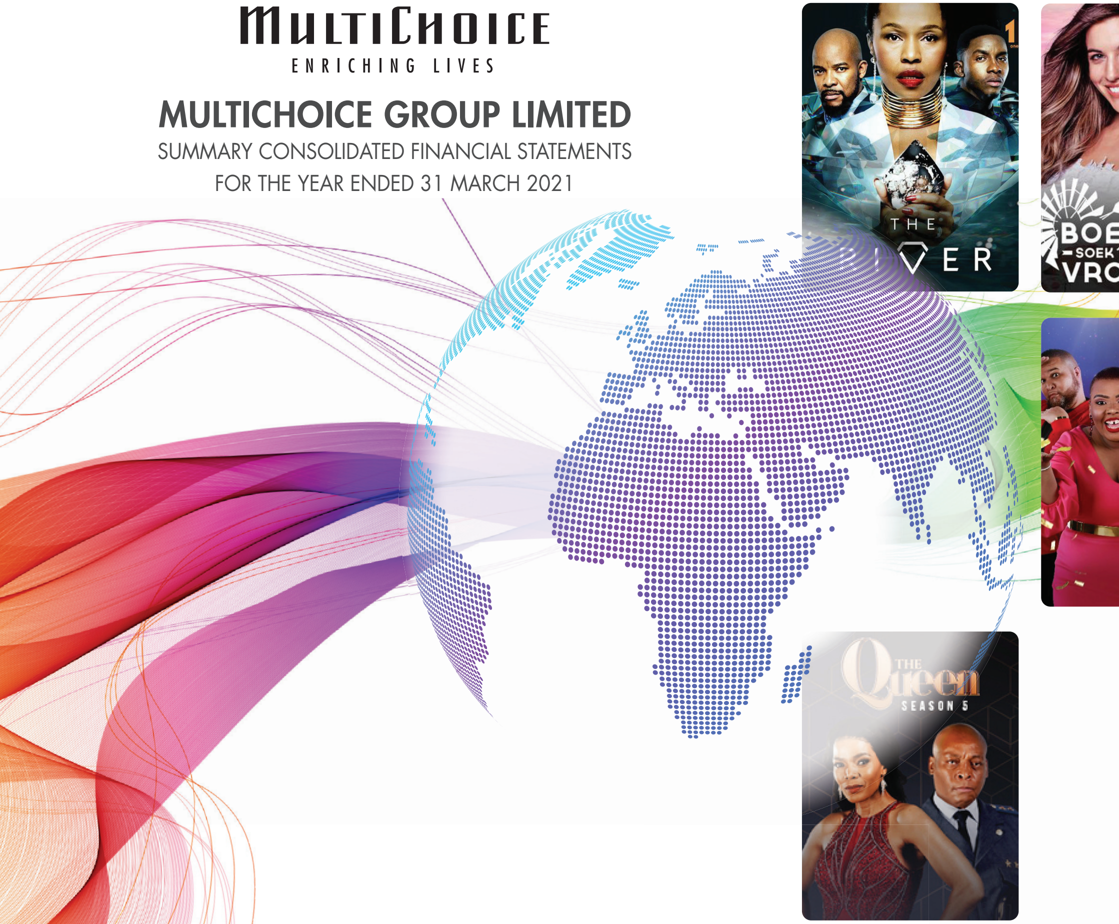
ENRICHING LIVES

MULTICHOICE GROUP LIMITED

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



Africa’s most loved storyteller

CONTENTS

Overview

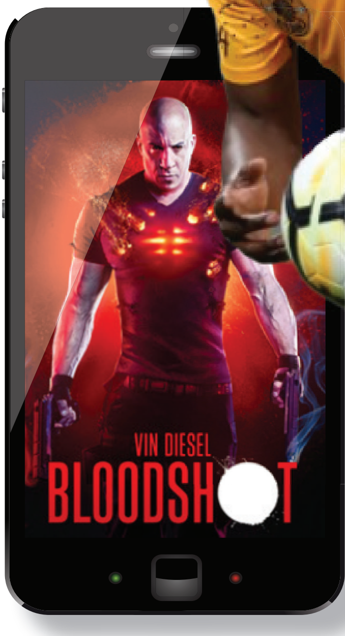
Executive review of our performance	01

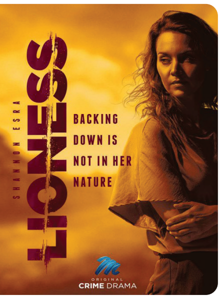
Financial review

Summary consolidated income statement	08
Summary consolidated statement of comprehensive income	09
Summary consolidated statement of financial position	10
Summary consolidated statement of cash flows	11
Summary consolidated statement of changes in equity	12
Segmental review	13
Notes to the summary consolidated financial statements	15
Independent auditor's report	26
Non-IFRS performance measures	27
Assurance engagement report	31
Administration and corporate information	ibc

Enriching lives

Connect with us on:





We entertain, inform and empower the communities we serve – they inspire us in return

MultiChoice Group: Strong results underpinned by operational excellence.

In a year that required careful navigation of COVID-19 challenges, MultiChoice Group (MCG or the group) added 1.4m 90-day active subscribers to close the year ended 31 March 2021 (FY21) on 20.9m subscribers. This represents a 2% acceleration in year-on-year (YoY) growth to 7%, as heightened consumer demand for video entertainment services, continued penetration of the mass market and an easing of electricity shortages in southern Africa improved growth rates. The 90-day subscriber base is split between 11.9m subscribers (57%) in the Rest of Africa and 8.9m (43%) in South Africa.

Revenue increased 4% (4% organic) to ZAR53.4bn, with subscription revenues accounting for ZAR44.7bn, a solid 5% (5% organic) increase YoY. Both advertising and commercial subscription revenues were significantly impacted by COVID-19. Advertising revenues were down 34% YoY (ZAR0.6bn) at the interim stage, but with less lockdown intensity in the second half and the return of live sport, it recovered well, ending 11% down YoY at ZAR2.8bn. Similarly, commercial subscription revenues started to recover in the latter part of the financial year. At the interim stage it was down 46% but finished the year 35% lower than the prior year. The hospitality industry remains intermittent in its recovery due to lockdowns and is expected to take some time to normalise.

Group trading profit rose 28% to ZAR10.3bn (44% organic), benefiting from a ZAR1.5bn (ZAR2.7bn organic) reduction in losses in the Rest of Africa and 9% growth in South Africa. This strong trading profit performance was due to resilient revenue growth, strong cost control and the impact of embracing new ways of working as a consequence of COVID-19 that reduced operating costs. It was further supported by a delay of ZAR1.1bn in sports events costs, which will be incurred in FY22.

An ongoing focus on cost reduction allowed for a further ZAR1.5bn in costs being eliminated from the base during the year. Overall costs decreased 1% YoY (-3% organic) and resulted in the group accelerating operating leverage from 5% in the prior year to 7% in FY21. Major contributors to these savings were renegotiated sports rights, lower decoder unit costs, sourcing and procurement savings, and the benefits of ongoing digital adoption throughout the organisation.

The group continued its strategy of differentiation through local content and stepped up its investment by producing 4 567 additional hours (19% YoY growth), despite disruptions caused by strict early COVID-19 lockdown measures. As a result, the total local content library now exceeds 62 000 hours. During FY21, the group launched eleven new local language/content channels across sub-Saharan Africa. In Nigeria, the fifth season of *Big Brother*, produced as a lockdown edition, achieved a record 3m viewers. In South Africa, the group screened several new local productions such as *Inconceivable, Lioness, Gomora* and *Legacy*.

It also renegotiated two major international content agreements in South African rand (ZAR) and completed five new co-productions (*Reyka, Rogue, Crime and Justice, Blood Psalms* and *Endangered Species*) with global content producers.

Core headline earnings, the board's measure of sustainable business performance, was up 32% on the prior year at ZAR3.3bn. The strong earnings growth was attributable to the improvement in trading profit and realised foreign exchange movements.

Consolidated free cash flow of ZAR5.7bn was up 10% compared to the prior year. This was underpinned by strong earnings growth for the year, but dampened somewhat by the end of a contractual agreement on the southern Africa transponder lease, whereby an upfront payment led to reduced lease payments for the first 36 months of the lease term (ZAR0.4bn negative impact versus FY20). An increase in capital expenditure (ZAR0.7bn), primarily related to a multi-year investment programme to upgrade the group's customer service, billing and data capabilities, reduced cash flows further.

As one of the largest taxpayers in Africa, the group paid direct cash taxes of ZAR4.1bn, slightly more than the prior year due to higher profitability.

Net interest paid increased by ZAR0.2bn to ZAR0.5bn, primarily as a result of the translation of interest on United States dollar (USD) transponder lease liabilities at a weaker ZAR:USD exchange rate and interest on the new working capital term loan.

The strength of the balance sheet remains critically important given the uncertain longer-term economic impact of COVID-19 and funding requirements for RoA that includes liquidity constraints in Nigeria. Some ZAR9.5bn in net assets, including ZAR8.5bn in cash and cash equivalents, combined with ZAR4.0bn in available facilities, provide ZAR12.5bn in financial flexibility to fund the group's operations. This strong financial position is after ZAR4bn was utilised to settle the MCG and Phuthuma Nathi (PN) dividends in September, and ZAR1.4bn was spent acquiring a 20% stake in BetKing.

Cash holdings of ZAR2.5bn (FY20: ZAR1.7bn) held in Nigeria, Angola and Zimbabwe remain exposed to weaker currencies. A large part of the YoY increase can be attributed to renewed liquidity challenges in Nigeria, where the central bank has provided limited USD liquidity to the market.

SEGMENTAL REVIEW

South Africa

The South African business held up well in a tough consumer climate, delivering subscriber growth of 6% YoY or 0.5m subscribers on a 90-day active basis. The impact of COVID-19 and the associated lockdowns saw consumers prioritise video services, but a lack of live sport, combined with the inability of commercial subscribers to trade, negatively impacted revenue generation, especially early in the financial year.

Revenue increased 1% to ZAR34.3bn despite lower advertising (ZAR0.4bn) and commercial subscriber revenues (ZAR0.3bn). Revenue growth was supported by healthy subscriber growth in the middle and mass market, and the uplift from annual price increases. This was negated by a lower average Premium subscriber base, mainly attributed to the lack of live sport for part of the financial year. Together with the ongoing shift in subscriber mix towards the mass market and challenges faced in terms of commercial subscribers, this resulted in the monthly average revenue per user (ARPU) declining 4% from ZAR290 to ZAR277.

Trading profit increased 9% to ZAR11.1bn. The higher profitability can be attributed to the group's cost optimisation programme, the non-recurrence of three major sporting events expensed in the prior year, lower operational costs in a COVID-19 environment and a temporary shift in content costs as a result of deferred sporting events.

SuperSport had to contend with no live sport in the first half of the financial year and nimbly adapted by changing channel line-ups, by broadcasting top-quality documentaries and showcasing blockbuster sporting movies to keep subscribers entertained. Highlights for the year included renewing the English Premier League (2025) and UEFA Champions League (2024) rights, securing exclusive continental rights for the 2022 FIFA World Cup in Qatar and the blockbuster start to the group's live documentary journey with the hugely popular *Chasing the Sun*.

Connected Video users on the DStv app and Showmax continue to grow as online consumption increases. During the year Showmax launched Showmax Pro, the group's first standalone online sport offering, as well as DStv Streaming, which allows customers to subscribe to an online-only service. Local content is also proving to be a key differentiator on Showmax, with local content viewership up significantly this year, and four of the top five titles on Showmax being local productions. A record number of Showmax originals were launched during the year, including the first Kenyan and Nigerian original series.

The group expanded its entertainment ecosystem with the launch of Netflix and Amazon Prime Video on the Explora Ultra platform.

On the product front, numerous innovative and customer-centric product launches occurred in FY21. The new Explora Ultra decoder allows subscribers to seamlessly shift between satellite and online platforms, with all content aggregation occurring centrally via one billing platform. DStv Rewards leverages the group's supplier relationships to reward customers based on their behaviours, DStv Add Movies was the group's first meaningful foray into genre add-ons, and DStv Communities allows collective payments to improve active days and retention. Although still too early to be definitive on the success of these products, early signs are promising, with performance tracking either ahead or in line with expectations.

Rest of Africa

The Rest of Africa business grew its 90-day active subscriber base by 0.8m subscribers or 8% YoY, with the closing base now approaching 12m. The macroeconomic environment remained challenging, with sharp currency depreciation and ongoing consumer pressure impacting reported results. Much needed rainfall reduced electricity shortages in southern Africa, resulting in a recovery of customers in Zambia and Zimbabwe. Liquidity challenges resurfaced in Nigeria in the previous financial year and, although being actively managed, cash balances in Nigeria increased by ZAR0.8bn to close over ZAR2.3bn. The group also improved its Ethiopian local product offering, which includes localised billing, more Amharic content and SuperSport local language commentary.

Revenue of ZAR17.2bn grew 11% YoY (14% organic). Subscription revenue grew at a similar rate and contributed ZAR15.9bn. ARPU improved to ZAR115 (FY20: ZAR110), supported by a stable subscriber mix and inflationary price increases. Currency depreciation impacted results more than in the previous year, mainly due to the material depreciation against the USD of the Angolan kwanza (47%), the Zambian kwacha (43%) as well as a 7% depreciation in the Nigerian naira late in the financial year.

Trading losses narrowed by 52% (91% organic) or ZAR1.5bn (ZAR2.7bn organic) to ZAR1.4bn. The combination of revenue growth, effective cost control, content refunds and lower content costs with sports events being delayed resulted in the trading margin improving 11%. Although this sharp reduction in losses is pleasing, it must be noted that the return of major sporting events and further expected currency weakness will make it difficult to repeat such an improvement in FY22.

Technology segment

The technology segment, Irdeto, had a solid year. Despite the non-recurrence of USD8m in once-off revenues in the prior year and the deferral of certain project revenues due to COVID-19, it contributed ZAR1.8bn in revenues, an increase of 5% YoY (-1% organic). The trading profit margin normalised to 31%.

During the year, Irdeto continued to gain market share in providing digital security services in the video entertainment sector. Irdeto won new business with United Group, the leading telecom and media operator in south-eastern Europe, and integrated its watermarking technology, with IBM's cloud platform to enable easier deployment by operators. Beyond video, it expanded its gaming security platform to include Steamworks, the largest digital distribution platform for PC games, and Sony for the PlayStation 5. Irdeto continued to expand its deployment of connected vehicles with Hyundai, and added new projects to secure high-speed rail networks and capital-intensive construction equipment.

BETKING INVESTMENT

As part of the group's strategy to expand its entertainment ecosystem, it finalised an investment for a 20% shareholding in BetKing, a sports betting group with pan-African ambitions. The transaction was structured with an upfront investment of USD81m (ZAR1.4bn) paid in cash and the potential for further payments of up to USD31m (ZAR0.5bn) should certain earn-out targets be met between December 2021 and December 2023, or if the valuation paid is supported by future equity transactions. As the group exercises significant influence through its shareholding and board representation, the business has been equity accounted as an associate from 1 October 2020.

SHARE TRANSACTIONS

In order to preserve cash reserves, the group transferred 4.3m (with a value of ZAR0.4bn on the date of transfer) of the 10.1m treasury shares repurchased in the prior year, to fund awards for the current year under the group restricted stock unit (RSU) share plan (this transfer was between two group companies).

SHARE SCHEMES

The group realigned its long-term incentive plan structures in the current year through three initiatives. Firstly, a new phantom share scheme was created for the technology segment, Irdeto. Irdeto competes globally to attract and retain top software engineering talent and it was deemed more appropriate for Irdeto's long-term incentive plan to be linked directly to the performance of the company. Secondly, the MCA 2008 share appreciation rights (SAR) scheme was closed as it no longer aligned to the group's long-term strategy. Lastly, in order to fully align management incentives to shareholder expectations, all future executive share allocations will now be 100% linked to performance conditions and a new phantom performance share scheme based on the returns generated from strategic investments was created.

WORKING CAPITAL LOAN

To improve the group cost of capital and reinforce the statement of financial position, an amortising working capital loan of ZAR1.5bn was concluded in November 2020. The loan has a three-year term and bears interest at three-month Johannesburg Interbank Agreed Rate (JIBAR) +1.70%. Based on the current low interest rate cycle, the group decided to conclude an interest rate swap in February 2021 at an all-in fixed rate of 5.75% for the remainder of the loan term.

SUBSEQUENT EVENTS

On 10 June 2021, the board approved the formal offer for MCG to increase its equity investment in Blue Lake Ventures Limited ("BetKing") from 20% to 49% for a consideration of USD281.5m (approximately ZAR4.0bn), subject to the below substantive conditions being met and the transaction becoming effective:

- finalisation of debt funding,
- regulatory approvals,
- approval of the BetKing equity share option plan, and
- agreement and signature of all long form legal agreements.

The equity investment will also result in payment of the contingent consideration of USD31m (ZAR0.5bn) (refer to note 9) relating to the acquisition of the first 20% in BetKing.

There have been no other events that occurred after the reporting date, including events associated with COVID-19, that could have a material impact on the summary consolidated financial statements.

DIVIDENDS

The board declares a gross dividend of 565 SA cents per listed ordinary share (ZAR2.5bn). This dividend declaration is subject to approval of the MultiChoice South Africa Holdings Proprietary Limited (MCSAH) dividend at its annual general meeting on Wednesday, 25 August 2021. The finalisation date for the dividend declaration by the company will be Thursday, 26 August 2021. Subject to the aforementioned MCSAH approval, dividends will be payable to the company's shareholders recorded in the register on the record date, being Friday, 10 September 2021. The last date to trade cum dividend will be on Tuesday, 7 September 2021 (shares trade ex-dividend from Wednesday, 8 September 2021). Share certificates may not be dematerialised or re-materialised between Wednesday, 8 September 2021 and Friday, 10 September 2021, both dates inclusive. The dividend payment date will be Monday, 13 September 2021. The dividend will be declared from income. It will be subject to the dividend tax rate of 20%, yielding a net dividend of 452 SA cents per listed ordinary share to those shareholders not exempt from paying dividend tax. Dividend tax will be 113 SA cents per listed ordinary share. The issued ordinary share capital as at 10 June 2021 was 442.5m ordinary shares (including 15.6m shares held in treasury). The company's income tax reference number is 9485006192.

OUTLOOK

Going forward, subject to a stable regulatory environment and the unknown impact of the COVID-19 pandemic, the group will continue scaling its video entertainment services across the continent, focusing on both traditional linear broadcasting, as well as streaming services. In addition, it plans to further increase its investment in local content to a target 45% of total general entertainment spend and pursue new growth opportunities that will enhance customer experiences and revenue prospects.

The group is enjoying good momentum and is excited about FY22. We are seeing the advertising business recover, we have plans to further enhance our entertainment ecosystem, and we look forward to an exceptional slate of local content and the meaningful return of sport as we catch up on the events missed in FY21. We are, however, cognisant of ongoing consumer pressure in what remains an uncertain COVID-19 environment, continued macroeconomic volatility in our markets, and the need to absorb deferred content costs in FY22. We will look to counter these headwinds through tight cost control and by driving operational excellence. Our strong balance sheet positions us well to withstand these uncertainties and deliver value to our customers and shareholders.

DIRECTORATE

Mrs RJ Gabriels resigned as interim company secretary on 11 June 2020 with Ms CC Miller appointed as group company secretary on the same date.

Mr JA Mabuza, an independent non-executive director, took over from Mr SJZ Pacak as the lead independent director, with effect from 3 April 2020.

After a robust independence assessment by the board Mr E Masilela was recategorised as an independent non-executive director on 2 April 2020.

Mr DG Eriksson retired as an independent non-executive director with effect from 11 June 2020.

Mr MI Patel was reclassified as a non-executive director from October 2020 upon expiry of his executive contract.

Mr SJZ Pacak retired as an independent non-executive director with effect from 1 April 2021.

Mr JH du Preez was appointed as an independent non-executive director with effect from 1 April 2021.

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

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 TN Jacobs CA(SA).

The group operates in 50 countries, resulting in significant exposure to foreign exchange volatility. This can have a notable impact on reported revenue and trading profit metrics, particularly in the Rest of Africa where revenues are earned in local currencies while the cost base is largely USD denominated.

Where relevant in this report, amounts and percentages have been adjusted for the effects of foreign currency and acquisitions and disposals to better reflect underlying trends.

These adjustments (non-International Financial Reporting Standards (IFRS) performance measures) are quoted in brackets as organic, after the equivalent metrics reported under IFRS. A reconciliation of non-IFRS performance measures (core headline earnings and free cash flow) to the equivalent IFRS metrics is provided in note 11 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 these summary consolidated financial statements. The audit report of the group's external auditor is included on page 26 and the assurance report on non-IFRS measures is included on pages 31 and 32. The auditor's report does not necessarily report on all the information contained in these 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 www.investors.multichoice.com/annual-results and at its registered office.

On behalf of the board

Mr M I Patel
Chair

Mr C Mawela
Chief executive officer

SUMMARY CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2021

	Notes	2021 ZAR'm	2020 ZAR'm	% change
Revenue	2	**53 338**	51 387	4
Cost of providing services and sale of goods[1]		**(27 812)**	(28 454)	
Selling, general and administration expenses		**(15 048)**	(14 571)	
Net impairment loss on trade receivables		**(152)**	(175)	
Other operating gains/(losses) – net	5	**132**	80	
Operating profit		**10 458**	8 267	27
Interest income	4	**366**	435	
Interest expense	4	**(1 080)**	(1 039)	
Net foreign exchange translation losses	4	**(757)**	(2 256)	
Share of equity-accounted results		**(58)**	(44)	
Other losses	5	**(25)**	(49)	
Profit before taxation	5	**8 904**	5 314	68
Taxation[2]		**(4 827)**	(3 444)	
Profit for the year		**4 077**	1 870	>100
Attributable to:				
Equity holders of the group		**2 161**	507	
Non-controlling interests		**1 916**	1 363	
		4 077	1 870	
Basic and diluted earnings for the year (ZAR'm)		**2 161**	507	>100
Basic earnings per ordinary share (SA cents)	3	**506**	117	>100
Diluted earnings per ordinary share (SA cents)	3	**497**	115	>100

[1] *The reduction in the cost of providing services and sale of goods is due to lower content costs in the current year. These lower content costs are due to the delay in sport events due to COVID-19, which reduces content amortisation, refunds received from content owners for content received in different formats, and the non-recurrence of major sporting events that occurred in the prior year.*

[2] *The effective tax rate has reduced from the prior year due to a reduction in losses (in respect of which deferred tax assets were not raised) in the Rest of Africa segment.*

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2021

	2021 ZAR'm	2020 ZAR'm
Profit for the year	**4 077**	1 870
Total other comprehensive income for the year:		
Exchange gains arising on translation of foreign operations[1, 2, 3]	**44**	891
Fair value losses on investments held at fair value	**(102)**	(54)
Hedging reserve[1]	**361**	243
– Net fair value losses[4]	**(898)**	(143)
– Hedging reserve recycled to the income statement[4]	**453**	1 383
– Hedging reserve recycled to the statement of financial position	**–**	(379)
– Net tax effect of movements in hedging reserve[5]	**806**	(618)
Total comprehensive income for the year	**4 380**	2 950
Attributable to:		
Equity holders of the group	**2 281**	1 964
Non-controlling interests	**2 099**	986
	4 380	2 950

[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 and Technology segments, which have a USD reporting currency.*
[3] *The movement relates primarily to the ZAR appreciation against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21. This movement is recognised in other reserves on the summary consolidated statement of changes in equity.*
[4] *The movement relates primarily to the ZAR appreciation against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21 and additional forward exchange contracts executed during FY21 which resulted in an increase in the achieved average hedge rate on cash flow hedges from ZAR13.90 in FY20 to ZAR16.40 in FY21.*
[5] *The movement relates to tax on net fair value losses recognised in the South Africa segment as detailed in footnote 4 above which are taxed at 28%. Fair value gains in the Rest of Africa segment, which offset the fair value losses in South Africa, are non-taxable.*

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

	Notes	2021 ZAR'm	2020 ZAR'm
ASSETS			
Non-current assets		**23 379**	25 408
Property, plant and equipment[1]		**14 964**	17 737
Goodwill and other intangible assets[2]		**5 008**	4 337
Investments and loans		**119**	185
Investment in associates and joint ventures	9	**1 745**	166
Amounts due from related parties[3]	8	**17**	224
Derivative financial instruments[4]		**8**	634
Deferred taxation[1]		**1 518**	2 125
Current assets		**18 949**	20 849
Inventory		**659**	874
Programme and film rights[5]		**5 633**	4 750
Trade and other receivables[4]		**3 302**	3 888
Amounts due from related parties	8	**51**	–
Derivative financial instruments[4]		**340**	1 733
Restricted cash[6]		**427**	459
Cash and cash equivalents		**8 537**	9 145
Total assets		**42 328**	46 257
EQUITY AND LIABILITIES			
Equity reserves attributable to the group's equity holders		**12 426**	12 722
Share capital		**454**	454
Other reserves		**(13 518)**	(13 048)
Retained earnings		**25 490**	25 316
Non-controlling interests		**(2 912)**	(2 917)
Total equity		**9 514**	9 805
Non-current liabilities		**14 254**	18 181
Lease liabilities[1]		**12 432**	16 894
Long-term loans and other liabilities[9]		**1 213**	78
Amounts due to related parties[3]	8	**–**	185
Derivative financial instruments[4]		**358**	3
Deferred taxation[7]		**251**	1 021
Current liabilities		**18 560**	18 271
Lease liabilities[1]		**1 978**	2 057
Short-term loans and other liabilities[9]		**683**	–
Programme and film rights		**3 826**	4 085
Provisions		**525**	140
Accrued expenses and other current liabilities		**9 195**	9 223
Derivative financial instruments[4]		**598**	116
Taxation liabilities[8]		**1 755**	2 650
Total equity and liabilities		**42 328**	46 257

[1] *Decrease relates primarily to the appreciation of the ZAR against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21 on translation of the group's foreign assets and USD lease liabilities. In addition, this appreciation in the ZAR resulted in less future deductible temporary differences on USD lease liabilities at 31 March 2021 resulting in reduced deferred tax assets.*

[2] *The increase relates primarily to the group's investment in a multi-year programme to upgrade the group's customer service, billing and data capabilities.*

[3] *During FY21, a set-off agreement was entered into between equity investees, MultiChoice Africa Holdings BV and GOtv Zambia Limited, whereby amounts due to related parties were set off against related amounts due from related parties.*

[4] *Movement relates primarily to the ZAR appreciation against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21.*

[5] *Programme and film rights assets are higher than FY20, mainly as a result of prepayments for sporting rights renewals and the timing of sports events taking place due to COVID- 19 delays.*

[6] *Restricted cash comprises margin deposits on Nigerian futures hedging instruments that are not highly liquid and have maturities of greater than three months.*

[7] *Decrease relates primarily to the ZAR appreciation against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21. In addition, this appreciation in the ZAR resulted in less future taxable gains being recognised in the hedging reserve at 31 March 2021, resulting in reduced deferred tax liabilities.*

[8] *Decrease relates primarily to the ZAR appreciation against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21, and a reduction in uncertain tax positions in the Rest of Africa segment.*

[9] *Increase relates primarily to the earn-out provisions, to be settled in cash, as a result of the group's investment in BetKing, as well as the conclusion of an amortising working capital loan, of ZAR1.5bn in November 2020. The loan has a three-year term and bears interest at three-month JIBAR + 1.70%.*

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2021

	Note	2021 ZAR'm	2020 ZAR'm
Cash flows from operating activities			
Cash generated from operating activities		**13 909**	12 081
Interest income received		**263**	401
Interest costs paid		**(796)**	(737)
Settlement of share-based compensation awards[1]		**(349)**	–
Taxation paid		**(4 095)**	(3 988)
Net cash generated from operating activities		**8 932**	7 757
Cash flows from investing activities			
Property, plant and equipment acquired		**(755)**	(618)
Proceeds from sale of property, plant and equipment		**54**	40
Intangible assets acquired[2]		**(858)**	(252)
Proceeds from sale of intangible assets		**9**	–
Increase in restricted cash		**(79)**	(459)
Investment in associate[3]	9	**(1 351)**	(78)
Loans to Enterprise Development Trust beneficiaries		**(28)**	(15)
Repayment of Enterprise Development loans		**21**	–
Loans to related parties[4]		**(39)**	–
Other movements in investments and loans		**(50)**	–
Net cash utilised in investing activities		**(3 076)**	(1 382)
Cash flows from financing activities			
Proceeds from long and short-term loans raised[5, 6]		**2 000**	–
Repayments of long and short-term loans[5, 6]		**(631)**	–
Repayments of lease liabilities[7]		**(1 855)**	(1 445)
Repurchase of treasury shares		**–**	(1 682)
Purchases of shares for group share schemes[8]		**(152)**	–
Transactions with non-controlling interests		**–**	(23)
Dividends paid by holding company		**(2 411)**	–
Dividends paid by subsidiaries to non-controlling shareholders		**(1 491)**	(1 615)
Net cash utilised in financing activities		**(4 540)**	(4 765)
Net movement in cash and cash equivalents		**1 316**	1 610
Foreign exchange translation adjustments on cash and cash equivalents		**(1 924)**	812
Cash and cash equivalents at the beginning of the year		**9 145**	6 723
Cash and cash equivalents at the end of the year		**8 537**	9 145

1 *Relates to the settlement paid to employees due to the closure of the MultiChoice 2008 SAR scheme.*
2 *The increase relates primarily to the group's investment in a multi-year programme to upgrade the group's customer service, billing and data capabilities.*
3 *During October 2020, the group acquired a 20% shareholding in BetKing.*
4 *During FY21, a set-off agreement was entered into between equity investees, MultiChoice Africa Holdings BV and GOtv Zambia Limited whereby amounts due to related parties were set-off against related amounts due from related parties. This transaction resulted in a non-cash movement of ZAR192m.*
5 *During September 2020, the group utilised a short-term banking facility for ZAR500m. The facility attracts interest at a market-related interest rate. The facility was utilised for working capital in the group. During October 2020 the facility was fully repaid.*
6 *An amortising working capital loan of ZAR1.5bn was concluded in November 2020. The loan has a three-year term and bears interest at three-month JIBAR + 1.70%. As at 31 March 2021, ZAR125m of this loan had been repaid.*
7 *The increase is primarily due to the weaker average ZAR rate against the USD of ZAR16.30 (FY20: ZAR14.99) and the end of a contractual agreement on the southern Africa transponder lease whereby an upfront payment reduced lease payments for the first 36 months of the lease term. Regular monthly lease payments resumed from October 2019, resulting in increased outflows.*
8 *Relates to the purchase of group shares, which were used to settle the group's share-based compensation awards.*

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

	Share capital[1] ZAR'm	Other reserves[2] ZAR'm	Retained earnings ZAR'm	Non-controlling interests ZAR'm	Total equity ZAR'm
Balance at 1 April 2019	1	(12 445)	24 499	(2 259)	9 796
Profit for the year	–	–	507	1 363	1 870
Other comprehensive income	–	1 457	–	(377)	1 080
Total comprehensive income for the year	–	1 457	507	986	2 950
Treasury shares acquired[3]	–	(1 682)	–	–	(1 682)
PN share swap[1]	454	(378)	–	(76)	–
Share-based compensation movement	–	–	322	47	369
Transactions with non-controlling interest[4]	–	–	(12)	–	(12)
Dividends declared[5]	–	–	–	(1 615)	(1 615)
Balance at 1 April 2020	**454**	**(13 048)**	**25 316**	**(2 917)**	**9 805**
Profit for the year	**–**	**–**	**2 161**	**1 916**	**4 077**
Other comprehensive income	**–**	**120**	**–**	**183**	**303**
Total comprehensive income for the year	**–**	**120**	**2 161**	**2 099**	**4 380**
Hedging reserve basis adjustment[6]	**–**	**(590)**	**–**	**(175)**	**(765)**
Share-based compensation movement	**–**	**–**	**391**	**–**	**391**
Purchase of shares for group share schemes[7]	**–**	**–**	**(152)**	**–**	**(152)**
Other share-based compensation movements[8]	**–**	**–**	**(245)**	**2**	**(243)**
Transactions with non-controlling interest[9]	**–**	**–**	**430**	**(430)**	**–**
Dividends declared[5, 10]	**–**	**–**	**(2 411)**	**(1 491)**	**(3 902)**
Balance at 31 March 2021	**454**	**(13 518)**	**25 490**	**(2 912)**	**9 514**

1 *439m ordinary shares were issued at nominal value. During FY20, 3.7m shares were issued to PN shareholders as part of a share swap offer.*
2 *Other reserves include treasury shares, the hedging reserve, fair value reserve and foreign currency translation reserve.*
3 *As at 31 March 2021, the group holds 15.6m treasury shares which were repurchased for a total of ZAR1.7bn. In FY20 the group repurchased 15.6m treasury shares which resulted in a decrease in the number of ordinary shares issued. 5.5m shares were repurchased for the group's RSU scheme and 48 076 (FY20: 4 231) RSUs were exercised during the year. 10.1m shares were repurchased as part of a general share buy-back.*
4 *In FY20, MultiChoice Africa Holdings B.V. increased its controlling interest in MultiChoice Uganda Limited by 5% for a purchase consideration of ZAR23m.*
5 *Non-controlling interests dividends relate primarily to dividends paid to PN.*
6 *Relates to the basis adjustment (net of tax of ZAR208m on other reserves and ZAR63m on non-controlling interests) on programme and film right assets as content comes into licence.*
7 *Primarily relates to the settlement of share-based compensation benefits.*
8 *Primarily relates to the closure of the MCA 2008 SAR scheme during FY21.*
9 *Relates primarily to two transactions in FY21. One whereby MultiChoice Africa Holdings B.V. transferred assets held in GOtv Zambia Proprietary Limited (51% owned by the group) to GOtv Broadcasting Zambia (25% owned by the group) at an amount equal to the fair value of the assets transferred. The fair value of the net assets transferred was ZAR179m. There was no carrying value related to non-controlling interest in GOtv Broadcasting Zambia prior to this transaction. No cash consideration was paid. The second was a dilution of MultiChoice Africa Holdings B.V's interest in GOtv Kenya Limited from 100% to 70% due to local shareholding requirements. There was no carrying value related to non-controlling interest in GOtv Kenya Limited prior to this transaction. No cash consideration was received.*
10 *Dividends declared by the group exclude dividends related to treasury shares held by the group.*

SEGMENTAL REVIEW

for the year ended 31 March 2021

Revenue and trading profit	Revenue 2021 ZAR'm External	Revenue 2021 ZAR'm Inter-segment	Revenue 2021 ZAR'm Total	Revenue 2020 ZAR'm External	Revenue 2020 ZAR'm Inter-segment	Revenue 2020 ZAR'm Total	Trading profit[1] 2021 ZAR'm	Trading profit[1] 2020 ZAR'm
South Africa	**34 327**	**6 588**	**40 915**	34 154	6 700	40 854	**11 132**	10 259
Rest of Africa	**17 162**	**281**	**17 443**	15 476	337	15 813	**(1 408)**	(2 921)
Technology	**1 849**	**1 638**	**3 487**	1 757	1 762	3 519	**566**	690
Eliminations	**–**	**(8 507)**	**(8 507)**	–	(8 799)	(8 799)	**–**	–
Total	**53 338**	**–**	**53 338**	51 387	–	51 387	**10 290**	8 028

[1] *During the current year, the group's definition of trading profit was amended to include movements in futures contracts (note 1). Total group trading profit and Rest of Africa trading profit presented above includes gains amounting to ZAR72m related to fair value movements on Nigeria futures contracts. Comparative trading profit disclosure has not been restated for this change; however, the comparative impact of this change would have resulted in a ZAR230m increase in FY20 trading profit.*

Revenue by nature	2021 ZAR'm South Africa	2021 ZAR'm Rest of Africa	2021 ZAR'm Tech-nology	2021 ZAR'm Total	2020 ZAR'm South Africa	2020 ZAR'm Rest of Africa	2020 ZAR'm Tech-nology	2020 ZAR'm Total
Subscription fees	**28 794**	**15 817**	**–**	**44 611**	28 434	14 318	–	42 752
Advertising	**2 443**	**405**	**–**	**2 848**	2 797	416	–	3 213
Set-top boxes	**987**	**802**	**–**	**1 789**	857	572	–	1 429
Installation fees	**324**	**–**	**–**	**324**	332	–	–	332
Technology contracts and licensing	**–**	**–**	**1 849**	**1 849**	–	–	1 757	1 757
Other revenue	**1 779**	**138**	**–**	**1 917**	1 734	170	–	1 904
Total external revenue	**34 327**	**17 162**	**1 849**	**53 338**	34 154	15 476	1 757	51 387

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:

	2021 ZAR'm	2020 ZAR'm
Trading profit per segmental income statement		
Adjusted for:	10 290	8 028
Interest on transponder leases	688	656
Amortisation of intangibles (other than software)	(65)	(71)
Other operating gains/(losses) – net (note 5)[1]	117	(2)
Equity-settled share-based compensation	(391)	(344)
Severance provision	(11)	–
Cash settled share-based payments on closure of SAR scheme[2]	(98)	–
Fair value movements on futures contracts	(72)	–
Operating profit per the income statement[3]	10 458	8 267

[1] *Includes profit and loss on sale of assets, reversal of impairments/impairments of assets, insurance proceeds and fair value adjustments. Excludes ZAR15m (FY20: ZAR82m) of other operating gains, which are included in both trading profit and operating profit.*
[2] *Relates to once-off expense on the closure of the MultiChoice 2008 SAR scheme in December 2020.*
[3] *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 2021

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The summary consolidated financial statements are prepared in accordance with the JSE Listings Requirements for preliminary financial statements and the requirements of the South African Companies Act No 71 of 2008, as amended (Companies Act) applicable to summary financial statements. The summary consolidated financial statements were prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standard Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated annual financial statements, from which the summary consolidated financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements and the prior year summary consolidated financial statements. 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: **www.investors.multichoice.com/annual-results**.

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

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 2021 of 14.78:1 (31 March 2020: 17.86:1) which has been utilised for the consolidation of the Rest of Africa and Technology 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 utilised for the year ended 31 March 2021 of 16.30:1 (31 March 2020: 14.99:1).

The accounting policies applied in the preparation of the summary consolidated financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, other than the change in the trading profit definition noted below.

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 2021.

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 2020. A number of amendments to accounting pronouncements are effective from 1 January 2020, but they do not have a material effect on the group's financial statements. The assessment of amendments to accounting pronouncements that are effective from 1 January 2020 has been provided in note 2 of the full consolidated annual financial statements.

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 of assets, equity-settled share-based payment expenses, cash-settled share-based payment expenses on closure of schemes, severance provision raised and other operating gains/losses.

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES continued

Change in trading profit definition

The group earns revenue in Nigerian naira (NGN) through its subsidiary in Nigeria. The transactional currency between the intermediary parent and the subsidiary is USD; therefore the group is exposed to foreign currency fluctuations between the USD and NGN. The group entered into futures contracts in Nigeria as a hedging mechanism from FY18. The futures assist to economically hedge the NGN exposure by changing it to USD exposure. In FY21, the CODM has considered the profit or loss derived from these futures as a significant contributor in evaluating segment operational performance and in allocating resources. Therefore, the definition of trading profit has been amended to reflect the movements in the futures as recorded in the summary consolidated income statement. The impact of this change has been disclosed on page 13.

COVID-19 considerations

Overview

COVID-19 continues to disrupt the operations and financial reporting processes of the majority of businesses globally, including MCG customers, employees and other stakeholders. Based on the magnitude of the pandemic and its potential impact on the summary consolidated financial statements, management has conducted an updated review of all possible financial effects the virus could have on the measurement, presentation and disclosure provided.

Consideration of potential impact

Key areas considered are reflected in the table below, including whether or not they were deemed to have a significant impact on the group:

COVID-19 consideration	Assessment	Potential Impact
Programme and film rights (recoverability and classification)	General entertainment content assets will be recovered through the airing of content, with productions largely resuming as normal across the group in early FY21. Based on the success of the safety protocols implemented, the cancellation and deferral of sport events are considered less likely than at 31 March 2020.	Low (general entertainment) Low (sport rights)[1]
Subsequent events	COVID-19 was assessed as being prevalent in the group's markets before 31 March 2021 however no material changes are expected during the subsequent event period.	Low[1]
Hedging on uncertain sport right obligations	Forecast transactions that relate to upcoming seasons or events, unless formally cancelled, still meet the "highly probable" criteria. The group deems it unlikely that there will be material disruptions going forward, as the safety protocols are working well.	Low[2]

[1] *Potential impact was adjusted from high at 31 March 2020 to moderate at 30 September 2020 and has now been adjusted to low due to the risk assessment of the probability that this will materialise reducing.*

[2] *Potential impact has been adjusted from moderate at 31 March 2020 and 30 September 2020 to low due to the risk assessment of the probability that this will materialise reducing.*

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES continued

Update on areas that had a potentially high/moderate impact as at 31 March 2020

The group's assessment of the following items has changed from potentially having a high/moderate impact in the prior year to having a potentially low impact on the group at 31 March 2021.

PROGRAMME AND FILM RIGHTS

As at 31 March 2020, the group disclosed a high risk related to the likelihood of sport events (in respect of which the group has the broadcasting rights) taking place and the associated contractual rights in the event that these are expected to or have been cancelled. The group engaged with rights owners to negotiate refunds for the disruption to the business and subscribers due to a truncated season, as well as games, delays in seasons and fixtures held behind closed doors. These refunds were deducted against payments for future seasons. The refunds are treated as a reduction in the amortisation costs for the interrupted portion of the season. The contracts were finalised and the group reached consensus with right owners on seasons going forward. The group does not expect any further significant interruptions which would affect the broadcast of its sports rights going forward.

HEDGING ON UNCERTAIN SPORTS RIGHT OBLIGATIONS

As at 31 March 2020, forecast transactions that relate to upcoming seasons or events, unless formally cancelled, still meeting the highly probable' criterion was considered as a moderate risk. In line with the disclosures provided above for "Programme and film rights", the group does not expect material disruptions going forward as the safety protocols seem to be working well.

SUBSEQUENT EVENTS

Due to the increased certainty associated with the financial reporting effects of COVID-19 on the group, the impact of subsequent events materialising due to COVID-19 was reassessed as low at 31 March 2021. Refer to note 10 for subsequent events disclosure.

	2021 ZAR'm	2020 ZAR'm
2. REVENUE		
Subscription fees	**44 611**	42 752
Advertising	**2 848**	3 213
Set-top boxes	**1 789**	1 429
Installation fees	**324**	332
Technology contracts and licensing	**1 849**	1 757
Other revenue[1]	**1 917**	1 904
	53 338	51 387

[1] *Other revenue relates primarily to decoder insurance premiums, sub-licensing revenue and reconnection fees.*

	2021 ZAR'm	2020 ZAR'm
The following table shows unsatisfied performance obligations resulting from long-term technology contracts as at 31 March 2021 and 31 March 2020:		
Aggregate amount of the transaction price allocated to long-term technology contracts that are partially or fully unsatisfied	**109**	219

Management expects that 42% of the transaction price allocated to the unsatisfied contracts as at 31 March 2021 will be recognised as revenue during FY22 (ZAR46m) and 16% (ZAR17m) will be recognised as revenue in the FY23 reporting period. The remaining 42% (ZAR46m) will be recognised as revenue in FY24 and thereafter. The amount disclosed above does not include variable consideration which is constrained.

Management expects that 35% of the transaction price allocated to the unsatisfied contracts as at 31 March 2020 will be recognised as revenue during FY21 (ZAR77m) and 30% (ZAR66m) will be recognised as revenue in the FY22 reporting period. The remaining 35% (ZAR76m) will be recognised as revenue in FY23 and thereafter. The amount disclosed above does not include variable consideration, which is constrained.

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

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

	2021 ZAR'm	2020 ZAR'm
3. HEADLINE EARNINGS		
Profit attributable to equity holders of the group	**2 161**	507
– Impairment of programme and film rights	**69**	–
– (Reversal)/Impairment of property, plant and equipment	**(76)**	28
– Other impairments	**9**	27
– Profit on sale of intangible assets	**(15)**	–
– Loss on sale of property, plant and equipment	**15**	–
– Insurance proceeds	**(35)**	–
	2 128	562
– Total tax effects of adjustments	**(6)**	–
– Total non-controlling interest effects of adjustments	**(4)**	(7)
Headline earnings	**2 118**	555
Basic and diluted headline earnings for the year (ZAR'm)	**2 118**	555
Basic headline earnings per ordinary share (SA cents)	**496**	128
Diluted headline earnings per ordinary share (SA cents)[1]	**487**	126
Net number of ordinary shares issued (million)		
– at year-end	**427**	427
– at year-end (including treasury shares)[2]	**443**	443
– weighted average for the year	**427**	435
– diluted weighted average for the year[1]	**435**	439

[1] *As at 31 March 2021, 10.1m RSUs have already been offered resulting in a dilutive impact in the current year (FY20: 5.4m offered).*
[2] *As at 31 March 2021, the group holds 15.6m treasury shares.*

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 March 2021

	2021 ZAR'm	2020 ZAR'm
4. INTEREST (EXPENSE)/INCOME		
Interest expense		
Loans and overdrafts[1]	**(53)**	(4)
Leases[2]	**(730)**	(713)
Other[3]	**(297)**	(322)
	(1 080)	(1 039)

[1] *Increase relates primarily to interest on working capital term loan of ZAR29m.*
[2] *Relates primarily to transponder leases of ZAR688m (FY 20: ZAR656m).*
[3] *Relates primarily to discounting of liabilities in relation to programme and film rights of ZAR176m (FY20: ZAR233m).*

	2021 ZAR'm	2020 ZAR'm
Interest income		
Loans and bank accounts	**232**	366
Other	**134**	69
	366	435

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

	2021 ZAR'm	2020 ZAR'm
Net (loss)/gain from foreign exchange translation and fair value adjustments on derivative financial instruments		
On translation of liabilities	**(1 027)**	(976)
On translation of transponder leases[1]	**1 923**	(2 208)
Gains on translation of forward exchange contracts[2]	**1 799**	3 821
Losses on translation of forward exchange contracts[2]	**(3 452)**	(2 893)
Net foreign exchange translation losses	**(757)**	(2 256)

[1] *Movement primarily relates to ZAR appreciation against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21.*
[2] *The movement relates primarily to the ZAR appreciation against the USD from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21 and additional forward exchange contracts executed during FY21 which resulted in an increase in the achieved average hedge rate from ZAR14.70 in FY20 to ZAR16.51 in FY21.*

	2021 ZAR'm	2020 ZAR'm
5. PROFIT BEFORE TAXATION		
In addition to the items already detailed, profit before taxation has been determined after taking into account, inter alia, the following:		
Depreciation of property, plant and equipment	**(2 573)**	(2 638)
Amortisation	**(236)**	(246)
– software	**(171)**	(175)
– other intangible assets	**(65)**	(71)
Net realisable value adjustments on inventory, net of reversals[1]	**(326)**	(174)
Other operating gains/(losses) – net		
Dividends received	**–**	21
Other gains	**15**	87
Loss on sale of property, plant and equipment	**(15)**	–
Profit on sale of Intangible assets	**15**	–
Reversal of impairment/(impairment) of property, plant and equipment	**76**	(28)
Insurance proceeds	**35**	–
Fair value adjustment	**6**	–
	132	80
Other losses		
Acquisition-related costs	**(25)**	
Loss on acquisition of assets and liabilities	**–**	(49)

[1] *Net realisable value adjustments relate to set-top box subsidies in South Africa and the Rest of Africa segments.*

The group realigned its long-term incentive plan structures in the current year through three initiatives:

- Firstly, a new phantom share scheme (Irdeto Restricted Share Unit Scheme) was created for the technology segment, Irdeto. Irdeto competes globally to attract and retain top software engineering talent and it was deemed more appropriate for Irdeto's long-term incentive plan to be linked directly to the performance of the company itself.
- Secondly, the MCA 2008 SAR scheme was closed as it no longer aligned to the group's long-term strategy. This change has resulted in an accelerated share-based payment expense being recorded in terms of the requirements of IFRS 2 *Share-based payments* amounting to ZAR98m based on the amended fair value of the scheme at the effective date of ZAR638m.
- Lastly, in order to fully align management incentives to shareholder expectations, all future executive share allocations will now be 100% linked to performance conditions and a new phantom performance share scheme based on the returns generated from strategic investments was created.

6. 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.

	2021 ZAR'm	2020 ZAR'm
Commitments		
– Capital expenditure	**34**	92
– Programme and film rights[1]	**36 595**	32 495
– Set-top boxes	**1 437**	1 719
– Lease commitments	**15**	26
– Other[2]	**4 585**	4 222
	42 666	38 554

[1] *Increase primarily due to the renewal of major sports rights in the current year.*

[2] *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 ZAR0.2bn (31 March 2020: ZAR0.2bn). No provision has been made as at 31 March 2021 for these possible exposures.

7. 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.

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

Financial instrument	Fair value 2021 ZAR'm	Fair value 2020 ZAR'm	Valuation method	Level in fair value hierarchy
Financial assets				
Investments held at fair value through other comprehensive income	–	101	Quoted prices in a public market	Level 1
Forward exchange contracts	49	2 086	Fair value derived from forward exchange rates that are publicly available	Level 2
Futures contracts	262	215	Quoted prices in a public market	Level 1
Currency depreciation features	30	66	The fair value is calculated based on the London Inter Bank Offered Rate (LIBOR) rate of 0.11%	Level 3
Interest rate swap	7	–	Present value of the estimated future cash flows based on observable yield curves	Level 2
Financial liabilities				
Forward exchange contracts	956	119	Fair value derived from forward exchange rates that are publicly available	Level 2
Contingent consideration	458	–	Fair value derived from using present value of estimated future payments valuation technique	Level 3

7. FAIR VALUE OF FINANCIAL INSTRUMENTS continued

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.

Contingent consideration relates to earn-out provisions, to be settled in cash, as a result of the group's acquisition of BetKing (note 9). The fair value measurement of the contingent consideration considers the most current probability estimates and assumptions, including changes due to the time value of money determined based on budget and forecast information related to BetKing. Consideration was provided for a market-related discount rate in determining the fair value of the contingent consideration.

Based on the current assessment of BetKing budgets and forecasts relating to gross gaming revenue, the group assessed probability of payment to be 100%. The effect of discounting was considered to be immaterial. Post initial recognition, the contingent consideration had no movement impacting profit or loss. In the absence of an equity transaction which supports the valuation paid, if the expected cumulative gross gaming revenues over the next three years were 10% lower, the fair value would decrease by ZAR183m.

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

Fair values are determined using observable inputs, which reflect the market conditions including that of COVID-19 in their expectations of future cash flows related to the asset or liability at 31 March 2021.

8. RELATED PARTY TRANSACTIONS AND BALANCES

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

9. INVESTMENT IN ASSOCIATE

As part of the group's strategy to expand its entertainment ecosystem, it finalised an investment for a 20% shareholding in BetKing, a sports betting group with Pan-African ambitions. The transaction was structured with an upfront investment of USD81m (ZAR1.4bn) paid in cash and the potential for further payments of up to USD31m (ZAR0.5bn) should certain earn-out targets be met between December 2021 and December 2023, or the valuation paid being supported by future equity transactions. The associate's principal place of business is in Mauritius. As the group exercises significant influence through its shareholding and board representation, the business has been equity accounted as an associate from 1 October 2020.

The group acquired net assets of ZAR0.5bn and goodwill of ZAR1.4bn. Net assets acquired include separately identifiable assets considered in the final purchase price allocation. The fair values of separately identifiable intangible assets include BetKing brand (ZAR174m), customer relationships (ZAR169m) as well as internally developed software (ZAR8m). Significant judgement was exercised on the identification and valuation of these assets acquired within BetKing. The significant assumptions taken into account to value these intangibles included the forecast cash flows, tax amortisation benefit, discount rate, growth rates, EBITDA margins, royalty rates, contributory asset charges and terminal growth rates.

10. SUBSEQUENT EVENTS

Additional investment in BetKing

On 10 June 2021, the board approved the formal offer for MCG to increase its equity investment in Blue Lake Ventures Limited ("BetKing") from 20% to 49% for a consideration of USD281.5m (approximately ZAR4.0bn), subject to the below substantive conditions being met and the transaction becoming effective:

- finalisation of debt funding,
- regulatory approvals,
- approval of the BetKing equity share option plan, and
- agreement and signature of all long form legal agreements.

The equity investment will also result in payment of the contingent consideration of USD31m (ZAR0.5bn) (refer to note 9) relating to the acquisition of the first 20% in BetKing.

Dividend

The board declared a gross dividend of 565 SA cents per listed ordinary share (ZAR2.5bn). It will be subject to the dividend tax rate of 20%, yielding a net dividend of 452 SA cents per listed ordinary share to those shareholders not exempt from paying dividend tax. Dividend tax will be 113 SA cents per listed ordinary share. This dividend declaration is subject to approval of the MultiChoice South Africa Holdings Proprietary Limited (MCSAH) dividend at its annual general meeting on Wednesday, 25 August 2021. The finalisation date for the dividend declaration by the company will be Thursday, 26 August 2021. Subject to the aforementioned MCSAH approval, dividends will be payable to the company's shareholders recorded in the register on the record date, being Friday, 10 September 2021.

There have been no other events noted that occurred after the reporting date, including events associated with COVID-19, that could have a material impact on the summary consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MULTICHOICE GROUP LIMITED

OPINION

The summary consolidated financial statements of MultiChoice Group Limited, contained in the accompanying preliminary report on pages 8 to 25, which comprise the summary consolidated statement of financial position as at 31 March 2021, the summary consolidated income statement, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of MultiChoice Group Limited for the year ended 31 March 2021.

In our opinion, the accompanying summary 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 preliminary reports, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary 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 summary 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 10 June 2021. That report also includes 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.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary 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.*

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Brett Stephen Humphreys
Registered Auditor

Johannesburg
South Africa
10 June 2021

11. NON-IFRS PERFORMANCE MEASURES

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 (non-IFRS performance measures). The non-IFRS performance measures are the responsibility of the board of directors and are presented for illustrative purposes. Pro forma information presented on a non-IFRS basis has been extracted from the group's management accounts, 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 group's management accounts, it may not 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 of changes in foreign exchange rates, changes in the composition of the group and exclusion of non-recurring and/or non-operating items on its results for the year ended 31 March 2021. 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 (FY21: 16.30; FY20: 14.99); Nigerian naira (FY21: 24.17; FY20: 24.37); Angolan kwanza (FY21: 38.22; FY20: 27.92); Kenyan shilling (FY21: 6.70; FY20: 6.86) and Zambian kwacha (FY21: 1.24; FY20: 0.93).
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.

Non-IFRS performance measures are unaudited; however, a separate assurance report issued in respect of the non-IFRS performance measures, by the group's external auditor, can be found on pages 31 and 32.

11. NON-IFRS PERFORMANCE MEASURES 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:

11.1 Key performance indicators

As at 31 March	2020 Reported	2021 Currency impact	2021 Organic growth	2021 Reported	YoY % change	YoY organic % change
90-day active subscribers ('000)[1]	19 499	**n/a**	**1 363**	**20 862**	7	7
South Africa	8 416	**n/a**	**515**	**8 931**	6	6
Rest of Africa	11 083	**n/a**	**848**	**11 931**	8	8
90-day active ARPU (ZAR)[2]						
Blended	187	**(2)**	**–**	**185**	(1)	–
South Africa	290	**–**	**(13)**	**277**	(4)	(4)
Rest of Africa	110	**(3)**	**8**	**115**	5	7
Subscribers ('000)[3]	15 743	**n/a**	**613**	**16 356**	4	4
South Africa	7 888	**n/a**	**289**	**8 177**	4	4
Rest of Africa	7 855	**n/a**	**324**	**8 179**	4	4
ARPU (ZAR)[2]						
Blended	231	**(2)**	**3**	**232**	–	1
South Africa	309	**–**	**(10)**	**299**	(3)	(3)
Rest of Africa	154	**(4)**	**15**	**165**	7	10

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

[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 BoxOffice rental income, but excludes decoder insurance premiums and reconnection fees which are disclosed as other revenue in terms of IFRS.*

[2] *Subscriber numbers are a non-IFRS unaudited operating measure of the actual number of paying subscribers at 31 March of the respective year, regardless of the type of programming package to which they subscribe.*

11. NON-IFRS PERFORMANCE MEASURES continued

11.2 Group financials including segmental analysis

11.2.1 SEGMENTAL RESULTS

As at 31 March	2020 IFRS ZAR'm	2021 Currency impact ZAR'm	2021 Organic growth ZAR'm	2021 IFRS ZAR'm	YoY % change	YoY organic % change
Revenue[1]	51 387	(270)	2 293	53 410	4	4
South Africa	34 154	–	173	34 327	1	1
Rest of Africa[1]	15 476	(383)	2 141	17 234	11	14
Technology	1 757	113	(21)	1 849	5	(1)
Trading profit	8 028	(1 240)	3 502	10 290	28	44
South Africa	10 259	–	873	11 132	9	9
Rest of Africa	(2 921)	(1 155)	2 668	(1 408)	52	91
Technology	690	(85)	(39)	566	(18)	(6)

[1] *Total group revenue and Rest of Africa revenue in 2021 presented above includes ZAR72m gains related to fair value movements on Nigeria futures contracts (note 1 – Change in trading profit definition).*

11.2.2 REVENUE AND COSTS BY NATURE

	2020 IFRS ZAR'm	2021 Currency impact ZAR'm	2021 Organic growth ZAR'm	2021 IFRS ZAR'm	YoY % change	YoY organic % change
Revenue	51 387	(270)	2 293	53 410	4	4
Subscription fees[1]	42 752	(403)	2 334	44 683	5	5
Advertising	3 213	(11)	(354)	2 848	(11)	(11)
Set-top boxes	1 429	29	331	1 789	25	23
Technology contracts and licensing	1 757	113	(21)	1 849	5	(1)
Other revenue	2 236	2	3	2 241	–	–
Operating expenses	43 359	970	(1 209)	43 120	(1)	(3)
Content	18 764	409	(1 222)	17 951	(4)	(7)
Set-top box purchases	4 855	158	152	5 165	6	3
Staff costs[2]	5 912	72	(73)	5 911	–	(1)
Sales and marketing	2 410	(13)	(46)	2 351	(2)	(2)
Transponder costs	2 649	80	(106)	2 623	(1)	(4)
Other	8 769	264	86	9 119	4	1

[1] *Subscription fees in 2021 presented above includes ZAR72m gains related to fair-value movements on Nigeria futures contracts (note 1 – Change in trading profit definition).*
[2] *Excludes equity-settled share-based payment expense and cash-settled share-based payments on closure of schemes.*

11. NON-IFRS PERFORMANCE MEASURES continued

11.3 Reconciliation of headline earnings to 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.

	2021 ZAR'm	2020 ZAR'm	% change
Headline earnings attributable to shareholders (IFRS)	**2 118**	555	
Adjusted for (after tax effects and non-controlling interests):			
– Amortisation of other intangible assets	**54**	62	
– Acquisition-related costs	**25**	49	
– Equity-settled share-based payment expense	**358**	337	
– Foreign currency losses and fair value adjustments	**508**	1 861	
– Realised gains/(losses) on foreign exchange contracts	**114**	(387)	
– Cash settled share-based payments on closure of SAR scheme	**98**	–	
Core headline earnings (ZAR'm)	**3 275**	2 477	32
Core headline earnings per ordinary share issued (SA cents)	**767**	569	35
Diluted core headline earnings per ordinary share issued (SA cents)	**753**	564	34

11.4 Reconciliation of cash generated from operating activities to free cash flow

	2021 ZAR'm	2020 ZAR'm	% change
Cash generated from operating activities	**13 909**	12 081	15
Adjusted for:			
– Lease repayments[1]	**(2 543)**	(2 100)	
– Net capital expenditure	**(1 550)**	(830)	
– Investment income	**–**	21	
– Taxation paid	**(4 095)**	(3 988)	
Free cash flow	**5 721**	5 184	10

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

ASSURANCE ENGAGEMENT REPORT

TO THE DIRECTORS OF MULTICHOICE GROUP LIMITED

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information included in the Summary Consolidated Financial Statements

We have completed our assurance engagement to report on the compilation of pro forma financial information of MultiChoice Group Limited and its subsidiaries (together the "Group") by the directors. The pro forma financial information, as set out on pages 27 to 30 of the Summary Consolidated Financial Statements for the year ended 31 March 2021, consists of 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 (the "non-IFRS performance measures"). The applicable criteria on the basis of which the directors have compiled the pro forma financial information are specified in the Johannesburg Stock Exchange (JSE) Limited Listings Requirements and described in note 11 to the Summary Consolidated Financial Statements.

The pro forma financial information has been compiled by the directors to illustrate the impact of changes in foreign exchange rates, changes in the composition of the group and impact of non-recurring and/or non-operational items on its results for the year ended 31 March 2021, described in note 11 to the summary consolidated financial statements. As part of this process, information about the non-IFRS performance measures has been extracted by the directors from the group's management accounts for the year ended 31 March 2021.

DIRECTORS' RESPONSIBILITY

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in note 11 to the Summary Consolidated Financial Statements for the year ended 31 March 2021.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the 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 Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus 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 our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

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

The purpose of pro forma financial information is solely to provide users with relevant information and measures used by the group to assess performance and to illustrate the impact of foreign currency movements excluding the effects of changes in the composition of the group and non-recurring and/or non-operational items on its results. Accordingly, we do not provide any assurance that the financial information would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

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

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the group, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

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

OPINION

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in note 11 to the Summary Consolidated Financial Statements for the year ended 31 March 2021.

PricewaterhouseCoopers inc.

PricewaterhouseCoopers Inc.
Director: Brett Stephen Humphreys
Registered Auditor

Johannesburg
South Africa
10 June 2021

ADMINISTRATION AND CORPORATE INFORMATION

COMPANY SECRETARY

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

REGISTERED OFFICE

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

REGISTRATION NUMBER

2018/473845/06
Incorporated in South Africa

AUDITOR

PricewaterhouseCoopers Inc.

TRANSFER SECRETARIES

Singular Systems Proprietary Limited
(Registration number: 2002/001492/07)
PO Box 785261
Sandton 2146
South Africa
Tel: +27 0860 116 226
Fax: +27 (0)11 321 5637

ADR PROGRAMME

The Bank of New York Mellon

SHAREHOLDER RELATIONS DEPARTMENT

Global BuyDIRECTSM
462 South 4th Street, Suite 1600, Louisville, KY 40202
United States of America
(PO Box 505000, Louisville, KY 40233-5000)

SPONSOR

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

ATTORNEYS

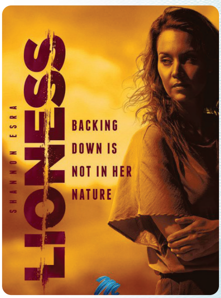
Webber Wentzel
90 Rivonia Road
PO Box 91771
Marshalltown
Johannesburg 2107
South Africa
Tel: +27 (0)11 530 5000

INVESTOR RELATIONS

Meloy Horn
InvestorRelations@multichoice.com
Tel: +27 (0)11 289 3320
Fax: +27 (0)11 289 3026


BOER
SOEK 'N
VROU


AMAZIN
ACE


LIONESS
BACKING
DOWN IS
NOT IN HER
NATURE
SHANNON ESRA