>(12)</i>	<i>15</i>
<b>Past due 60 to 89 days</b>	<b>286</b>	<b>(80)</b>	<b>28</b>	<b>223</b>	<b>(36)</b>	<b>16</b>
<i>Commercial subscriptions and hardware</i>	<i>282</i>	<i>(80)</i>	<i>28</i>	<i>207</i>	<i>(34)</i>	<i>16</i>
<i>Technology customers</i>	<i>4</i>	<i>-</i>	<i>-</i>	<i>16</i>	<i>(2)</i>	<i>13</i>
<b>Past due 90 to 119 days</b>	<b>293</b>	<b>(70)</b>	<b>24</b>	<b>153</b>	<b>(33)</b>	<b>22</b>
<i>Commercial subscriptions and hardware</i>	<i>290</i>	<i>(70)</i>	<i>24</i>	<i>141</i>	<i>(31)</i>	<i>22</i>
<i>Technology customers</i>	<i>3</i>	<i>-</i>	<i>-</i>	<i>12</i>	<i>(2)</i>	<i>17</i>
<b>Past due 120 days and older</b>	<b>1 214</b>	<b>(519)</b>	<b>43</b>	<b>850</b>	<b>(490)</b>	<b>58</b>
<i>Commercial subscriptions and hardware</i>	<i>1 163</i>	<i>(512)</i>	<i>44</i>	<i>773</i>	<i>(479)</i>	<i>62</i>
<i>Technology customers</i>	<i>51</i>	<i>(7)</i>	<i>14</i>	<i>77</i>	<i>(11)</i>	<i>14</i>
	<b>3 258</b>	<b>(897)</b>	<b>28</b>	<b>2 840</b>	<b>(712)</b>	<b>25</b>

<sup>1</sup> The total expected loss rate (%) represents an average percentage.

### 21. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible within 3 months to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents consist of:

#### Cash at bank and on hand

**7 275**      7 541

Cash and cash equivalents consists of South African accounts denominated in Rands and foreign bank accounts. Foreign accounts are translated into South African Rands using the closing spot rate at year-end. All foreign accounts translated at year-end amounted to ZAR4.9bn (FY23: ZAR4.9bn). Of the ZAR4.9bn, ZAR2.0bn (FY23: ZAR1.7bn) is held by entities with a different functional currency to the related cash and cash equivalents balances which exposes the group to foreign currency risk. Foreign accounts include US dollar accounts amounting to ZAR3.4bn (FY23: ZAR2.2bn) and Nigerian naira accounts of ZAR0.7bn (FY23: ZAR1.8bn).

Included in cash and cash equivalents are cash balances amounting to ZAR215m (FY23: ZAR129m) 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.

Included in cash and cash equivalents is an amount of ZAR735m (FY23: ZAR1.9bn) relating to cash balances held by subsidiaries where lack of in-country foreign exchange liquidity restricts the ability of subsidiaries to remit cash to intermediate holding companies in US dollars. These cash balances are primarily held in Nigeria where the group can access the parallel market in Nigeria to remit cash at the parallel foreign exchange rate as disclosed in note 12. Local currency can still be utilised in-country and is therefore not considered restricted.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024	2023
ZAR'm	ZAR'm

### 21. Cash and cash equivalents (continued)

The group is exposed to certain concentrations of credit risk relating to its cash and cash equivalents in the Rest of Africa. It places its cash and cash equivalents, where possible, with major banking groups and high-quality institutions with relatively high credit ratings in that country. The group's treasury policy is designed to limit exposure to any one institution and the group invests its excess cash and cash equivalents in low-risk investment accounts. The counterparties that are used by the group are evaluated on a continuous basis. At the reporting date cash and cash equivalents were held with numerous financial institutions. 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. No expected credit losses have been provided for in the current or previous financial year as these were immaterial.

The risk rating grade of cash and cash equivalents are set out below. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

2024	External credit ratings	Cash and cash equivalents ZAR'm
South Africa	BB- to BB	3 801
Offshore USD Reporting Entities	B- to A+	1 432
Rest of Africa	CCC+ to A-	2 042
		<b>7 275</b>
<b>2023</b>		
South Africa	BB- to BB	3 690
Offshore USD Reporting Entities	A+	631
Rest of Africa	CCC/C to AA	3 220
		<b>7 541</b>

### 22. 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 is tested for impairment annually or more frequently if there is an indicator of impairment.

Intangible assets with finite useful lives are amortised using the straight-line method over their estimated useful lives.

Amortisation periods for intangible assets with finite useful lives vary in accordance with the expected benefits that are to be derived.

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

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.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

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

	Goodwill ZAR'm	Software ZAR'm	Other ZAR'm	Total ZAR'm
<b>1 April 2023</b>				
Cost	4 788	1 870	4 266	10 924
Accumulated amortisation and impairment	(1 277)	(1 307)	(4 092)	(6 676)
Carrying value at 1 April 2023	3 511	563	174	4 248
Foreign currency translation effects	10	8	(51)	(33)
Acquisitions	-	226	124	350
Transfers from work-in-progress	-	157	-	157
Disposals/scrappings	-	-	(1)	(1)
Impairment <sup>1</sup>	-	(187)	-	(187)
Amortisation	-	(219)	(52)	(271)
<b>31 March 2024</b>				
Cost	4 876	3 063	4 435	12 374
Accumulated amortisation and impairment	(1 355)	(2 515)	(4 241)	(8 111)
Carrying value excluding work-in-progress	3 521	548	194	4 263
Work-in-progress <sup>2</sup>				233
<b>Total carrying value at 31 March 2024</b>				<b>4 496</b>

<sup>1</sup> Relates to the impairment of the group's old Showmax platform (ZAR41m) and the impairment of information technology software as part of the group's periodic asset review process, and follows a strategic decision to discontinue the group's technology modernisation project in the current year.

<sup>2</sup> Movements in work-in-progress during FY24 relates to transfers out of work-in-progress to software and other intangible assets amounting to ZAR157m, acquisitions of ZAR370m (includes ZAR62m of non-cash acquisitions) primarily related to the group's technology modernisation projects and the impairment of information technology software related to the group's technology modernisation project of ZAR1.1bn.

	Goodwill ZAR'm	Software ZAR'm	Other ZAR'm	Total ZAR'm
<b>1 April 2022</b>				
Cost	4 542	1 487	3 667	9 696
Accumulated amortisation and impairment	(1 061)	(1 070)	(3 574)	(5 705)
Carrying value at 1 April 2022	3 481	417	93	3 991
Foreign currency translation effects	30	29	28	87
Acquisitions	-	128	107	235
Transfers from work-in-progress	-	185	1	186
Disposals/scrappings <sup>1</sup>	-	-	(5)	(5)
Amortisation	-	(196)	(50)	(246)
<b>31 March 2023</b>				
Cost	4 788	1 870	4 266	10 924
Accumulated amortisation and impairment	(1 277)	(1 307)	(4 092)	(6 676)
Carrying value excluding work-in-progress	3 511	563	174	4 248
Work-in-progress <sup>2</sup>				1 103
<b>Total carrying value at 31 March 2023</b>				<b>5 351</b>

<sup>1</sup> Includes non-cash scrappings of ZAR5m.

<sup>2</sup> Movements in work-in-progress during FY23 relate to transfers out of work-in-progress to software and other intangible assets amounting to ZAR186m and acquisitions of ZAR333m (includes ZAR23m of non-cash acquisitions) primarily related to the group's investment in a multi-year programme to upgrade the group's customer service, billing and data capabilities.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

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

#### Software and software not yet available for use

Included in the carrying amount of work-in-progress is the group's Technology Modernisation (Tech Mod) programme with a carrying amount of ZAR111m (FY23: ZAR935m) that relates to costs capitalised for software not yet available for use and carrying amount of capitalised software balance of ZAR87m (FY23: ZAR233m).

The MultiChoice South Africa (MCSA) business has run a multi-year Tech Mod programme to upgrade the MultiChoice Group's digital, customer, billing, payments, partnerships and data capabilities. To date, four modules have been implemented, being the automated digital marketing, business partnerships, DStv for business and the field sales and services modules.

MCSA and the MultiChoice Group as a whole have, however, been faced with unprecedented macro-economic and foreign exchange headwinds in FY24, prompting a major cost reduction initiative across MCSA and the broader MultiChoice Group. This initiative has included the evaluation of the costs to complete and run the Tech Mod programme. The cost to complete the Tech Mod programme was considered to be too onerous for MCSA and the MultiChoice Group to absorb in the current environment.

As a result of management's decision to end the Tech Mod programme, with support from a value-in-use calculation, MCSA processed an impairment charge of ZAR1.1bn against the carrying value for software not in use of ZAR1.2bn and an impairment charge of ZAR146m against a carrying value for software intangible assets of ZAR233m. As a result, software intangible assets include an unimpaired balance of ZAR87m and work-in-progress includes a balance of ZAR111m relating to the Tech Mod modules that have been successfully implemented or are due to be completed in the near future.

#### Impairment methodology - Value-in-use

The recoverable amount of the Technology Modernisation 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 pre-tax discount rate. The value-in-use amounted to ZAR633m.

#### Key assumptions and sensitivity analyses:

The key assumptions applied in the value-in-use model is a 18.0% (FY23: 19.2%) 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.

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 ZAR32m (FY23: ZAR203m). A decrease of one percentage point in the discount rate would increase the value-in-use by ZAR35m (FY23: ZAR213m).
- **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 ZAR12m (FY23: ZAR100m). A decrease of one percentage point in the growth rate would decrease the value-in-use by ZAR10m (FY23: ZAR98m).
- **Forecasted cash flows:** The forecasted 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 ZAR43m (FY23: ZAR175m) and a decrease of three percentage points in the forecasted revenue cash flows would result in a decrease in the value-in-use by ZAR40m (FY23: ZAR175m).



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

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

#### Impairment testing of goodwill

The group recognised impairment losses on goodwill of ZARnil (FY23: ZARnil).

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 for the respective countries in which the entities operate or, 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 and the countries in which they operate while maximising the use of market observable data.

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

<b>31 March 2024</b>	<b>Carrying value</b>	<b>Basis of</b>	<b>Pre-tax discount</b>	<b>Growth rate</b>
<b>Segments of cash-generating units</b>	<b>ZAR'm</b>	<b>determination of</b>	<b>rate</b>	<b>%</b>
		<b>recoverable amount</b>	<b>%</b>	
Technology	282	Value in use	12.4	(2.0)
South Africa	3 239	Value in use	17.4	4.2
	<b>3 521</b>			
<b>31 March 2023</b>	<b>Carrying value</b>	<b>Basis of</b>	<b>Pre-tax discount</b>	<b>Growth rate</b>
<b>Segments of cash-generating units</b>	<b>ZAR'm</b>	<b>determination of</b>	<b>rate</b>	<b>%</b>
		<b>recoverable amount</b>	<b>%</b>	
Technology	266	Value in use	12.0	(1.0)
South Africa	3 245	Value in use	19.2	4.2
	<b>3 511</b>			

The discount rate calculation is based on the specific circumstances of the group and its operating segments 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 for each of the markets in which the respective CGU operated.

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



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 23. Investments in subsidiaries

All subsidiaries (except MultiChoice Angola Limitada which has a 31 December financial year-end due to in-country regulatory requirements) have the same financial year-end as MultiChoice Group Limited.

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

Name of subsidiary	Effective % interest 2024	Effective % interest 2023	Nature of business	Country of incorporation	Functional currency	Direct/ indirect
<b>South Africa</b>						
MultiChoice South Africa Holdings Proprietary Limited	76.8	76.8	Investment holding	South Africa	ZAR	Direct
Electronic Media Network Proprietary Limited (M-Net)	76.8	76.8	Video-entertainment content provider	South Africa	ZAR	Indirect
SuperSport International Holdings Proprietary Limited	76.8	76.8	Video-entertainment content provider	South Africa	ZAR	Indirect
DStv Media Sales Proprietary Limited	76.8	76.8	Commercial airtime sales	South Africa	ZAR	Indirect
MultiChoice Proprietary Limited	76.8	76.8	Subscription television	South Africa	ZAR	Indirect
MultiChoice South Africa Proprietary Limited	76.8	76.8	Investment holding	South Africa	ZAR	Indirect
MultiChoice Support Services Proprietary Limited	76.8	76.8	Subscriber management and technical support services	South Africa	ZAR	Indirect
MultiChoice Group Treasury Services Proprietary Limited	100.0	100.0	Treasury services	South Africa	ZAR	Direct
MultiChoice Group Services Proprietary Limited	100.0	100.0	Support services	South Africa	ZAR	Direct
MultiChoice Group Holdings B.V.	100.0	100.0	Investment holding company for Dutch fiscal unity	The Netherlands	USD	Indirect
Mwendo Holdings B.V.	100.0	100.0	Foreign investment holding company	The Netherlands	USD	Indirect
<b>Rest of Africa</b>						
MultiChoice Africa Holdings B.V. Group	100.0	100.0	Investment holding/ subscription television	The Netherlands	USD	Indirect
MultiChoice Nigeria Limited	79.0	79.0	Subscription television	Nigeria	NGN	Indirect
MultiChoice Uganda Limited	100.0	100.0	Subscription television	Uganda	UGX	Indirect
MultiChoice Angola Limitada	70.0	100.0	Subscription television	Angola	AOA	Indirect
MultiChoice Zambia Limited	51.0	51.0	Subscription television	Zambia	ZMK	Indirect
MultiChoice Kenya Limited	60.0	60.0	Subscription television	Kenya	KSH	Indirect
MultiChoice Tanzania Limited	87.8	87.8	Subscription television	Tanzania	TSH	Indirect
<b>Technology</b>						
Irdeto B.V.	100.0	100.0	Technology development	The Netherlands	USD	Indirect
<b>Showmax</b>						
Showmax Africa Holdings Limited	70.0	-	Subscription video-on-demand (SVOD)/over-the-top (OTT) services	United Kingdom	USD	Indirect





## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

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### 23. Investments in subsidiaries (continued)

#### MultiChoice and Comcast NBCUniversal partnership

During FY23, the group entered into an agreement to form a new partnership with Comcast Corporation, through its subsidiary NBCUniversal Media, LLC (NBCUniversal). The transaction closed and was effective on 4 April 2023.

This new Showmax group (Showmax Africa Holdings Limited) is 70% owned, and controlled, by MultiChoice and 30% owned by NBCUniversal. The total subscription price for the sale of 30% of the existing Showmax business was an amount of USD29m (ZAR536m), which was received on 4 April 2023 and contributed into Showmax on this date. This subscription price is recognised in non-controlling interests in the consolidated statement of changes in equity. The group accounts for Showmax as a subsidiary due to having the majority of voting rights and 100% board representation.

During FY24, in order to fund the working capital requirements of Showmax, Showmax Africa Holdings Limited received a pro rata USD36m (ZAR687m) in equity funding from NBCUniversal. This funding is recognised in non-controlling interests in the consolidated statement of changes in equity.

#### MultiChoice Angola Limitada dilution of interest

In FY20, to comply with local shareholder requirements, MultiChoice Africa Holdings B.V. Group (MAH) entered into a quota sale and purchase agreement with an outside third-party. Under this agreement, MAH granted the third-party a loan to buy 30% equity. The loan was repayable over five years and there was no security against the loan other than the 30% equity. Until the loan is fully repaid, the third-party does not have control over the equity and only upon full repayment of the loan would the 30% equity be held by the third-party in his own name.

During FY24, the third-party settled the loan in full and 30% of MultiChoice Angola Limitada's equity was transferred to the third-party. As a result, MAH's effective interest in MultiChoice Angola Limitada as at 31 March 2024 decreased from 100% to 70%. On the date of loan settlement, MultiChoice Angola Limitada had a negative net asset value of Kz158.5bn (ZAR3.6bn) and there was no carrying value related to the non-controlling interest in MultiChoice Angola Limitada prior to this transaction and no further cash consideration was received. This transaction resulted in an increase of ZAR1.1bn in retained earnings and a decrease of ZAR1.1bn in non-controlling interest.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 23. Investments in subsidiaries (continued)

The summarised financial information contained below relates to subsidiaries of the group that are considered to have significant non-controlling interests:

	MultiChoice Nigeria Limited	MultiChoice Nigeria Limited	MultiChoice South Africa Holdings Proprietary Limited	MultiChoice South Africa Holdings Proprietary Limited
	31 March 2024 ZAR'm	31 March 2023 ZAR'm	31 March 2024 ZAR'm	31 March 2023 ZAR'm
<b>Summarised statement of financial position</b>				
Non-current assets	366	1 092	12 467	13 737
Current assets	1 623	4 064	32 802	29 075
Assets classified as held-for-sale	-	-	317	70
<b>Total assets</b>	<b>1 989</b>	<b>5 156</b>	<b>45 586</b>	<b>42 882</b>
Non-current liabilities	22 165	2 177	18 918	16 006
Current liabilities	10 160	29 141	13 078	13 698
Liabilities classified as held-for-sale	-	-	127	114
<b>Total liabilities</b>	<b>32 325</b>	<b>31 318</b>	<b>32 123</b>	<b>29 818</b>
Accumulated non-controlling interests	(6 371)	(5 494)	2 460	2 495
<b>Summarised income statement</b>				
Revenue	7 434	10 567	42 192	41 649
Net (loss)/profit for the year <sup>1</sup>	(25 264)	(4 559)	5 985	4 869
Other comprehensive income	-	-	30	1 644
<b>Total comprehensive (loss)/income</b>	<b>(25 264)</b>	<b>(4 559)</b>	<b>6 015</b>	<b>6 513</b>
Total comprehensive (loss)/income attributable to non-controlling interests <sup>2</sup>	(913)	(703)	1 393	1 509
Dividends paid to non-controlling interests	-	-	1 277	1 394
Non-controlling interest movements directly through equity	-	-	(150)	(22)
<b>Summarised statement of cash flows</b>				
Cash flows generated from operating activities	986	2 179	3 527	145
Cash flows utilised in investing activities	(48)	(164)	(958)	(807)
Cash flows utilised in financing activities	14	(406)	(2 895)	302

<sup>1</sup> MultiChoice Nigeria Limited includes losses of ZAR1.1bn (FY23: ZAR2.3bn) due to differences between the Nigerian official rate used by the group for translation of results and the Nigerian parallel rate at which cash has been remitted. Losses of ZAR20.9bn (FY23: ZAR1.2bn) have been recognised on the translation of quasi equity loans and losses of ZAR4.8bn (FY23: ZAR1.9bn) on the translation of non-quasi equity loans.

<sup>2</sup> Translation losses on quasi equity loans of ZAR20.9bn are reclassified directly to equity at the MultiChoice Africa Holdings B.V. consolidated level. As a result, the disclosed total comprehensive loss attributable to non-controlling interest in Nigeria excludes the impact of these losses.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 24. Investment in associates and joint ventures

	Note	2024 ZAR'm	2023 ZAR'm
Investment in associates	(a)	4 549	4 862
Investment in joint ventures	(b)	15	14
		<b>4 564</b>	<b>4 876</b>

Associates are entities over which the group exercises significant influence, but which it does not control or jointly control. Joint ventures are arrangements in which the group contractually shares control over an activity with others and in which the parties have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for in terms of the equity method. The acquired share in the investee's identifiable net assets, as well as goodwill arising, is calculated using fair value information at the date of acquiring the interest. Goodwill is included in the carrying value of the investment in the associate or joint venture.

Where the reporting periods of associates and joint ventures (equity accounted investments) are not coterminous with that of the group and/or it is impracticable for the relevant equity-accounted investee to prepare financial statements as of 31 March, the group applies an appropriate lag period of not more than three months in reporting the results of the equity accounted investees. Significant transactions and events that occur between the non-coterminous reporting periods are adjusted for. The group exercises judgement when determining the transactions and events for which adjustments are made.

The group's share of other comprehensive income and other changes in net assets of associates and joint ventures is recognised in the consolidated statement of comprehensive income.

#### a) Investment in associates

The carrying values of the group's investments in its unlisted/listed associates are detailed below:

Blue Lake Ventures Limited (KingMakers) <sup>1</sup>	4 253	4 558
Moment Holdings Limited (Moment)	224	59
Questar Auto Technologies (Questar)	-	77
Zendascape Proprietary Limited (AURA)	5	5
AURA B.V.	32	30
Bidstack Group PLC (Bidstack)	-	110
Africa Cricket Development Proprietary Limited (SA20)	35	23
	<b>4 549</b>	<b>4 862</b>

<sup>1</sup> The group considers KingMakers as its only material associate.

Name of company	Effective interest 2024 %	Effective interest 2023 %	Nature of the business	Country of incorporation <sup>1</sup>	Functional currency	Year end currency
Blue Lake Ventures Limited	51.2	51.2	Investment holding (sports betting)	Mauritius	USD	December
Moment Holdings Limited	29.6	25.5	Fin-tech	United Kingdom	GBP	December
Questar Auto Technologies	6.8	6.8	Cybersecurity for autonomous vehicles	Israel	USD	December
Zendascape Proprietary Limited	13.5	12.5	Home security and medical response technology platform	South Africa	ZAR	February
AURA B.V.	9.6	13.5	Investment holding	Netherlands	EUR	February
Bidstack Group PLC	12.1	12.1	In-game advertising platform	United Kingdom	GBP	December
Africa Cricket Development Proprietary Limited	30.0	30.0	Ownership, operation and management of professional Twenty20 cricket tournament	South Africa	ZAR	April

<sup>1</sup> Associates' principle place of business is the same as country of incorporation.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

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### 24. Investment in associates and joint ventures (continued)

#### *KingMakers*

The group owns 49.23% in Blue Lake Ventures Limited, a sports betting business (operating as KingMakers). However, the group considered the economic ownership to be 51.23% due to the sale of shares to the KingMakers' share scheme, which was considered to be the issuance of an option liability as explained in note 30.

Significant judgements have been made with regards to determining that the group exercises significant influence and not control over KingMakers. This includes consideration of voting rights and the ability to direct the relevant activities of KingMakers. It was concluded that the group does not have control over KingMakers but rather has significant influence through its board representation, in particular, that the group only has the right to appoint 3 of the 7 directors. Thus, the group's investment in KingMakers has been equity accounted as an associate.

#### *Moment*

During FY23 a partnership was reached between the group, General Catalyst (one of the world's largest fin-tech investors) and Rapyd (a global fin-tech company operating across 100 countries). An initial USD3.3m (ZAR56m) funding contribution was made into the Moment group which resulted in the group owning a 25.5% stake.

In FY24, the group, along with other founding backers and new investors, contributed to Moment's Seed+ funding round. Moment raised an additional USD19m of funding as at 31 March 2024, with the group contributing USD8m (ZAR151m), and new external participants placing a post-money valuation on the business of USD82m. The additional contribution by the group resulted in an increase in ownership from 25.5% to 29.6% on a fully diluted basis.

Moment was assessed to be an associate based on the group's board representation (1 of 4 directors) and was initially measured at cost.

#### *SafeRide/Questar*

Questar Auto Technologies is a predictive vehicle health company that introduces cutting-edge AI technology to the automotive industry. During FY23, the Questar board introduced an IFRS 2 share-based payment scheme which resulted in shares being set aside for Questar employees. The introduction of the scheme resulted in the group's shareholding held through Irdeto, diluting from 7.6% to 6.8%.

During FY24, the group assessed its investment in Questar for impairment. This assessment was due to the company being in a loss-making position and forecasting these losses to continue. Following the assessment, the group determined that the carrying value of the investment exceeded the recoverable amount of USDnil and an impairment loss of USD3.5m (ZAR66m) was recognised.

Questar was assessed to be an associate based on the group's board representation (1 of 8 directors) and was initially measured at cost.

#### *AURA and AURA B.V.*

As at 31 March 2023, the group owned 12.5% of the issued share capital of Zendascope Proprietary Limited (trading as AURA) and also had board representation. During FY24, AURA cancelled shares held by the company's ESOP which resulted in the group's shareholding increasing from 12.5% to 13.5%.

AURA was assessed to be an associate based on the group's board representation (1 of 8 directors) and was initially measured at cost.

During FY23, the off-shore AURA structure was completed which resulted in the group subscribing for shares in AURA B.V. (an off-shore holding company). During FY23, the group paid ZAR28m for a 13.46% stake in AURA B.V..

During FY24, AURA B.V. raised USD3.5m of funding, with the group not participating in the funding round. As a result, the group's shareholding diluted from 13.5% to 9.6%.

AURA B.V. was assessed to be an associate based on the group's board representation (1 of 9 directors) and was initially measured at cost.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

	2024 ZAR'm	2023 ZAR'm
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### 24. Investment in associates and joint ventures (continued)

#### Bidstack

In FY23, the group (through Irdeto) acquired 12.1% of the equity (13.5% of the voting rights) of Bidstack Group PLC for GBP5m (ZAR118m). During FY24 Bidstack shares were suspended on the London Stock exchange and the company went into administration. The group assessed its Bidstack investment and concluded that the investment should be fully impaired, resulting in an impairment loss of USD5m (ZAR98m).

Bidstack was assessed to be an associate based on the group's board representation (1 of 8 directors) and was initially measured at cost.

#### SA20

During FY23, the group (through SuperSport) acquired 30% of the equity of Africa Cricket Development (Pty) Ltd (SA20) through a share subscription for a nominal value. 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.

#### Movement in carrying value of KingMakers investment:

Opening balance	4 558	5 764
Share of net loss of associate	(391)	(299)
Share of other comprehensive loss of associate	(41)	(1)
Amortisation of intangible assets identified on acquisition <sup>1</sup>	(160)	(151)
Impairment of associate	-	(1 998)
Foreign exchange translation adjustment	287	1 243
<b>Closing balance</b>	<b>4 253</b>	<b>4 558</b>

<sup>1</sup> Relates to amortisation of separately identifiable intangible assets considered in the final purchase price allocation.

#### Summarised financial information of KingMakers:

The summarised financial information presented below represents the financial information of KingMakers for the year ended 31 December 2023 and 2022.

#### Statement of comprehensive loss since acquisition:

Revenue	2 757	3 409
Cost of providing services and sale of goods	(2 077)	(2 209)
<b>Gross profit</b>	<b>680</b>	<b>1 200</b>
Other operating income	146	73
Other operating expenses	(2 188)	(1 798)
<b>Operating loss</b>	<b>(1 362)</b>	<b>(525)</b>
Finance costs	(8)	(319)
<b>Loss before taxation</b>	<b>(1 370)</b>	<b>(844)</b>
Taxation	232	15
<b>Net loss for the year</b>	<b>(1 138)</b>	<b>(829)</b>
Other comprehensive loss	(80)	(25)
<b>Total comprehensive loss for the year</b>	<b>(1 218)</b>	<b>(854)</b>



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 24. Investment in associates and joint ventures (continued)

#### Statement of financial position as at 31 December 2023 and 2022:

Non-current assets	1 984	2 474
Current assets <sup>1</sup>	2 293	3 061
<b>Total assets</b>	<b>4 277</b>	<b>5 535</b>
Non-current liabilities	572	699
Current liabilities	285	451
<b>Total liabilities</b>	<b>857</b>	<b>1 150</b>

<sup>1</sup> The current assets of KingMakers includes cash and cash equivalents of ZAR2.1bn (FY23: ZAR3bn).

#### Reconciliation of summarised financial information to carrying value of KingMakers investment:

Group's share in the net assets	1 741	2 223
Goodwill	4 770	4 484
Fair value step-up as a result of the additional interest acquired	(132)	(151)
Impairment of associate	(2 126)	(1 998)
<b>Carrying amount of the investment</b>	<b>4 253</b>	<b>4 558</b>

No dividends have been declared by the associate since acquisition.

There have been no significant transactions in the three month lag period from 1 January 2024 to 31 March 2024.

As at 31 March 2024 the group's associates had no contingent liabilities.

#### Impairment testing of KingMakers investment

As at 31 March 2024, the group assessed its investment in KingMakers for impairment. This assessment was conducted due to the significant depreciation in the value of the Nigerian naira (NGN) against the US dollar (USD) during FY24, with the year-end spot and average NGN depreciating against the USD by 64% and 50% respectively YoY. Counterbalancing the weaker naira is the strong local performance by the Nigerian business, the successful transition to a new group management team and new strategic focus for KingMakers, the successful launch of SuperSportBet in South Africa with encouraging early user traction, and the reduction of central overheads in KingMakers along with other economic enhancements to the underlying business.

The recoverable amount of the group's investment in KingMakers was determined based on the higher of the value in use and the fair value less costs of disposal. Based on the group's assessment, the fair value less costs of disposal represents a higher recoverable amount than the value in use.

The fair value less costs of disposal value was calculated using a sum-of-the-parts (SOTP) aggregation of the discounted cash flow (DCF) valuations of each underlying entity within the KingMakers group. The group has functional operating entities in Nigeria (under the BetKing brand) and South Africa (under the SuperSportBet brand) and a number of central cost centre and holding company entities.

The group estimates that the fair value less costs of disposal value based on a SOTP build up of individual entity DCFs was broadly in line with the book value of the group's investment in KingMakers, indicating that no impairment (or reversal of impairment) was warranted as at 31 March 2024. As such, the group's book value of ZAR4 253m is indicative of the group's estimate of the fair value of the KingMakers investment at 31 March 2024.

Key inputs into the valuation were:

- Ten-year explicit forecast period followed by a terminal value calculation;
- Nigeria local currency weighted average cost of capital (WACC) of 29.4% and local currency perpetuity growth rate (PGR) of 11.7%;
- South Africa local currency WACC of 18.4% and local currency PGR of 4.3%;
- A combined discount for lack of marketability and lack of control of 10.0%;
- New market launches that are planned, but not yet live, have been excluded from the valuation.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 24. Investment in associates and joint ventures (continued)

Key valuation assumption	Increase/(decrease) in key valuation assumption:	Increase/(decrease) in KingMakers valuation
WACC <sup>1</sup>	+/- 2.5% change in WACC	+/- ZAR198m
Perpetuity growth rate (PGR) <sup>2</sup>	+/- 10% change in PGR	+/- ZAR95m
Marketability and minority discount <sup>3</sup>	+/- 10% change in discount	+/- ZAR47m

<sup>1</sup> The WACC rates used incorporate local or US-based risk-free rates using 20-year bonds, country risk premiums and inflation differentials as relevant, market-driven equity risk premiums, peer-referenced market betas, 10-year swap rates, and certain additional, judgemental risk premiums and/or credit spreads for company size, stage of development and other risk factors not accounted for in cash flow forecasts, and country-specific tax rates.

<sup>2</sup> The terminal growth rates used typically reference long-term inflation assumptions for a given market and may incorporate an element of real growth for early-stage entities, although always less than the long-term nominal GDP growth assumptions for a given market on a combined basis.

<sup>3</sup> The marketability and minority discount used is limited to a combined 10% given the compelling growth opportunity for the KingMakers business in a sector that is growing rapidly across the globe and in our markets, and the close working relationship between the MultiChoice and KingMakers group.

As at 31 March 2023, the group assessed its investment in KingMakers for impairment. This assessment was due to the notable changes in discount rates applicable to Nigerian and global gaming and technology companies and the sharp increase in parallel foreign exchange rates in Nigeria. Although in local currency the business remains in line with original forecasts, due to a marked increase in discount rates for global gaming companies and the Nigerian operation in particular and the impact of markets which have been exited, the carrying amount of the KingMakers investment exceeded the recoverable amount of ZAR4.6bn (USD256m) and an impairment loss of ZAR2.0bn (USD112m) was recognised in FY23.

The recoverable amount of this investment was determined based on the higher of the value in use and the fair value less costs of disposal. Based on the group's assessment, the fair value less costs of disposal was noted to be the higher recoverable amount compared to the value in use.

The fair value less costs of disposal valuation was determined using the discounted cash flow (DCF) method after which the valuation was then reduced by applying a marketability discount of 10% and a minority discount of 0%. The group used 5-year projected cash flow models as the KingMakers business has monetisation timelines not longer than 5 years. The calculation mainly used cash flow projections based on financial budgets approved by those charged with governance at KingMakers. Cash flow forecasts were derived from an analysis of historic performance, knowledge of the current markets and future expansion into the South African market.

Significant judgement was exercised with respect to the following key assumptions utilised in determining the fair value less costs of disposal:

#### EBITDA (forecast cash flows):

EBITDA are based on past experience and management's future expectations of business performance. The EBITDA drivers for KingMakers are the number of betting stakes placed which increased annually by forecasted annual growth rates.

#### Growth rates:

The growth rates used were determined using gaming specific market data, past performance and management's future expectations of the market in which KingMakers operates. The average growth rates used for EBITDA over the 5-year forecast period ranged between 5% - 66%.<sup>1</sup>

<sup>1</sup> The margin range takes into account the rapid expansion in new regions and normalised growth in more established regions.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

	2024 ZAR'm	2023 ZAR'm
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### 24. Investment in associates and joint ventures (continued)

#### Discount rates:

The discount rates (weighted average cost of capital (WACC)) used reflect specific risks relating to the relevant operations and the regions in which KingMakers operate, while for certain operations, risk adjustments are made to discount rates used when calculating the present value of the forecasted cash flows.

Discount rates take into account country risk premiums, betas from a comparable company, risk free rate yields on 10-year SA bonds as well as yield on US 30-year treasury bonds and inflation differentials as appropriate. The post-tax discount rates used for the Nigerian market was 35.10%, while 17.20% was used for the South African market.

#### Terminal growth rates:

The terminal growth rates considered the steady growth rates that would appropriately extrapolate cash flows beyond the forecasted periods once the business has assumed to reach maturity. The terminal growth rate used for the Nigerian market was 15.20%, while 4.20% was used for the South African market which were consistent with publicly available information relating to long-term average growth rates. This growth rate represents the expected growth in perpetuity in the markets that KingMakers operates and is based on analysts' projections.

#### Marketability discount:

A marketability discount of 10% was applied as management are of the view that the future potential of KingMakers is viable enough to support a discount on the lower end.

#### Minority discount:

The group considered a 0% minority discount to be reasonable as management applied a higher small stock premium in the overall discount rate to effectively take into consideration the impact of being a non-controlling shareholder.

A reasonable change in the key assumptions above would impact the impairment as follows:

Key assumptions:	Change in assumption (%)	(Decrease)/increase in impairment (ZAR'm)
Growth rates	1.0	(213)
Discount rates	1.0	254
Terminal growth rates	(1.0)	185
Marketability discount	2.5	127
Minority discount	5.0	228





## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 24. Investment in associates and joint ventures (continued)

#### b) Investment in joint ventures

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 2024 %	Effective interest 2023 %	Carrying value 2024 ZAR'm	Carrying value 2023 ZAR'm
Titans Cricket Proprietary Limited <sup>1</sup>	50	50	14	13
SuperSportSAS Proprietary Limited <sup>2</sup>	50	50	1	1
			<b>15</b>	<b>14</b>

<sup>1</sup> 30 April year-end.

<sup>2</sup> 30 June year-end.

As at 31 March 2024 the group's joint ventures had no contingent liabilities.

### 25. Platform technology advances

Platform technology advances	<b>1 476</b>	247
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During FY23, the group formed a new partnership with Comcast Corporation, through its subsidiary NBCUniversal Media, LLC (NBCUniversal) for the Showmax business (note 23). During FY24 and FY23, advances were provided by the group to NBCUniversal in order to commence the customisation of the Peacock TV LLC's technology stack for use in the Showmax business.

These advances are non-refundable and were initially recognised by the group at the advance date spot rate.

The platform is licensed by the group for an initial period of seven years. During FY24, the platform was successfully launched and as a result these advances will be subsequently expensed through the consolidated income statement on a straight-line basis over this seven year period.

As at 31 March 2023, these advances had not yet been paid over by the group and as a result the group recognised the outstanding advances as accrued expenses in note 14 of the consolidated annual financial statements.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

	2024 ZAR'm	2023 ZAR'm
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### PART V. OTHER DISCLOSURES

#### 26. Assets held for sale

##### NMS Insurance Services (SA) Limited – Disposal group held for sale

In FY24, MultiChoice Proprietary Ltd (MultiChoice), a subsidiary of MultiChoice South Africa Holdings Ltd (MCSAH) and ultimate holding company MultiChoice Group Limited (MCG) received a formal offer from a reputable South African insurance company to buy a 60% shareholding in the group's insurance business, NMS Insurance Services (SA) Ltd (NMSIS). The MultiChoice board accepted this offer, subject to due diligence and regulatory approvals.

As at 31 March 2024, MultiChoice expects the sale to be concluded within six months after year-end and the disposal group was classified as held for sale in terms of *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*.

On reclassification of the assets and liabilities to held-for-sale, the group performed an assessment on the fair value of the assets and liabilities and no impairment was required.

The following assets and liabilities were reclassified as held for sale in relation to the disposal group as at 31 March 2024.

##### Assets

Property, plant and equipment	*	-
Cash and cash equivalents	317	-
<b>Assets held for sale</b>	<b>317</b>	<b>-</b>

\* Amounts less than ZAR1m

##### Liabilities directly associated with asset held for sale

Trade payables	2	-
Deferred income	52	-
Accrued expenses	39	-
Taxes and other statutory liabilities	34	-

##### Liabilities directly associated with assets held for sale

<b>Liabilities directly associated with assets held for sale</b>	<b>127</b>	<b>-</b>
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##### Net assets directly associated with the disposal group

<b>Net assets directly associated with the disposal group</b>	<b>190</b>	<b>-</b>
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#### 27. Share capital

##### Authorised

1 000 000 000 ordinary no par value shares

##### Issued

442 512 678 (FY23: 442 512 678) ordinary shares	454	454
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## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

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### 27. Share capital (continued)

#### Capital management

The group's objectives when managing capital are 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, in particular the Rest of Africa segment.

The group optimises the management of its capital through a centralised treasury holding company structure. This structure is approved by the South African Reserve Bank (SARB) and is managed by the group treasury function, under the supervision of the group chief financial officer. Key responsibilities of the group treasury include:

- Centralised cash management and yield maximisation;
- Foreign currency risk management (including the group hedging programme) on behalf of operating entities;
- Treasury policy compliance; and
- Group funding requirements.

Funding to subsidiaries is provided through a combination of loans and share capital, depending on country-specific requirements including legislation. 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 when necessary due to 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, return capital to shareholders through share buy-backs, issue new shares or sell assets to reduce debt.

The group does not have a formal leverage policy. The group has specific financial covenants in place with certain financial institutions to govern its overall debt levels. The leverage ratio should be below or equal to 2.5 times and the interest cover ratio should be above or equal to 4 times. As at 31 March 2024 and 31 March 2023 and throughout the current and prior reporting periods, the financial covenants relating to leverage and interest cover were met.

There are no foreign exchange restrictions between banks of the common monetary area (CMA) member countries in respect of cross-border transactions amongst themselves. Lesotho, Namibia and Swaziland have their own monetary authorities and legislation. The application of exchange control within the CMA is governed by the multilateral monetary agreement. Investments and transfers of funds in Rand to/from South Africa and to/from other CMA countries do not require the approval of the SARB. South African registered private, public and listed companies are allowed to transfer capital for foreign direct investment purposes to any country outside the CMA, but based on the quantum of the investment the transfer is subject to authorised dealer or SARB approval.

MultiChoice Group Treasury Services Proprietary Limited is a registered domestic treasury management company with SARB and therefore allowed to hold African and offshore operations for foreign direct investment purposes.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 28. Other reserves

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

	Treasury shares	Hedging reserve	Fair value reserve	Foreign currency translation reserve	Total other reserves
	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
<b>Balance at 1 April 2022</b>	<b>(1 838)</b>	<b>(457)</b>	<b>(395)</b>	<b>(11 485)</b>	<b>(14 175)</b>
Exchange gains on translation of foreign operations <sup>1</sup>	-	-	-	3 269	3 269
Net hedging reserve movements - net of tax	-	1 132	-	-	1 132
Hedging reserve basis adjustment <sup>2</sup>	-	(77)	-	-	(77)
Treasury shares disposed <sup>3</sup>	238	-	-	-	238
<b>Balance at 1 April 2023</b>	<b>(1 600)</b>	<b>598</b>	<b>(395)</b>	<b>(8 216)</b>	<b>(9 613)</b>
Exchange gains on translation of foreign operations <sup>1</sup>	-	-	-	1 676	1 676
Net hedging reserve movements - net of tax	-	(28)	-	-	(28)
Hedging reserve basis adjustment <sup>2</sup>	-	(497)	-	-	(497)
Recognition of put option liability <sup>4</sup>	-	-	(3 042)	-	(3 042)
Treasury shares acquired <sup>5</sup>	(482)	-	-	-	(482)
Treasury shares disposed <sup>3</sup>	280	-	-	-	280
<b>Balance at 31 March 2024</b>	<b>(1 802)</b>	<b>73</b>	<b>(3 437)</b>	<b>(6 540)</b>	<b>(11 706)</b>

<sup>1</sup> Relates to the translation of Rest of Africa, Technology and Showmax segments, which have a USD reporting currency.

<sup>2</sup> Relates to the basis adjustment on programme and film right assets as content comes into licence.

<sup>3</sup> During the current and prior year, treasury shares were utilised to settle the group's share-based compensation benefits.

<sup>4</sup> During FY24, the group recognised a put option liability for the right held by NBCUniversal Media, LLC to sell its minority stake in Showmax to MultiChoice at a predetermined date in the future (note 30).

<sup>5</sup> During FY24, the group acquired a further 5.3m treasury shares at an average price of ZAR91 per share to fund future RSU share awards.

### 29. Related parties

The group entered into transactions and has balances with related parties, including associates, directors (key management personnel), and shareholders. Transactions and balances that are eliminated on consolidation are not included below (note 23). The transactions and balances with related parties are disclosed below:

#### (a) Related party balances

	Note		
Amounts due from related parties: Non-current	(i)	<b>87</b>	71
Amounts due from related parties: Current	(ii)	-	4
		<b>87</b>	<b>75</b>
<b>(i) Amounts due from related parties: Non-current</b>	<b>Nature of relationship</b>		
Bidstack Group PLC (Bidstack)	Associate	<b>12</b>	-
Other	Equity investees	<b>75</b>	71
		<b>87</b>	<b>71</b>
<b>(ii) Amounts due from related parties: Current</b>	<b>Nature of relationship</b>		
Blue Lake Ventures Limited (KingMakers) (note 24)	Associate	-	2
Other	Equity investees	-	2
		-	<b>4</b>

The balance due from Bidstack is unsecured, has fixed repayment terms and carries interest at 10% per annum.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

	2024 ZAR'm	2023 ZAR'm
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### 29. Related parties (continued)

Balances due from equity investees are unsecured, have fixed terms of repayment and carry interest at 1 year LIBOR plus 2.25%.

#### (b) Related party transactions

During FY24 the group received advertising and sponsorship revenue of ZAR54m (FY23: ZAR118m) from KingMakers. This revenue has been recognised by the group in advertising revenue in note 5. The group did not enter into any other material related party transactions during FY24 other than key management remuneration and directors remuneration as disclosed below.

#### Key management remuneration

##### Consolidated

Short-term employee benefits	214	264
Long-term post-employment benefits	14	15
Share-based payment charge	128	175
<b>Remuneration paid to key management</b>	<b>356</b>	<b>454</b>

##### Non-executive directors

Directors' fees	66	35
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#### Key management remuneration and participation in share-based incentive plans

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

1 233 647 (FY23: 1 239 386) MCG shares were allocated during the 2024 financial year and an aggregate of 3 131 259 (FY23: 3 837 684) MCG shares were allocated and unvested as at 31 March 2024.

##### For share appreciation rights (SARs) and other schemes in unlisted companies as follows:

4 125 (FY23: 7 864) Irdeto RSUs were allocated during the 2024 financial year and an aggregate of 24 945 (FY23: 27 283) Irdeto RSUs were allocated and unvested as at 31 March 2024.

362 956 (FY23: 28 912) Phantom Performance Shares were allocated during the 2024 financial year and an aggregate of 621 748 (FY23: 258 792) Phantom Performance Shares were allocated and unvested as at 31 March 2024.

32 782 (FY23: nil) Showmax RSUs were allocated during the 2024 financial year and an aggregate of 32 782 (FY23: nil) Showmax RSUs were allocated and unvested as at 31 March 2024.

### 30. 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.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 30. Fair value of financial instruments (continued)

#### (a) 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 2024 ZAR'm	Fair value 2023 ZAR'm	Valuation method	Level in fair value hierarchy
<b>Financial assets</b>				
Investments held at fair value through profit or loss (Trust Machines SPV, LLC)	253	237	Based on the latest value internally measured by the investee	Level 3
Investments held at fair value through profit or loss	24	22	Unit trusts comprising of quoted prices in a public market	Level 2
Forward exchange contracts	163	1 408	Fair value derived from forward exchange rates that are publicly available	Level 2
Futures contracts	11	28	Quoted prices in a public market	Level 1
Currency depreciation features	5	42	Discounted cash flow techniques	Level 3
Interest rate swap	-	7	Present value of the estimated future cash flows based on observable yield curves	Level 2
<b>Financial liabilities</b>				
Put option liability	2 712	-	Discounted cash flow	Level 3
Forward exchange contracts	26	41	Fair value derived from forward exchange rates that are publicly available	Level 2
Derivative option	87	142	Monte Carlo Simulation option pricing model	Level 3

The following table shows a reconciliation of the group's material level 3 financial instruments:

	Financial instrument		
	Investments held at fair value through profit or loss (Trust Machines SPV, LLC) ZAR'm	Put option liability ZAR'm	Derivative option ZAR'm
<b>Balance at 1 April 2022</b>	146	-	(182)
Additions	87	-	-
Fair value (losses)/gains recognised in the income statement (note 7) <sup>1</sup>	(29)	-	80
Foreign exchange gains recognised in the income statement (note 7) <sup>1</sup>	33	-	-
Foreign exchange losses recognised in other comprehensive income	-	-	(40)
<b>Balance at 1 April 2023</b>	237	-	(142)
Additions	-	(3 042)	-
Fair value gains recognised in the income statement (note 7) <sup>1</sup>	-	524	64
Foreign exchange gains/(losses) recognised in the income statement (note 7) <sup>1</sup>	16	(194)	-
Foreign exchange losses recognised in other comprehensive income	-	-	(9)
<b>Balance at 31 March 2024</b>	253	(2 712)	(87)

<sup>1</sup> Relates to unrealised gains and losses.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 30. Fair value of financial instruments (continued)

During FY24, the group concluded a partnership with Comcast NBCUniversal. The shareholders agreement includes a put option that permits NBCUniversal to put its 30% shareholding in Showmax Africa Holdings Limited to the group at a predetermined date in the future. The put option is exercisable on the seventh anniversary of the launch date and, if exercised, the group would be required to pay the aggregate price equal to the fair market value of Showmax Africa Holdings Limited shares. The put option was initially measured at fair value and subsequently measured at fair value through profit or loss. The recognition of the put option liability does not factor in any probability of exercise and is an accounting adjustment that is required by *IFRS 9* as applicable when a parent company has exposure to a put option over a minority stake in a subsidiary entity. The key inputs used in the discounted cash flow valuation included a weighted average cost of capital (WACC) and a perpetuity growth rate (PGR). A 1% increase in the WACC rate would result in the put option liability decreasing by ZAR486m, while a 1% decrease in the WACC rate would result in the put option liability increasing by ZAR569m. A 0.5% decrease in the PGR would result in the put option liability decreasing by ZAR117m, while a 0.5% increase in the PGR would result in the put option liability increasing by ZAR125m.

The net movement in FY24 in the value of the fair value of the put option since initial recognition on 4 April 2023 has been primarily driven by the following factors:

- The use of a higher blended WACC (+150bps) and lower blended PGR (-50bps) due to changes in underlying market inputs and changes in methodology by moving the valuation from an external service provider to in-house in the group.
- The incorporation of the latest Showmax three-year budget and ten-year business plan, including more conservative exchange rate assumptions.
- A weaker ZAR against the USD on translation of the USD put option liability at year-end than the rate applicable on initial recognition.

During FY23, the group made an additional USD5m (ZAR87m) investment in Trust Machines SPV, LLC (Trust Machines) applications and platforms. The investment was made with terms consistent with the original capital investment of USD10m in FY22 and this was considered as an investment in equity. The additional acquisition transaction was effective on 5 July 2022. The group initially measured the investment at fair value and subsequently measured it at fair value through profit or loss. As at 31 March 2024, the valuation technique and significant inputs driving fair value determination remained unchanged from 31 March 2023 and the investment had a fair value of ZAR253m (USD13m) (FY23: ZAR237m (USD13m)).

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 5.33%. 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.

In FY22, as part of the additional acquisition of shares in KingMakers, 10% of the shares in KingMakers were issued to the KingMakers share scheme. This resulted in the group reducing its shareholding to 18% (before the acquisition transaction was finalised). The subscription was for an amount of USD11m on loan account to the KingMakers share scheme. The loan account will be due and payable after 10 years. The only source of return for the ESOP will be through the shareholding in KingMakers. The only security on the loan for the group are the KingMakers shares themselves that have been issued. Management assessed the transaction and concluded that the substance is that the group issued an instrument with a similar profile as an option instrument and therefore accounted for the transaction as such. The derivative option liability was initially measured at fair value and subsequently measured at fair value through profit or loss. As at 31 March 2024, the derivative option liability had a fair value of USD4.6m (ZAR87m) (FY23: USD8.0m (ZAR142m)). The key inputs in using the Monte Carlo Simulation included the fair value of KingMakers of USD439.7m (ZAR8.3bn) (FY23: USD500m (ZAR8.9bn)), a volatility of 46.19% (FY23: 50.9%) and a dividend yield of 5% (FY23: 5%). The group used the USD overnight index swap (OIS) curve to determine the risk-free rate. A 20.5% (FY23: 24%) increase or decrease in the fair value of KingMakers would result in the option liability increasing or decreasing by USD1.4m or ZAR27m (FY23: USD2.5m or ZAR44m). A 5% decrease in the volatility rate would result in the option liability decreasing by USD0.4m or ZAR7.4m (FY23: USD0.4m or ZAR6.7m), a 5% increase in the volatility rate would result in the option liability increasing by USD0.4m or ZAR6.7m (FY23: USD0.4m or ZAR6.6m).

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



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

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### 31. Subsequent events

#### Canal+ mandatory offer

The group entered into a Cooperation Agreement with Groupe Canal+ SA (Canal+) in relation to Canal+'s mandatory offer for the group. This followed a ruling by the Takeover Regulation Panel (TRP) of South Africa, which required Canal+ to pursue a mandatory offer after it acquired an interest of more than 35% in MultiChoice Group.

In relation to the mandatory offer:

- Canal+ submitted an offer of R125 per share in cash (an earlier non-binding intention to offer of R105 was rejected).
- MultiChoice Group constituted an independent board of directors, which appointed The Standard Bank of South Africa Limited as an independent expert (IE) to review the terms of the offer and express a "fair and reasonable" opinion as required by the Takeover Regulations. The opinions are contained in the Combined Offer Circular mentioned below.
- Following the posting of a Firm Intention Announcement (FIA) on 8 April 2024, the Combined Offer Circular was distributed on 4 June 2024. In the intervening period, Canal+ increased its shareholding in the group from 35.01% to 45.20%.

#### Changes to the MultiChoice Group board

On 11 September 2023, shareholders were advised that Mr Imtiaz Patel was stepping down from the MultiChoice Group board of directors (the board) with effect from 31 March 2024 and Mr Elias Masilela would replace Mr Patel as Chair with effect from 1 April 2024.

Following this announcement, on 2 April 2024, shareholders were informed that the board had reached an agreement with Mr Patel to remain on as Chair in light of the Canal+ transaction. Effective 1 April 2024, Mr Elias Masilela, the designated Chair at the time, would become the Deputy Chair of the board and the lead independent director (LID) in place of Mr Jim Volkwyn, who would be stepping down as LID but remain on the board as a non-executive director.

Following MultiChoice Group and Canal+ entering into a Cooperation Agreement and issuing a firm intention announcement, the board and Mr Patel agreed that it was an appropriate time for Mr Masilela, the Deputy Chair at the time, to be appointed as Chair and for Mr Patel to step down from the board with effect from 23 April 2024.

#### Heritage Bank Nigeria

On 3 June 2024, the Central Bank of Nigeria (CBN) revoked the licence of Heritage Bank PLC with immediate effect. This action was necessary due to the bank's breach of section 12(1) of the Banks and Other Financial Act 2020 (the act). The Nigeria Deposit Insurance Corporation has been appointed as the liquidator of the bank in terms of the act.

As at 31 March 2024, the group had NGN33.7bn (ZAR488m) in deposits with Heritage Bank. Subsequent to year-end the balance has reduced to NGN31.6bn (ZAR400m) largely through cash remittances. The group will allow the process to follow due course and will engage with the liquidator to ensure that a reasonable and fair outcome is achieved.

#### Other

There have been no other events that occurred after the reporting date that could have a material impact on the consolidated annual financial statements.





## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

2024  
ZAR'm

2023  
ZAR'm

### 32. Recently issued accounting standards

The following new standards, interpretations and amendments to existing standards are not yet effective as at 31 March 2024 and have not been early adopted by the group. The group does not expect the changes to materially impact the consolidated annual financial statements.

Standard/Interpretation	Title	Effective date
IAS 1 Presentation of Financial Statements	<i>Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants</i>	Effective 1 January 2024
IFRS 16 Leases	<i>Lease Liability in a Sale and Leaseback</i>	Effective 1 January 2024
IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	<i>Disclosures: Supplier Finance Arrangements</i>	Effective 1 January 2024
IAS 21 The effects of changes in foreign exchange rates	<i>Lack of exchangeability</i>	Effective 1 January 2025
IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Effective date deferred indefinitely

### 33. Directors' emoluments

#### Executive directors and prescribed officers emoluments

#### Non-executive directors

Fees for services as directors of the group

Fees for services as directors of other group companies

	42.60	44.98
	63.10	34.31
	3.10	0.76
	66.20	35.07
	108.80	80.05

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

Executives' contracts do not contain guaranteed payments on termination.

The individual directors received the following remuneration and emoluments:

2024	Salary and other allowances	Annual cash bonuses and performance related payments	Pension contributions paid on behalf of the director	Total
	ZAR'm	ZAR'm	ZAR'm	ZAR'm
<b>Executive directors</b>				
CP Mawela <sup>1</sup>	18.02	7.11	1.58	26.71
TN Jacobs <sup>1</sup>	9.40	5.95	0.54	15.89
	<b>27.42</b>	<b>13.06</b>	<b>2.12</b>	<b>42.60</b>

<sup>1</sup> Prescribed officer



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 33. Directors' emoluments (continued)

	Salary and other allowances	Annual cash bonuses and performance related payments	Pension contributions paid on behalf of the director	Total
	ZAR'm	ZAR'm	ZAR'm	ZAR'm
<b>2023</b>				
<b>Executive directors</b>				
CP Mawela <sup>1</sup>	15.11	9.21	1.40	25.72
TN Jacobs <sup>1,2</sup>	7.83	10.91	0.52	19.26
	<b>22.94</b>	<b>20.12</b>	<b>1.92</b>	<b>44.98</b>

<sup>1</sup> Prescribed officer

<sup>2</sup> 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.

Executive directors' annual performance payment is based on financial, operational and discrete objectives, which were approved by the remuneration committee in advance. The on-target percentage of the bonus is 80% of annual total cost to company. With exceptional company and individual performance, an executive can earn in excess of this, however this is capped at 106% of total annual cost to company. Remuneration is earned for services rendered in connection with the carrying on of the affairs of the company.

	Directors' remuneration		Directors' fees <sup>1</sup>		Committee and trustee fees <sup>2,3</sup>		Total
	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	ZAR'm
	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
<b>2024</b>							
<b>Non-executive directors</b>							
JH du Preez	-	-	0.81	0.12	0.54	-	1.47
E Masilela	-	-	0.81	-	0.38	-	1.19
KD Moroka <sup>4</sup>	0.39	-	0.81	0.12	0.52	0.31	2.15
L Stephens	-	-	0.81	-	0.86	0.50	2.17
JJ Volkwyn <sup>5</sup>	6.49	-	-	-	-	-	6.49
CM Sabwa	-	-	0.81	-	0.63	0.15	1.59
FA Sanusi	-	-	0.81	-	0.13	-	0.94
MI Patel <sup>6,7</sup>	46.93	-	-	-	-	-	46.93
A Zappia <sup>8</sup>	-	-	0.62	1.66	-	-	2.28
D Klein <sup>9</sup>	-	-	0.62	0.24	0.13	-	0.99
	<b>53.81</b>	<b>-</b>	<b>6.10</b>	<b>2.14</b>	<b>3.19</b>	<b>0.96</b>	<b>66.20</b>

<sup>1</sup> Non-executive directors receive an annual fee for their attendance at board meetings.

<sup>2</sup> Committee fees include fees for the attendance of the audit committee, risk committee, remuneration committee, nomination committee and the social and ethics committee meetings of the board.

<sup>3</sup> Trustee fees include fees for the attendance of the various trustee meetings of the group. An additional fee may be paid to directors for work done as directors with specific expertise.

<sup>4</sup> Director's remuneration based on consultancy agreement for professional advisory services to the group and its subsidiaries. This consultancy agreement ended on 30 June 2023.

<sup>5</sup> Director's remuneration based on consultancy agreement for professional advisory services to the group and its subsidiaries.

<sup>6</sup> Director remuneration based on a service and restraint agreement for the provision of various strategic and advisory support services to the group.

<sup>7</sup> Director's remuneration includes a ZAR23.4m bonus received as a result of the successful completion of the Showmax partnership with Comcast during FY24.

<sup>8</sup> As at 31 March 2024, all fees have been accrued for but not yet paid.

<sup>9</sup> Director fees for services to other group companies have not been paid, however these fees have been accrued for as at 31 March 2024.



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 33. Directors' emoluments (continued)

2023	Directors' remuneration		Directors' fees <sup>1</sup>		Committee and trustee fees <sup>2,3</sup>		Total
	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	
Non-executive directors	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
JH du Preez	-	-	0.78	-	0.52	-	1.30
E Masilela	-	-	0.78	-	0.36	-	1.14
KD Moroka <sup>4</sup>	1.56	-	0.78	-	0.50	0.29	3.13
L Stephens	-	-	0.78	-	0.82	0.36	1.96
JJ Volkwyn <sup>4</sup>	5.14	-	-	-	-	-	5.14
CM Sabwa	-	-	0.78	-	0.60	0.11	1.49
FA Sanusi	-	-	0.78	-	0.12	-	0.90
MI Patel <sup>5</sup>	20.01	-	-	-	-	-	20.01
	<b>26.71</b>	-	<b>4.68</b>	-	<b>2.92</b>	<b>0.76</b>	<b>35.07</b>

<sup>1</sup> Non-executive directors receive an annual fee for their attendance at board meetings.

<sup>2</sup> Committee fees include fees for the attendance of the audit committee, risk committee, remuneration committee, nomination committee and the social and ethics committee meetings of the board.

<sup>3</sup> Trustee fees include fees for the attendance of the various trustee meetings of the group. An additional fee may be paid to directors for work done as directors with specific expertise.

<sup>4</sup> Director's remuneration based on consultancy agreement for professional advisory services to the group and its subsidiaries.

<sup>5</sup> Director remuneration based on a service and restraint agreement for the provision of various strategic and advisory support services 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 South African Companies Act.

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

For details of the various share plans within the group refer to note 6.

#### 2024

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R	
CP Mawela	MultiChoice Group RSU <sup>1</sup>	18-Jun-19	61 162	0.00	18-Jun-24	130.80	
		10-Jun-20	51 147	0.00	10-Jun-24	82.32	
		10-Jun-20	51 149	0.00	10-Jun-25	77.91	
		17-Nov-20	10 103	0.00	17-Nov-24	105.08	
		18-Jun-22	143 872	0.00	18-Jun-25	100.93	
		18-Jun-23	219 152	0.00	18-Jun-26	96.99	
				<b>536 585</b>			
	Phantom Performance Share Plan 2021 <sup>2</sup>	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	
		20-Jun-23	60 956	0.00	20-Jun-27	34.87	
		20-Jun-23	60 957	0.00	20-Jun-28	34.87	
			<b>216 888</b>				
The Showmax Restricted Share Unit plan <sup>2</sup>	20-Jun-23	5 357	0.00	20-Jun-26	27.50		
			<b>5 357</b>				



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 33. Directors' emoluments (continued)

2024

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R
TN Jacobs	MultiChoice Group RSU <sup>1</sup>	18-Jun-19	15 769	0.00	18-Jun-24	130.80
		10-Jun-20	21 207	0.00	10-Jun-24	82.32
		10-Jun-20	21 207	0.00	10-Jun-25	77.91
		17-Nov-20	7 457	0.00	17-Nov-24	105.08
		18-Jun-22	90 383	0.00	18-Jun-25	100.93
		18-Jun-23	125 636	0.00	18-Jun-26	96.99
			<b>281 659</b>			
	Phantom Performance Share Plan 2021 <sup>2</sup>	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
		20-Jun-23	34 945	0.00	20-Jun-27	34.87
		20-Jun-23	34 946	0.00	20-Jun-28	34.87
		<b>132 981</b>				
The Showmax Restricted Share Unit plan <sup>2</sup>	20-Jun-23	3 071	0.00	20-Jun-26	27.50	
	<b>3 071</b>					

2024

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R
MI Patel	MultiChoice Group RSU <sup>1</sup>	18-Jun-19	25 774	0.00	18-Jun-24	130.80
			<b>25 774</b>			



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 33. 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 <sup>1</sup>	18-Jun-19	61 162	0.00	18-Jun-23	130.80
		18-Jun-19	61 162	0.00	18-Jun-24	130.80
		10-Jun-20	51 147	0.00	10-Jun-23	87.00
		10-Jun-20	51 147	0.00	10-Jun-24	82.32
		10-Jun-20	51 149	0.00	10-Jun-25	77.91
		17-Nov-20	60 615	0.00	17-Nov-23	109.92
		17-Nov-20	10 102	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
				<b>621 268</b>		
	Phantom Performance Share Plan 2021 <sup>2</sup>	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
			<b>94 975</b>			

2023

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R
TN Jacobs	MultiChoice Group RSU <sup>1</sup>	18-Jun-19	15 768	0.00	18-Jun-23	130.80
		18-Jun-19	15 769	0.00	18-Jun-24	130.80
		10-Jun-20	21 207	0.00	10-Jun-23	87.00
		10-Jun-20	21 207	0.00	10-Jun-24	82.32
		10-Jun-20	21 207	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
				<b>325 925</b>		
	Phantom Performance Share Plan 2021 <sup>2</sup>	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
			<b>63 090</b>			



## Notes to the consolidated financial statements (continued)

for the year ended 31 March 2024

### 33. 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 <sup>1</sup>	18-Jun-19	25 774	0.00	18-Jun-23	130.80
		18-Jun-19	25 774	0.00	18-Jun-24	130.80
			<b>51 548</b>			

<sup>1</sup> 50% of RSUs awarded between June 2019 and June 2020, 75% of RSUs awarded in November 2020, and 100% of RSUs awarded between March 2021, June 2022 and June 2023 are subject to performance conditions.

<sup>2</sup> 100% of Phantom Performance Share Scheme awards and Showmax RSU awards issued are subject to performance conditions.

#### Directors' interest in MultiChoice Group Limited shares

The directors of MultiChoice Group Limited (and their associates) had the following beneficial interest in MultiChoice Group Limited ordinary shares at 31 March:

#### 2024

Name	Direct	Indirect	Total
MI Patel <sup>1</sup>	25 774	-	25 774
CP Mawela <sup>2</sup>	356 497	-	356 497
TN Jacobs <sup>3</sup>	120 601	-	120 601
	<b>502 872</b>	<b>-</b>	<b>502 872</b>

<sup>1</sup> 25 774 shares acquired through exercise of MultiChoice Group RSU offer in June 2023.

<sup>2</sup> 112 309 shares acquired through exercise of MultiChoice Group RSU offers in June 2023. 70 717 shares acquired through exercise of MultiChoice Group RSU offers in November 2023.

<sup>3</sup> 36 975 shares acquired through exercise of MultiChoice Group RSU offers in June 2023. 52 195 shares acquired through exercise of MultiChoice Group RSU offers in November 2023.

#### 2023

Name	Direct	Indirect	Total
MI Patel <sup>1</sup>	-	-	-
CP Mawela <sup>2</sup>	173 471	-	173 471
TN Jacobs <sup>3</sup>	31 431	-	31 431
JJ Volkwyn <sup>4</sup>	-	-	-
	<b>204 902</b>	<b>-</b>	<b>204 902</b>

<sup>1</sup> 25 774 shares acquired through exercise of MultiChoice Group RSU offer in June 2022. 52 960 shares were sold on 6 March 2023.

<sup>2</sup> 112 309 shares acquired through exercise of MultiChoice Group RSU offers in June 2022.

<sup>3</sup> 36 975 shares acquired through exercise of MultiChoice Group RSU offers in June 2022. 9 670 were sold on 10 June 2022, while 7 212 shares were sold on 20 June 2022.

<sup>4</sup> 5 000 shares were sold on 6 March 2023.

There have been no further changes to the directors' interests in the table above between the end of the financial year and 12 June 2024.



## Administration and Corporate Information

for the year ended 31 March 2024

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### Company secretary

Carmen Miller  
MultiChoice City  
144 Bram Fischer Drive,  
Randburg, 2194,  
South Africa  
cosec@multichoice.com  
Tel: +27 (0)11 289 4888/3657

### Registered office

MultiChoice City  
144 Bram Fischer Drive,  
Randburg, 2194,  
South Africa  
PO Box 1502, Randburg, 2125,  
South Africa  
Tel: +27 (0)11 289 6604

### Registration number

2018/473845/06  
Incorporated in South Africa

### External Auditor

Ernst & Young Inc.  
102 Rivonia Road,  
Sandton, 2196,  
Gauteng,  
South Africa

### Transfer secretaries

Singular Systems Proprietary Limited  
(Registration number: 2002/001492/07)  
25 Scott Street, Waverley, 2090  
PO Box 1266, Bramley, 2018  
Tel: +27 (0)870 150 342/3  
multichoice@singular.co.za

### ADR programme

The Bank of New York Mellon

### Shareholder relations department

Global BuyDIRECT<sup>SM</sup>  
462 South 4th Street, Suite 1600,  
Louisville, KY 40202  
United States of America  
(PO Box 505000, Louisville, KY 40233-5000)

### Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)  
(Registration number: 1929/001225/06)  
1 Merchant Place, Cnr Fredman Drive and  
Rivonia Road, Sandton, 2196  
PO Box 786273, Sandton, 2146, South Africa  
Tel: +27 (0)11 282 8000

### Attorneys

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90 Rivonia Road, Sandton  
PO Box 91771, Marshalltown, Johannesburg,  
2107, South Africa  
Tel: +27 (0)11 530 5000

### Investor relations

Meloy Horn  
InvestorRelations@multichoice.com  
Tel: +27 (0)11 289 3320



## Analysis of shareholders

for the year ended 31 March 2024

Size of holdings	Number of shareholders	Ordinary shares	% held
1 – 1000 shares	28 717	2 731 351	0.62 %
1001 – 10 000 shares	1 537	4 570 658	1.03 %
10 001 – 100 000 shares	535	19 158 067	4.33 %
100 001 – 1 000 000 shares	190	55 355 074	12.51 %
More than 1 000 000 shares	37	360 697 528	81.51 %
	<b>31 016</b>	<b>442 512 678</b>	<b>100.00 %</b>

The following shareholders hold 5% or more of the ordinary issued share capital of the group:

Name	Ordinary shares	% held
Groupe Canal+ S.A.	162 092 774	36.63 %
Public Investment Corporation	52 332 195	11.83 %
Allan Gray	52 331 274	11.83 %
M&G Investments	44 072 213	9.96 %

### Public shareholder spread

To the best knowledge of the directors, the spread of public shareholders in terms of paragraph 4.25 of the JSE Limited Listings Requirements at 31 March 2024 was 95.87%, represented by 31 007 shareholders holding 424 239 565 ordinary shares in the group. The non-public shareholders of the group, comprising 9 shareholders, holding 4.13% represented by 18 273 113 ordinary shares, are analysed as follows:

Category	Ordinary shares	% of ordinary issued share capital
Share schemes	17 660 028	3.99 %
Treasury shares	89 461	0.02 %
Directors <sup>1</sup>	523 624	0.12 %
Beneficial holders > 35% <sup>2,3</sup>	-	- %

<sup>1</sup> Includes shares held by directors of the group (502 872 shares) and shares held by directors of major subsidiaries (20 752 shares).

<sup>2</sup> Beneficial ownership includes the direct shareholding held by an entity, as well as its indirect shareholding (i.e. held by institutions who manages funds on its behalf).

<sup>3</sup> Per the JSE listings requirements, as amended, Groupe Canal+ S.A. are not considered to be a non-public shareholder as their voting rights at annual general meetings, together with other foreign shareholders, are generally limited to 20% and they are not entitled to appoint or remove directors.