



MultiChoice Group Limited
Summary consolidated financial statements
for the year ended 31 March 2024



We are Africa's leading entertainment platform and its most loved storyteller.

Leveraging our unique platform and scale to build a broader consumer services ecosystem, we entertain, inform and empower African communities that inspire and build us in return.

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A DESTINY WORTH FIGHTING FOR
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Executive review of our performance

MultiChoice Group: resilient performance while expanding our platform

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 Illembe* 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%.

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.

Executive review of our performance continued

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.

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.

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.

Executive review of our performance 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%.

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.

Executive review of our performance continued

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.

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*, *Adulter*, *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.

Executive review of our performance continued

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.

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 igaming products. User uptake has been further supported by our official betting partnership with local soccer clubs, Kaizer Chiefs and Orlando Pirates.

Fintech (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.

Other disclosures

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

Executive review of our performance continued

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.

Nigeria non-quasi inter-group 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).

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.

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.

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%.

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.

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.

Directorate

The group appointed two new directors to the board during FY24, with their elections approved by shareholders at the group's 2023 AGM. Andrea Zappia and Debbie Klein bring deep international pay-TV and SVOD experience to the board, and their appointments are in line with the nomination committee's strategy to continually refresh the board and ensure that it has the requisite experience and diversity of skills and thinking to support the business in a rapidly changing video entertainment environment. Their contributions to both the MultiChoice Group and Showmax boards since joining have been invaluable.

The group also announced in September 2023 that its chairman at the time, Imtiaz Patel, would be stepping down from his role in April 2024. Elias Masilela succeeded Imtiaz as chairman with effect from 23 April 2024. Imtiaz will continue to provide support and advice to the board and the group executive team through a consulting agreement to ensure that the group does not lose out on his expertise and experience. The Board thanks Mr Patel for his extraordinary service and sacrifices during his tenure as Chair and wishes Mr Masilela every success in his new role.

Executive review of our performance continued

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.

Preparation of the summary consolidated financial statements

The preparation of the summary consolidated financial statements was supervised by the group's chief financial officer, Mr Tim Jacobs CA(SA).

The group operates in 50 countries in sub-Saharan Africa through MultiChoice (excluding markets outside of Africa through Irdeto's global presence), resulting in significant exposure to foreign exchange volatility (largely due to revenues earned in local African currencies against a meaningful proportion of the cost base being US dollar denominated). This can have a material impact on reported revenue and trading profit metrics, as well as core headline earnings given the group's hedging activities, and adjusted core headline earnings given losses on cash remittances in the Nigerian market.

Where relevant in this report, amounts and percentages have been adjusted for the effects of foreign currency to better reflect underlying trends and sustainable operational performance. These adjustments (non-International Financial Reporting Standards (IFRS) performance measures) are quoted in brackets as organic, after the equivalent

metrics reported under IFRS (organic results also exclude acquisitions and disposals when applicable). A reconciliation of additional non-IFRS performance measures (certain revenue, cost and trading profit metrics in constant currency, excluding the effects of changes in the composition of the group and excluding the impact of non-recurring and/or non-operational items from the group's sustainable operational performance, core headline earnings and adjusted core headline earnings and free cash flow, together with certain measures used in the calculation of debt and operating leverage ratios, being net debt, EBITDA, revenue YoY organic % change and operating expenses YoY organic % change) to the equivalent IFRS metrics is provided in note 14 of these summary consolidated financial statements. These non-IFRS performance measures constitute pro forma financial information in terms of the JSE Limited Listings Requirements.

The group's external auditor has not reviewed or reported on forecasts included in the summary consolidated financial statements. The audit report of the group's external auditor is included on page 23 and the reasonable assurance reports on non-IFRS measures are included on pages 27 and 29. The auditor's report does not necessarily report on all the information contained in the summary consolidated financial statements. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the full consolidated annual financial statements, available on the group's website at <http://www.investors.multichoice.com/annual-results> and at its registered office.

On behalf of the board



Elias Masilela
Chair



Calvo Mawela
Chief executive officer

Summary consolidated income statement

for the year ended 31 March 2024

	Note	2024 ZAR'm	2023 ZAR'm	% change
Revenue¹	2	54 999	58 424	(6)
Cost of providing services and sale of goods ^{1,2}		(29 251)	(32 193)	(9)
Insurance service result		589	473	
Insurance revenue ¹	2(a)	969	717	
Insurance service expense ¹		(380)	(244)	
Selling, general and administration expenses ³		(18 371)	(16 615)	11
Net impairment loss on trade receivables		(200)	(24)	
Other operating (losses)/gains – net	5	(686)	92	
Operating profit		7 080	10 157	(30)
Interest income	4	640	449	
Interest expense	4	(1 999)	(1 458)	
Net foreign exchange translation losses	4	(5 592)	(5 580)	
Share of equity-accounted results ⁴		(588)	(477)	
Impairment of equity-accounted investments	6	(164)	(1 998)	
Other losses	5	(83)	(172)	
(Loss)/profit before taxation	5	(706)	921	>(100)
Taxation ⁵		(3 442)	(3 841)	
Loss for the year		(4 148)	(2 920)	(42)
Attributable to:				
Equity holders of the group		(3 974)	(3 478)	
Non-controlling interests		(174)	558	
		(4 148)	(2 920)	(42)
Basic and diluted loss for the year (ZAR'm)		(3 974)	(3 478)	(14)
Basic loss per ordinary share (SA cents)	3	(935)	(815)	(15)
Diluted loss per ordinary share (SA cents)	3	(935)	(815)	(15)

¹ 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.

² The decrease in the cost of providing services and sale of goods is primarily due to the group's cost savings programme including a strategic decision to reduce decoder subsidies during FY24.

³ The increase in selling, general and administration expenses is primarily due to adverse foreign exchange effects and additional Showmax operating costs (note 10).

⁴ The increased losses from the group's share of equity accounted results was primarily due to an increase in the loss after tax from KingMakers. This was mainly due to foreign exchange losses on the extraction of cash from Nigeria and the depreciation of the naira against the USD which adversely impacted BetKing Nigeria's financial performance.

⁵ The effective tax rate has decreased from the prior year primarily due to a loss before tax for the year resulting from increased foreign exchange losses on intergroup loans with MultiChoice Nigeria Limited (note 4) (in respect of which deferred tax assets were not raised).

Summary consolidated statement of comprehensive income

for the year ended 31 March 2024

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

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

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

³ 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 summary consolidated statement of changes in equity.

⁴ 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.

⁵ 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.

Summary consolidated statement of financial position

as at 31 March 2024

	Note	2024 ZAR'm	2023 ZAR'm
Assets			
Non-current assets			
Property, plant and equipment ¹		10 247	12 129
Goodwill and other intangible assets ²		4 496	5 351
Investments and loans		374	357
Investment in associates and joint ventures	6	4 564	4 876
Amounts due from related parties	9	87	71
Derivative financial instruments		–	6
Platform technology advances ³		1 476	247
Deferred taxation		1 451	1 549
Current assets		20 841	23 024
Inventory ⁴		1 435	890
Programme and film rights		6 117	6 246
Trade and other receivables ⁵		5 835	6 864
Amounts due from related parties	9	–	4
Derivative financial instruments ⁶		179	1 479
Cash and cash equivalents		7 275	7 541
Assets held for sale	12	317	–
Total assets		43 853	47 610
Equity and liabilities			
Equity reserves attributable to the group's equity holders			
Share capital		454	454
Other reserves		(11 706)	(9 613)
Retained earnings		16 159	18 876
Non-controlling interests		(5 975)	(4 372)
Total equity		(1 068)	5 345

	Note	2024 ZAR'm	2023 ZAR'm
Non-current liabilities			
Lease liabilities		9 101	10 747
Long-term loans ⁷		12 043	8 046
Derivative financial instruments ⁶		2 801	142
Deferred taxation ⁸		317	635
Current liabilities		20 532	22 695
Lease liabilities		2 642	2 355
Short-term loans		–	375
Programme and film rights		5 256	5 060
Provisions		287	225
Accrued expenses and other current liabilities ⁹		8 918	10 816
Derivative financial instruments ⁶		24	41
Taxation liabilities ¹⁰		3 405	3 823
Liabilities directly associated with assets held for sale	12	127	–
Total equity and liabilities		43 853	47 610

¹ Decrease relates primarily to current year depreciation and the impact of the naira depreciation against the USD from a closing rate of NGN464.50 in FY23 to NGN1 308.00 in FY24.

² Decrease 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.

³ During FY24, additional advances were provided by the group to NBCUniversal Media, LLC in order to customise the Peacock TV LLC's technology stack (note 10) for use in the Showmax business.

⁴ Increase relates primarily to lower sales volumes following a strategic decision to reduce decoder subsidies during FY24, as well as higher net realisable values due to increased decoder selling prices.

⁵ Decrease relates to the utilisation of tax security deposits paid in FY23 and FY22, following the settlement of tax matters with the Nigerian federal inland revenue service (FIRS).

⁶ Movements relate primarily to the execution of fewer forward exchange contracts in the current year. The increase in non-current derivative financial instrument liabilities relates to the recognition of 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 8).

⁷ 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.

⁸ Decrease in deferred tax liabilities mainly due to the release of hedging reserves.

⁹ Decrease relates primarily to accruals settled during FY24 in relation to the preparation of the new Showmax platform launched in the last quarter of FY24 (note 10), settlement of FY23 FIFA World Cup related stock liabilities, lower stock orders in the current year and the impact of the naira depreciation against the USD from a closing rate of NGN464.50 in FY23 to NGN1 308.00 in FY24.

¹⁰ Decrease relates primarily to a decrease in uncertain tax positions in the Rest of Africa segment along with the impact of the naira depreciation against the USD from a closing rate of NGN464.50 in FY23 to NGN1 308.00 in FY24.

Summary consolidated statement of changes in equity

for the year ended 31 March 2024

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

¹ Other reserves include treasury shares, the hedging reserve, fair value reserve and foreign currency translation reserve.

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

³ 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.

⁴ Primarily relates to the settlement of share-based compensation benefits.

⁵ Relates to the closure of the Irdeto 2012 SAR scheme during FY23.

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

⁷ 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.

⁸ 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.

⁹ 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 8).

¹⁰ 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 11).

¹¹ Relates to NBCUniversal Media, LLC equity contributions into Showmax (note 10).

Summary consolidated statement of cash flows

for the year ended 31 March 2024

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

¹ Relates to the settlement paid to employees due to the closure of the Irdeto 2012 SAR scheme in FY23.

² 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.

³ 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.

⁴ In FY23, the group made an additional USD5m (ZAR87m) investment in Trust Machines SPV LLC applications and platforms (note 8).

⁵ 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.

⁶ In FY23, the group utilised short-term banking facilities of ZAR4.9bn. The 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.

⁷ 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 repaid through an early repayment of ZAR2.3bn and four fixed term repayments totaling ZAR800m during FY23. ZAR900m of this loan was paid during FY22.

⁸ 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).

⁹ Relates to the purchase of group shares, which were used to settle the group's share-based compensation awards.

¹⁰ 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.

¹¹ 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.

Segmental review

for the year ended 31 March 2024

Revenue and trading profit	2024 ZAR'm Revenue			2023 ZAR'm Revenue			2024 ZAR'm Trading profit ¹	2023 ZAR'm Trading profit ¹
	External	Inter-segment	Total	External	Inter-segment	Total		
South Africa	33 556	7 928	41 484	34 145	7 187	41 332	8 792	9 693
Rest of Africa	19 661	193	19 854	22 680	265	22 945	1 325	898
Technology	1 724	1 905	3 629	1 477	1 939	3 416	396	610
Showmax	1 027	294	1 321	839	220	1 059	(2 636)	(1 210)
Eliminations	–	(10 320)	(10 320)	–	(9 611)	(9 611)	–	–
Total	55 968	–	55 968	59 141	–	59 141	7 877	9 991

¹ Total group trading profit and Rest of Africa 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.

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
Total external revenue	33 556	19 661	1 724	1 027	55 968	34 145	22 680	1 477	839	59 141

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

Reconciliation of consolidated trading profit to consolidated operating profit

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.

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:

	2024 ZAR'm	2023 ZAR'm
Trading profit per segmental income statement	7 877	9 991
Adjusted for:		
Interest on transponder leases (note 4)	484	540
Amortisation of intangibles (other than software)	(52)	(50)
Other operating (losses)/gains - net (note 5)	(686)	92
Equity-settled share-based compensation	(543)	(492)
Fair value movements on futures contracts ¹	–	76
Operating profit per the income statement²	7 080	10 157

¹ Recognised in the Rest of Africa segment.

² The summary consolidated income statement discloses all reporting items from consolidated operating profit to consolidated profit before taxation.

Notes to the summary consolidated financial statements

for the year ended 31 March 2024

1. Basis of presentation and accounting policies

The summary consolidated financial statements for the year ended 31 March 2024 are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the South African Companies Act No 71 of 2008, as amended (the Act) applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by *IAS 34 Interim Financial Statements*. 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[™]). A copy of the full audited consolidated annual financial statements is available for inspection from the company secretary at the registered office of the group or can be downloaded from the group's website: <https://investors.multichoice.com/annual-results>.

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

The summary consolidated 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, and at the registered office of the company.

The summary consolidated financial statements do not include all the notes normally included in a set of consolidated annual financial statements. Accordingly, this report is to be read in conjunction with the full consolidated annual financial statements for the year ended 31 March 2024.

The group has adopted all new and amended accounting pronouncements issued by the International Accounting Standards Board that are effective for financial years commencing 1 April 2023. None of the amendments had a material effect on the group's summary consolidated financial statements.

The summary consolidated 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 summary consolidated 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 summary consolidated financial statements continued

for the year ended 31 March 2024

	2024 ZAR'm	2023 ZAR'm
2. Revenue		
Subscription fees ¹	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	2 246	1 907
	54 999	58 424

¹ Decrease due to a weaker exchange rate environment and lower subscribers, partially offset by inflationary-led price increases in the majority of the group's markets.

² Other revenue relates primarily to sub-licensing revenue and reconnection fees. Increase relates primarily to higher sub-licensing revenue.

The following table shows unsatisfied performance obligations resulting from long-term technology contracts, within the technology segment, 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 1 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.

2(a) Insurance premiums

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.

	2024 ZAR'm	2023 ZAR'm
Insurance service revenue		
Insurance revenue ¹	969	717
Insurance service expense		
Incurred claims and other incurred attributable service expenses	(172)	(103)
Acquisition expenses	(208)	(141)
Total insurance service expense	(380)	(244)
Insurance service result	589	473

¹ Disclosed separately to comply with IFRS 17 disclosure requirements.

Notes to the summary consolidated financial statements continued

for the year ended 31 March 2024

	2024 ZAR'm	2023 ZAR'm
3. Headline earnings		
Basic and diluted loss attributable to equity holders of the group	(3 974)	(3 478)
– Dilution (gain)/loss on partial sale of associate (note 5)	(40)	13
– Impairment of equity-accounted investments (note 6)	164	1 998
– Impairment of currency depreciation features	19	–
– Impairment of intangible assets and software not yet available for use (note 5)	1 282	–
– Profit on sale of intangible assets	(14)	(16)
– (Profit)/loss on sale of property, plant and equipment	(2)	13
– (Reversal of impairment)/Impairment of programme and film rights	(55)	328
– (Reversal of impairment)/Impairment of property, plant and equipment	(172)	2
	(2 792)	(1 140)
– Total tax effects of adjustments	(151)	(92)
– Total non-controlling interest effects of adjustments	(95)	(55)
Headline loss	(3 038)	(1 287)
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) ¹	(715)	(301)
Net number of ordinary shares issued (million)		
– at year-end ^{2,3}	425	428
– at year-end (including treasury shares) ²	443	443
– weighted average for the year	425	427
– diluted weighted average for the year ¹	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.

	2024 ZAR'm	2023 ZAR'm
4. Interest (expense)/income		
Interest expense		
Loans and overdrafts ¹	(1 021)	(511)
Leases ²	(546)	(577)
Other ³	(432)	(370)
	(1 999)	(1 458)
Interest income		
Loans and bank accounts	424	256
Other	216	193
	640	449

¹ 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.

² Relates primarily to transponder leases of ZAR484m (FY23: ZAR540m).

³ 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).

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 the effects of qualifying forward exchange contracts that hedge this risk:

	2024 ZAR'm	2023 ZAR'm
Net loss from foreign exchange translation and fair value adjustments on derivative financial instruments		
On translation of non-quasi equity loans ¹	(4 633)	(1 657)
On translation of assets and liabilities ²	305	(610)
Losses on cash remittances ³	(1 084)	(2 353)
On translation of transponder leases ²	(531)	(1 654)
Gains on translation of forward exchange contracts ⁴	1 937	2 097
Losses on translation of forward exchange contracts ⁴	(1 586)	(1 403)
Net foreign exchange translation losses	(5 592)	(5 580)

¹ 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.

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

³ Includes losses within the Rest of Africa segment, due to differences between the official Nigerian naira rate used by the group for translation 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.

⁴ 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.

Notes to the summary consolidated financial statements continued

for the year ended 31 March 2024

	2024 ZAR'm	2023 ZAR'm
5. Profit before taxation		
In addition to the items already detailed, profit before taxation has been determined after taking into account, <i>inter alia</i> , the following:		
Depreciation of property, plant and equipment	(2 556)	(2 535)
Amortisation	(271)	(246)
– software	(219)	(196)
– other intangible assets	(52)	(50)
Net realisable value adjustments on inventory, net of reversals¹	(109)	111
Other operating (losses)/gains – net		
Impairment of intangible assets and software not yet available for use ²	(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	172	(2)
Impairment of other assets	(2)	–
Fair value adjustments (note 8)	410	91
	(686)	92
Other losses		
Acquisition-related costs ³	(123)	(159)
Dilution gain/(loss) ^{4,5}	40	(13)

¹ Net realisable value adjustments relate to decoder subsidiaries in South Africa and the Rest of Africa segments.

² 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.

³ Relates to acquisition related project costs incurred by the group on potential as well as successful acquisitions, disposals or partnerships.

⁴ 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%.

⁵ 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 6).

	Note	2024 ZAR'm	2023 ZAR'm
6. Investment in associates and joint ventures			
Investment in associates	(a)	4 549	4 862
Investment in joint ventures		15	14
		4 564	4 876
(a) Investment in associates			
Blue Lake Ventures Limited (KingMakers) ¹		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
		4 549	4 862
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		(160)	(151)
Impairment of associate		–	(1 998)
Foreign exchange translation adjustment		287	1 243
Closing balance		4 253	4 558

¹ The group considers KingMakers as its only material associate.

KingMakers

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	(160)	(151)
Impairment of associate	–	(1 998)
Foreign exchange translation adjustment	287	1 243
Closing balance	4 253	4 558

The group has assessed its KingMakers investment and concluded that no impairment was necessary during FY24.

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 remained 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.

Notes to the summary consolidated financial statements continued

for the year ended 31 March 2024

6. Investment in associates and joint ventures

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.

Questar

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.

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.

2024	2023
ZAR'm	ZAR'm

7. Commitments and contingent liabilities

Commitments relate to amounts for which the group has contracted, but that have not yet been recognised as obligations in the summary consolidated statement of financial position.

Commitments	2024	2023
	ZAR'm	ZAR'm
– Capital expenditure ¹	6	166
– Programme and film rights ²	48 463	42 650
– Decoders	1 396	1 521
– Lease commitments	26	15
– Peacock platform fees ³	6 825	–
– Other ⁴	3 188	3 519
	59 904	47 871

¹ Decreased primarily due to the renegotiation and cancellation of contracts.

² Increased due to multi-year renewals of major sports and general entertainment rights in the current year.

³ 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 has a seven-year commitment in respect of this contract.

⁴ 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 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 summary consolidated financial statements continued

for the year ended 31 March 2024

8. Fair value of financial instruments

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Fair values are determined using observable and non-observable inputs, which reflect the market conditions in their expectations of future cash flows related to the asset or liability at 31 March 2024.

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
Financial assets				
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
Financial liabilities				
Put option liability	2 712	–	Discounted cash flow techniques	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 asset	Financial liabilities	
	Investments held at fair value through profit or loss (Trust Machines SPV, LLC) ZAR'm	Put option liability ZAR'm	Derivative option ZAR'm
Balance at 1 April 2022	146	–	(182)
Additions	87	–	–
Fair value (losses)/gains recognised in the income statement (note 5)	(29)	–	80
Foreign exchange gains recognised in the income statement (note 5)	33	–	–
Foreign exchange losses recognised in other comprehensive income	–	–	(40)
Balance at 1 April 2023	237	–	(142)
Additions	–	(3 042)	–
Fair value gains recognised in the income statement (note 5)	–	524	64
Foreign exchange gains/(losses) recognised in the income statement (note 5)	16	(194)	–
Foreign exchange losses recognised in other comprehensive income	–	–	(9)
Balance at 31 March 2024	253	(2 712)	(87)

Notes to the summary consolidated financial statements continued

for the year ended 31 March 2024

8. 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. 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 summary consolidated financial statements continued

for the year ended 31 March 2024

9. Related party transactions and balances

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 (note 2).

There have been no significant changes to related party balances in the current year.

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.

	2024 ZAR'm	2023 ZAR'm
Key management remuneration		
Consolidated		
Short-term employee benefits	214	264
Long-term post-employment benefits	14	15
Share-based payment charge	128	175
Remuneration paid to key management	356	454
Non-executive directors		
Directors' fees	66	35

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.

10. MultiChoice and Comcast's 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 summary 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 summary consolidated statement of changes in equity.

11. 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 summary consolidated financial statements continued

for the year ended 31 March 2024

12. 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.

13. 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 summary consolidated financial statements.

Independent auditor's report on the summarised consolidated financial statements

To the Shareholders of MultiChoice Group Limited

Opinion

The audited summarised consolidated financial statements of MultiChoice Group Limited, contained in the accompanying summarised report, which comprise the summary consolidated income statement, summary consolidated statement of comprehensive income, summary consolidated statement of financial position as at 31 March 2024, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended, and related notes 1 to 13, are derived from the audited consolidated financial statements of MultiChoice Group Limited for the year ended 31 March 2024.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for summarised reports, as set out in note 1 of the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

Summarised consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to Annual Financial Statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 12 June 2024. That report also includes the communication of 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.

Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for summarised reports, set out in note 1 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Ernst & Young Inc.

Ernst & Young Inc.

Director: CE Trollope
Registered Auditor

12 June 2024
Johannesburg, South Africa

Notes to the summary consolidated financial statements continued

for the year ended 31 March 2024

14. Non-IFRS performance measures and pro forma information

The group has presented certain revenue, cost and trading profit metrics in constant currency, excluding the effects of changes in the composition of the group and excluding the impact of non-recurring and/or non-operational items from the group's sustainable operational performance, core headline earnings, adjusted core headline earnings and free cash flow, together with certain measures used in the calculation of debt ratios, being net debt and EBITDA (EBITDA is measured on a 12-month basis between 1 April 2023 and 31 March 2024 and represents earnings before interest, taxes, depreciation and amortisation) (the "non-IFRS performance measures" or the "pro forma financial information"). Certain of these non-IFRS performance measures are considered to be *pro forma* financial information in terms of the JSE Listings Requirements and are, consequently, compiled in terms thereof and the Guide on Pro Forma Financial Information, issued by SAICA, and are the responsibility of the board of directors and are presented for illustrative purposes. *Pro forma* financial information presented on a non-IFRS basis has been extracted from the information underlying the group's consolidated annual financial statements, the quality of which the board is satisfied with.

Shareholders are advised that, due to the pro forma nature of the non-IFRS performance measures and the fact that it has been extracted from the information underlying the group's consolidated annual financial statements, they may not necessarily fairly present the group's financial position, changes in equity, results of operations or cash flows.

The non-IFRS performance measures have been prepared to illustrate the impact changes in foreign exchange rates, material changes in the composition of the group from corporate merger and acquisition activity and excluding the impact of non-recurring and/or non-operational items from the group's sustainable operational performance, core headline earnings, adjusted core headline earnings and free cash flow, together with certain measures used in the calculation of debt ratios, being net debt and

EBITDA for the year ended 31 March 2024. The following methodology was applied in calculating the non-IFRS performance measures:

1. Foreign exchange/constant currency adjustments have been calculated by adjusting the current year's results to the prior year's average foreign exchange rates, determined as the average of the monthly exchange rates for that year. The constant currency results, arrived at using the methodology outlined above, are compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the South African Rand) used for the group's most significant functional currencies, were US dollar (FY24: 18.76; FY23: 17.14); Nigerian Naira (FY24: 46.68; FY23: 25.49); Angolan Kwanza (FY24: 42.13; FY23: 27.02); Kenyan Shilling (FY24: 7.79; FY23: 7.12) and Zambian Kwacha (FY24: 1.17; FY23: 1.03).
2. Adjustments made for changes in the composition of the group (or mergers and acquisitions) relate to acquisitions and disposals of subsidiaries. For mergers, the group composition adjustments include a portion of the prior year results of the entity with which the merger took place. There were no changes in the composition of the group during the respective reporting periods.
3. Excluding the impact of non-recurring and/or non-operational items from the group's sustainable operational performance, core headline earnings, adjusted core headline earnings and free cash flow.
4. The net debt: EBITDA ratio has been calculated as net debt of ZAR16.5bn divided by rolling 12-month EBITDA of ZAR10.8bn. Net debt has been calculated on 31 March 2024 as total interest-bearing debt, including transponder leases, less cash and cash equivalents. EBITDA is measured on a 12-month basis between 1 April 2023 and 31 March 2024 and represents earnings before interest, taxes, depreciation and amortisation.

The pro forma financial information has been reported on by the group's auditors. Their reporting accountant's reasonable assurance reports thereon are included on pages 27 and 29.

Notes to the summary consolidated financial statements continued

for the year ended 31 March 2024

14. Non-IFRS performance measures and pro forma information continued

The adjustments to the amounts reported in terms of IFRS that have been made in arriving at the non-IFRS performance measures are presented in the tables below:

14.1 Non-IFRS measures: key performance indicators

As at 31 March	2023 Reported	2024			YoY % change	YoY organic % change
		Currency impact	2024 Organic growth	2024 Reported		
Subscribers ('000)¹	17 306	n/a	(1 621)	15 685	(9)	(9)
South Africa	8 016	n/a	(409)	7 607	(5)	(5)
Rest of Africa	9 290	n/a	(1 212)	8 078	(13)	(13)
ARPU (ZAR)²						
Blended	239	(23)	13	229	(4)	5
South Africa	290	-	-	290	-	-
Rest of Africa	192	(43)	24	173	(10)	13
90-day active subscribers ('000)³	23 508	n/a	(2 574)	20 934	(11)	(11)
South Africa	9 305	n/a	(754)	8 551	(8)	(8)
Rest of Africa	14 203	n/a	(1 820)	12 383	(13)	(13)
90-day active ARPU (ZAR)²						
Blended	179	(17)	8	170	(5)	4
South Africa	256	-	(2)	254	(1)	(1)
Rest of Africa	126	(28)	15	113	(10)	12

¹ Subscriber numbers are a non-IFRS unaudited operating measure of the actual number of paying subscribers at the end of the respective period, regardless of the type of programming package to which they subscribe.

² ARPU represents a non-IFRS unaudited operating measure of the average revenue per subscriber (or user) in the business on a monthly basis. The group calculates ARPU by dividing average monthly subscription fee revenue for the period (total subscription fee revenue during the period divided by the number of months in the period) by the average number of subscribers during the period (the number of subscribers at the beginning of the period plus the number of subscribers at the end of the period, divided by two). Subscription fee revenue includes Access fees and BoxOffice rental income but excludes decoder insurance premiums and reconnection fees which are disclosed as other revenue in terms of IFRS.

³ Defined as all subscribers that have an active primary/principal subscription within the 90-day period on or before reporting date.

14.2 Pro forma information: group financial including segmental analysis

Year ended 31 March	2023 IFRS ZAR'm	2024 Currency impact ZAR'm	2024 Organic growth ZAR'm	2024 IFRS ZAR'm	YoY % change	YoY organic % change
SEGMENTAL RESULTS						
Revenue¹	59 065	(5 031)	1 934	55 968	(5)	3
South Africa	34 145	-	(589)	33 556	(2)	(2)
Rest of Africa ¹	22 604	(5 177)	2 234	19 661	(13)	10
Technology	1 477	144	103	1 724	17	7
Showmax	839	2	186	1 027	22	22
Trading profit	9 991	(4 535)	2 421	7 877	(21)	24
South Africa	9 693	-	(901)	8 792	(9)	(9)
Rest of Africa	898	(4 339)	4 766	1 325	48	>100
Technology	610	(125)	(89)	396	(35)	(15)
Showmax	(1 210)	(71)	(1 355)	(2 636)	>(100)	>(100)
Revenue	59 065	(5 031)	1 934	55 968	(5)	3
Subscription fees ¹	48 579	(4 514)	1 173	45 238	(7)	2
Advertising	4 202	(432)	147	3 917	(7)	3
Decoders	1 899	(211)	32	1 720	(9)	2
Technology contracts and licensing	1 477	144	103	1 724	17	7
Insurance premiums	717	-	252	969	35	35
Other revenue	2 191	(18)	227	2 400	10	10
Operating expenses	49 074	(496)	(487)	48 091	(2)	(1)
Content	20 896	690	(592)	20 994	-	(3)
Decoder purchases	6 553	99	(2 447)	4 205	(36)	(37)
Staff costs ²	6 171	(62)	645	6 754	9	10
Sales and marketing	3 053	(108)	175	3 120	2	6
Transponder costs	2 454	60	(66)	2 448	-	(3)
Other ³	9 947	(1 175)	1 798	10 570	6	18

¹ Subscription fees 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.

² Excludes equity-settled share-based payment expense.

³ Increase relates primarily to additional Showmax operating costs which include the costs of the new Showmax platform.

Notes to the summary consolidated financial statements continued

for the year ended 31 March 2024

14. Non-IFRS performance measures and pro forma information continued

14.3 Non-IFRS measures: core headline earnings and adjusted core headline earnings

Reconciliation of headline earnings to core headline earnings and adjusted core headline earnings

Core headline earnings excludes non-recurring and non-operating items – we believe this is a useful measure of the group's sustainable operating performance. However, core headline earnings is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies.

Given the ongoing disconnect between the official naira rate, which is used for reporting purposes, and the unofficial parallel naira rate, which is the rate at which cash is remitted from Nigeria, the board has taken the decision to introduce an adjusted core headline earnings measure to include the impact of the losses on cash remittances post tax and minorities in an earnings measure.

	2024 ZAR'm	2023 ZAR'm	% change
Headline loss attributable to shareholders (IFRS)	(3 038)	(1 287)	
Adjusted for (after tax effects and non-controlling interests): ¹			
– Amortisation of other intangible assets ²	192	181	
– Acquisition-related costs	91	116	
– Equity-settled share-based payment expense	471	381	
– Foreign currency losses and fair value adjustments	3 458	3 938	
– Realised gains on foreign exchange contracts	1 014	205	
Core headline earnings (ZAR'm)	2 188	3 534	(38)
Core headline earnings per ordinary share issued (SA cents)	515	828	(38)
Diluted core headline earnings per ordinary share issued (SA cents) ³	495	801	(38)

¹ Based on information underlying the summary consolidated financial statements of the group for the years ended 31 March 2024 and 2023.

² Includes ZAR160m (FY23: ZAR151m) related to the amortisation of intangible assets identified based on the final purchase price allocation fair-values on acquisition of KingMakers in FY22 and FY21.

³ As at 31 March 2024, 15.8m RSUs have been awarded to employees and remain unvested resulting in a dilutive impact in the current year (FY23: 14.0m awarded). The diluted weighted average number of ordinary shares issued for FY24 was 442m (FY23: 441m).

	2024 ZAR'm	2023 ZAR'm	% change
Core headline earnings (ZAR'm)	2 188	3 534	(38)
Adjusted for:			
Losses on cash remittances (net of tax effects and non-controlling interests)	(859)	(1 877)	
Adjusted core headline earnings (ZAR'm)	1 329	1 657	(20)
Adjusted core headline earnings per ordinary share issued (SA cents)	313	388	(19)
Diluted adjusted core headline earnings per ordinary share issued (SA cents) ¹	301	376	(20)

¹ As at 31 March 2024, 15.8m RSUs have been awarded to employees and remain unvested resulting in a dilutive impact in the current year (FY23: 14.0m awarded). The diluted weighted average number of ordinary shares issued for FY24 was 442m (FY23: 441m).

14.4 Non-IFRS measures: free cash flow

Reconciliation of cash generated from operating activities to free cash flow

	2024 ZAR'm	2023 ZAR'm	% change
Cash generated from operating activities	8 062	9 981	(19)
Adjusted for:			
– Lease repayments ¹	(2 672)	(2 518)	
– Net capital expenditure	(1 154)	(1 206)	
– Investment income	12	–	
– Taxation paid	(3 659)	(3 396)	
Free cash flow	589	2 861	(79)

¹ Includes the capital portion of all lease repayments and only interest on leased transponders.

Independent auditor's assurance report on the compilation of constant currency *pro forma* financial information included in the summary consolidated financial statements for the year ended 31 March 2024

To the Directors of MultiChoice Group Limited

Report on the Assurance Engagement on the Compilation of Constant Currency *Pro forma* Financial Information Included in the Summary Consolidated Financial Statements for the year ended 31 March 2024

We have completed our assurance engagement to report on the compilation of constant currency *pro forma* financial information of MultiChoice Group Limited and its subsidiaries (collectively, the "**Group**"), by the directors.

The constant currency *pro forma* financial information, as set out in the 26 page Summary Consolidated Financial Statement for the year ended 31 March 2024 consists of the conversion of the segmental results and revenue and costs by nature to a constant currency (collective, the "**Constant Currency *Pro forma* Financial Information**"). The applicable criteria on the basis of which the directors have compiled the Constant Currency *Pro forma* Financial Information are specified in the JSE Limited ("**JSE**") Listings Requirements and described in note 14 on page 24 of the Summary Consolidated Financial Statements for the year ended 31 March 2024.

The Constant Currency *Pro forma* Financial Information has been compiled by the directors to illustrate the impact of converting revenue, trading profit, revenue by nature, operating expenses to a constant currency by adjusting the current year's results with the prior year's average foreign exchange rates, determined as the average of the monthly exchange rates for that year (collectively, the "**Constant Currency *Pro forma* Adjustments**"). As part of this process, information about the Group's consolidated financial performance has been extracted by the directors from the Group's consolidated annual financial statements for the year ended 31 March 2024, on which an auditor's report was issued on 12 June 2024.

Directors' responsibility for the constant currency *pro forma* financial information

The directors are responsible for compiling the Constant Currency *Pro forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the 26 page Summary Consolidated Financial Statements for the year ended 31 March 2024.

Our independence and quality management

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

The firm applies International Standard on Quality Management 1 (ISQM 1) *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent auditor's responsibility

Our responsibility is to express an opinion about whether the Constant Currency *Pro forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements and described in the 26 page Summary Consolidated Financial Statements for the year ended 31 March 2024 based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Constant Currency Financial Information Included in a Prospectus*, which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Constant Currency *Pro forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

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

The purpose of Constant Currency *Pro forma* Financial Information included in a Summary Consolidated Financial Statements for the year ended 31 March 2024 solely to illustrate the impact of the Constant Currency *Pro forma* Adjustments or event on unadjusted financial information of the Group as if the conversion to a constant currency had occurred for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the conversion to a constant currency would have been as presented.

A reasonable assurance engagement to report on whether the Constant Currency *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Constant Currency *Pro forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the Constant Currency *Pro forma* Adjustments and to obtain sufficient appropriate evidence about whether:

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

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the Constant Currency *Pro forma* Adjustments in respect of which the Constant Currency *Pro forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Constant Currency *Pro forma* Financial Information.

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

Opinion

In our opinion, the Constant Currency *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the 26 page Summary Consolidated Financial Statements for the year ended 31 March 2024.

Ernst & Young Inc.

Ernst & Young Inc.

Director: CE Trollope

Registered Auditor

12 June 2024

Johannesburg, South Africa

Appendix A:

Our procedures were performed in respect of the Constant Currency Pro forma Financial Information as contained in the currency impact column on page 25 of the Summary Consolidated Financial statements for the year-ended 31 March 2024.

Independent auditor's assurance report on the compilation of organic growth *pro forma* financial information included in the summary consolidated financial statements for the year ended 31 March 2024

To the Directors of MultiChoice Group Limited

Report on the Assurance Engagement on the Compilation of Organic Growth *Pro forma* Financial Information Included in the Summary Consolidated Financial Statements for the year ended 31 March 2024

We have completed our assurance engagement to report on the compilation of organic growth *pro forma* financial information of MultiChoice Group Limited and its subsidiaries (collectively, the "**Group**"), by the directors.

The organic growth *pro forma* financial information, as set out on pages 24 to 26 of the Summary Consolidated Financial Statements for the year ended 31 March 2024, consists of the organic growth of the segmental results, revenue and costs by nature and related notes (collectively, the "**Organic Growth Pro forma Financial Information**"). The applicable criteria on the basis of which the directors have compiled the Organic Growth Pro forma Financial Information are specified in the JSE Limited ("**JSE**") Listings Requirements and described in note 14 on page 24 of the Summary Consolidated Financial Statements for the year ended 31 March 2024.

The Organic Growth *Pro forma* Financial Information has been compiled by the directors to the impact of changes in the composition of the Group's organic growth and excluding the impact of non-recurring and/or non-operational items from the group's sustainable operational performance for the year ended 31 March 2024. As part of this process, information about the Group's financial position, and financial performance has been extracted by the directors from the Group's financial statements for the year ended 31 March 2024, on which an auditor's report was issued on 12 June 2024.

Directors' responsibility for the organic growth *pro forma* financial information

The directors are responsible for compiling the Organic Growth *Pro forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in note 14 on page 24 of the Summary Consolidated Financial Statements for the year ended 31 March 2024.

Our independence and quality management

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

The firm applies International Standard on Quality Management 1 (ISQM 1) *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent auditor's responsibility

Our responsibility is to express an opinion about whether the Organic Growth *Pro forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements and described in note 14 on page 24 of the Summary Consolidated Financial Statements for the year ended 31 March 2024 based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Organic Growth Financial Information Included in a Prospectus*, which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Organic Growth *Pro forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

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

The purpose of Organic Growth *Pro forma* Financial Information included in the Summary Consolidated Financial Statements for the year ended 31 March 2024, is to illustrate how the unadjusted financial information of the entity has been impacted by the adjustments, as described in the basis of preparation.

A reasonable assurance engagement to report on whether the Organic Growth *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Organic Growth *Pro forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the adjustments made and to obtain sufficient appropriate evidence about whether:

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

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, and the adjustments made in respect of which the Organic Growth *Pro forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Organic Growth *Pro forma* Financial Information.

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

Opinion

In our opinion, the Organic Growth *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Note 14 on page 24 of the Summary Consolidated Financial Statements for the year ended 31 March 2024.

Ernst & Young Inc.

Ernst & Young Inc.

Director: CE Trollope

Registered Auditor

12 June 2024

Johannesburg

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