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MULTICHOICE GROUP LIMITED
SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2023

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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

MULTICHOICE
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Executive review of our performance

MultiChoice Group: **Rest of Africa returns to profitability as group continues to expand**

Group performance overview

MultiChoice Group (MCG or the group) continued to scale its overall subscriber base, primarily through a strong performance in the Rest of Africa. The group added 1.7m 90-day active subscribers, representing 8% year-on-year (YoY) growth, to close the year on 23.5m subscribers. The 90-day subscriber base comprised 14.2m households (60%) in the Rest of Africa and 9.3m households (40%) in South Africa.

The strong performance in the Rest of Africa, which added 1.4m subscribers, was underpinned by the decoder subsidy and marketing investments for the FIFA World Cup, which will be fully paid back by the end of 1H FY24. This together with annual price increases resulted in the Rest of Africa delivering positive trading profit for the first time since the group listed in 2019. This is an exceptional performance from the Rest of Africa team as it was achieved despite absorbing more than ZAR2.9bn in currency losses in the last four financial years.

In contrast, the South African consumer environment weakened sharply, especially in the second half of the financial year. Permanent high stages of loadshedding, interest rate hikes and elevated inflation levels have left a large portion of the group's customer base unable to watch or afford video entertainment services. Although SA 90-day subscribers grew by 0.3m YoY, lower levels of activity, represented by active days, were experienced which resulted in a 2% decline in SA revenue.

Group revenue increased 7% (4% organic) to ZAR59.1bn, with the weaker South African rand (ZAR) increasing the revenue contribution on translation of the Rest of Africa and Technology segments, that have a USD reporting currency. Subscription revenues amounted to ZAR48.6bn, up 7% YoY (4% organic), driven by the Rest of Africa that delivered a 25% YoY increase (16% organic). Advertising revenues were up a solid 7% (6% organic) supported by the FIFA World Cup and local content properties. Irdeto's revenues declined 4% (17% organic) as ongoing global supply constraints and the decision to exit all Russian based operations impacted negatively on performance. Insurance premiums grew a strong 22% YoY, with new products such as funeral cover gaining traction.

Group trading profit decreased 3% to ZAR10.0bn (up 5% organic) due to an adverse ZAR0.9bn foreign exchange impact and weaker SA earnings. This resulted in group trading profit margins decreasing from 19% to 17%. The Rest of Africa business returned to profitability and delivered trading profit of ZAR0.9bn, which is a ZAR2.8bn organic improvement from the prior year. The impact of South African macro challenges, together with the group's increased investment in Showmax, caused SA margins to contract to 24% from 31% in the prior year.

The group's established cost optimisation programme delivered a further ZAR1.3bn in cost savings, exceeding the target of ZAR0.8bn, with major contributions from renegotiated sport and general entertainment content contracts.

Operating leverage (on an organic basis) for the year remained positive at +1 percentage point despite the investment in the FIFA World Cup and some once-off cost benefits in the prior year.

Core headline earnings, the board's measure of sustainable business performance, increased 2% YoY to ZAR3.5bn. This was mainly attributable to the improved contribution from the Rest of Africa and positive realised foreign exchange movements, tempered by the lower profits in SA.

Consolidated free cash flow of ZAR2.9bn was down 48% YoY. This was mainly due to working capital investment, especially around prepayments for sports rights renewals and the timing of payments brought forward due to a major financial system upgrade which went live on 1 April 2023.

As one of the largest taxpayers in Africa, the group paid direct cash taxes of ZAR3.4bn, marginally down from the prior year (FY22: ZAR3.6bn) primarily due to lower taxable profits generated in South Africa.

Net interest paid increased by ZAR283m to ZAR780m. This is mainly due to increased SA interest rates and the group's higher average debt position over the year, including a new term loan raised in February 2023, which contributed an additional ZAR351m in interest costs.

The strength of the balance sheet remains a core focus in supporting the group's future growth ambitions. ZAR7.5bn in cash and cash equivalents combined with ZAR9.0bn in available facilities, provide ZAR16.5bn in financial flexibility to fund the group's operations, including the drive to make Showmax the leading streaming platform on the African continent. This strong financial position is after ZAR3.9bn was utilised to settle the MCG and Phuthuma Nathi (PN) dividends in September and an early ZAR2.3bn settlement of the KingMakers term loan in March 2023, but includes ZAR5.1bn in cash that is not readily accessible in the corporate cash pool. Leverage remains low with a net debt: EBITDA ratio of 1.08x at the end of March (FY22: 0.77x).

Notwithstanding liquidity constraints in Nigeria, the group managed to extract USD235m (FY22:USD240m) at an average rate of NGN684:USD (FY22: NGN553:USD) during the year. Cash holdings of ZAR1.9bn (FY22: ZAR2.3bn) held in Nigeria remain exposed to weaker currencies.

Operational performance review

General Entertainment

The group continued its strategy of investing in local content as a key differentiator of its service offering. It remains cheaper to produce, is internally owned, allowing for better utilisation, and rates better with our viewers than international content in all major markets.

This year's investment in local content accounted for 50% (FY22: 47%) of total general entertainment spend and brought the total content library to just over 76 000 hours. Five more local channels were launched in South Africa, Uganda, Ethiopia and Ghana and local content production delivered 6 587 hours, an increase of 9% YoY.

The group has stepped up its focus on rolling out local adaptations of popular telenovelas with local actors and in local languages, across different regions. Not only does it provide a cost benefit to the group, but it resonates strongly with customers. An example in FY23 included 1Magic's *The River* which has been successfully adapted as *Kina* in Kenya and *O Rio* in Angola.

The latest seasons of *Big Brother Naija* and *Nigerian Idols* delivered record multi-platform viewership and strong growth in advertising revenues. *Big Brother Titans* was launched in January 2023, with housemates from South Africa and Nigeria, as a special edition of the hit reality show.

Executive review of our performance continued

In South Africa, the group produced two co-productions to critical acclaim, with more in the pipeline. *Reyka*, an original co-production, was nominated for the coveted Drama Series prize at the International Emmy Awards in 2022. Strong performances by popular shows such as *Mnakwethu*, local adaptations of *The Real Housewives* franchise and *The Saturday Showdown* drove healthy viewership. Returning international series such as *Blue Bloods, The Rookie* and *The Good Doctor*, and shows such as *House of the Dragon, The Last of Us* and *The Yellowstone* franchise have also become favourites among audiences.

SuperSport

SuperSport continued to build on an already world class sports line-up by securing multi-year extensions on rights to the English Premier League, Cricket South Africa, SA Rugby, Formula 1, the new LIV Golf tour, WWE, Men and Women's Cricket World Cup's and SA Netball.

The content highlight of FY23 was the world's greatest sporting event, the FIFA World Cup. Throughout November and December 2022, the world's best football stars dazzled DStv, Showmax and GOtv customers across the continent. The offering was further differentiated by having local language commentary available in 11 languages across eight markets, which underpinned strong subscriber momentum and record levels of growth being achieved in most markets in December 2022.

The group also stepped up its investment in SuperSport Schools, culminating in the launch of a dedicated school sports television channel (216) in February 2023. SuperSport Schools is gaining significant interest from advertisers due to its exponential growth in viewership and is expected to break even in FY24.

A further investment initiative was the launch of the inaugural SA20 cricket competition in January and February 2023, which brought crowds back to cricket stadiums across the country. More than 350 000 tickets were sold throughout the month-long competition, while television audiences were 33% better than the 2022 IPL. SuperSport funded a 30% stake in the SA20 business, which already generated positive cash flows in its first season.

During the year, SuperSport produced in excess of 1 000 live professional sports broadcasts across all platforms. This was delivered at a 10% lower YoY average cost per production and without any compromise in the quality of the viewing experience. The group's first broadcast of the Comrades marathon was another proud moment during FY23.

South Africa Pay-TV

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

The mix of subscriber growth remains in line with prior years, with the Premium decline continuing to slow, the mid-market being the most exposed to the current macro-economic pressures and the mass market still demonstrating room to grow. The changing mix of subscribers, combined with the lower level of subscriber activity, resulted in monthly average revenue per user (ARPU) declining 5% from ZAR269 to ZAR256.

Revenue of ZAR35.0bn, down 2% YoY, was affected by a 3% decline in subscription revenues, partially offset by a ZAR0.2bn increase in other revenue mainly due to growth in insurance premiums. Trading profit of ZAR8.5bn resulted in a trading margin of 24.2%, within the 23% - 28% guided range.

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

On the product front, the group launched the DStv Streama, a device which allows for the streaming of DStv and other partner applications through a normal television in a connected environment. To further expand its aggregation strategy, the group added Disney+ to its portfolio of products available for customers to add to bill, while Universal+ increased the overall content offering available to Premium subscribers. During the year, the group announced its partnership with Sky UK to bring its world-renowned Glass products and services to local customers in the coming years.

In addition, DStv rewards continues to gain traction with improved benefits and has almost doubled from 750k to 1.3m customers in the current year.

Rest of Africa Pay-TV

The Rest of Africa business grew its 90-day active subscriber base by 11% YoY, or 1.4m, and now reaches 14.2m households across the continent. The FIFA World Cup, with all 64 matches broadcast exclusively across all Pay-TV markets, contributed positively to this year's success.

Revenue of ZAR22.6bn represents a 26% increase YoY (16% organic) and benefited from the translation of Rest of Africa USD revenues into ZAR. Subscription revenue of ZAR20.4bn grew 25% (16% organic). 90-day ARPU improved ZAR6 on an organic basis to ZAR126, supported by a stable subscriber mix and inflationary price increases. Rest of Africa revenues now contribute 38% to overall group revenues, up from 33% in the prior year.

Official currencies fluctuated on a blended basis and impacted reported trading profit by ZAR0.7bn (FY22: ZAR0.1bn). The overall macroeconomic environment remains volatile. Major currency movements on average against the USD were the Ghanaian cedi -71% the Angolan kwanza +21%, while the Nigerian Naira depreciated 6% late in the financial year.

The Rest of Africa business returned to profitability, generating positive trading profit of ZAR0.9bn, representing a 4% trading profit margin. This significant improvement in organic performance was supported by 26% revenue growth (16% organic) and ongoing cost optimisation.

Executive review of our performance continued

During FY23, the Rest of Africa business was successful in extracting USD235m (FY22: USD240m) from Nigeria and reducing the closing cash balance to USD104m (FY22: USD155m). This did however come at a cost with cash only available at parallel rates. The group achieved an average extraction rate of NGN684:USD (FY22: NGN553:USD), resulting in foreign exchange losses of ZAR2.4bn (FY22: ZAR1.1bn).

No material cash extraction issues were encountered in any other markets.

Connected Video (OTT)

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

Users of the group's DStv app and Showmax services continue to grow as online consumption increases. The overall online user base increased by 12% YoY, with the growth rate for paying Showmax subscribers at a strong 26%. Showmax further localised its business by adding more local content, as well as payment channels and partners, which enabled local billing in various markets. The group continued to reduce buffering and improve the stability of its applications, as demonstrated by the successful streaming of the FIFA World Cup on all online platforms. The FIFA World Cup came with a significant increase in the number of concurrent viewers consuming live events (in 4K on compatible devices) on both the DStv app and Showmax.

Showmax Pro, which includes live sport, enjoyed strong growth and doubled its subscriber base. This was supported by the broadcast of properties such as English Premier League, UEFA Champions League, Premier Soccer League in SA and the FIFA World Cup. Growth was further stimulated by a price reduction in South Africa from ZAR449 to ZAR349 per month and a successful telco partnership in the Mauritian market.

Technology (Irdeto)

Customers serviced by the Technology segment continue to face shortages in silicon supply and disruptions in global supply chains. The ongoing war in Ukraine also led to a group decision to exit the Russian market that had a moderate impact on both revenue and margins.

Combined with production disruptions and lower consumer demand in markets like India and China, Irdeto's revenues were down 4% YoY (17% organic) to ZAR1.5bn. Despite top line pressure, the segment contributed ZAR0.6bn to group trading profit, with margins strong at 41% due to efficient cost containment, a favourable portfolio mix and an uplift from the currency conversion rate into ZAR.

On a standalone basis (excluding intergroup eliminations), the Irdeto business generated total revenues of USD200m (ZAR3.4bn), representing a 7% YoY decrease. Trading profit on the same basis amounted to USD36m (ZAR0.6bn), up 3% from FY22.

During the year, Irdeto continued to gain market share in the media security sector, including deployments with a major European broadcaster and a leading media and entertainment company in South-East Asia. The business also further expanded the deployment of its security solutions for connected vehicles with Hyundai and started providing its Keystone solution to customers managing large truck fleets and to construction equipment rental companies. The video games security business had a strong year with new customer acquisitions and growth in new market segments such as mobile gaming.

Irdeto also won numerous industry awards and has been recognised as the winner in the best cybersecurity company category of the 2022 Cybersecurity Excellence Awards.

Sports Betting (KingMakers)

KingMakers continued its strong operational growth, generating a 51% increase in gross gaming revenues to USD198m (ZAR3.4bn). As a result, the group's share of revenue from KingMakers now exceeds external revenues from the Technology segment. The group recorded a loss after tax amounting to USD28m (ZAR0.5bn) as KingMakers' increased revenues were offset by investment in people, product and technology to further scale the business, as well as cash extraction losses out of Nigeria which amounted to USD13m.

The introduction of a new management team triggered a holistic review of the business and a decision to reprioritise activities and focus on large markets like Nigeria and South Africa first – with the latter to see the launch of SuperSportBet in FY24. KingMakers exited operations in Kenya and Ethiopia and will revisit its expansion plans in future.

Given the notable changes in discount rates applicable to Nigerian and global gaming and technology companies and the sharp increase in parallel exchange rates in Nigeria, an impairment review was conducted on KingMakers as at 31 March 2023. Although in local currency the business remains in line with original forecasts, the marked increase in discount rates for the Nigerian operation, a weaker currency forecast, combined with the impact of exiting some markets, resulted in the recognition of a ZAR2.0bn impairment loss. The group's 51.23% investment in this associate is now valued at ZAR4.6bn.

The product and market expansion plan is fully funded with KingMakers having USD166m (ZAR3.0bn) of cash available at 31 December 2022.

Fin-tech (Moment)

During FY23 a partnership (Moment Holdings based in the UK) was reached between the group, General Catalyst (one of the world's largest fin-tech investors) and Rapyd (a global fin-tech company with success across 100 countries and a 2021 Series E funding round conducted at a USD9bn valuation).

The group contributed USD3.3m in an initial funding round for a 25.5% stake in Moment. During the year, Moment finalised commercial deals with MCG operating companies, obtained licences to operate in key markets and built up a strong executive team. This positions them to launch new products that specifically address the group's needs, from the second half of FY24.

Other disclosures

New term loan facility

To improve the group's financial flexibility, fund working capital requirements and improve the group's cost of capital a new ZAR12bn term loan facility was finalised in February 2023.

Executive review of our performance continued

The facility is a 5-year term loan with a bullet repayment profile five years from each drawdown date. The facility bears interest at JIBAR +1.44 percentage points payable quarterly in arrears. The first draw down of ZAR8bn was made in March.

The group repaid outstanding debt of ZAR8.5bn during the year. The group's existing undrawn short term debt facilities amounting to ZAR5bn remain in place on the same terms as previously disclosed.

Nigeria tax dispute

The group has two ongoing Nigerian tax matters, one involving MultiChoice Nigeria Limited and the second involving MultiChoice Africa Holdings BV. On 16 February 2022, an agreement was reached with the Federal Inland Revenue Service (FIRS) that legal proceedings will be stayed and that an integrated tax audit will commence for both entities.

The audit process, which covers corporate income tax, value added tax and transfer pricing is ongoing, but has been taking longer than anticipated. As part of the process, the group has made a further ZAR0.6bn in tax security deposits during FY23 on a without-prejudice and good faith basis. The total deposit balance now amounts to ZAR1.3bn. These have been recorded as current receivables pending the outcome of the audit process.

Based on the latest facts and circumstances available, no tax provision has been made, nor has a contingent liability been disclosed in the year end results. The group maintains its position as a law-abiding corporate citizen and continues to engage constructively with FIRS to bring the audit to a fair conclusion.

Share transactions

The group transferred a further 4.5m treasury shares (valued at ZAR0.5bn on the date of transfer) between two group companies, to fund the current year's awards to employees under the group's restricted stock unit (RSU) share plan. At the end of FY23, a total of 0.1m shares at an average price of ZAR120 per share remain unallocated for future use and future awards will continue to be funded by share purchases.

Subsequent events

Other than successfully concluding the Showmax partnership transaction with Comcast on 4 April 2023, as explained above, there have been no other events that occurred after the reporting date that could have a material impact on the summary consolidated financial statements.

Corporate social responsibility

As a level 1 B-BBEE rated business since inception in 2019, 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 focus on external measures, internal gender equality and B-BBEE targets. Furthermore, targets have been included in areas where the group can use its platform to really make a difference on the African continent. This includes 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 ongoing 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. The year saw further investment of ZAR255m (FY22: ZAR266m) by the two trusts.

Sport is another area where the group has a meaningful impact on society. Not only does MCG play a crucial role in the development and broadcasting of schools' sport through its SuperSport Schools initiative, but it is also stepping up its investment in woman's sport. This includes support for the SA Netball team leading up to the 2023 World Cup in South Africa, where SuperSport will be the host broadcaster and production will be delivered by a world first all-female production crew.

Dividend

In view of the challenging South African market, the uncertain currency outlook, the funding needs of the Rest of Africa business and the investment required to drive Showmax to become the leading streaming platform on the continent, no dividend has been declared for FY23.

Outlook

The group continues its shift from a traditional Pay-TV platform to a broader ecosystem focused on segments that address African customer needs and are underpinned by technology.

The core video entertainment business, but specifically navigating the impact of the ongoing economic and energy challenges in South Africa, will remain a central focus for FY24. A new, energised executive team has been appointed to face the challenge head on. They will be looking to leverage on the exceptional content slate, which this year includes the Rugby World Cup, where the Springboks are the defending champions, while tight cost management remains an utmost priority.

Following the recent announcement of the new Showmax group, in partnership with Comcast, the year ahead will not only see the business migrating to the Peacock platform, but also the exciting launch of new products and price points to set Showmax up for strong future growth.

In other verticals, KingMakers will launch in South Africa under the *SuperSportBet* brand, with an exciting plan to ensure the business delivers strong early traction. In Nigeria, organic growth and the launch of new products are likely to drive increased market share and revenue growth. FY24 will see Moment launching its B2B platform and starting to roll out payments technology to support more frictionless digital payment experiences for customers at a lower cost to the group in several markets across the continent.

Directorate

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

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, 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.

Executive review of our performance continued

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 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. 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 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 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 the summary consolidated financial statements. The audit report of the group's external auditor is included on page 30 and the reasonable assurance report on non-IFRS measures is included on pages 35 and 36. 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

Imtiaz Patel
Chair

Calvo Mawela
Group CEO

Summary consolidated income statement

for the year ended 31 March 2023

	Note	2023 ZAR'm	2022 ZAR'm	% change
Revenue	2	**59 141**	55 240	7
Cost of providing services and sale of goods[1]		**(32 437)**	(29 769)	9
Selling, general and administration expenses[2]		**(16 615)**	(14 852)	12
Net impairment loss on trade receivables		**(24)**	(58)	
Other operating gains/(losses) – net	5	**92**	(265)	
Operating profit		**10 157**	10 296	(1)
Interest income	4	**449**	260	
Interest expense	4	**(1 458)**	(1 210)	
Net foreign exchange translation losses	4	**(5 580)**	(2 118)	
Share of equity-accounted results[3]		**(477)**	(134)	
Impairment of equity-accounted investment	6	**(1 998)**	–	
Other losses	5	**(172)**	–	
Profit before taxation	5	**921**	7 094	(87)
Taxation[4]		**(3 841)**	(4 210)	
(Loss)/profit for the year		**(2 920)**	2 884	>(100)
Attributable to:				
Equity holders of the group		**(3 478)**	1 358	
Non-controlling interests		**558**	1 526	
		(2 920)	2 884	>(100)
Basic and diluted (loss)/earnings for the year (ZAR'm)		**(3 478)**	1 358	>(100)
Basic (loss)/earnings per ordinary share (SA cents)	3	**(815)**	318	>(100)
Diluted (loss)/earnings per ordinary share (SA cents)	3	**(815)**	309	>(100)

1 *The increase in the cost of providing services and sale of goods is primarily due to an increased investment in decoders for the 2022 FIFA World Cup and higher content costs. Higher content costs were driven by the costing of major sporting events and the group's continued ramp-up in local content investment.*

2 *The increase in selling, general and administration expenses is primarily due to adverse foreign exchange effects and increased sales and marketing expenditure for the 2022 FIFA World Cup.*

3 *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 due to ongoing investments in people and technology as well as foreign exchange losses on the extraction of cash from Nigeria.*

4 *The effective tax rate has increased primarily due to increased foreign exchange losses (which resulted in a lower profit before taxation), an increase in uncertain tax positions recognised and withholding taxes incurred in the Rest of Africa segment.*

Summary consolidated statement of comprehensive income

for the year ended 31 March 2023

	2023 ZAR'm	2022 ZAR'm
(Loss)/profit for the year	**(2 920)**	2 884
Total other comprehensive income for the year:		
Exchange gains/(losses) arising on translation of foreign operations[1,2,3]	**2 373**	(32)
Hedging reserve[1]	**1 513**	(781)
– Net fair value gains/(losses)[4]	**2 259**	(570)
– Hedging reserve recycled to the income statement	**(257)**	(367)
– Net tax effect of movements in hedging reserve[5]	**(489)**	156
Total comprehensive income for the year	**966**	2 071
Attributable to:		
Equity holders of the group	**923**	548
Non-controlling interests	**43**	1 523
	966	2 071

[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 depreciation against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23. 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 ZAR14.61 in FY22 to ZAR17.79 in FY23, a lower overall notional value of hedging contracts and a decrease in the achieved average hedge rate on cash flow hedges from ZAR15.89 in FY22 to ZAR15.69 in FY23.*

[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 2023

	Note	2023 ZAR'm	2022 ZAR'm
ASSETS			
Non-current assets		**24 586**	25 576
Property, plant and equipment[1]		**12 129**	13 060
Goodwill and other intangible assets[2]		**5 351**	4 947
Investments and loans		**357**	255
Investment in associates and joint ventures	6	**4 876**	5 878
Amounts due from related parties	9	**71**	54
Derivative financial instruments		**6**	12
Platform technology advances[3]		**247**	–
Deferred taxation		**1 549**	1 370
Current assets		**23 024**	17 265
Inventory		**890**	811
Programme and film rights[4]		**6 246**	5 256
Trade and other receivables[5]		**6 864**	4 696
Amounts due from related parties	9	**4**	10
Derivative financial instruments[6]		**1 479**	136
Margin deposits[7]		**–**	201
Cash and cash equivalents		**7 541**	6 155
Total assets		**47 610**	42 841
EQUITY AND LIABILITIES			
Equity reserves attributable to the group's equity holders		**9 717**	10 952
Share capital		**454**	454
Other reserves		**(9 613)**	(14 175)
Retained earnings		**18 876**	24 673
Non-controlling interests		**(4 372)**	(2 876)
Total equity		**5 345**	8 076
Non-current liabilities		**19 570**	13 875
Lease liabilities		**10 747**	10 656
Long-term loans[8]		**8 046**	2 721
Derivative financial instruments[6]		**142**	320
Deferred taxation[9]		**635**	178
Current liabilities		**22 695**	20 890
Lease liabilities		**2 355**	1 822
Short-term loans[8]		**375**	1 300
Programme and film rights[4]		**5 060**	3 505
Provisions		**225**	364
Accrued expenses and other current liabilities[10]		**10 816**	10 272
Derivative financial instruments[6]		**41**	971
Taxation liabilities[11]		**3 823**	2 656
Total equity and liabilities		**47 610**	42 841

1 *Decrease relates primarily to current year depreciation, partially offset by an increase due to the depreciation of the ZAR against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79.*

2 *Increase relates primarily to the depreciation of the ZAR against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23 and a continued investment in a multi-year programme to upgrade the group's customer service, billing and data capabilities.*

3 *During FY23, advances were provided by the group to NBCUniversal Media, LLC in order to commence the customisation of the Peacock TV LLC's technology stack (note 10) for use in the Showmax business.*

4 *Increase relates primarily to the continued ramp-up in local content investment and the impact of the depreciation of the ZAR against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23. Higher content prepayments in the current year also contributed to the increase.*

5 *Increase relates primarily to the additional tax security deposits paid in FY23 related to the Nigeria tax audit (ZAR0.6bn) and lower remittances from agencies and franchises in the Rest of Africa segment.*

6 *Movement relates primarily to the depreciation of the ZAR against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23 and the resulting favourable hedge rate achieved on existing forward exchange contracts.*

7 *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.*

8 *Increase relates primarily to the conclusion of a ZAR12.0bn term loan during February 2023. As at 31 March 2023, ZAR8.0bn of this loan had been drawn down, with ZAR4.0bn undrawn. The loan has a five-year term and bears interest at three month JIBAR +1.44%. The capital portion of each drawdown will be settled via one payment five years from each drawdown date. This increase was partially offset by repayments of ZAR3.6bn made during FY23. Repayments consisted of ZAR500m made on the group's amortising working capital loan of ZAR1.5bn concluded during FY21 and repayments of ZAR3.1bn (which included a ZAR2.3bn early repayment) made on the ZAR4bn KingMakers term loan which was concluded in FY22.*

9 *Increase relates primarily to the depreciation of the ZAR against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23. This depreciation in the ZAR resulted in more future taxable gains being recognised in the hedging reserve at 31 March 2023, resulting in increased deferred tax liabilities.*

10 *Increase relates primarily to accruals raised during FY23 in relation to the preparation of the new Showmax platform expected to launch in the second half of FY24 (note 10).*

11 *Increase relates primarily to an increase in uncertain tax positions in the Rest of Africa segment, which includes the impact of ZAR depreciation against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23.*

Summary consolidated statement of changes in equity

for the year ended 31 March 2023

	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 2021	454	(13 518)	25 490	(2 912)	9 514
Profit for the year	–	–	1 358	1 526	2 884
Other comprehensive loss	–	(810)	–	(3)	(813)
Total comprehensive income for the year	–	(810)	1 358	1 523	2 071
Treasury shares acquired[2]	–	(308)	–	–	(308)
Treasury shares disposed[3]	–	152	(152)	–	–
Hedging reserve basis adjustment[4]	–	309	–	93	402
Share-based compensation movement	–	–	420	–	420
Purchase of shares for group share schemes[5]	–	–	(87)	–	(87)
Transactions with non-controlling interest[6]	–	–	62	(74)	(12)
Dividends declared[7,8]	–	–	(2 418)	(1 506)	(3 924)
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[3]	**–**	**238**	**(238)**	**–**	**–**
Hedging reserve basis adjustment[4]	**–**	**(77)**	**–**	**(22)**	**(99)**
Share-based compensation movement	**–**	**–**	**492**	**–**	**492**
Purchase of shares for group share schemes[5]	**–**	**–**	**(109)**	**–**	**(109)**
Other share-based compensation movements[9]	**–**	**–**	**(49)**	**–**	**(49)**
Dividends declared[7,8]	**–**	**–**	**(2 415)**	**(1 517)**	**(3 932)**
Balance at 31 March 2023	**454**	**(9 613)**	**18 876**	**(4 372)**	**5 345**

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

2 *During FY22, the group acquired a further 2.5m treasury shares at an average price of ZAR121 per share to fund future RSU share awards. As at 31 March 2023, the group holds 14.8m (FY22: 17.0m) treasury shares at an average value of ZAR107 (FY22: ZAR108) per share.*

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

4 *Relates to the basis adjustment (net of tax gains of ZAR3m (FY22: ZAR93m) on other reserves and tax gains of ZAR1m (FY22: ZAR28m) on non-controlling interests) on programme and film right assets as content comes into licence.*

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

6 *Relates to two transactions in the prior year, the first relating to a dilution of MultiChoice Africa Holdings. B.V.'s interest in GOtv Uganda Limited from 100% to 85% due to local shareholding requirements. GOtv Uganda Limited had a negative net asset value of ZAR598m and there was no carrying value related to the non-controlling interest in GOtv Uganda Limited prior to this transaction. No cash consideration was received. This transaction resulted in a increase of ZAR90m in retained earnings and a decrease of ZAR90m in non-controlling interest. The second related to the group acquiring the remaining 49% interest in SuperSport Schools in March 2022. SuperSport Schools is now 100% owned by the group. The carrying value of the non-controlling interest prior to this transaction was negative ZAR15.7m. Cash consideration paid amounted to ZAR8.75m with a further ZAR3.75m payable during FY23 based on the achievement of service conditions attached to the transaction. This transaction resulted in a decrease of ZAR28m in retained earnings and a increase of ZAR16m in non-controlling interest.*

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

8 *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 (FY21: 565 SA cents).*

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

Summary consolidated statement of cash flows

for the year ended 31 March 2023

	Notes	2023 ZAR'm	2022 ZAR'm
Cash flows from operating activities			
Cash generated from operating activities		**9 981**	12 723
Interest income received		**289**	255
Interest costs paid		**(1 069)**	(752)
Settlement of share-based compensation awards[1]		**(59)**	–
Taxation paid		**(3 396)**	(3 572)
Net cash generated from operating activities		**5 746**	8 654
Cash flows from investing activities			
Property, plant and equipment acquired		**(690)**	(626)
Proceeds from sale of property, plant and equipment		**14**	15
Intangible assets acquired		**(545)**	(462)
Proceeds from sale of intangible assets		**15**	15
Decrease in margin deposits		**225**	221
Investment in associate	6	**(202)**	(4 244)
Loans to Enterprise Development Trust beneficiaries		**(46)**	(39)
Repayment of Enterprise Development Trust loans		**12**	9
Cash received from other investments and loans		**30**	29
Other movements in investments and loans[2]		**(87)**	(153)
Net cash utilised in investing activities		**(1 274)**	(5 235)
Cash flows from financing activities			
Proceeds from long and short-term loans raised[3,4]		**12 906**	5 453
Repayments of long and short-term loans[3,4,5,6]		**(8 512)**	(2 866)
Settlement of contingent consideration	6	**–**	(467)
Repayments of lease liabilities		**(1 978)**	(2 007)
Repurchase of treasury shares		**–**	(308)
Purchases of shares for group share schemes[7]		**(109)**	(87)
Transactions with non-controlling interests[8]		**–**	(9)
Dividends paid by holding company		**(2 415)**	(2 418)
Dividends paid by subsidiaries to non-controlling shareholders		**(1 517)**	(1 506)
Net cash utilised in financing activities		**(1 625)**	(4 215)
Net movement in cash and cash equivalents		**2 847**	(796)
Foreign exchange translation adjustments on cash and cash equivalents[9]		**(1 461)**	(1 586)
Cash and cash equivalents at the beginning of the year		**6 155**	8 537
Cash and cash equivalents at the end of the year		**7 541**	6 155

1 *Relates to the settlement paid to employees due to the closure of the Irdeto 2012 SAR scheme.*
2 *In FY23, the group made an additional USD5m (ZAR87m) investment (FY22: USD10m (ZAR153m) initial investment) in Trust Machines SPV, LLC applications and platforms (note 8).*
3 *During February 2023, a ZAR12.0bn term loan was concluded to fund the group's working capital requirements. As at 31 March 2023, ZAR8.0bn of this loan had been drawn down. The loan has a five-year term and bears interest at three-month JIBAR +1.44%. The capital portion of each drawdown will be settled via one payment five years from each drawdown date.*
4 *During 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.*
5 *A ZAR4bn term loan was concluded in FY22 to fund the group's additional investment in KingMakers. The loan had a five-year term and accrued interest at three-month JIBAR +1.35%. As at 31 March 2023, this loan had been settled through an early repayment of ZAR2.3bn and four fixed term repayments totalling ZAR800m during FY23. ZAR900m of this loan was paid during FY22.*
6 *An amortising working capital loan of ZAR1.5bn was concluded in FY21. The loan had a three-year term and accrued interest at three-month JIBAR + 1.70%. As at 31 March 2023, ZAR1.125m of this loan had been settled with ZAR500m paid during FY23 and ZAR500m paid during FY22.*
7 *Relates to the purchase of group shares, which were used to settle the group's share-based compensation awards.*
8 *In FY22, the group acquired the remaining 49% of shares in SuperSport Schools. SuperSport Schools is now 100% owned by the group.*
9 *Includes losses of ZAR2.4bn (FY22: ZAR1.1bn) within the Rest of Africa segment, due to differences between the Nigerian I&E rate used by the group for translation of results and the Nigerian parallel rate at which cash has been extracted.*

Segmental review

for the year ended 31 March 2023

Revenue and trading profit	Revenue 2023 ZAR'm External	Revenue 2023 ZAR'm Inter-segment	Revenue 2023 ZAR'm Total	Revenue 2022 ZAR'm External	Revenue 2022 ZAR'm Inter-segment	Revenue 2022 ZAR'm Total	Trading profit[1] 2023 ZAR'm	Trading profit[1] 2022 ZAR'm
South Africa	**34 984**	**6 973**	**41 957**	35 615	7 750	43 365	**8 483**	11 032
Rest of Africa	**22 680**	**265**	**22 945**	18 081	199	18 280	**898**	(1 213)
Technology	**1 477**	**1 939**	**3 416**	1 544	1 666	3 210	**610**	515
Eliminations	**–**	**(9 177)**	**(9 177)**	–	(9 615)	(9 615)	**–**	–
Total	**59 141**	**–**	**59 141**	55 240	–	55 240	**9 991**	10 334

[1] *Total group trading profit and Rest of Africa trading profit presented above includes losses of ZAR76m (FY22: losses of ZAR163m) related to fair value movements on Nigeria futures contracts.*

Revenue by nature	2023 ZAR'm South Africa	2023 ZAR'm Rest of Africa	2023 ZAR'm Tech-nology	2023 ZAR'm Total	2022 ZAR'm South Africa	2022 ZAR'm Rest of Africa	2022 ZAR'm Tech-nology	2022 ZAR'm Total
Subscription fees	**28 133**	**20 522**	**–**	**48 655**	28 956	16 468	–	45 424
Advertising	**3 266**	**936**	**–**	**4 202**	3 258	651	–	3 909
Decoders	**994**	**905**	**–**	**1 899**	1 069	801	–	1 870
Installation fees	**284**	**–**	**–**	**284**	321	–	–	321
Technology contracts and licensing	**–**	**–**	**1 477**	**1 477**	–	–	1 544	1 544
Insurance premiums[1]	**717**	**–**	**–**	**717**	587	–	–	587
Other revenue	**1 590**	**317**	**–**	**1 907**	1 424	161	–	1 585
Total external revenue	**34 984**	**22 680**	**1 477**	**59 141**	35 615	18 081	1 544	55 240

[1] *FY22 numbers have been restated to disclose this line separately to improve disclosure.*

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:

Trading profit per segmental income statement	2023 ZAR'm	2022 ZAR'm
Adjusted for:	**9 991**	10 334
Interest on transponder leases (note 4)	**540**	537
Amortisation of intangibles (other than software)	**(50)**	(53)
Other operating gains/(losses) – net (note 5)	**92**	(265)
Equity-settled share-based compensation	**(492)**	(420)
Fair value movements on futures contracts[1]	**76**	163
Operating profit per the income statement[2]	**10 157**	10 296

[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 2023

1. Basis of presentation and accounting policies

The summary consolidated financial statements for the year ended 31 March 2023 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 International Financial Reporting Standards (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.

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 2023 of 17.79:1 (31 March 2022: 14.61:1), 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 for the year ended 31 March 2023 of 17.14:1 (31 March 2022: 14.93:1).

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 prior year's consolidated annual financial statements.

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 2023.

The group has adopted all new and amended accounting pronouncements issued by the International Accounting Standards Board that are effective for financial years commencing 1 April 2022. None of the amendments had a material effect on the group's summary consolidated 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/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.

	2023 ZAR'm	2022 ZAR'm
2. Revenue		
Subscription fees[1]	**48 655**	45 424
Advertising	**4 202**	3 909
Decoders	**1 899**	1 870
Installation fees	**284**	321
Technology contracts and licensing	**1 477**	1 544
Insurance premiums[2]	**717**	587
Other revenue[3]	**1 907**	1 585
	59 141	55 240

1 *Increase relates primarily to strong revenue growth in the Rest of Africa, driven by 1.4m additional 90-day subscribers and inflationary price increases.*

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

3 *Other revenue relates primarily to sub-licensing revenue and reconnection fees. Increase relates primarily to higher sub-licensing revenue and an increase in reconnection fees due to more reconnection events in FY23.*

The following table shows unsatisfied performance obligations resulting from long-term technology contracts, within the technology segment, as at 31 March 2023 and 31 March 2022:

	2023	2022
Aggregate amount of the transaction price allocated to long-term technology contracts that are partially or fully unsatisfied	**111**	151

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.

Management expects that 38% of the transaction price allocated to the unsatisfied contracts as of 31 March 2022 will be recognised as revenue during FY23 (ZAR58m) and 38% (ZAR58m) will be recognised as revenue during FY24. The remaining 24% (ZAR35m) will be recognised as revenue in FY25 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.

Notes to the summary consolidated financial statements continued

for the year ended 31 March 2023

	2023 ZAR'm	2022 ZAR'm
3. Headline earnings		
(Loss)/profit attributable to equity holders of the group	**(3 478)**	1 358
– Impairment of programme and film rights	**328**	208
– Impairment of equity-accounted investment (note 6)	**1 998**	–
– Reversal of impairment of joint ventures	**–**	(8)
– Loss/(profit) on sale of property, plant and equipment	**13**	(5)
– Profit on sale of intangible assets	**(16)**	(13)
– Derecognition of intangible assets	**–**	287
– Impairment of property, plant and equipment	**2**	–
– Dilution loss on partial sale of associate (note 5)	**13**	–
	(1 140)	1 827
– Total tax effects of adjustments	**(92)**	(117)
– Total non-controlling interest effects of adjustments	**(55)**	(81)
Headline (loss)/earnings	**(1 287)**	1 629
Basic and diluted headline (loss)/earnings for the year (ZAR'm)	**(1 287)**	1 629
Basic headline (loss)/earnings per ordinary share (SA cents)	**(301)**	381
Diluted headline (loss)/earnings per ordinary share (SA cents)[1]	**(301)**	371
Net number of ordinary shares issued (million)		
– at year end[2,3]	**428**	426
– at year end (including treasury shares)[2]	**443**	443
– weighted average for the year	**427**	427
– diluted weighted average for the year[1]	**427**	439

1 *As at 31 March 2023, 14.0m RSUs have been awarded to employees and remain unvested. However, due to the group's FY23 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 FY23. As at 31 March 2022, 11.4m RSUs were awarded and unvested resulting in a dilutive impact in the prior year.*

2 *As at 31 March 2023, the group held 14.8m treasury shares which resulted in a decrease in the number of ordinary shares issued (FY22: 17.0m treasury shares).*

3 *During FY23, the group transferred 4.5m (FY22: 3.8m) (with a value of ZAR0.5bn (FY22: ZAR0.4bn) 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. In FY22, an additional 2.5m shares were repurchased by MultiChoice Group Treasury Services Proprietary Limited as part of a general share buy-back to fund future RSU share awards. 2.1m (FY22: 1.2m) RSUs were exercised during the year which reduced the number of treasury shares held by the group at 31 March 2023.*

	2023 ZAR'm	2022 ZAR'm
4. Interest (expense)/income		
Interest expense		
Loans and overdrafts[1]	**(511)**	(160)
Leases[2]	**(577)**	(583)
Other[3]	**(370)**	(467)
	(1 458)	(1 210)

[1] *Increase relates primarily to interest rates relating to short-term banking facilities of ZAR202m (FY22: ZAR2m), working capital term loans of ZAR110m (FY22: ZAR64m) and KingMakers term loan of ZAR197m (FY22: ZAR80m).*

[2] *Relates primarily to transponder leases of ZAR540m (FY22: ZAR537m).*

[3] *Relates primarily to interest accrued to revenue authorities in the Rest of Africa of ZAR149m (FY22: ZAR274m) and the discounting of liabilities in relation to programme and film rights of ZAR203m (FY22: ZAR144m).*

	2023 ZAR'm	2022 ZAR'm
Interest income		
Loans and bank accounts	**256**	192
Other	**193**	68
	449	260

A significant portion of results 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:

	2023 ZAR'm	2022 ZAR'm
Net losses from foreign exchange translation and fair value adjustments on derivative financial instruments		
On translation of assets and liabilities[1]	**(2 267)**	(848)
Cash extraction losses[2]	**(2 353)**	(1 139)
On translation of transponder leases[1]	**(1 654)**	92
Gains on translation of forward exchange contracts[3]	**2 097**	1 762
Losses on translation of forward exchange contracts[3]	**(1 403)**	(1 985)
Net foreign exchange translation losses	**(5 580)**	(2 118)

[1] *Movement primarily relates to ZAR depreciation against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23.*

[2] *Includes losses within the Rest of Africa segment, due to differences between the Nigerian I&E rate used by the group for translation of results and the Nigerian parallel rate at which cash has been extracted. The group achieved an average extraction rate of NGN684:USD (FY22: NGN553:USD) during FY23.*

[3] *The movement relates primarily to the ZAR depreciation against the USD from a closing rate of ZAR14.61 in FY22 to ZAR17.79 in FY23, a lower overall notional value of hedging contracts and an improvement in the achieved average hedge rate.*

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:

	2023 ZAR'm	2022 ZAR'm
Depreciation of property, plant and equipment	**(2 535)**	(2 461)
Amortisation	**(246)**	(230)
– software	**(196)**	(177)
– other intangible assets	**(50)**	(53)
Net realisable value adjustments on inventory, net of reversals[1]	**111**	(173)
Other operating gains/(losses) – net		
Derecognition of intangible assets[2]	**–**	(287)
(Loss)/profit on sale of property, plant and equipment	**(13)**	5
Profit on sale of intangible assets	**16**	13
Impairment of property, plant and equipment	**(2)**	–
Fair value adjustments[3]	**91**	4
	92	(265)
Other losses		
Acquisition-related costs[4]	**(159)**	–
Dilution loss[5]	**(13)**	–

[1] *Net realisable value adjustments relate to decoder subsidies in South Africa and the Rest of Africa segments.*
[2] *Relates to the derecognition of information technology assets in the prior year as part of the group's periodic asset review process, and in line with its conservative accounting policies.*
[3] *Includes ZAR4m fair value gains (FY22: ZARnil) related to the group's investment in Trust Machines and ZAR80m fair value gains related to the group's derivative option liability (note 8).*
[4] *Relates to acquisition-related project costs incurred by the group primarily related to the new partnership with Comcast Corporation (note 10).*
[5] *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%.*

	Note	2023 ZAR'm	2022 ZAR'm
6. Investment in associates and joint ventures			
Investment in associates	(a)	**4 862**	5 861
Investment in joint ventures		**14**	17
		4 876	5 878
(a) Investment in associates			
Blue Lake Ventures Limited (KingMakers)[1]		**4 558**	5 764
Questar Auto Technologies (Questar)		**77**	92
Zendascape Proprietary Limited (AURA)		**5**	5
AURA B.V.		**30**	–
Bidstack Group PLC (Bidstack)		**110**	–
Moment Holdings Limited (Moment)		**59**	–
Africa Cricket Development Proprietary Limited (SA20)		**23**	–
		4 862	5 861

[1] *The group considers KingMakers as its only material associate.*

Movement in carrying value of KingMakers investment:	2023 ZAR'm	2022 ZAR'm
Opening balance	**5 764**	1 628
Associate acquired – gross consideration	**–**	4 471
Share of net loss of associate	**(299)**	(83)
Share of other comprehensive loss of associate	**(1)**	(4)
Amortisation of intangible assets identified on acquisition	**(151)**	(55)
Impairment of associate	**(1 998)**	–
Foreign exchange translation adjustment	**1 243**	(193)
Closing balance	**4 558**	5 764

As at 31 March 2023, the group assessed its investment in KingMakers for impairment. This assessment was due to the notable changes in discount rates applicable to Nigerian and global gaming and technology companies and the sharp increase in parallel foreign exchange rates in Nigeria. Although in local currency the business remains in line with original forecasts, due to a marked increase in discount rates for global gaming companies and the Nigerian operation in particular and the impact of markets which have been exited, the carrying amount of the KingMakers investment exceeded the recoverable amount of ZAR4.6bn (USD256m) and an impairment loss of ZAR2.0bn (USD112m) was recognised in FY23 (FY22: ZARnil).

6. Investment in associates and joint ventures continued

KingMakers

During FY21, the group acquired a 20% investment in Blue Lake Ventures Limited, a sports betting business (operating as KingMakers). In FY22, the group increased its investment in KingMakers which triggered the following:

- sale of shares on loan account to the KingMakers share scheme (note 8);
- a USD100m subscription for shares into the business;
- a USD182m partial buy out of minority shareholders; and
- the payment of the contingent consideration of USD31m relating to the acquisition of the first 20% in KingMakers.

During FY22, the group acquired net assets of ZAR1.9bn and goodwill of ZAR2.6bn. Net assets acquired include separately identifiable assets considered in the final purchase price allocation. The fair values of separately identifiable assets included the KingMakers brand ZAR344m, cash and cash equivalents ZAR926m, customer relationships ZAR406m as well as internally developed software ZAR17m. Significant judgement was exercised on the identification and valuation of these assets acquired within KingMakers. The significant assumptions taken into account to value these assets included the forecast cash flows, tax amortisation benefit, discount rate, growth rates, EBITDA margins, royalty rates, contributory asset charges and terminal growth rates.

At the conclusion of the above transactions, the group now owns 49.23% in KingMakers. However, the group considered the economic ownership to be 51.23% due to the sale of shares to the KingMakers' shares scheme, which was considered to be the issuance of an option liability as explained in note 8. KingMakers will continue to be equity accounted after considering shareholder and board representation rights (including de facto control) available to the group. The equity accounting post the transaction occurred using the economic ownership taking into account the sale of shares on loan account as well as the additional acquisition of shares. The group also recognised a derivative option liability (included in the consideration paid for the additional ownership percentage), which is fairly valued in terms of *IFRS 9 Financial Instruments* (note 8).

Significant judgements have been made with regard to determining that the group exercises significant influence and not control over KingMakers. This includes consideration of voting rights and the ability to direct the relevant activities of KingMakers. It was concluded that the group does not have control over KingMakers but rather has significant influence through its board representation, in particular, that the group only has the right to appoint 3 of the 7 directors. Thus, the group's investment in KingMakers has been equity accounted as an associate from 1 October 2020.

SafeRide/Questar

SafeRide was a leading provider of multi-layer cybersecurity and data analytics solutions for connected and autonomous vehicles. In FY22, the group approved a merger transaction where the group transferred all of its shareholding in SafeRide in exchange for a 7.6% share of Questar Auto Technologies, a predictive vehicle health company that introduces cutting-edge AI technology to the automotive industry. During FY23, the Questar board introduced an IFRS 2 share-based payment scheme which resulted in shares being set aside for Questar employees. The introduction of the scheme resulted in the group's shareholding held through Irdeto, diluting from 7.6% to 6.8%. Questar was assessed to be an associate based on the group's board representation (1 of 8 directors) in the entity. The associate was initially measured at cost, represented by the fair value of the investment received (Questar).

6. Investment in associates and joint ventures continued

AURA and AURA B.V.

During FY22, the group participated in a ZAR62m series A funding round into Zendascape Proprietary Limited trading as AURA. The group committed to a ZAR31m equity investment for a 12.5% stake in AURA subject to conditions precedent. As at 31 March 2022, the group has released ZAR5m of the required funds for the equity investment. The rest of the cash was due and payable once the conditions precedent were met. The group owns 12.5% of the issued share capital of AURA and also has board representation. AURA was assessed to be an associate based on the group's board representation (1 of 8 directors) and was initially measured at cost.

One of the conditions precedent related to the completion of an off-shore structure. During FY23, the off-shore structure was completed which meant that the group did not need to honor its commitment to pay the remaining ZAR26m for a stake in Zendascape Proprietary Limited. Instead the group was required to subscribe for shares in AURA B.V. (an off-shore holding company). During FY23, the group paid ZAR28m for a 13.46% stake in AURA B.V.. AURA B.V. was assessed to be an associate based on the group's board representation (1 of 9 directors) and was initially measured at cost.

Bidstack

During FY23, the group (through Irdeto) acquired 12.1% of the equity (13.5% of the voting rights) of Bidstack Group PLC for GBP5m (ZAR118m). Bidstack is listed on the London Stock Exchange and provides ad-insertion technology for the gaming industry. Bidstack was assessed to be an associate based on the group's board representation (1 of 8 directors) and was initially measured at cost.

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

SA20

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

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.

	2023 ZAR'm	2022 ZAR'm
Commitments		
– Capital expenditure	**166**	277
– Programme and film rights[1]	**42 650**	36 634
– Decoders[2]	**1 521**	3 081
– Lease commitments	**15**	8
– Other[3]	**3 519**	3 984
	47 871	43 984

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

[2] *Decrease primarily due to the delivery of decoders during FY23 to support sales volumes during the 2022 FIFA World Cup.*

[3] *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. Given the significant judgements involved, 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 ZAR0.4bn (FY22: ZAR0.4bn). There has been no further developments relating to these tax matters during FY23 and no provision has been made as at 31 March 2023 for these possible exposures.

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 inputs, which reflect the market conditions in their expectations of future cash flows related to the asset or liability at 31 March 2023.

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

Financial instrument	Fair value 2023 ZAR'm	Fair value 2022 ZAR'm	Valuation method	Level in fair value hierarchy
Financial assets				
Investments held at fair value through profit or loss (Trust Machines SPV, LLC)	**237**	146	Based on the latest value internally measured by the investee	Level 3
Investments held at fair value through profit or loss	**22**	20	Unit trusts comprising of quoted prices in a public market	Level 2
Forward exchange contracts	**1 408**	13	Fair value derived from forward exchange rates that are publicly available	Level 2
Futures contracts	**28**	97	Quoted prices in a public market	Level 1
Currency depreciation features	**42**	26	Discounted cash flow techniques	Level 3
Interest rate swap	**7**	12	Present value of the estimated future cash flows based on observable yield curves	Level 2
Financial liabilities				
Forward exchange contracts	**41**	1 109	Fair value derived from forward exchange rates that are publicly available	Level 2
Derivative option	**142**	182	Monte Carlo Simulation option pricing model	Level 3

8. Fair value of financial instruments continued

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 2023, the investment had a fair value of ZAR237m (USD13m), resulting in the group recognising a net fair value gain of ZAR4m in FY23 (note 5), consisting of foreign exchange gains of ZAR33m, partially offset by a fair value loss of ZAR29m.

Currency depreciation features relate to clauses in content acquisition agreements that provide the group with protection in the event of significant depreciation of the group's functional currency relative to the currency of the content acquisition agreement. The fair value of currency depreciation features is measured through the use of discounted cash flow techniques using the LIBOR rate of 4.84%. 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.

During FY22, as part of the additional acquisition of shares in KingMakers (note 6), 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 (ZAR199m) (FY22: USD11m (ZAR163m)) 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 2023, the derivative option liability had a fair value of USD8.0m (ZAR142m) (FY22: USD12.4m (ZAR182m)), resulting in the group recognising a USD4.4m (ZAR79.5m) fair value gain (note 5) during FY23. Exchange losses arising from change in USD exchange rate from 31 March 2022 amounted to ZAR39.5m and were recognised in consolidated statement of comprehensive income during FY23. The key inputs in using the Monte Carlo Simulation included the fair value of KingMakers of USD500m (ZAR8.9bn) (FY22: USD850m (ZAR12.4bn)), a volatility of 50.9% (FY22: 62.9%) and a dividend yield of 5% (FY22: 5%). The group used the USD overnight index swap (OIS) curve to determine the risk-free rate. A 24% increase or decrease in the fair value of KingMakers would result in the option liability increasing or decreasing by USD2.5m or ZAR44m. A 5% decrease in the volatility rate would result in the option liability decreasing by USD0.4m or ZAR6.7m (FY22: USD0.4m or ZAR6.5m), a 5% increase in the volatility rate would result in the option liability increasing by USD0.4m or R6.6m (FY22: USD0.4m or ZAR6.0m).

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

9. Related party transactions and balances

During FY23, the group received advertising and sponsorship revenue of ZAR118m (FY22: ZAR127m) 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 FY23 other than key management remuneration and directors remuneration as disclosed below.

Key management remuneration

	2023 ZAR'm	2022 ZAR'm
Consolidated		
Short-term employee benefits	**264**	266
Long-term post-employment benefits	**15**	15
Share-based payment charge	**175**	116
Remuneration paid to key management	**454**	397
Non-executive directors		
Directors' fees	**35**	32

Key management remuneration and participation in share-based incentive plans

For shares listed on a recognised stock exchange as follows:

1 239 386 (FY22: 75 611) MCG shares were allocated during the 2023 financial year and an aggregate of 3 837 684 (FY22: 3 355 074) MCG shares were allocated and unvested as at 31 March 2023.

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

Nil (FY22: Nil) Irdeto SARs were allocated during the 2023 financial year and an aggregate of Nil (FY22: 4 666) Irdeto SARs were allocated and unvested as at 31 March 2023.

7 864 (FY22: Nil) Irdeto RSUs were allocated during the 2023 financial year and an aggregate of 27 283 (FY22: 19 419) Irdeto RSUs were allocated and unvested as at 31 March 2023.

28 912 (FY22: Nil) Phantom Performance Shares were allocated during the 2023 financial year and an aggregate of 258 792 (FY22: 265 874) Phantom Performance Shares were allocated and unvested as at 31 March 2023.

10. Subsequent events

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). This new Showmax group is 70% owned, and controlled, by MultiChoice and 30% by NBCUniversal. The total subscription price for the sale of 30% of the existing Showmax business was an amount of USD29m (ZAR500m), which will be contributed into the new Showmax group. Following SARB approval for the transaction and all other conditions precedent being met, the transaction closed on 4 April 2023. The group will account for the new Showmax group as a subsidiary due to having the majority of voting rights and 100% board representation.

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 summary consolidated financial statements

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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 10 to 29, which comprise the summary consolidated statement of financial position as at 31 March 2023 , 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 2023.

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.

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

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 13 June 2023. 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.[1]

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: BS Humphreys
Registered Auditor

Johannesburg, South Africa
13 June 2023

PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090. Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

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 and excluding the impact of non-recurring and/or non-operational items from the group's sustainable operational performance, 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 (the "non-IFRS performance measures" or the "pro forma financial information"). The non-IFRS performance measures are compiled in terms of the JSE Listing Requirements 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 information presented on a non-IFRS basis has been extracted from the information underlying the group's summary consolidated 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, they 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 excluding the impact of non-recurring and/or non-operational items from the group's sustainable operational performance, 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 for the year ended 31 March 2023. 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 (FY23: 17.14; FY22: 14.93); Nigerian Naira (FY23: 25.49; FY22: 27.66); Angolan Kwanza (FY23: 27.02; FY22: 39.60); Kenyan Shilling (FY23: 7.12; FY22: 7.44) and Zambian Kwacha (FY23: 1.03; FY22: 1.26).

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 and free cash flow.

4 The net debt: EBITDA ratio has been calculated as net debt of ZAR13.9bn divided by rolling twelve-month EBITDA of ZAR12.9bn. Net debt has been calculated on 31 March 2023 as total interest-bearing debt less cash and cash equivalents. EBITDA is measured on a twelve month basis between 1 April 2022 and 31 March 2023 and represents earnings before interest, taxes, depreciation and amortisation.

5 The operating leverage ratio has been calculated as revenue YoY organic % change of 4% less operating expenses YoY organic % change of 3%.

The pro forma financial information has been reported on by the group's auditors. Their reporting accountant's reasonable assurance report thereon is included on pages 35 and 36.

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	2022 Reported	2023 Currency impact	2023 Organic growth	2023 Reported	YoY % change	YoY organic % change
90-day active subscribers ('000)[1]	21 804	n/a	1 704	23 508	8	8
South Africa	9 011	n/a	294	9 305	3	3
Rest of Africa	12 793	n/a	1 410	14 203	11	11
90-day active ARPU (ZAR)[2]						
Blended	177	6	(4)	179	1	(2)
South Africa	269	–	(13)	256	(5)	(5)
Rest of Africa	110	10	6	126	15	5
Subscribers ('000)[3]	16 640	n/a	666	17 306	4	4
South Africa	8 160	n/a	(144)	8 016	(2)	(2)
Rest of Africa	8 480	n/a	810	9 290	10	10
ARPU (ZAR)[2]						
Blended	229	8	2	239	4	1
South Africa	295	–	(5)	290	(2)	(2)
Rest of Africa	163	15	14	192	18	9

[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 insurance premiums and reconnection fees. Reconnection fees are disclosed as other revenue in terms of IFRS.*

[3] *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.*

Notes to the summary consolidated financial statements continued

for the year ended 31 March 2023

11. Non-IFRS performance measures continued

11.2 Group financials including segmental analysis

11.2.1 Segmental results

Year ended 31 March	2022 IFRS ZAR'm	2023 Currency impact* ZAR'm	2023 Organic growth* ZAR'm	2023 IFRS ZAR'm	YoY % change	YoY organic % change
Revenue[1]	55 077	**2 005**	**1 983**	**59 065**	7	4
South Africa	35 615	**–**	**(631)**	**34 984**	(2)	(2)
Rest of Africa[1]	17 918	**1 808**	**2 878**	**22 604**	26	16
Technology	1 544	**197**	**(264)**	**1 477**	(4)	(17)
Trading profit	10 334	**(887)**	**544**	**9 991**	(3)	5
South Africa	11 032	**–**	**(2 549)**	**8 483**	(23)	(23)
Rest of Africa	(1 213)	**(725)**	**2 836**	**898**	174	234
Technology	515	**(162)**	**257**	**610**	18	50

[1] *Total group revenue and Rest of Africa revenue presented above includes losses of ZAR76m (FY22: losses of ZAR163m) related to fair-value movements on Nigeria futures contracts.*

11.2.2 Revenue and costs by nature

Year ended 31 March	2022 IFRS ZAR'm	2023 Currency impact* ZAR'm	2023 Organic growth* ZAR'm	2023 IFRS ZAR'm	YoY % change	YoY organic % change
Revenue	55 077	**2 005**	**1 983**	**59 065**	7	4
Subscription fees[1]	45 261	**1 596**	**1 722**	**48 579**	7	4
Advertising	3 909	**64**	**229**	**4 202**	7	6
Decoders	1 870	**109**	**(80)**	**1 899**	2	(4)
Technology contracts and licensing	1 544	**197**	**(264)**	**1 477**	(4)	(17)
Insurance premiums[2]	587	**–**	**130**	**717**	22	22
Other revenue	1 906	**39**	**246**	**2 191**	15	13
Operating expenses	44 743	**2 892**	**1 439**	**49 074**	10	3
Content	19 477	**1 097**	**322**	**20 896**	7	2
Decoder purchases	5 750	**435**	**368**	**6 553**	14	6
Staff costs[3]	5 759	**390**	**22**	**6 171**	7	–
Sales and marketing	2 635	**101**	**317**	**3 053**	16	12
Transponder costs	2 396	**144**	**(86)**	**2 454**	2	(4)
Other	8 726	**725**	**496**	**9 947**	14	6

[1] *Subscription fees presented above includes losses of ZAR76m (FY22: losses of ZAR163m) related to fair-value movements on Nigeria futures contracts.*
[2] *FY22 numbers have been restated to disclose this line separately to improve disclosure.*
[3] *Excludes equity-settled share-based payment expense.*
* *Based on information underlying the summary consolidated financial statements of the group for the years ended 31 March 2023 and 2022.*

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.

	2023 ZAR'm	2022 ZAR'm	% change
Headline (loss)/earnings attributable to shareholders (IFRS)	**(1 287)**	1 629	
Adjusted for (after tax effects and non-controlling interests)[1]:			
– Amortisation of other intangible assets[2]	**181**	87	
– Acquisition-related costs	**116**	–	
– Equity-settled share-based payment expense	**381**	338	
– Foreign currency losses and fair value adjustments	**3 938**	1 305	
– Realised gains on foreign exchange contracts	**205**	91	
– Impact of SA tax rate reduction on deferred taxation	**–**	24	
Core headline earnings (ZAR'm)	**3 534**	3 474	2
Core headline earnings per ordinary share issued (SA cents)	**828**	814	2
Diluted core headline earnings per ordinary share issued (SA cents)[3]	**801**	791	1

[1] *Based on information underlying the summary consolidated financial statements of the group for the years ended 31 March 2023 and 2022.*

[2] *Includes ZAR151m (FY22: ZAR55m) 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 2023, 14.0m RSUs have been awarded to employees and remain unvested resulting in a dilutive impact in the current year (FY22: 11.4m awarded). The diluted weighted average number of ordinary shares issued for FY23 was 441m (FY22: 439m).*

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

	2023 ZAR'm	2022 ZAR'm	% change
Cash generated from operating activities	**9 981**	12 723	(22)
Adjusted for:			
– Lease repayments[1]	**(2 518)**	(2 544)	
– Net capital expenditure	**(1 206)**	(1 058)	
– Taxation paid	**(3 396)**	(3 572)	
Free cash flow	**2 861**	5 549	(48)

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

Reasonable assurance 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 the pro forma financial information of MultiChoice Group Limited and its subsidiaries (the "Group") by the directors. The pro forma financial information, as set out on pages 31 to 34 of the Summary Consolidated Financial Statements, 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, 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 year on year organic % change and operating expenses year on year organic % change (the "non-IFRS performance measures" or the "pro forma financial information") as at 31 March 2023. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are specified in the JSE Limited (JSE) Listings Requirements and described in Note 11 "Non-IFRS performance measures" of 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, 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 free cash flow, together with certain measures used in the calculation of debt and operating leverage ratios, being net debt, EBITDA, revenue year on year organic % change and operating expenses year on year organic % change. 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 2023, on which an audit report has been published.

Directors' responsibility

The directors of the Group 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 "Non-IFRS performance measures" of the Summary Consolidated Financial Statements for the year ended 31 March 2023.[1]

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, *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 policies or 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 of the applicable criteria specified in the JSE Listings

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

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Requirements and described in Note 11 "Non-IFRS performance measures" of the Summary Consolidated Financial Statements 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* 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 illustrate the impact of a significant event or transaction on unadjusted financial information of the group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction 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.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction 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 "Non-IFRS performance measures" of the Summary Consolidated Financial Statements for the year ended 31 March 2023.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: BS Humphreys
Registered Auditor

Johannesburg, South Africa
13 June 2023

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Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

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Registration number
2018/473845/06
Incorporated in South Africa

External auditor
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FY24 – Ernst & Young Inc.

Transfer secretaries
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64 MATCHES