MULTICHOICE
ENRICHING LIVES

MULTICHOICE GROUP LIMITED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the period ended 30 September 2023

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

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ENRICHING LIVES

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GROUP PERFORMANCE OVERVIEW

MultiChoice Group ("MultiChoice" or "the group") executed well on its operational objectives during the six months ended 30 September 2023 (1H FY24). Building on its track record of investing in technology to be ahead of the curve and accommodate shifts in consumer video consumption trends to support future growth, the group continued with its planned investment in Showmax ahead of an exciting re-launch in the second half of this financial year. The group remains focused on developing its entertainment platform that caters for consumer needs across sub-Saharan Africa and on leveraging its scale to build a differentiated ecosystem and develop additional revenue streams.

In an environment where businesses and consumers in major trading markets have been hamstrung by power interruptions, cost of living pressures and sharp depreciation in local currencies against the US dollar, profitability came under pressure, but the impact was mitigated by a change in focus towards subscriber retention, an improved customer mix, as well as ongoing annual pricing and cost saving disciplines. As a result, the group was able to maintain a positive trading profit in the Rest of Africa (a ZAR2.2bn organic improvement YoY) and delivered a 31% trading margin in South Africa.

Coming off a high-growth period linked to the FIFA World Cup in the previous six months, the group's overall 90-day active subscriber base contracted by 2% (0.4m) to 21.7m. The Rest of Africa base, accounting for 60% of linear customers, grew by 1% to 13.0m. The South African business had to contend with the effects of ongoing high levels of loadshedding as 43% of the days in the reporting period were impacted by stage 4-6 loadshedding. Subscriber growth was also affected by a decision to remove 311k non-revenue generating customers (linked to special loadshedding campaigns) from the base. In total, customer numbers were 5% lower at 8.6m (down 2% excluding non-paying subscribers), but encouragingly the premium base posted 5% growth, reflecting a positive trend for the first time in many years.

Group revenue grew 4% organically to ZAR28.3bn. On a reported basis, it was 1% lower, reflecting the negative impact of weaker local currencies and consumer pressure, offset by translation benefits of a weaker ZAR on the group's USD reporting segments (Rest of Africa, Showmax and Irdeto) and inflationary-led price increases in the majority of the group's markets.

Subscription revenues were 3% higher on an organic basis, attributed to strong growth in Rest of Africa (+14%) and Showmax (+25%), offset by pressure in the South African business (-4%). Irdeto benefited from further customer wins, while the DStv Insurance business maintained strong momentum with premiums up 31% YoY.

Group trading profit increased 18% on an organic and like-for-like basis (excluding the additional investment in Showmax), reducing to a 10% improvement once the additional investment in Showmax is taken into account. This investment was ZAR0.5bn higher YoY mainly due to dual platform costs that will normalise once customers have been migrated. Cost optimisation remained a core focus, delivering ZAR0.5bn in cost savings, with the full year target of ZAR0.8bn lifted to ZAR1.0bn. On a reported basis, trading profit was down 18% to ZAR5.0bn, impacted by foreign exchange headwinds of ZAR1.7bn, Showmax trading losses of ZAR0.8bn and a lower contribution from South Africa.

Total content costs were up 4% in organic terms (+10% reported), driven by the ongoing investment in local content which increased 16% YoY (notably *Shaka iLembe*, which aired in July) and several World Cups hosted in the first half of the year (i.e. Netball and Women's football, plus half of the Rugby World Cup tournament). These increases were managed through ongoing optimisation of the international content portfolio.

As part of the group's focus on retention ahead of growth in the current economic climate, and due to a normalisation after the prior year's FIFA World Cup-related investment, decoder subsidies in the linear business came in 37% lower at ZAR1.5bn. The decision to decrease decoder subsidies has delivered positive economics to date and will be continuously reviewed.

Group core headline earnings, the board's measure of the underlying performance of the business, declined by 5% to ZAR1.9bn, impacted by the same drivers weighing on trading profit, with some offset from realised gains on forward exchange contracts and lower tax and minorities in South Africa.

The group has introduced an adjusted core headline earnings metric to incorporate the impact of losses incurred on cash remittances in markets such as Nigeria (post an adjustment for minorities and tax), as these costs can no longer be viewed as temporary in nature. This metric reflects an increase of 25% to ZAR1.5bn, resulting from lower losses on cash remittances as the gap between the official and parallel naira rates narrowed following the material depreciation in the official naira rate during the reporting period. The group extracted USD91m from Nigeria in the period (1H FY23: USD122m) at an average rate of NGN794:USD (1H FY23: NGN634:USD), incurring extraction losses of USD28m (ZAR0.5bn) in the process.

Group free cash flow declined by 40% to ZAR1.1bn, weighed down by pressure on the South African business and the increased investment in Showmax.

Net interest costs increased by ZAR58m to ZAR651m, impacted by rising interest rates in South Africa and a higher average debt balance in the period.

In the current environment of heightened operational risk caused by volatile currencies and consumer pressure, and considering the medium-term investment cycle for Showmax, the group remains focused on cash generation and protecting the balance sheet. After paying the ZAR1.4bn Phuthuma Nathi dividend in September, the group retained ZAR5.6bn in cash and cash equivalents at period-end, as well as access to ZAR9.0bn in undrawn facilities. Financial debt remained fairly stable during the period, with ZAR8.1bn in debt at period end representing a leverage ratio (net debt: EBITDA) of 1.30x (1H FY23: 1.08x).

OPERATIONAL PERFORMANCE REVIEW

General entertainment content (M-Net)

MultiChoice continued to deliver compelling local content and enabled its audiences to access internationally renowned entertainment shows. The undoubted highlight of the interim period for M-Net was the premiere of *Shaka iLembe*.

The show, which tells the dramatic story of the making of the iconic Zulu warrior king, delivered record multi-million viewers (the bulk of which was through live viewing), once-again demonstrating the importance of local content for the group's viewers. Given the group's commitment to supporting the local production industry and the traction of the show as DStv's biggest ever TV series in South Africa, M-Net has already renewed production for a second season.

With the M-Net team already at its target of spending 50% of general entertainment costs on local content, the focus has now shifted to the number of hours of local content produced, the optimal allocation of those hours between the group's linear and streaming offerings and the monetisation of each hour of content produced. Playing a vital role in supporting and developing the continent's wider video entertainment industry, the group increased its spending on local content by 16% year-on-year, taking its local content library to almost 80 000 hours.

The group launched several new titles to maintain strong momentum in leading local language programming. Aside from *Shaka iLembe's* phenomenal debut, *Gqeberha: The Empire*, replaced *The Queen* in its time slot on Mzansi Magic. This lends support to our strongest performing telenovela on the channel, *Umkhoka: The Curse*, which continued to grow in viewership and social media engagement during the period. M-Net also launched the higher-end series *1802: Love Defies Time*, a period drama, on 1Magic to support the channel as *Lingashoni* came to an end and *The River* entered its sixth and final season.

Elsewhere in the portfolio, kykNET introduced a new medical procedural drama, *Hartklop*, and a new cooking reality show, *Kokkedoor: Vuur & Vlam*, both of which commanded strong audience share. *Big Brother Naija* entered its eighth season, with the popular reality series delivering record advertising revenues in local currency.

Sports content (SuperSport)

Following on from the success of the FIFA World Cup in FY23, 1H FY24 saw SuperSport successfully broadcast three World Cup events, yet again reflecting its ability to source content from a wide variety of sports. The FIFA Women's World Cup in July and August generated increased global interest, with record stadium attendance and television audiences. At the same time, the Netball World Cup in Cape Town was hosted on African soil for the first time. As part of SuperSport's broader "Here for Her" campaign, a world-first all-female broadcasting crew produced the event, which was shortlisted at the Sports Business Awards for "Best Sporting Event of 2023".

Straddling the group's reporting periods with a start in September and conclusion in October, the Rugby World Cup culminated with the Springboks emerging victorious as back-to-back World Cup champions. The overall excitement around the competition, some incredible matches and a strong showing from the Springboks supported activity in MultiChoice's Premium customer base, notably on DStv Stream. The event rounded out a strong period of rugby for the group, which included the Stormers competing in the United Rugby Championship final at home in May and an exciting, albeit shortened Rugby Championship in July.

The Cricket World Cup only aired post period-end in October and November, but generated a lot of excitement and saw an underrated but resurgent Proteas team surprise the cricketing world by posting great results and qualifying for the semi-finals.

Outside of an incredible line-up of World Cups, the group's well-received broadcast of the

Comrades Marathon in June 2023 was the biggest production in SuperSport's history. The group also continued telling the best of local sport stories and is proud of its latest documentary, *Pulse of a Nation*, a four-part series documenting the history of football in South Africa. MultiChoice also remains committed to making school sport accessible to all levels of society through its SuperSport Schools platform, which grew its user base by 69% over the last six months, providing a valuable stage for identifying the next generation of South Africa's sporting stars.

Finally, SuperSport continues to renew its rights portfolio to provide viewers with a wide variety of choice.

South Africa Pay-TV (MultiChoice South Africa)

The challenging consumer themes flagged in South Africa in FY23 persisted into the first half of FY24. Loadshedding remained the most immediate challenge in terms of subscriber activity, with the number of active days per subscriber declining by 5% due to a significant increase in both frequency (i.e. number of days) and intensity (level 4 and above) of loadshedding, especially in the first quarter of the reporting period. Although the Premium and Compact bases showed improved stability compared to the latter part of FY23, mass-market subscribers are proving less resilient and more reluctant to pay when uncertainty around the ability to consume pay-TV exists.

Reported subscriber growth was adversely impacted by the decision to end the short-term campaigns run in the prior year to support customers during loadshedding, which resulted in 311k non-revenue generating customers removed from the 90-day active subscriber base. While the group has supported its subscribers with similar campaigns during challenging periods like the COVID-19 lockdowns, we can only do so for limited periods of time. Consequently, the group reported a 5% decline (3% of which can be attributed to this decision) in 90-day active customers to 8.6m, while active customer came in at 7.8m (following a 170k downward adjustment for similar reasons). More stable trends in the mid- and upper segments of the customer base along with inflation-linked average price increases of around 4%, helped limit the decline in monthly average revenue per user (ARPU) to 2%.

A focus of the new leadership team, brought in at the start of the financial year, was to bring stability to the business by implementing initiatives to protect the economics of the segment during the current economic downturn. Key among these were the reduction in decoder subsidies through increased device pricing, and the relaunch of DStv Stream which has more than tripled its subscribers since March 2023, albeit off a low base. Encouragingly, over 90% of DStv Stream subscribers added in the period are new subscribers to DStv, who find the connected product without hardware installation more appealing. The team also recalibrated the pricing and value proposition of the DStv Business Play packages which led to a 37% increase in month-on-month revenues in September 2023. These initiatives will help to offset macro and consumer challenges weighing on the performance of the business into the second half, which is affected by the seasonally higher cost of football content rights and festive season promotional activity.

Revenues declined by 3% to ZAR16.5bn, impacted by subscription revenues which were 4% lower and a reduction in decoder revenues due to the shift in strategy, offset by 31% growth in insurance premiums and a doubling of DStv Internet revenues.

The segment delivered a trading margin of 31%, with Showmax now reported as a separate trading segment having historically been reported within the South Africa segment. In absolute terms, the lower revenues and negative operating leverage resulted in trading profit trending 17% lower to ZAR5.2bn, impacted by the ongoing investment in local content and sport, partially offset by cost saving initiatives and reduced decoder subsidies.

Rest of Africa Pay-TV (MultiChoice Africa)

After adding 1.4m new subscribers in FY23 and similar to previous periods which followed a FIFA World Cup, subscriber growth in the Rest of Africa was more subdued. In addition, due to the impact of inflationary pressures that consumers are facing in key markets like Nigeria and less Northern hemisphere football content due to the off-season, the segment added 0.1m subscribers to end the period at 13.0m 90-day active subscribers. The active subscriber base was broadly stable at 8.9m subscribers.

Given the ongoing challenges impacting the cost of living across the continent, especially in Nigeria as the segment's largest market, the Rest of Africa business continues to implement actions to protect the economics of the business. In addition to inflationary pricing adjustments in the majority of the group's markets, the segment launched GOtv Supa+ in August to provide DTT subscribers with a similar value-proposition and price point to the DStv Compact service. The Supa+ offering has gained strong traction since launch and will support ARPUs as the package scales further.

Revenues increased 13% on an organic basis due to stable subscriber volumes and inflationary pricing, partially offset by weaker subscriber activity with active days declining by 4% to 164 days. On a reported basis, revenues were flat at ZAR10.5bn, with a weaker ZAR against the USD on translation offsetting the impact of weaker local currencies relative to the USD. This resulted in a 5% reduction in 90-day ARPU to ZAR117, compared with 7% growth on an organic basis. Subscription revenues reflected similar trends to total revenue and grew 14% organically, while increased advertising revenues were offset by lower decoder sales.

The segment delivered a trading profit of ZAR330m, an improvement of ZAR2.2bn YoY on an organic basis which was underpinned by specific cost interventions around decoder subsidies and content costs. Weaker currencies remained a significant impediment to improvements in profitability, with average first half exchanges against the USD falling sharply YoY (e.g. AOA – 75%, NGN –57%, GHC –31%, KES –20%, and ZMK –16%). The sharp fall in the value of the NGN meant that a large proportion of the previously recognised losses incurred on cash remittances are now recorded in trading profit. The net impact of these forex movements was ZAR1.6bn on the segment's trading profit for the period.

Sub-Saharan Africa SVOD (Showmax)

The start of FY24 saw the formal conclusion of the Showmax partnership with Comcast (owners of NBCUniversal, Sky and Peacock) on 4 April. Work on the new platform continued and the parties made significant progress in preparing for launch later in the financial year. This service, which is set to benefit from rising connectivity and smart device uptake that enhances accessibility and scalability, will enable MultiChoice to double its customer base and deliver an additional USD1bn revenue in the medium term. Ahead of introducing a new product suite, the group has discontinued both Showmax Pro and the Showmax diaspora offerings, with Showmax Pro subscribers being migrated to a combination of the DStv Stream and Showmax general entertainment offerings.

Showmax, now reported as a separate segment (as opposed to being included in the South African reporting segment), saw its active subscriber base increase by 13% YoY, resulting in revenues growing a healthy 46% (+45% organic) to ZAR0.6bn. Operating costs, inflated in the short-term as the group continues to support the existing business and invest behind the new platform, resulted in trading losses increasing by ZAR0.5bn to ZAR0.8bn.

Technology (Irdeto)

Irdeto's external business delivered 4% organic top-line growth (+17% reported, due to the weaker ZAR against the USD), market share gains in its core media security business through customer wins and additional work with existing customers such as the provision of its managed services. Outside of media security, Irdeto's connected industries initiatives continue to build momentum, most notably in the Keystone product line where Irdeto secured additional customer wins in the construction equipment space.

Trading profit was affected by once-off restructuring activities in the core media security business and increased by a more modest 1% on an organic basis.

On a standalone basis (i.e. excluding intergroup eliminations), Irdeto generated revenues of USD98m (ZAR1.8bn), down 7%, and trading profit of USD15m (ZAR0.3bn), down 31% from the prior period as a result of the non-recurring benefit from elevated FIFA World Cup orders in the prior year and a restructuring charge of USD2m (ZAR40m) as the business adapts to the changing media landscape that will benefit profitability in future periods.

Sports betting and interactive entertainment (KingMakers)

KingMakers, although similarly impacted by the weaker naira and challenging macro environment in Nigeria, continued to deliver strong underlying operating momentum. The business delivered organic revenue growth of 22%, led by strong growth in its online sportsbook which saw active users increase 17% and its revenue contribution grow by 40% YoY. The weaker naira resulted in reported revenues increasing only 2% to USD95m (ZAR1.8bn).

The group continued to develop and launch new services in the Nigerian market, but the core development focus for KingMakers, which has a highly synergistic and compelling track record for growth, was the soft launch of SuperSportBet in South Africa on 9 November this year. Although entering an established and competitive sports betting market, the expertise of the KingMakers team combined with the strength of the SuperSportBet brand and exclusive partnerships uniquely positions the group to succeed and gain market share in a large and growing addressable market.

KingMakers narrowed its loss after tax to USD8.6m (ZAR0.2bn) for the six months to June 2023, despite some challenging results in February for global sportsbooks, the investment ahead of the launch in South Africa and incurring losses on cash remittances from Nigeria. KingMakers is focused on optimising the profitability of its agency business and growing its higher-margin online business that together with the opportunity presented by the new South African business, will support its path to sustainable profitability.

The product and market expansion plans are fully funded with KingMakers having USD134m (ZAR2.5bn) of cash at period end (being June 2023).

Fin-tech (Moment)

The Moment joint venture made significant progress in two important areas in the period under review. Integrations with group core payments infrastructure has progressed to plan and Moment remains on track to commercialise its local services in 2H FY24. In addition, Moment prioritised payment service integrations for the Showmax business to support the streaming platform's launch in 2H FY24. The platform, which is set to deliver returns equal to the initial investment within a 20-month timeframe, will become increasingly important to the success of the group's ecosystem in future. These benefits will include simplicity in customer payment options, more integrated rewards platforms and B2B revenue opportunities.

OTHER DISCLOSURES

Nigeria tax dispute

The group has two ongoing Nigerian tax matters, one involving MultiChoice Nigeria Limited and the second involving MultiChoice Africa Holdings B.V. 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 taken longer than initially anticipated. As part of the process, the group made total deposits of ZAR1.3bn up to FY23 on a good faith and without prejudice basis (no further payments were made during the period). These deposits 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 interim results. The group maintains its position as a law-abiding corporate citizen and continues to engage constructively with the FIRS to bring the audit to a fair conclusion.

Nigeria quasi equity loan

Based on the depreciation of the NGN and the USD-denominated intergroup loan between MultiChoice Africa Holdings B.V. and MultiChoice Nigeria Limited, an increase in foreign exchange translation losses on non-quasi equity loans has resulted in the current period. This increase, which is non-cash in nature, amounted to ZAR2.0bn with the total loss recorded at ZAR2.4bn in the consolidated income statement.

Share transactions

In the six months to September 2023, the group repurchased 5.3m shares in the market worth ZAR482m at an average share price of ZAR91 per share. These shares have been allocated against share incentive awards and will not be cancelled by the group.

At the end of September 2023, a total of 0.8m shares at an average price of ZAR114 per share remain unallocated for future use and future awards will continue to be funded by share purchases.

Subsequent events

In line with the terms of the ZAR12bn term loan entered into in February 2023, the second draw down of ZAR4bn was made in October 2023. The loan is now fully drawn down and each of the two tranches have a five-year bullet repayment profile.

Dividend

No dividend has been declared based on the group's interim results, which is in line with the group's approach since listing.

Outlook

MultiChoice has a compelling growth strategy in place, which is partly driven by the opportunity to capture sustainable long-term growth through its investment in streaming and partly by the need to absorb increased external economic pressure on the business and its consumers in the short-term. The priority of the group's management team is to navigate both sets of demands to ensure that the group is able to operate sustainably through the current economic cycle and long into the future, while delivering attractive shareholder returns.

To this end, the focus remains on driving further efficiencies in operating expenditure, as well as working capital and capex decisions, to ensure consistent and optimal returns on all capital deployed. At the same time, the group continues to seek ways to support or improve the economics of the business through pricing decisions, optimising customer mix and content monetisation, as well as calibrating decoder subsidies according to the macro-economic backdrop.

The group is also carefully investing behind nascent or future business lines, taking into account the strategic importance and prospects of success. The second half of FY24 will be an important period in the group's journey to expand its ecosystem beyond Africa's leading linear pay-TV operator into a broader ecosystem of interactive entertainment and consumer services with the objective of broadening its customer base to 50m in five years from now. The relaunch of Showmax, combined with KingMaker's entry into the South African market with SuperSportBet, and Moment's platform launch are all important milestones in the group's ambition to accelerate growth and drive additional scale, creating a "world of more" for customers and additional value for shareholders.

Directorate

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

The group also announced that its current non-executive chair, Imtiaz Patel, will be stepping down from his role at the end of FY24 as the group and its board is now sufficiently established to support the appointment of an independent chairman. To ensure that the group continues to benefit from Imtiaz's invaluable expertise and experience, he will continue to provide support and advice to the board and the group executive team through a consulting agreement.

Elias Masilela, an independent non-executive member of the Board, will assume the role of board chairman effective 1 April 2024.

Preparation of the consolidated interim financial statements

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

Executive review of our performance continued

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

Where relevant in this report, amounts and percentages have been adjusted for the effects of foreign currency to better reflect underlying trends and sustainable operational performance. These adjustments (non-International Financial Reporting Standards (IFRS) performance measures) are quoted in brackets as organic, after the equivalent metrics reported under IFRS (organic results also exclude acquisitions and disposals when applicable). A reconciliation of additional non-IFRS performance measures (certain revenue, cost and trading profit metrics in constant currency, excluding the effects of changes in the composition of the group and excluding the impact of non-recurring and/or non-operational items from the group's sustainable operational performance, core headline earnings and adjusted core headline earnings and free cash flow, together with certain measures used in the calculation of debt and operating leverage ratios, being net debt, EBITDA, revenue YoY organic % change and operating expenses YoY organic % change) to the equivalent IFRS metrics is provided in note 1 of these consolidated interim 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 consolidated interim financial statements. The audit report of the group's external auditor is included on page 34. The auditor's report does not necessarily report on all the information contained in the consolidated interim 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 accompanying financial information, including the 31 March 2023 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

Key financial metrics

1. NON-IFRS PERFORMANCE MEASURES AND PRO FORMA INFORMATION

The group has presented certain revenue, cost and trading profit metrics in constant currency, excluding the effects of changes in the composition of the group and excluding the impact of non-recurring and/or non-operational items from the group's sustainable operational performance, core headline earnings, adjusted core headline earnings and free cash flow, together with certain measures used in the calculation of debt ratios, being net debt and EBITDA (EBITDA is measured on a 12-month basis between 1 October 2022 and 30 September 2023 and represents earnings before interest, taxes, depreciation and amortisation) (the "non-IFRS performance measures" or the "pro forma financial information"). The non-IFRS performance measures are compiled in terms of the JSE Listings 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 consolidated interim financial statements, the quality of which the board is satisfied with.

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

The non-IFRS performance measures have been prepared to illustrate the impact changes in foreign exchange rates, material changes in the composition of the group from corporate merger and acquisition activity and excluding the impact of non-recurring and/or non-operational items from the group's sustainable operational performance, core headline earnings, adjusted core headline earnings and free cash flow, together with certain measures used in the calculation of debt ratios, being net debt and EBITDA for the period ended 30 September 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 period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. 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 (1H FY24: 18.75; 1H FY23: 16.61); Nigerian naira (1H FY24: 35.26; 1H FY23: 25.37); Angolan kwanza (1H FY24: 39.47; 1H FY23: 25.45); Kenyan shilling (1H FY24: 7.58; 1H FY23: 7.14) and Zambian kwacha (1H FY24: 1.02; 1H FY23: 1.00).

2 Adjustments made for material 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 period results of the entity with which the merger took place. There were no changes in the composition of the group during the respective reporting periods.

3 Excluding the impact of non-recurring and/or non-operational items from the group's sustainable operational performance, core headline earnings, adjusted core headline earnings and free cash flow.

4 The net debt:EBITDA ratio has been calculated as net debt of ZAR15.3bn divided by rolling 12-month EBITDA of ZAR11.8bn. Net debt has been calculated at 30 September 2023 as total interest-bearing debt, including transponder leases, less cash and cash equivalents. EBITDA is measured on a 12-month basis between 1 October 2022 and 30 September 2023 and represents earnings before interest, taxes, depreciation and amortisation.

This pro forma financial information and constant currency information has not been audited or reviewed or otherwise reported on by the group's external auditor.

1. NON-IFRS PERFORMANCE MEASURES AND PRO FORMA INFORMATION continued

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

1.1 Non-IFRS measures: key performance indicators

As at 30 September	2022 Reported	2023 Currency impact	2023 Organic growth	2023 Reported	YoY % change	YoY organic % change
90-day active subscribers ('000)[1]	22 079	n/a	(416)	21 663	(2)	(2)
South Africa	9 115	n/a	(486)	8 629	(5)	(5)
Rest of Africa	12 964	n/a	70	13 034	1	1
90-day active ARPU (ZAR)[2]						
Blended	180	(9)	1	172	(4)	1
South Africa	261	–	(5)	256	(2)	(2)
Rest of Africa	123	(15)	9	117	(5)	7
Subscribers ('000)[3]	17 110	n/a	(407)	16 703	(2)	(2)
South Africa	8 204	n/a	(382)	7 822	(5)	(5)
Rest of Africa	8 906	n/a	(25)	8 881	–	–
ARPU (ZAR)[2]						
Blended	235	(12)	6	229	(3)	3
South Africa	290	–	–	290	–	–
Rest of Africa	183	(23)	16	176	(4)	9

1 *Defined as all subscribers with 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 Access fees and BoxOffice rental income but excludes decoder insurance premiums and reconnection fees which are disclosed as other revenue in terms of IFRS.*

3 *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.*

1.2 Pro forma information: group financials including segmental analysis

1.2.1 Segmental results

As at 30 September	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]	28 610	**(1 321)**	**1045**	**28 334**	(1)	4
South Africa	17 051	**–**	**(512)**	**16 539**	(3)	(3)
Rest of Africa[1]	10 521	**(1 409)**	**1 358**	**10 470**	–	13
Technology	657	**87**	**26**	**770**	17	4
Showmax	381	**1**	**173**	**555**	46	45
Trading profit	6 130	**(1 712)**	**605**	**5 023**	(18)	10
South Africa	6 294	**–**	**(1 092)**	**5 202**	(17)	(17)
Rest of Africa	(254)	**(1 591)**	**2 175**	**330**	>100	>100
Technology	369	**(83)**	**4**	**290**	(21)	1
Showmax	(279)	**(38)**	**(482)**	**(799)**	>(100)	>(100)

1 Total group revenue and Rest of Africa revenue presented above includes losses of ZARnil (1H FY23: losses of ZAR44m) related to fair-value movements on Nigeria futures contracts as the group discontinued the use of Nigerian futures contracts during FY23.

1.2.2 Revenue and costs by nature

	2022 IFRS ZAR'm	2023 Currency impact ZAR'm	2023 Organic growth ZAR'm	2023 IFRS ZAR'm	YoY % change	YoY organic % change
Revenue	28 610	**(1 321)**	**1 045**	**28 334**	(1)	4
Subscription fees[1]	23 756	**(1 249)**	**830**	**23 337**	(2)	3
Advertising	2 001	**(128)**	**78**	**1 951**	(2)	4
Decoders	949	**(37)**	**(147)**	**765**	(19)	(15)
Technology contracts and licensing	657	**87**	**26**	**770**	17	4
Insurance premiums	338	**–**	**104**	**442**	31	31
Other revenue	909	**6**	**154**	**1 069**	18	17
Operating expenses	22 480	**391**	**440**	**23 311**	4	2
Content	8 963	**477**	**375**	**9 815**	10	4
Decoder purchases	3 379	**(1)**	**(1 094)**	**2 284**	(32)	(32)
Staff costs[2]	2 935	**69**	**210**	**3 214**	10	7
Sales and marketing	1 412	**(31)**	**91**	**1 472**	4	6
Transponder costs	1 224	**68**	**(109)**	**1 183**	(3)	(9)
Other	4 567	**(191)**	**967**	**5 343**	17	21

1 Subscription fees presented above includes losses of ZARnil (1H FY23: losses of ZAR44m) related to fair-value movements on Nigeria futures contracts as the group discontinued the use of Nigerian futures contracts during FY23.

2 Excludes equity-settled share-based payment expense.

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

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

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

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

	Half-year 30 September 2023 ZAR'm	Half-year 30 September 2022 ZAR'm	% change
Headline loss attributable to shareholders (IFRS)	**(1 231)**	(248)	
Adjusted for (after-tax effects and non-controlling interests):			
– Amortisation of other intangible assets[1]	**96**	88	
– Acquisition-related costs	**22**	–	
– Equity-settled share-based payment expense	**206**	177	
– Foreign currency losses and fair value adjustments	**2 263**	2 173	
– Realised gains/(losses) on foreign exchange contracts	**571**	(167)	
Core headline earnings (ZAR'm)	**1 927**	2 023	(5)
Core headline earnings per ordinary share issued (SA cents)	**452**	474	(5)
Diluted core headline earnings per ordinary share issued (SA cents)[2]	**436**	460	(5)

[1] *Includes ZAR81m (1H FY23: ZAR74m) related to the amortisation of intangible assets identified based on the final purchase price allocation fair values on acquisition of KingMakers.*

[2] *As at 30 September 2023, 17.5m RSUs have been awarded to employees and remain unvested resulting in a dilutive impact in the current period (1H FY23: 14.3m awarded). The diluted weighted average number of ordinary shares issued for 1H FY24 was 442m (1H FY23: 440m).*

Core headline earnings (ZAR'm)	**1 927**	2 023	(5)
Adjusted for:			
Losses on cash remittances (net of tax effects and non-controlling interests)	**(410)**	(810)	
Adjusted core headline earnings (ZAR'm)	**1 517**	1 213	25
Adjusted core headline earnings per ordinary share issued (SA cents)	**356**	284	25
Diluted adjusted core headline earnings per ordinary share issued (SA cents)[1]	**343**	276	24

[1] *As at 30 September 2023, 17.5m RSUs have been awarded to employees and remain unvested resulting in a dilutive impact in the current period (1H FY23: 14.3m awarded). The diluted weighted average number of ordinary shares issued for 1H FY24 was 442m (1H FY23: 440m).*

1.4 Non-IFRS measures: free cash flow

Reconciliation of cash generated from operating activities to free cash flow

	Half-year 30 September 2023 ZAR'm	Half-year 30 September 2022 ZAR'm	% change
Cash generated from operating activities	**4 983**	5 436	(8)
Adjusted for:			
– Lease repayments[1]	**(1 399)**	(1 297)	
– Net capital expenditure	**(426)**	(472)	
– Taxation paid	**(2 087)**	(1 878)	
Free cash flow	**1 071**	1 789	(40)

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

MULTICHOICE GROUP LIMITED
REVIEWED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 30 September 2023

Condensed consolidated income statement

for the period ended 30 September 2023

	Note	**Reviewed half-year 30 September 2023 ZAR'm**	Reviewed half-year 30 September 2022 ZAR'm	% change
Revenue	4	**28 334**	28 654	(1)
Cost of providing services and sale of goods		**(14 597)**	(14 795)	1
Selling, general and administration expenses[1]		**(8 628)**	(7 670)	(12)
Net impairment (loss)/reversal on trade receivables		**(112)**	22	
Other operating (losses)/gains – net	7	**(163)**	7	
Operating profit		**4 834**	6 218	(22)
Interest income	6	**223**	99	
Interest expense	6	**(874)**	(692)	
Net foreign exchange translation losses	6	**(2 924)**	(3 092)	
Share of equity-accounted results		**(151)**	(229)	
Impairment of equity-accounted investment	8	**(98)**	–	
Other losses	7	**(30)**	(13)	
Profit before taxation	7	**980**	2 291	(57)
Taxation[2]		**(1 891)**	(2 236)	
(Loss)/profit for the period		**(911)**	55	>(100)
Attributable to:				
Equity holders of the group		**(1 321)**	(258)	
Non-controlling interests		**410**	313	
		(911)	55	>(100)
Basic and diluted loss for the period (ZAR'm)		**(1 321)**	(258)	>(100)
Basic loss per ordinary share (SA cents)	5	**(310)**	(60)	>(100)
Diluted loss per ordinary share (SA cents)	5	**(310)**	(59)	>(100)

[1] *The increase in selling, general and administration expenses is primarily due to adverse foreign exchange effects, additional Showmax investment costs (note 12) and the renewal of software licences and platforms in the current period.*

[2] *The effective tax rate has increased from the prior period primarily due to increased foreign exchange losses on intergroup loans with MultiChoice Nigeria Limited (note 6) (in respect of which deferred tax assets were not raised).*

Condensed consolidated statement of comprehensive income

for the period ended 30 September 2023

	Reviewed half-year 30 September 2023 ZAR'm	Reviewed half-year 30 September 2022 ZAR'm
(Loss)/profit for the period	**(911)**	55
Total other comprehensive income for the period:		
Exchange gains arising on translation of foreign operations[1,2,3]	**725**	1 442
Hedging reserve[1]	**226**	1 648
– Net fair value gains[4]	**472**	2 165
– Hedging reserve recycled to the income statement[4]	**(196)**	55
– Net tax effect of movements in hedging reserve[5]	**(50)**	(572)
Total comprehensive income for the period	**40**	3 145
Attributable to:		
Equity holders of the group	**(150)**	3 609
Non-controlling interests	**190**	(464)
	40	3 145

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

2 *Primarily 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 ZAR17.79 in FY23 to ZAR18.93 in 1H FY24. This movement is recognised in other reserves on the consolidated statement of changes in equity.*

4 *The movement relates primarily to the ZAR depreciation against the USD from a closing rate of ZAR17.79 in FY23 to ZAR18.93 in 1H FY24, a lower overall notional value of hedging contracts and a higher achieved average hedge rate.*

5 *The movement relates to tax on net fair value gains (1H FY23: gains) 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 in South Africa, are non-taxable.*

Condensed consolidated statement of financial position

as at 30 September 2023

	Note	Reviewed half-year 30 September 2023 ZAR'm	Audited full-year 31 March 2023 ZAR'm
ASSETS			
Non-current assets		**24 656**	24 586
Property, plant and equipment[1]		**11 183**	12 129
Goodwill and other intangible assets		**5 430**	5 351
Investments and loans		**361**	357
Investment in associates and joint ventures	8	**4 972**	4 876
Amounts due from related parties	11	**73**	71
Derivative financial instruments		**18**	6
Platform technology advances[2]		**839**	247
Deferred taxation		**1 780**	1 549
Current assets		**23 944**	23 024
Inventory[3]		**1 473**	890
Programme and film rights[4]		**8 875**	6 246
Trade and other receivables		**6 611**	6 864
Amounts due from related parties	11	**10**	4
Derivative financial instruments		**1 374**	1 479
Cash and cash equivalents		**5 601**	7 541
Total assets		**48 600**	47 610
EQUITY AND LIABILITIES			
Equity reserves attributable to the group's equity holders		**5 791**	9 717
Share capital		**454**	454
Other reserves		**(12 211)**	(9 613)
Retained earnings		**17 548**	18 876
Non-controlling interests		**(5 023)**	(4 372)
Total equity		**768**	5 345
Non-current liabilities		**22 324**	19 570
Lease liabilities		**10 270**	10 747
Long-term loans[5]		**8 044**	8 046
Derivative financial instruments		**3 390**	142
Deferred taxation		**620**	635
Current liabilities		**25 508**	22 695
Lease liabilities		**2 518**	2 355
Short-term loans		**125**	375
Programme and film rights[4]		**8 608**	5 060
Provisions		**250**	225
Accrued expenses and other current liabilities[6]		**10 176**	10 816
Derivative financial instruments		**38**	41
Taxation liabilities		**3 793**	3 823
Total equity and liabilities		**48 600**	47 610

1 *Decrease relates primarily to current period depreciation, partially offset by an increase due to the depreciation of the ZAR against the USD from a closing rate of ZAR17.79 in FY23 to ZAR18.93 in 1H FY24.*

2 *During 1H FY24, further 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 12) for use in the Showmax business.*

3 *Increase due to working capital cycles leading up to the various sporting World Cups and the festive season, as well as higher net realisable value due to increased decoder selling prices.*

4 *Programme and film rights assets and liabilities are higher than FY23 mainly as a result of football properties coming into licence in August each year and the continued ramp-up in local content investment. The impact of the depreciation of the ZAR against the USD from a closing rate of ZAR17.79 in FY23 to ZAR18.93 in 1H FY24 also contributed to the increase.*

5 *During FY23, the group concluded a ZAR12.0bn term loan with ZAR8.0bn drawn down as at 31 March 2023. As at 30 September 2023, ZAR8.0bn of this loan was outstanding, with ZAR4.0bn undrawn. The facility is a five-year term loan with a bullet repayment profile five years from each drawdown date. The facility bears interest at three month JIBAR +1.44% payable quarterly in arrears.*

6 *Decrease relates primarily to accruals settled during 1H FY24 in relation to the preparation of the new Showmax platform expected to launch in the second half of FY24 (note 12), settlement of FY23 FIFA World Cup related stock liabilities and the impact of the naira depreciation against the USD from a closing rate of NGN464.50 in FY23 to NGN789.50 in 1H FY24.*

Condensed consolidated statement of changes in equity

for the period ended 30 September 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 2022	454	(14 175)	24 673	(2 876)	8 076
Profit for the period	–	–	(258)	313	55
Other comprehensive income	–	3 867	–	(777)	3 090
Total comprehensive income for the period	–	3 867	(258)	(464)	3 145
Treasury shares disposed[2]	–	204	(204)	–	–
Hedging reserve basis adjustment[3]	–	3	–	3	6
Share-based compensation movement	–	–	215	–	215
Purchase of shares for group share schemes[4]	–	–	(48)	–	(48)
Dividends declared[5,6]	–	–	(2 415)	(1 456)	(3 871)
Balance at 30 September 2022	454	(10 101)	21 963	(4 793)	7 523
Balance at 1 April 2023	**454**	**(9 613)**	**18 876**	**(4 372)**	**5 345**
Loss for the period	**–**	**–**	**(1 321)**	**410**	**(911)**
Other comprehensive income	**–**	**1 171**	**–**	**(220)**	**951**
Total comprehensive income for the period	**–**	**1 171**	**(1 321)**	**190**	**40**
Treasury shares acquired[7]	**–**	**(482)**	**–**	**–**	**(482)**
Treasury shares disposed[2]	**–**	**202**	**(202)**	**–**	**–**
Hedging reserve basis adjustment[3]	**–**	**(447)**	**–**	**(135)**	**(582)**
Share-based compensation movement	**–**	**–**	**256**	**–**	**256**
Purchase of shares for group share schemes[4]	**–**	**–**	**(61)**	**–**	**(61)**
Transactions with non-controlling interest[8]	**–**	**–**	**–**	**593**	**593**
Recognition of put option liability[9]	**–**	**(3 042)**	**–**	**–**	**(3 042)**
Dividends declared[5]	**–**	**–**	**–**	**(1 299)**	**(1 299)**
Balance at 30 September 2023	**454**	**(12 211)**	**17 548**	**(5 023)**	**768**

1 *Other reserves include treasury shares, the hedging reserve, fair value reserve and foreign currency translation reserve.*
2 *Treasury shares utilised to settle the group's share-based compensation benefits.*
3 *Relates to the basis adjustment (net of tax gains of ZAR155m (1H FY23: ZAR1m) on other reserves and tax gains of ZAR47m (1H FY23: ZAR1m) on non-controlling interests) on programme and film right assets as content comes into licence.*
4 *Primarily relates to the settlement of share-based compensation benefits.*
5 *Non-controlling interests dividends relate primarily to dividends paid to Phuthuma Nathi (PN).*
6 *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 FY22.*
7 *During 1H FY24, the group acquired a further 5.3m treasury shares at an average price of ZAR91 per share to fund future RSU share awards. As at 30 September 2023, the group holds 18.4m (1H FY23: 15.1m) treasury shares at an average value of ZAR102 (1H FY23: ZAR108) per share.*
8 *Relates to NBCUniversal Media, LLC equity contributions into the new Showmax group (note 12).*
9 *During 1H FY24, in line with the shareholders' agreement and as required by IFRS 9, the group recognised a put option liability for the right held by NBCUniversal Media, LLC to sell its minority stake in Showmax to MultiChoice at a predetermined date in the future (note 10).*

Condensed consolidated statement of cash flows

for the period ended 30 September 2023

	Note	Reviewed half-year 30 September 2023 ZAR'm	Reviewed half-year 30 September 2022 ZAR'm
Cash flows from operating activities			
Cash generated from operating activities		**4 983**	5 436
Interest income received		**227**	98
Interest costs paid		**(720)**	(408)
Taxation paid		**(2 087)**	(1 878)
Net cash generated from operating activities		**2 403**	3 248
Cash flows from investing activities			
Property, plant and equipment acquired		**(246)**	(314)
Proceeds from sale of property, plant and equipment		**2**	3
Intangible assets acquired		**(197)**	(176)
Proceeds from sale of intangible assets		**15**	15
Decrease in margin deposits[1]		**–**	182
Loans to Enterprise Development Trust beneficiaries		**(3)**	(30)
Repayment of Enterprise Development Trust loans		**5**	8
Loans to related parties		**–**	(9)
Other movements in investments and loans		**19**	(88)
Net cash utilised in investing activities		**(405)**	(409)
Cash flows from financing activities			
Proceeds from long and short-term loans raised[2]		**–**	4 036
Repayments of long and short-term loans[3,4]		**(254)**	(954)
Repayments of lease liabilities		**(1 145)**	(1 020)
Repurchase of treasury shares		**(482)**	–
Purchases of shares for group share schemes[5]		**(61)**	(48)
Transactions with non-controlling interest	12	**593**	–
Dividends paid by holding company[6]		**–**	(2 500)
Dividends paid by subsidiaries to non-controlling shareholders[7]		**(1 299)**	(1 456)
Net cash utilised in financing activities		**(2 648)**	(1 942)
Net movement in cash and cash equivalents		**(650)**	897
Foreign exchange translation adjustments on cash and cash equivalents[8]		**(1 290)**	(25)
Cash and cash equivalents at the beginning of the period		**7 541**	6 155
Cash and cash equivalents at the end of the period		**5 601**	7 027

1 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.

2 During 1H FY23, the group utilised short-term banking facilities of ZAR4bn. The facilities attracted interest at market-related interest rates between 6.4% and 8.3%. The facilities were utilised for working capital purposes. During 1H FY23, ZAR300m of these facilities had been repaid. As at 31 March 2023, all these facilities had been settled.

3 An amortising working capital loan of ZAR1.5bn was concluded in FY21. The loan has a three-year term and bears interest at three-month JIBAR + 1.70%. As at 30 September 2023, ZAR1 375m of this loan had been repaid with ZAR250m paid during 1H FY24 (1H FY23: ZAR250m).

4 A ZAR4bn term loan was concluded in FY22 to fund the group's additional investment in KingMakers. The loan has a five-year term and bears interest at three-month JIBAR +1.35%. As at 30 September 2022, ZAR1.3bn of this loan had been repaid with ZAR400m paid during 1H FY23. As at 31 March 2023, this loan had been settled.

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

6 During 1H FY23, the ZAR2.5bn dividend declared in June 2022 was paid by the group to the group's broker, Sasfin Holdings Limited (Sasfin), for distribution to shareholders. Included in this payment was an amount of ZAR85m related to dividends due to the group for treasury shares held. At 30 September 2022, the amount of ZAR85m had not yet been received by the group and the group recognised a receivable from Sasfin in the consolidated statement of financial position.

7 Relates primarily to dividends paid to PN, with a lower value in 1H FY24 due to the lower dividend paid by MultiChoice South Africa of ZAR5.5bn for FY23 compared with ZAR6.0bn for FY22.

8 Includes losses of ZAR518m (1H FY23: ZAR1 025m) primarily incurred in Nigeria, within the Rest of Africa segment, due to differences between the I&E rate used by the group for translation and the parallel rate at which cash has been remitted.

Segmental review

for the period ended 30 September 2023

Revenue and Trading profit	Revenue Reviewed half-year 30 September 2023 ZAR'm External	Inter-segment	Total	Revenue Reviewed half-year 30 September 2022 ZAR'm External	Inter-segment	Total	Trading profit[1] Reviewed half-year 30 September 2023 ZAR'm	Reviewed half-year 30 September 2022 ZAR'm
South Africa	16 539	3 713	20 252	17 051	3 318	20 369	5 202	6 294
Rest of Africa	10 470	119	10 589	10 565	150	10 715	330	(254)
Technology	770	1 061	1 831	657	1 081	1 738	290	369
Showmax	555	149	704	381	117	498	(799)	(279)
Eliminations	–	(5 042)	(5 042)	–	(4 666)	(4 666)	–	–
Total	28 334	–	28 334	28 654	–	28 654	5 023	6 130

[1] *Total group trading profit and Rest of Africa trading profit presented above includes losses of ZARnil (FY22: losses of ZAR44m) related to fair value movements on Nigeria futures contracts as the group discontinued the use of Nigerian futures contracts during FY23.*

Revenue by nature	Reviewed half-year 30 September 2023 ZAR'm South Africa	Rest of Africa	Tech-nology	Showmax	Total	Reviewed half-year 30 September 2022 ZAR'm South Africa	Rest of Africa	Tech-nology	Showmax	Total
Subscription fees	13 281	9 580	–	476	23 337	13 836	9 583	–	381	23 800
Advertising	1 551	400	–	–	1 951	1 523	478	–	–	2 001
Decoders	412	353	–	–	765	522	427	–	–	949
Installation fees	44	–	–	–	44	132	–	–	–	132
Technology contracts and licensing	–	–	770	–	770	–	–	657	–	657
Insurance premiums	442	–	–	–	442	338	–	–	–	338
Other revenue	809	137	–	79	1 025	700	77	–	–	777
Total external revenue	16 539	10 470	770	555	28 334	17 051	10 565	657	381	28 654

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:

	Reviewed half-year 30 September 2023 ZAR'm	Reviewed half-year 30 September 2022 ZAR'm
Trading profit per segmental income statement	**5 023**	6 130
Adjusted for:		
Interest on transponder leases (note 6)	**254**	277
Amortisation of intangibles (other than software)	**(24)**	(25)
Other operating (losses)/gains – net (note 7)	**(163)**	7
Equity-settled share-based compensation	**(256)**	(215)
Fair value movements on futures contracts[1]	**–**	44
Operating profit per the income statement[2]	**4 834**	6 218

[1] *Recognised in the Rest of Africa segment.*
[2] *The consolidated income statement discloses all reporting items from consolidated operating profit to consolidated profit before taxation.*

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The consolidated interim financial statements for the six months ended 30 September 2023 are prepared in accordance with the requirements of the JSE Listings Requirements for interim financial statements and the requirements of the South African Companies Act No 71 of 2008, as amended (Companies Act) applicable to interim financial statements. The consolidated interim financial statements were prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), the Financial Pronouncements as issued by the Financial Reporting Standard Council (FRSC), and as a minimum, the information required by IAS 34 *Interim Financial Reporting*.

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

The consolidated interim financial statements are presented in South African rand (ZAR), which is the group's presentation currency, rounded to the nearest million. The consolidated statement of financial position was prepared using a closing USD exchange rate at 30 September 2023 of 18.93:1 (31 March 2023: 17.79:1), which has been utilised for the consolidation of the Rest of Africa, Technology and Showmax segments that have a USD presentation currency. The consolidated income statement and statement of comprehensive income were prepared using the average USD exchange rate for the period ended 30 September 2023 of 18.75:1 (30 September 2022: 16.61:1).

The accounting policies applied in the preparation of the consolidated interim financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The consolidated interim 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 2023. None of the amendments had a material effect on the group's consolidated interim 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.

3. REVIEW BY THE INDEPENDENT AUDITOR

These consolidated interim financial statements for the period ended 30 September 2023 have been reviewed by Ernst & Young Inc., who expressed an unmodified conclusion thereon.

	Reviewed half-year 30 September 2023 ZAR'm	Reviewed half-year 30 September 2022 ZAR'm
4. REVENUE		
Subscription fees[1]	**23 337**	23 800
Advertising	**1 951**	2 001
Decoders[2]	**765**	949
Installation fees	**44**	132
Technology contracts and licensing	**770**	657
Insurance premiums	**442**	338
Other revenue[3]	**1 025**	777
	28 334	28 654

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

[2] *Decrease due to a weaker local exchange rate environment and lower decoder sales volumes due to strategic decision to reduce decoder subsidies in the current period.*

[3] *Other revenue relates primarily to sub-licensing revenue and reconnection fees. Increase relates primarily to higher sub-licensing revenue.*

The following table shows unsatisfied performance obligations resulting from long-term technology contracts, within the technology segment, as at 30 September 2023 and 31 March 2023:

	Reviewed half-year 30 September 2023 ZAR'm	Audited full-year 31 March 2023 ZAR'm
Aggregate amount of the transaction price allocated to long-term technology contracts that are partially or fully unsatisfied	**147**	111

Management expects that 38% of the transaction price allocated to the unsatisfied contracts as of 30 September 2023 will be recognised as revenue during FY25 (ZAR55m) and 31% (ZAR46m) will be recognised as revenue during FY26. The remaining 31% (ZAR46m) will be recognised as revenue in FY27 and thereafter. The amount disclosed above does not include variable consideration which is constrained.

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

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

	Reviewed half-year 30 September 2023 ZAR'm	Reviewed half-year 30 September 2022 ZAR'm
5. HEADLINE EARNINGS		
Loss attributable to equity holders of the group	**(1 321)**	(258)
– Impairment of equity-accounted investment (note 8)	**98**	–
– (Profit)/loss on sale of property, plant and equipment	**(1)**	12
– Profit on sale of intangible assets	**(14)**	(15)
– Impairment of property, plant and equipment	**–**	2
– Dilution loss	**–**	13
	(1 238)	(246)
– Total tax effects of adjustments	**4**	(3)
– Total non-controlling interest effects of adjustments	**3**	1
Headline loss	**(1 231)**	(248)
Basic and diluted headline loss for the period (ZAR'm)	**(1 231)**	(248)
Basic headline loss per ordinary share (SA cents)	**(289)**	(58)
Diluted headline loss per ordinary share (SA cents)[1]	**(289)**	(56)
Net number of ordinary shares issued (million)		
– at period end[2,3]	**424**	427
– at period end (including treasury shares)[2]	**443**	443
– weighted average for the period	**426**	427
– diluted weighted average for the period[1]	**426**	440

[1] *As at 30 September 2023, 17.5m RSUs have been awarded to employees and remain unvested. However, due to the group's 1H FY24 basic and diluted headline loss for the period, 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 1H FY24. As at 30 September 2022, 14.3m RSUs were awarded and unvested resulting in a dilutive impact in the prior period.*

[2] *As at 30 September 2023, the group held 18.4m treasury shares which resulted in a decrease in the number of ordinary shares issued (1H FY23: 15.1m treasury shares).*

[3] *During 1H FY24, an additional 5.3m shares were repurchased by MultiChoice Group Restricted Share Plan Trust (a fellow group company) as part of a share buy-back to fund specific RSU share awards. During 1H FY23, the group transferred 4.3m (with a value of ZAR0.5bn at the date of transfer) of the 10.1m treasury shares purchased as part of a general share buyback in FY20 to the MultiChoice Group Restricted Share Plan Trust to fund the FY23 awards under the group's RSU scheme. 1.8m (1H FY23: 1.8m) RSUs were exercised during the period which reduced the number of treasury shares held by the group at 30 September 2023.*

	Reviewed half-year 30 September 2023 ZAR'm	Reviewed half-year 30 September 2022 ZAR'm
6. INTEREST (EXPENSE)/INCOME		
Interest expense		
Loans and overdrafts[1]	**(411)**	(125)
Leases[2]	**(276)**	(290)
Other[3]	**(187)**	(277)
	(874)	(692)

[1] Increase relates to a higher average debt balance in the current period with the ZAR8bn term loan being outstanding for the full six months.
[2] Relates primarily to transponder leases of ZAR254m (1H FY23: ZAR277m).
[3] Relates primarily to interest accrued to revenue authorities in the Rest of Africa of ZAR76m (1H FY23: ZAR121m) and the discounting of liabilities in relation to programme and film rights of ZAR79m (1H FY23: ZAR126m).

	Reviewed half-year 30 September 2023 ZAR'm	Reviewed half-year 30 September 2022 ZAR'm
Interest income		
Loans and bank accounts	**212**	87
Other	**11**	12
	223	99

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

	Reviewed half-year 30 September 2023 ZAR'm	Reviewed half-year 30 September 2022 ZAR'm
Net losses from foreign exchange translation and fair value adjustments on derivative financial instruments		
On translation of non-quasi intergroup loans[1]	**(2 433)**	(390)
On translation of assets and liabilities[2]	**36**	(830)
Losses on cash remittances[3]	**(518)**	(1 025)
On translation of transponder leases[2]	**(530)**	(1 841)
Gains on translation of forward exchange contracts[4]	**1 062**	1 327
Losses on translation of forward exchange contracts[4]	**(541)**	(333)
Net foreign exchange translation losses	**(2 924)**	(3 092)

[1] Net increase predominantly relates to higher non-quasi equity foreign exchange losses on the intergroup loans with MultiChoice Nigeria Limited. This follows the depreciation of the NGN against the USD from a closing rate of NGN464.50 in FY23 to NGN789.50 in 1H FY24.
[2] Movement primarily relates to ZAR depreciation against the USD from a closing rate of ZAR17.79 in FY23 to ZAR18.93 in 1H FY24.
[3] Includes losses within the Rest of Africa segment, due to differences between the Nigerian I&E rate used by the group for translation and the Nigerian parallel rate at which cash has been remitted. The group achieved an average remittance rate of NGN794:USD (1H FY23: NGN634:USD) during 1H FY24.
[4] The movement relates primarily to the ZAR depreciation against the USD from a closing rate of ZAR17.79 in FY23 to ZAR18.93 in 1H FY24, a lower overall notional value of hedging contracts and a higher achieved average hedge rate.

7. PROFIT BEFORE TAXATION

In addition to the items already detailed, profit before taxation has been determined after taking into account, inter alia, the following:

	Reviewed half-year 30 September 2023 ZAR'm	Reviewed half-year 30 September 2022 ZAR'm
Depreciation of property, plant and equipment	**(1 241)**	(1 255)
Amortisation	**(139)**	(115)
– software	**(115)**	(90)
– other intangible assets	**(24)**	(25)
Net realisable value adjustments on inventory, net of reversals[1]	**(403)**	(154)
Other operating (losses)/gains – net		
Profit/(loss) on sale of property, plant and equipment	**1**	(12)
Profit on sale of intangible assets	**14**	15
Impairment of property, plant and equipment	**–**	(2)
Fair value adjustments	**(178)**	6
	(163)	7
Other losses		
Acquisition-related costs[2]	**(30)**	–
Dilution loss[3]	**–**	(13)

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

[2] *Relates to acquisition-related project costs incurred by the group primarily related to the new partnership with Comcast Corporation which closed on 4 April 2023 (note 12).*

[3] *During 1H 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	Reviewed half-year 30 September 2023 ZAR'm	Audited full-year 31 March 2023 ZAR'm
8. INVESTMENT IN ASSOCIATES AND JOINT VENTURES			
Investment in associates	(a)	**4 956**	4 862
Investment in joint ventures		**16**	14
		4 972	4 876
(a) Investment in associates			
Blue Lake Ventures Limited (KingMakers)[1]		**4 734**	4 558
Questar Auto Technologies (Questar)		**72**	77
Zendascape Proprietary Limited (AURA)		**5**	5
AURA B.V.		**31**	30
Bidstack Group PLC (Bidstack)		**7**	110
Moment Holdings Limited (Moment)		**63**	59
Africa Cricket Development Proprietary Limited (SA20)		**44**	23
		4 956	4 862

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

Bidstack

In FY23, the group (through Irdeto) acquired 12.1% of the equity (13.5% of the voting rights) of Bidstack Group PLC for GBP5m (ZAR118m). During 1H FY24, due to a decline in the Bidstack share price, the group assessed its Bidstack investment from an impairment perspective and concluded that an impairment of USD5m (ZAR98m) was required. 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 (one of eight directors) and was initially measured at cost.

KingMakers

Movement in carrying value of KingMakers investment		
Opening balance	**4 558**	5 764
Share of net loss of associate	**(87)**	(299)
Share of other comprehensive income/(loss) of associate	**49**	(1)
Amortisation of intangible assets identified on acquisition	**(81)**	(151)
Impairment of associate	**–**	(1 998)
Foreign exchange translation adjustment	**295**	1 243
Closing balance	**4 734**	4 558

The group has assessed its KingMakers investment from an impairment perspective and concluded that no impairment was necessary during 1H FY24.

9. 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 consolidated statement of financial position.

	Reviewed half-year 30 September 2023 ZAR'm	Audited full-year 31 March 2023 ZAR'm
Commitments		
– Capital expenditure	**93**	166
– Programme and film rights[1]	**38 432**	42 650
– Decoders[2]	**1 019**	1 521
– Lease commitments	**27**	15
– Other[3]	**3 115**	3 519
	42 686	47 871

1 *Decrease primarily due to major sport rights coming into licence in the current period.*
2 *Decrease due to the group's current decoder stock levels and lower sales volumes on decoders in the current period.*
3 *These service contracts are for transmission services, computer and decoder support services, access to networks and contractual relationships with customers, suppliers and employees.*

Contingent liabilities

The group operates a number of businesses in jurisdictions where taxes may be payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. The group's current assessment of possible but unlikely withholding and other tax exposures, including interest and potential penalties, amounts to approximately ZAR0.5bn (FY23: ZAR0.4bn). There has been no further developments relating to these tax matters during 1H FY24 and no provision has been made as at 30 September 2023 for these possible exposures.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair values are determined using observable and non-observable inputs, which reflect the market conditions in their expectations of future cash flows related to the asset or liability at 30 September 2023.

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

Financial instruments	**Fair value Reviewed half-year 30 September 2023 ZAR'm**	Fair value Audited full-year 31 March 2023 ZAR'm	Valuation method	Level in fair value hierarchy
Financial assets				
Investments held at fair value through profit or loss (Trust Machines SPV, LLC)	**253**	237	Based on the latest value internally measured by the investee	Level 3
Investments held at fair value through profit or loss	**22**	22	Unit trusts comprising quoted prices in a public market	Level 2
Forward exchange contracts	**1 334**	1 408	Fair value derived from forward exchange rates that are publicly available	Level 2
Futures contracts	**18**	28	Quoted prices in a public market	Level 1
Currency depreciation features	**39**	42	Discounted cash flow techniques	Level 3
Interest rate swap	**1**	7	Present value of the estimated future cash flows based on observable yield curves	Level 2
Financial liabilities				
Put option liability	**3 236**	–	Discounted cash flow techniques	Level 3
Forward exchange contracts	**41**	41	Fair value derived from forward exchange rates that are publicly available	Level 2
Derivative option	**151**	142	Monte Carlo simulation option pricing model	Level 3

10. FAIR VALUE OF FINANCIAL INSTRUMENTS continued

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

	Financial asset	Financial liabilities	
	Investments held at fair value through profit or loss (Trust Machines SPV, LLC) ZAR'm	Put option liability ZAR'm	Derivative option ZAR'm
Balance at 1 April 2022	146	–	(182)
Additions	87	–	–
Fair value (losses)/gains recognised in the income statement (note 7)	(29)	–	80
Foreign exchange gains recognised in the income statement (note 7)	33	–	–
Foreign exchange losses recognised in other comprehensive income	–	–	(40)
Balance at 1 April 2023	**237**	**–**	**(142)**
Additions	**–**	**(3 042)**	**–**
Foreign exchange gains/(losses) recognised in the income statement (note 7)	**16**	**(194)**	**–**
Foreign exchange losses recognised in other comprehensive income	**–**	**–**	**(9)**
Balance at 30 September 2023	**253**	**(3 236)**	**(151)**

During 1H FY24, as part of the MultiChoice and Comcast NBCUniversal partnership, the group recognised a put option liability. As per the shareholders agreement, the put option permits NBCUniversal to put its 30% shareholding in Showmax Africa Holdings Limited to the group at a predetermined date in the future. The put option is exercisable on the seventh anniversary of the launch date and, if exercised, the group would be required to pay the aggregate price equal to the fair market value of Showmax Africa Holdings Limited shares. The put option was initially measured at fair value and subsequently measured at fair value through profit or loss. The recognition of the put option liability does not factor in any probability of exercise and is an accounting adjustment that is required by *IFRS 9* as applicable when a parent company has exposure to a put option over a minority stake in a subsidiary entity. The key inputs used in the discounted cash flow valuation included a weighted average cost of capital (WACC) and a perpetuity growth rate (PGR) for each operational area. A 1% increase in each of the WACC rates would result in the put option liability decreasing by ZAR648m, while a 1% decrease in each of the WACC rates would result in the put option liability increasing by ZAR789m. A 0.5% decrease in each of the PGRs would result in the put option liability decreasing by ZAR185m, while a 0.5% increase in each of the PGRs would result in the put option liability increasing by ZAR201m.

10. 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 30 September 2023, the valuation technique and significant inputs driving fair value determination remained unchanged from 31 March 2023 and the investment had a fair value of ZAR253m (USD13m) (FY23: ZAR237m (USD13m)).

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

In FY22, as part of the additional acquisition of shares in KingMakers, 10% of the shares in KingMakers were issued to the KingMakers share scheme. This resulted in the group reducing its shareholding to 18% (before the acquisition transaction was finalised). The subscription was for an amount of USD11m on loan account to the KingMakers share scheme. The loan account will be due and payable after 10 years. The only source of return for the ESOP will be through the shareholding in KingMakers. The only security on the loan for the group are the KingMakers shares themselves that have been issued. Management assessed the transaction and concluded that the substance is that the group issued an instrument with a similar profile as an option instrument and therefore accounted for the transaction as such. The derivative option liability was initially measured at fair value and subsequently measured at fair value through profit or loss. As at 30 September 2023, the derivative option liability had a fair value of USD8.0m (ZAR151m) (FY23: USD8.0m (ZAR142m)). The key inputs in using the Monte Carlo Simulation included the fair value of KingMakers of USD500m (ZAR9.5bn) (FY23: USD500m (ZAR8.9bn)), a volatility of 50.9% (FY23: 50.9%) and a dividend yield of 5% (FY23: 5%). The group used the USD overnight index swap (OIS) curve to determine the risk-free rate. A 24% increase or decrease in the fair value of KingMakers would result in the option liability increasing or decreasing by USD2.5m (FY23: USD2.5m) or ZAR47m (FY23: ZAR44m). A 5% decrease in the volatility rate would result in the option liability decreasing by USD0.4m or ZAR7.6m (FY23: USD0.4m or ZAR6.7m), a 5% increase in the volatility rate would result in the option liability increasing by USD0.4m or ZAR7.5m (FY23: USD0.4m or ZAR6.6m).

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

11. RELATED PARTY TRANSACTIONS AND BALANCES

During 1H FY24, the group received advertising and sponsorship revenue of ZAR10m (1H FY23: ZAR36m) from KingMakers. This revenue has been recognised by the group in advertising revenue (note 4).

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

12. 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). Following SARB approval for the transaction and all other conditions precedent being met, the transaction closed and was effective on 4 April 2023.

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

On 30 September 2023, in order to fund the working capital requirements of the Showmax group, Showmax Africa Holdings Limited received USD3m (ZAR57m) in equity funding from NBCUniversal. This funding is recognised in non-controlling interest in the consolidated statement of changes in equity.

13. SUBSEQUENT EVENTS

Second drawdown on term loan facility

In FY23, the group (through MultiChoice Group Treasury Services Proprietary Limited) concluded a ZAR12.0bn syndicated term loan with Rand Merchant Bank, Standard Bank of South Africa Limited and Absa Group Limited to fund the group's working capital requirements. As at 31 March 2023, ZAR8.0bn of this loan had been drawn down and the remaining ZAR4.0bn was undrawn. During October 2023, the group completed the second drawdown amounting to ZAR4.0bn as per the loan agreement. The loan has a five-year term and bears interest at three-month JIBAR +1.44%. The capital portion will be settled via one payment five years from each of the drawdown dates. These terms are the same as the initial ZAR8.0bn drawdown.

Other

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

Independent auditor's review report on the consolidated interim financial statements

TO THE SHAREHOLDERS OF MULTICHOICE GROUP LIMITED

We have reviewed the consolidated interim financial statements of MultiChoice Group Limited in the accompanying interim report on pages 16 to 33, which comprise the condensed consolidated statement of financial position as of 30 September 2023 and the related condensed consolidated income statement and condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months then ended and selected explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE INTERIM FINANCIAL STATEMENTS

The directors are responsible for the preparation and presentation of these consolidated interim financial statements in accordance with the International Financial Reporting Standard, IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express a conclusion on these consolidated interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of *Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

Independent auditor's review report on the consolidated interim financial statements continued

OTHER MATTER

The consolidated interim financial statements of the MultiChoice Group Limited for the period ended 30 September 2022, were reviewed by another auditor who expressed an unmodified opinion on those statement on November 10, 2022.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of MultiChoice Group Limited for the six months ended 30 September 2023 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, IAS 34 *Interim Financial Reporting,* the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young Inc.
Director: CE Trollope
Registered Auditor
Chartered Accountant (SA)
15 November 2023

Johannesburg, South Africa

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