



MultiChoice Group Limited
Annual financial statements
for the year ended 31 March 2022

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Statement of responsibility by the board of directors

The company annual financial statements are the responsibility of the directors of MultiChoice Group Limited. In discharging this responsibility, the directors rely on management to prepare the annual financial statements presented on pages 1 to 38 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008 as amended (the Companies Act). The company 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 IVTM). In conformity with IFRS, the annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the annual financial statements. No facts have been omitted or untrue statements made that would make the annual financial statements false or misleading. Internal financial controls have been put in place to ensure that material information relating to MultiChoice Group Limited has been provided to effectively prepare the annual financial statements. The company operates in an established control environment, which is documented and regularly reviewed. The company's risk committee plays an integral role in risk management.

The company's internal audit function, which operates unimpeded by operational management, and has unrestricted access to the company's audit committee, assesses and, when necessary, recommends improvements to the system of internal control and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business.

The directors believe that the company has adequate resources to continue operations as a going concern in the foreseeable future, based on budgets, cash flow forecasts and available cash resources. The annual financial statements, reflecting the current financial position and existing borrowing facilities, support the viability of the company. The preparation of the annual financial statements was supervised by the company's Chief Financial Officer, Tim Jacobs CA(SA). These results were made public on 9 June 2022.

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the annual financial statements. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. A copy of PricewaterhouseCoopers Inc.'s unqualified audit report is presented on pages 10 to 13.

The annual financial statements were approved by the board of directors on 9 June 2022 and are signed on its behalf by:



Imtiaz Patel
Chair



Calvo Mawela
Chief executive officer

MultiChoice Group Limited

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Company Secretary's Certification and CEO and CFO responsibility statement

Company Secretary's Certification

In terms of section 88(2)(e) of the Companies Act No 71 of 2008, in my capacity as company secretary of MultiChoice Group Limited, I confirm that for the year ended 31 March 2022 the company has lodged with the Registrar of Companies and the Companies and Intellectual Property Commission, all such returns and notices as are required of a public company in terms of the Companies Act and that all such returns and notices are, to the best of my knowledge, true, correct and up to date.



Carmen Miller
Company Secretary
9 June 2022

CEO and CFO responsibility statement

The directors, whose names are stated below, hereby confirm that:

- (a) the annual financial statements set out on pages 1 to 38, fairly present in all material respects the financial position, financial performance and cash flows of MultiChoice Group Limited in terms of IFRS;
- (b) no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- (c) internal financial controls have been put in place to ensure that material information relating to MultiChoice Group Limited has been provided to effectively prepare the annual financial statements of MultiChoice Group Limited; and
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the Audit Committee and the external auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action. It is noted that there were no occurrences of fraud involving directors during the year.



Calvo Mawela
Chief executive officer (CEO)
9 June 2022



Tim Jacobs
Chief financial officer (CFO)
9 June 2022

MultiChoice Group Limited

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Report of the audit committee

I am pleased to present the report of the audit committee (the committee) for the year ended 31 March 2022 (FY22). The committee submits this report, as required by section 94 of the South African Companies Act No 71 of 2008 (the Act).

Members of the audit committee and attendance at meetings

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

During FY22, four meetings were held. The internal and external auditors, in their respective capacity as auditors to the company, attended and reported at all formal meetings of the committee. Both internal and external auditors have unrestricted access to the committee through the chair as well as the opportunity at one meeting per year to report to the committee in the absence of management. The chairperson of the board, group CEO, group CFO, group company secretary, corporate CFO and group general counsel while not members, attend committee meetings by invitation.

The names of the members who were in office during FY22, and up to the date of this report, and the details of the committee meetings attended by each of the members are reflected below.

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

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

Responsibilities

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

The committee has discharged its responsibilities in terms of its charter and ascribed to it in terms of the Act as follows:

Financial controls

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

External Auditor

- Receive all audit reports directly from the external auditor.
- Annually review the external auditor's performance and disclose the committee's views on the quality of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators.
- Evaluate the lead partner of the external auditor, Brett Stephen Humphreys, who will be subject to rotation as required by regulations.
- Present the committee's conclusions on the external auditor to the board, preceding the annual request to shareholders to approve the appointment of the external auditor.

MultiChoice Group Limited

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Report of the audit committee

External Auditor (continued)

- Approve the external auditor's terms of engagement and remuneration.
- Evaluate and provide commentary on the external auditor's audit plans, scope of findings, identified issues and reports.
- Develop a policy for the board to approve non-audit services performed by the external auditor. Approve non-audit services provided by the external auditor in accordance with this policy.
- Present the committee's conclusions in respect of the nomination for appointment as external auditors to the MultiChoice Group Limited (MCG) board and consideration of audit firm rotation as required by applicable regulations, preceding the annual request to MCG shareholders to approve the appointment of the external auditors.

Internal Audit

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

Combined Assurance

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

Other matters

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

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Report of the audit committee

Key areas of focus during FY22

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

- discharging its functions in terms of its charter.
- assessing the impact of changes to accounting standards and the JSE Listings Requirements.
- reviewing implementation of King IV™ recommendations.
- review of material group programme updates including Technology Modernisation.
- focusing regularly on the company's working capital requirements and ensuring that the company continues to operate as a going concern.
- review of the company's treasury risks including illiquid cash, foreign exchange and counterparty risk management.
- oversight and conclusion of the groups mandatory audit firm rotation selection process, as well as the shadowing process undertaken by Ernst & Young (EY) during FY22.
- ensuring the internal financial control and reporting impacts of COVID-19 are adequately addressed.
- reviewing at each meeting the accounting for taxation provisions and contingencies.
- reviewing at each meeting the schedule of non-audit services provided by external audit and ensuring compliance with the group policy.

Financial statement reporting issues

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

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

Other reporting matters

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

Internal audit

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

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

Effectiveness of the company's internal financial controls

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

MultiChoice Group Limited

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Report of the audit committee

Independence and effectiveness of the external auditor

PricewaterhouseCoopers Inc. (PwC) was reappointed as auditor of the company until the next AGM. PwC has been the auditor of the company since December 2018. The committee believes that PwC has observed the highest level of business and professional ethics. The committee is satisfied that PwC has, at all times, acted with unimpaired independence.

Details of fees paid to PwC are disclosed in note 11 to the annual financial statements. All non-audit services provided by PwC were approved by the committee during the current financial year in accordance with the board-approved policy on non-audit services performed by the external auditor. The audit committee approved the provision of non-audit services that it believes are routine and recurring services that would not impair the independence of PwC and are consistent with the principles of the Code of Professional Conduct set by the Independent Regulatory Board for Auditors. Approved services included general consulting advice and limited tax consulting advice such as tax compliance. Services approved for FY22 amounted to ZARnil (FY21: ZARnil) for tax consulting and ZAR0.5m (FY21: ZARnil) for other services.

During FY22, the committee reviewed representations by PwC and, after conducting its own review, confirmed the independence of PwC. The quality of the external audit for FY22 was reviewed, focusing on a range of factors considered relevant to audit quality and feedback from PwC on their performance against their own objectives. Based on this review, the committee concluded the external audit to be satisfactory. It was confirmed that no unresolved issues of concern exist between the company and the external auditors.

The partner responsible for the audit is required to rotate every five years. Brett Stephen Humphreys has been the audit partner for four financial years.

The committee, in accordance with paragraph 3.84(g)(iii) of the JSE Listings Requirements, satisfied itself that PwC and designated auditor, Brett Stephen Humphreys, are accredited on the JSE list of auditors and advisers, and further confirms that it assessed the suitability of PwC and Brett Stephen Humphreys. The committee, as part of its assessment, requested and reviewed the information detailed in paragraph 22.15(h) of the JSE Listings Requirements from the external auditor.

Mandatory audit firm rotation and external auditor for FY24

During FY21, the group commenced its process in line with IRBA's mandatory audit firm rotation regulations, which requires the company to rotate auditors at the latest by FY24 (the period from 1 April 2023 to 31 March 2024). After a formal selection process concluded during FY22, the audit committee has selected EY as the recommended external auditors from FY24. To ensure a seamless transition process EY will be responsible for the audit of the Rest of Africa segment in FY23, prior to taking over full group audit responsibilities in FY24.

The EY partner responsible for the audit will be Charles Trollope.

During the selection process the committee reviewed representations by EY and, after conducting its own review, confirmed the independence of EY. In addition, the committee, in accordance with paragraph 3.84(g)(iii) of the JSE Listings Requirements, satisfied itself that EY and designated auditor are accredited on the JSE list of auditors and advisers, and further confirms that it assessed the suitability of EY and Charles Trollope by reviewing the information detailed in paragraph 22.15(h) of the JSE Listings Requirements from the external auditor.

Recommended external auditor for FY23 and FY24

Accordingly, the committee recommends the reappointment of PwC (noting the designated auditor as Brett Humphreys) as the external auditor for FY23, with EY acting as component auditors for the Rest of Africa segment. Further, the committee recommends the appointment of EY as the external auditors for FY24 (noting the designated auditor as Charles Trollope, at the next AGM).

Confidential meetings

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

Expertise and experience of the company's CFO and the finance function

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

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Report of the audit committee

Combined assurance

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

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

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

Discharge of responsibilities

The committee determined that, during FY22, it had discharged its legal and other responsibilities as outlined in terms of its charter, details of which are included in the full corporate governance report on www.multichoice.com. The board concurred with this assessment.

Key focus areas going forward

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

- discharging its functions in terms of its charter.
- focusing regularly on the company's working capital requirements and ensuring that the company continues to operate as a going concern.
- review of the company's treasury risks including foreign exchange, liquidity shortages, management of debt and covenants and counterparty risk management.
- monitoring the performance and audit quality of external auditors, including the audit rotation process.
- reviewing at each meeting the management of tax matters together with the accounting for taxation provisions and contingencies.
- reviewing at each meeting the schedule of non-audit services provided by external audit and ensuring compliance with the group policy.
- review of material group programme updates including internal audit's assurance assessment thereof.



Louisa Stephens
Chair: Audit committee
9 June 2022

MultiChoice Group Limited

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Directors' Report

1. Incorporation

The company was incorporated on 4 September 2018 and obtained its certificate to commence business on the same day.

2. Nature of business

The principal activities of the company are to act as an investment holding company.

3. Share capital

There were no changes in the company's share capital during the year. Refer to note 7.

4. Dividend

The board has declared a gross dividend of ZAR2.5bn or 565 SA cents per listed ordinary share for 31 March 2022 (FY22). This dividend declaration is subject to approval of the MultiChoice South Africa Holdings Proprietary Limited (MCSAH) dividend at its annual general meeting on Wednesday, 24 August 2022. The finalisation date for the dividend declaration by the company will be Thursday, 25 August 2022. Subject to the aforementioned MCSAH approval, dividends will be payable to the company's shareholders recorded in the register on the record date, being Friday, 9 September 2022. The last date to trade cum dividend will be on Tuesday, 6 September 2022 (shares trade ex-dividend from Wednesday, 7 September 2022). Share certificates may not be dematerialised or re-materialised between Wednesday, 7 September 2022 and Friday, 9 September 2022, both dates inclusive. The dividend payment date will be Monday, 12 September 2022. The dividend will be declared from income. It will be subject to the dividend tax rate of 20%, yielding a net dividend of 452 SA cents per listed ordinary share to those shareholders not exempt from paying dividend tax. Dividend tax will be 113 SA cents per listed ordinary share. The issued ordinary share capital as at 9 June 2022 was 442.5m ordinary shares (including 17.0m shares held in treasury). The company's income tax reference number is 9485006192.

5. Share schemes

The company realigned its long term incentive plan structures in the prior year through two initiatives. Firstly, the MCA 2008 SAR scheme was closed as it no longer aligned to the group's long term strategy. Secondly, in order to fully align management incentives to shareholder expectations, all future executive share allocations will now be 100% linked to performance conditions and a new phantom performance share scheme based on the returns generated from strategic investments was created.

6. Directorate

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

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

Mr JA Mabuza, the group's lead independent director, sadly passed away on 16 June 2021. Mr JJ Volkwyn was appointed as the lead independent director with effect from 1 July 2021.

Mr FLN Letele retired as a non-executive director with effect from 1 December 2021.

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

The directors' names, details and meeting attendance are presented below and the group company secretary's name, business and postal addresses are presented on page 37. Directors' shareholdings in the issued share capital of the group are disclosed in note 16.

MultiChoice Group Limited

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Directors' Report

6. Directorate (continued)

Directors and attendance at meetings during the 2022 financial year:

	Date first appointed	Board	Audit	Risk	Remuneration	Nomination	Social and ethics	Category
Attendance								
MI Patel	6 December 2018	7/7	*	4/4	*	4/4	-	NE
CP Mawela	6 December 2018	7/7	*	4/4	*	*	4/4	Executive - CEO
TN Jacobs	6 December 2018	7/7	*	4/4	*	*	4/4	Executive - CFO
FLN Letele ¹	6 December 2018	5/5	*	*	*	*	3/3	NE
KD Moroka	6 December 2018	6/7	*	*	6/6	4/4	4/4	INE
JJ Volkwyn ²	6 December 2018	6/7	*	*	6/6	4/4	-	Lead INE
E Masilela	6 December 2018	7/7	4/4	4/4	*	*	*	INE
L Stephens	6 December 2018	7/7	4/4	4/4	*	4/4	*	INE
CM Sabwa	14 May 2019	7/7	4/4	4/4	*	*	4/4	INE
JA Mabuza ³	5 July 2019	0/1	*	*	0/1	0/1	-	Lead INE
FA Sanusi	5 July 2019	7/7	*	*	*	*	4/4	INE
JH du Preez ^{4,5}	1 April 2021	6/7	4/4	4/4	4/4	*	*	INE
SJZ Pacak ⁶	6 December 2018	*	*	*	*	*	*	INE

* Not a member

¹ FLN Letele retired with effect from 1 December 2021. Accordingly, he was only eligible to attend 5 of the 7 board meetings and 3 of the 4 social and ethics committee meetings held during the reporting period.

² JJ Volkwyn was appointed as lead independent director of the board and chair of the remuneration committee with effect from 1 July 2021.

³ JA Mabuza passed away on 16 June 2021. Accordingly, JA Mabuza did not attend any board or committee meetings during the reporting period.

⁴ JH du Preez was appointed as a member of the audit and risk committees with effect from 1 April 2021.

⁵ JH du Preez was also appointed as a member of the remuneration committee with effect from 1 July 2021. Accordingly, he was only eligible to attend 4 of the 6 meetings held during the reporting period.

⁶ SJZ Pacak retired with effect from 1 April 2021. Accordingly, he was not eligible to attend any board or committee meetings during the reporting period.

7. Company secretary

Ms CC Miller is the appointed company secretary since 11 June 2020.

8. Borrowings

The company has unlimited borrowing powers in terms of its Memorandum of Incorporation.



Independent auditor's report

To the Shareholders of MultiChoice Group Limited

Report on the audit of the separate financial statements

Our opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of MultiChoice Group Limited (the Company) as at 31 March 2022 and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

MultiChoice Group Limited's separate financial statements set out on pages 14 to 36 comprise:

- the separate statement of financial position as at 31 March 2022;
- the separate statement of profit or loss and other comprehensive income for the year then ended;
- the separate statement of changes in equity for the year then ended;
- the separate statement of cash flows for the year then ended; and
- the notes to the separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the separate financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. We have determined that there are no Key Audit Matters in respect of the separate financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “*MultiChoice Group Limited Annual financial statements for the year ended 31 March 2022*”, and the document titled “*MultiChoice Group Limited Consolidated annual financial statements for the year ended 31 March 2022*” which includes the Company Secretary’s Certification, Report of the audit committee and the Directors’ Report as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor’s report, and the other sections of the document titled “*MultiChoice Group Limited Integrated annual report 2022*”, which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor’s report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the separate financial statements

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards 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 separate financial statements that are free from material misstatement, whether due to fraud or error.¹

In preparing the separate financial statements, the directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

¹ The examination of controls over the maintenance and integrity of the Company’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.



Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of MultiChoice Group Limited for 38 years.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: BS Humphreys
Registered Auditor
Johannesburg, South Africa
9 June 2022

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Statement of financial position as at 31 March 2022

	Note	2022 ZAR'm	2021 ZAR'm
Assets			
Non-Current Assets			
Investments in subsidiaries	3	61 003	58 918
Investment at fair value through other comprehensive income	6	541	511
		61 544	59 429
Current Assets			
Amounts due from related parties	9	297	201
Trade and other receivables	4	3	14
Cash and cash equivalents	5	-	19
		300	234
Total Assets		61 844	59 663
Equity and Liabilities			
Equity			
Share capital	7	454	454
Other reserves		60	31
Retained income		60 946	58 828
		61 460	59 313
Liabilities			
Current Liabilities			
Accrued expenses and other payables	8	3	3
Amounts due to related parties	9	381	347
		384	350
Total Equity and Liabilities		61 844	59 663

The accounting policies and the notes on pages 18 to 36 form an integral part of the annual financial statements.

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2022

	Note	2022 ZAR'm	2021 ZAR'm
Revenue	10	4 690	4 673
Other operating expenses		(150)	(186)
Operating profit	11	4 540	4 487
Interest income		13	10
Interest expense		-	(2)
Profit before taxation		4 553	4 495
Taxation	12	(9)	(7)
Profit for the year		4 544	4 488
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Fair value gains on investment held at fair value through other comprehensive income		30	186
Other comprehensive income for the year		30	186
Total comprehensive income for the year		4 574	4 674

The accounting policies and the notes on pages 18 to 36 form an integral part of the annual financial statements.

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Statement of Changes in Equity for the year ended 31 March 2022

	Share capital ZAR'm	Other reserves ¹ ZAR'm	Retained income ZAR'm	Total equity ZAR'm
Balance at 1 April 2020	454	(128)	56 790	57 116
Profit for the year	-	-	4 488	4 488
Other comprehensive income	-	186	-	186
Total comprehensive income for the year	-	186	4 488	4 674
Share-based compensation movement	-	13	-	13
Other share-based compensation movements ²	-	(40)	-	(40)
Dividend declared ³	-	-	(2 450)	(2 450)
Total contributions by and distributions to owners of the company recognised directly in equity	454	(27)	(2 450)	(2 477)
Balance at 1 April 2021	454	31	58 828	59 313
Profit for the year	-	-	4 544	4 544
Other comprehensive income	-	30	-	30
Total comprehensive income for the year	-	30	4 544	4 574
Share-based compensation movement	-	3	-	3
Other share-based compensation movements	-	(4)	4	-
Dividend declared ³	-	-	(2 430)	(2 430)
Total contributions by and distributions to owners of the company recognised directly in equity	-	(1)	(2 426)	(2 427)
Balance at 31 March 2022	454	60	60 946	61 460

¹ Other reserves include the fair value reserve with a credit closing balance as at 31 March 2022 of ZAR88m (FY21: ZAR58m) and the share-based compensation reserve with a debit closing balance as at 31 March 2022 of ZAR28m (FY21: ZAR27m).

² Relates to the purchase of group shares during FY21 which were used to settle the company's share-based compensation awards.

³ The company declared a gross dividend of 565 SA cents per listed ordinary share in FY21 (FY20: 565 SA cents).

The accounting policies and the notes on pages 18 to 36 form an integral part of the annual financial statements.

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Statement of Cash Flows for the year ended 31 March 2022

	Note	2022 ZAR'm	2021 ZAR'm
Cash flows from operating activities			
Cash utilised in operations	13	(198)	(79)
Interest expense		-	(2)
Interest income		13	10
Taxation paid		(9)	(10)
Dividends received	10	4 690	4 673
		4 496	4 592
Cash flows from investing activities			
Additional investment in subsidiary	3	(2 085)	(2 084)
Cash flows from financing activities			
Purchase of shares ¹		-	(40)
Dividend paid		(2 430)	(2 450)
		(2 430)	(2 490)
Total cash movement for the year		(19)	18
Cash at the beginning of the year		19	1
Total cash at end of the year	5	-	19

¹ Relates to the purchase of group shares during FY21 which will be used to settle the company's share-based compensation awards.

The accounting policies and the notes on pages 18 to 36 form an integral part of the annual financial statements.

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1. Significant accounting policies

1.1 Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act No 71 of 2008 as amended (the Act). The company 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™).

The annual financial statements include amounts based on judgements and estimates made by management.

The annual financial statements are prepared using the historic cost convention apart from certain financial instruments which are stated at fair value.

The annual financial statements are presented on the going concern basis. Current liabilities exceed current assets of the company in both FY22 and FY21. The company however has access to additional cash resources within the group to meet its cash obligations as they fall due within the next 12 months.

These separate financial statements contain information about MultiChoice Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The consolidated financial statements have however been prepared and are publicly issued, in addition to the separate financial statements of the company, on 9 June 2022. These are available on the company's website, www.multichoice.com, and at the registered office of the company.

The financial statements are prepared in South African Rand (ZAR), which is the company's functional currency and reporting currency. All amounts are disclosed in millions of Rands.

1.2 Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the company has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

The company's accounting policy is to recognise investments in subsidiaries at cost in accordance with IAS 27. The initial cost is determined based on the fair value of the assets received or the shares issued.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investments.

1.3 Financial instruments

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value through other comprehensive income, depending on the classification of the financial assets.

Cash and cash equivalents

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

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.3 Financial instruments (continued)

Investments held at fair value through other comprehensive income

The entity has designated its investment in Phuthuma Nathi (PN) at fair value through other comprehensive income. The entity chose this disclosure presentation alternative because the investment was made for strategic purpose rather than with the view to profit on subsequent sale, and there are no plans to dispose of this investment in the short or medium term. The investment is equity in nature and there will be no subsequent reclassification of fair value gains/losses previously recognised in other comprehensive income upon the derecognition of the investment. Dividends associated with the investments are recognised in profit or loss as income when the entity's right to receive payments has been established.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on cash and cash equivalents based on counterparty risk of the related financial institutions where cash is held, through adjusted credit risk factors. Details regarding recognition of loss allowances for expected credit losses on related party receivables can be found in note 14. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

The company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination; or (ii) designated as at fair value through other comprehensive income, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.4 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1.5 Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations where the applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

The normal South African company tax rate used at the reporting date is 28%. During the 2022 budget speech by the South African minister of finance on 23 February 2022, the minister confirmed a rate change from 28% to 27% which was considered to be substantively enacted from this date. On this basis, any deferred tax recognised by the company was raised at the reduced tax rate of 27%. Current income tax for the current year remained unchanged at 28%.

1.6 Revenue recognition

Dividend income is recognised when the right to receive payment is established.

1.7 Recently issued accounting standards

The following new standards, interpretations and amendments to existing standards are not yet effective as at 31 March 2022 and have not been early adopted by the company. The company does not expect the effects of these standards and interpretations to materially impact the annual financial statements.

Standard/Interpretation	Title	Effective date
IAS 1 Presentation of Financial Statements	<i>Classification of liabilities as current or non-current</i>	Deferred until accounting periods starting on or after 1 January 2024
IFRS 17 Insurance contracts	<i>IFRS 17 replaces IFRS 4</i>	Effective 1 January 2023
IFRS 4 Insurance Contracts	<i>Extension of the temporary Exemption</i>	Effective 1 January 2023
IFRS 3 Business Combinations	<i>Referencing update</i>	Effective 1 January 2022
Annual Improvements to IFRS Standards 2018–2020	<i>IAS 41, IFRS 9 and IFRS 1</i>	Effective 1 January 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	<i>Onerous Contracts— Cost of Fulfilling a Contract</i>	Effective 1 January 2022
IAS 16 Property, Plant and Equipment	<i>Proceeds before intended use</i>	Effective 1 January 2022
IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, on IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and IFRS 16 Leases	<i>Narrow scope amendments and some annual improvements</i>	Effective 1 January 2022
IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associate and Joint Ventures	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Effective date deferred indefinitely
IAS 1 Presentation of financial statements, IFRS Practice Statement 2 Making materiality judgements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	<i>Accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies</i>	Effective 1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	<i>Definition of accounting estimates</i>	Effective 1 January 2023
IAS 12 Taxation	<i>Deferred tax relate to-assets and liabilities arising from a single transaction</i>	Effective 1 January 2023

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

2 Critical estimates and judgements

The preparation of the financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates and assumptions affect the reported amounts of assets and liabilities at the statement of financial position date. Although estimates are based on management's best knowledge and judgements of current facts as at the statement of financial position date, the actual outcome may differ from these estimates.

COVID-19 considerations

Management has conducted an updated review of all possible financial effects that COVID-19 could have on the measurement, presentation and disclosure provided in the annual financial statements. The conclusion reached was that the potential impact is not material to the annual financial statements. Management will continue to monitor COVID-19 developments.

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements for the year ended 31 March 2022

		2022 ZAR'm	2021 ZAR'm	
3. Investments in subsidiaries				
Name of company	% voting power 2022	% voting power 2021	Cost 2022	Cost 2021
Irdeto South Africa Proprietary Limited ¹	100.00 %	100.00 %	6	6
MultiChoice Group Treasury Services Proprietary Limited ²	100.00 %	100.00 %	14 956	12 871
MultiChoice Namibia Proprietary Limited ^{3,4}	49.00 %	49.00 %	834	834
MultiChoice South Africa Holdings Proprietary Limited ¹	75.00 %	75.00 %	45 199	45 199
NMS Insurance Services (SA) Limited ¹	100.00 %	100.00 %	8	8
MultiChoice Group Services Proprietary Limited ^{1,5}	100.00 %	100.00 %	-	-
			61 003	58 918

¹ Incorporated and has principal place of business in South Africa.

² During FY22, MultiChoice Group Treasury Services Proprietary Limited issued additional ordinary shares to MultiChoice Group Limited to the value of ZAR2.1bn (FY21: ZAR2.1bn) which increased the cost of the investment.

³ Incorporated and has principal place of business in Namibia.

⁴ The company has management and board control of MultiChoice Namibia Proprietary Limited.

⁵ The company holds 1 ordinary share (with no par value) in MultiChoice Group Services Proprietary Limited.

The initial cost of the investments was determined based on the fair value of the assets received or the shares issued. The fair value of the investments was recognised directly in retained earnings.

Fair value determination on initial recognition

MultiChoice Group Treasury Services Proprietary Limited

MultiChoice Group Treasury Services Proprietary Limited holds investments in Irdeto Holdings B.V. Group, MultiChoice Botswana Proprietary Limited and MultiChoice Africa Holdings B.V. Group. During FY21, Showmax B.V. merged with MultiChoice Africa Holdings B.V., effective 1 April 2020. This merger had no impact on the valuation of the investment. The value of MultiChoice Group Treasury Services Proprietary Limited was determined as the sum of the fair values of these 3 separate investments.

Irdeto Holdings B.V. Group

The value was calculated using a discounted cash flow valuation method, applying a terminal growth factor of 1%, and a cost of equity of 12.2%.

The group is incorporated in the Netherlands.

MultiChoice Botswana Proprietary Limited

The value was calculated using a discounted cash flow valuation method, applying a terminal growth factor of 4%, and a cost of equity of 13.1%.

The entity is incorporated in Botswana.

MultiChoice Africa Holdings B.V. Group

The MultiChoice Africa Holdings B.V. Group business was in a net liability position, loss making and investors largely discounted this value in the valuation of the group as at 31 March 2019. Management's valuation of this entity was limited to zero.

The group is incorporated in the Netherlands.

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements for the year ended 31 March 2022

	2022 ZAR'm	2021 ZAR'm
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3. Investments in subsidiaries (continued)

MultiChoice Namibia Proprietary Limited

The value was calculated using a discounted cash flow valuation method, applying a terminal growth factor of 6%, and a cost of equity of 17.1%.

MultiChoice South Africa Holdings Proprietary Limited

The value was calculated using a discounted cash flow valuation method, applying a terminal growth factor of 5.5%, and a cost of equity of 11.9%.

4. Trade and other receivables

Taxes receivable	3	3
Other receivables	-	11
	3	14

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash at bank and on hand	*	19
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* less than ZAR1m.

The company is exposed to certain concentrations of credit risk relating to its cash and cash equivalents. It places these instruments with a major banking group that has a high credit rating.

The company's treasury policy is designed to limit exposure to any one institution and to invest excess cash in low-risk investment accounts. As at 31 March 2022, the company held its cash with a local bank with a 'Ba2' credit rating (Moody's International's Long-term Deposit rating). The counterparty that is used by the company is evaluated on a continuous basis.

The expected credit loss on cash and cash equivalents is immaterial.

6. Investments at fair value through other comprehensive income

Phuthuma Nathi (PN)

At year-end, the investment in PN was revalued to a market value of ZAR141 (FY21: ZAR133) per share resulting in a fair value gain of ZAR30m (FY21: ZAR186m) recognised in the statement of profit or loss and other comprehensive income.

During FY22, the company received dividend income of ZAR85m (FY21: ZAR85m) from its investment in PN (note 10).

7. Share capital

Authorised

1 000 000 000 ordinary no par value shares

Issued

442 512 678 (FY21: 442 512 678) ordinary shares	454	454
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Capital management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders.

The company relies upon distributions, including dividends, from its subsidiaries to generate the funds necessary to meet the obligations and other cash flow requirements of the company.

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements for the year ended 31 March 2022

	2022 ZAR'm	2021 ZAR'm
8. Accrued expenses and other payables		
Accrued expenses	3	1
Accrued bonus	-	2
	3	3

9. Related parties

Related party balances are recognised initially at fair value and subsequently stated at amortised cost using the effective interest rate method, less expected credit losses in relation to amounts due from related parties.

Related party balances

Amounts due from related parties

Current

MultiChoice Group Treasury Services Proprietary Limited	297	201
	297	201

Amounts due to related parties

Current

MultiChoice Proprietary Limited	49	45
MultiChoice Support Services Proprietary Limited	17	18
MultiChoice Africa Holdings B.V.	104	88
MultiChoice Group Services Proprietary Limited	211	196
	381	347

All balances (except for the balances with MultiChoice Group Treasury Services Proprietary Limited and MultiChoice Africa Holdings B.V.) are interest free, unsecured and have no fixed terms of repayment.

The receivable balance relates to the cashpool with MultiChoice Group Treasury Services Proprietary Limited, is unsecured, repayable on call to the company and the interest earned is based on the variable rate as per the investments held between MultiChoice Group Treasury Services Proprietary Limited and the respective banks.

The payable balance to MultiChoice Africa Holdings B.V. is unsecured, has fixed repayment terms and incurs interest at the South African prime lending rate from the due date to the date of payment.

Related party transactions

Management fee expense

MultiChoice Group Treasury Services Proprietary Limited ¹	2	-
MultiChoice Group Services Proprietary Limited ¹	99	107
MultiChoice Africa Holdings B.V. ¹	17	41
	118	148

Dividends received

MultiChoice Namibia Proprietary Limited	105	88
MultiChoice South Africa Holdings Proprietary Limited	4 500	4 500
	4 605	4 588

¹ Management fee expense relates to recharges for support services provided to the company.

During FY22, MultiChoice Group Treasury Services Proprietary Limited issued additional ordinary shares to MultiChoice Group Limited to the value of ZAR2.1bn (FY21: ZAR2.1bn) (note 3).

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements for the year ended 31 March 2022

	2022 ZAR'm	2021 ZAR'm
10. Revenue		
Related party dividends received (non-IFRS 15)	4 605	4 588
Dividends received from investments (non-IFRS 15)	85	85
	4 690	4 673

11. Operating profit

Operating profit for the year is stated after charging the following, amongst others:

Expenses by nature

Employee costs	13	17
Administrative costs	14	17
Auditors remuneration	5	4
Management fee expense	118	148
	150	186

11.1. SARs (MultiChoice 2008 SAR Scheme)

In previous years the company had granted share appreciation rights (SARs) which allowed certain employees to earn a long-term incentive amount calculated with reference to the increase in the underlying entity's share price between the offer date of the SARs to the date the employee exercises their right. In respect of the SARs on exercise date, following completion of the vesting period, awards were settled with employees in the equity instruments of MCG and are therefore equity-settled.

The SARs were granted subject to the completion of a requisite service period by employees. The SARs granted were subject to tranche vesting. The SARs expired ten years from the date of offer. One third of SARs vests after years three, four and five from grant date.

The MultiChoice 2008 SAR scheme was created as a long-term incentive plan for the MultiChoice South Africa (SA) and Rest of Africa (ROA) businesses. During the year ended 31 March 2019, at the time of unbundling from Naspers, the SAR scheme was discontinued (i.e. no further SARs were issued and normal vesting for existing SARs continued).

In FY21, management reassessed the effectiveness of the scheme as a long-term incentive plan and concluded it was no longer meeting its purpose. The scheme was therefore closed following board approval and a 75%+ vote from participants on 23 November 2020 (the effective date). Going forward, this simplifies the group's share scheme profile with future awards being made through the existing RSU plan.

The closing down of the scheme included the following terms:

- full acceleration of all unvested awards,
- full and final cash settlement at a value of ZAR110 per SAR,
- the removal of any remaining vesting conditions.

Settlements were paid out in the prior year.

The fair value of the awards previously issued were calculated using the Bermudan binomial tree model.

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements for the year ended 31 March 2022

11. Operating profit (continued)

Movement in number of SARs	MCA 2008 SAR	
	Number of options	Average exercise price per option (ZAR)
Outstanding at 1 April 2020	1 433 636	100
Employee transfers ¹	(1 433 636)	100
Outstanding at 1 April 2021	-	-
Outstanding at 31 March 2022	-	-

¹ Employee transfers (to)/from other entities within the MultiChoice group.

11.2. RSUs

Employees of the MultiChoice Group participate in the MCG Restricted Stock Plan Trust (RSU) which has allocated awards in line with the table below since FY21. RSUs were granted to employees by MultiChoice Group Limited who has the obligation to settle the awards with MultiChoice Group shares. As such, the RSU awards are classified as equity-settled.

Award date	Staff level	Split of award	Vesting period	Vesting split
Before 27 August 2020	Executive committee	50% RSU 50% PSU	4 years	50% equally from year 3
Before 27 August 2020	Rest of organisation	100% RSU	5 years	25% equally from year 2
After 27 August 2020	Rest of organisation (excluding executive committee/certain senior managers)	100% RSU	4 years	50% equally from year 3
November 2020	Executive committee/certain senior managers	25% RSU 75% PSU	RSU: 4 years PSU: 3 years	RSU: 50% equally from year 3 PSU: 100% in year 3
March 2021 onwards	Executive committee/certain senior managers	100% PSU	3 years	100% in year 3

Performance conditions include budgeted core headline earnings per share, return on capital employed and cumulative free cash flow over a 3-year period. The vesting percentages for each measure, for performance below threshold, at threshold, target, and stretch and above will be 0%, 50%, 75% and 100% respectively, with linear interpolation between these levels.

In all of the above RSU allocations, RSUs are automatically settled with participants on the vesting date and do not have an exercise price.

The fair value of the RSUs at grant date (weighted average: FY21: ZAR84.42) was estimated by taking into account the market value of the MCG shares on that date less the present value of future dividends that will not be received by the employees during the vesting period.

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements for the year ended 31 March 2022

11. Operating profit (continued)

Movement in number of RSUs

	MultiChoice Group RSU	
	Number of options	Average exercise price per option (ZAR)
Outstanding at 1 April 2020	513 914	-
Employee transfers ¹	(513 914)	-
Granted during the year	67 405	-
Outstanding at 1 April 2021	67 405	-
Employee transfers ¹	(67 405)	-
Outstanding at 31 March 2022	-	-

¹ Employee transfers (to)/from other entities within the MultiChoice group.

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

Weighted average 2022	MultiChoice Group RSU
Expected dividend yield (%)	-
Expiry date (years)	-
Weighted average 2021	MultiChoice Group RSU
Expected dividend yield (%)	6
Expiry date (years)	4.0

12. Taxation

Major components of the tax expense

Current

Local income tax - current period	4	3
Dividends withholding tax	5	4
	9	7

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	4 553	4 495
Tax at the applicable tax rate of 28% (FY21: 28%)	1 275	1 259
Tax effect of adjustments on taxable income		
Non-taxable income - dividends received	(1 313)	(1 309)
Non-deductible expenses ¹	42	53
Other taxes - dividend withholding tax	5	4
	9	7

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements for the year ended 31 March 2022

	2022 ZAR'm	2021 ZAR'm
12. Taxation (continued)		
<i>1 Non-deductible expenses relate to management fees, admin costs and other costs not incurred in the production of income.</i>		
13. Cash utilised in operations		
Profit before taxation	4 553	4 495
Adjustments		
Share-based compensation expenses	3	17
Interest expense	-	2
Interest income	(13)	(10)
Dividends	(4 690)	(4 673)
Changes in working capital		
Trade and other receivables	11	(15)
Accrued expenses and other payables	-	(15)
Amounts due to related parties	34	191
Amounts due from related parties	(96)	(71)
	(198)	(79)

14. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2022

	Note	Amortised cost ZAR'm	Fair value ZAR'm
Investments at fair value through other comprehensive income	6	-	541
Amounts due from related parties	9	297	-
		297	541

2021

	Note	Amortised cost ZAR'm	Fair value ZAR'm
Investments at fair value through other comprehensive income	6	-	511
Amounts due from related parties	9	201	-
		201	511

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements for the year ended 31 March 2022

14. Financial instruments and risk management (continued)

Categories of financial liabilities

2022

	Note	Amortised cost ZAR'm
Amounts due to related parties	9	381
Accrued expenses	8	3
		<u>384</u>

2021

	Note	Amortised cost ZAR'm
Amounts due to related parties	9	347
Accrued expenses	8	1
		<u>348</u>

Financial risk management

Overview

The company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, price risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the management of the company under policies approved by the board of directors. The board of directors provides written policies covering specific areas, such as foreign exchange risk, credit risk, price risk and the investment of excess liquidity.

Currency risk

The company does not have currency risks as there are no assets and/or liabilities denominated in currencies other than the functional currency of the company.

Credit risk

The company has a concentration of credit risk in respect of its cash and related party receivables.

Impairment of financial assets

The company has the following financial assets subject to the expected credit loss model:

- cash and cash equivalents
- related party receivables

Cash and cash equivalents

The company recognises a loss allowance for expected credit losses on cash and cash equivalents. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. No material impairment loss was identified.

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements for the year ended 31 March 2022

14. Financial instruments and risk management (continued)

Related party receivables

In assessing the expected credit loss on related party receivable balances, the following was considered:

- Whether the borrower has sufficient available highly liquid current assets (which can be accessed immediately after taking into consideration any more senior external or internal loans which would need to be repaid) to repay the outstanding related party if the receivable was demanded at reporting date. If sufficient highly liquid current assets could be accessed the probability of default would approximate 0%.
- If it was determined that the borrower does not have sufficient highly liquid current assets, the group would allow the borrower to continue trading or to sell assets over a period of time. A review of a cash flow forecast was performed to give an indication of the expected trading cash flows and/or liquid assets expected to be generated during the recovery period.
- The expected credit losses was limited to the effect of discounting the amount due on the receivable over the period until cash is realised and repaid to the group. IFRS 9 requires the discount rate to be the receivable's effective interest rate. The receivable balance related to the cashpool with MultiChoice Group Treasury Services Proprietary Limited are repayable on call to the company and the interest earned is based on the variable rate as per the investments held between MultiChoice Group Treasury Services Proprietary Limited and the respective banks. The other related party receivables are interest free and repayable on demand and such have an effective interest rate of 0%. Accordingly, for such receivables, discounting over the recovery period has no effect.

Upon assessment the expected credit loss was determined as immaterial.

Price risk

The company has concentration of price risk in respect of its investment in PN.

Liquidity risk

Current liabilities exceed current assets of the company in both FY22 and FY21. The company however has access to additional cash resources within the group to meet its cash obligations as they fall due within the next 12 months.

Prudent liquidity risk management implies maintaining availability of funding through the company's subsidiaries. The company's payables comprise amounts due to related corporate entities, all of which are payable on demand. The amounts due in terms of the remaining contractual maturity for these financial liabilities are ZAR381m (FY21: ZAR347m). No interest is charged on this amount.

The amounts due in terms of the remaining contractual maturity for accrued expenses are ZAR3m (FY21: ZAR1m). These amounts represent undiscounted cash flows for these financial liabilities and no interest is charged on these amounts.

Sensitivity analysis

Equity price risk

The company's exposure to equity securities price risk arises from its investment in PN which is classified in the statement of financial position as held at fair value through other comprehensive income. This investment is a level 1 financial instrument (note 15).

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements for the year ended 31 March 2022

15. Fair value information

For non-traded financial assets and liabilities, the fair values were calculated using market information and other relevant valuations techniques, and do not necessarily represent the values that the company will realise in the normal course of business. The carrying amounts of cash and cash equivalents, other receivables, amounts due to related parties, amounts due from related parties and accrued expenses and other payables are deemed to reflect fair value due to the short maturities of these instruments.

	Carrying amount ZAR'm	Fair value ZAR'm
31 March 2022		
Assets		
Amounts due from related parties	297	297
Investment at fair value through other comprehensive income	541	541
Cash and cash equivalents	-	-
	<u>838</u>	<u>838</u>
Liabilities		
Accrued expenses and other payables	3	3
Amounts due to related parties	381	381
	<u>384</u>	<u>384</u>
2021		
Assets		
Amounts due from related parties	201	201
Investment at fair value through other comprehensive income	511	511
Cash and cash equivalents	19	19
	<u>731</u>	<u>731</u>
Liabilities		
Accrued expenses and other payables	1	1
Amounts due to related parties	347	347
	<u>348</u>	<u>348</u>

Of the instruments listed above, the Investment at fair value of ZAR541m (FY21: ZAR511m) is classified as a level 1 financial instrument.

There were no transfers between level 1 and level 2 financial instruments during the year.

The company categorises fair value measurements into levels 1 to 3 of the fair value hierarchy based on the degree to which the inputs used in measuring fair value are observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in active markets (for example, derivatives such as interest rate swaps, forward exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in level 2.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements for the year ended 31 March 2022

	2022 ZAR'm	2021 ZAR'm
16. Directors' emoluments		
Executive directors and prescribed officers emoluments	38	61
Non-executive directors		
Fees for services as directors of the group	32	13
Remuneration for services to other group companies	-	61
Fees for services as directors of other group companies	*	3
	<u>32</u>	<u>77</u>
	70	138

* less than ZAR1m.

The FY22 share-based payment charge relating to executive directors amounted to ZAR32m (FY21: ZAR32m).

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

Executives' contracts do not contain guaranteed payments on termination.

The individual directors received the following remuneration and emoluments:

2022	Salary and other allowances	Annual cash bonuses and performance related payments	Pension contributions paid on behalf of the director	Total
	ZAR'm	ZAR'm	ZAR'm	ZAR'm
Executive directors				
CP Mawela ¹	13.55	8.38	1.18	23.11
TN Jacobs ¹	7.46	6.82	0.64	14.92
	<u>21.01</u>	<u>15.20</u>	<u>1.82</u>	<u>38.03</u>
2021	Salary and other allowances	Annual cash bonuses and performance related payments	Pension contributions paid on behalf of the director	Total
	ZAR'm	ZAR'm	ZAR'm	ZAR'm
Executive directors				
CP Mawela ^{1,2}	13.48	20.13	1.26	34.87
TN Jacobs ^{1,3}	6.31	18.89	0.98	26.18
	<u>19.79</u>	<u>39.02</u>	<u>2.24</u>	<u>61.05</u>

¹ Prescribed officer

² The annual cash bonuses and performance related payments includes a SARs payment of ZAR3.14m received as a result of the closure of the MCA SAR plan.

³ The annual cash bonuses and performance related payments includes a SARs payment of ZAR14.88m received as a result of the closure of the MCA SAR plan.

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

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements for the year ended 31 March 2022

16. Directors' emoluments (continued)

2022	Directors' remuneration		Directors' fees ¹		Committee and trustee fees ^{2,3}		Total
	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	
Non-executive directors	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
JH du Preez	-	-	0.75	-	0.46	-	1.21
FLN Letele ⁴	-	-	0.56	-	0.09	0.14	0.79
E Masilela	-	-	0.75	-	0.34	-	1.09
KD Moroka ⁵	1.50	-	0.75	-	0.48	0.28	3.01
SJZ Pacak ⁶	-	-	-	-	-	-	-
L Stephens	-	-	0.75	-	0.79	0.35	1.89
JJ Volkwyn ⁵	5.15	-	-	-	-	-	5.15
CM Sabwa	-	-	0.75	-	0.58	-	1.33
JA Mabuza ⁷	-	-	0.27	-	0.10	-	0.37
FA Sanusi	-	-	0.75	-	0.12	-	0.87
MI Patel ⁸	16.71	-	-	-	-	-	16.71
	23.36	-	5.33	-	2.96	0.77	32.42

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

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

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

4 Retired with effect from 1 December 2021.

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

6 Resigned 1 April 2021.

7 JA Mabuza passed away on 16 June 2021.

8 Director remuneration based on a service and restraint agreement for the provision of various strategic and advisory support services to the group.

2021	Directors' remuneration		Directors' fees ¹		Committee and trustee fees ^{2,3}		Total
	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	Paid for services to the group	Paid for services to other group companies	
Non-executive directors	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm	ZAR'm
DG Eriksson ⁴	-	-	0.14	0.13	0.08	0.76	1.11
FLN Letele ⁵	-	3.00	0.68	0.13	0.12	0.14	4.07
E Masilela	-	-	0.68	0.13	0.34	-	1.15
KD Moroka ⁶	1.50	-	0.68	0.13	0.46	0.28	3.05
SJZ Pacak	-	-	0.68	0.13	-	-	0.81
L Stephens	-	-	0.68	0.13	0.77	0.33	1.91
JJ Volkwyn ⁷	3.00	-	-	-	-	-	3.00
CM Sabwa	-	-	0.68	-	0.57	-	1.25
JA Mabuza	-	-	0.95	0.13	0.40	-	1.48
FA Sanusi	-	-	0.68	-	0.12	-	0.80
MI Patel ^{8,9}	-	58.29	-	-	-	-	58.29
	4.50	61.29	5.85	0.91	2.86	1.51	76.92

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

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

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

4 Resigned 11 June 2020.

5 Final payment related to previous role as MCSA Executive.

6 Director remuneration based on consultancy agreement for professional advisory services to the group and its subsidiaries.

7 Director remuneration based on agreement whereby JJ Volkwyn provides consultancy services to MultiChoice Group.

8 MI Patel changed from MCG executive Chairman to non-executive Chairman on 1 October 2020. Disclosure includes payment as an executive and, with effect from 1 October, has a service and restraint agreement with the group.

9 Includes the following amounts earned as an executive director: salary and other allowances of ZAR10.84m, annual cash bonuses and performance related payments of ZAR39.17m (includes a SARs payment of ZAR15.55m received as a result of the closure of the MCA SAR plan) and pension contributions paid on behalf of the director of ZAR0.6m.

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Notes to the Annual Financial Statements for the year ended 31 March 2022

16. Directors' emoluments (continued)

Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the South African Companies Act.

Directors' interest in the group's share incentive schemes

2022

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R	
CP Mawela	MultiChoice Group RSU ¹	18-Jun-19	61 162	0.00	18-Jun-22	130.80	
		18-Jun-19	61 162	0.00	18-Jun-23	130.80	
		18-Jun-19	61 162	0.00	18-Jun-24	130.80	
		10-Jun-20	25 574	0.00	10-Jun-22	91.92	
		10-Jun-20	25 573	0.00	10-Jun-22	91.71	
		10-Jun-20	51 147	0.00	10-Jun-23	87.00	
		10-Jun-20	51 147	0.00	10-Jun-24	82.32	
		10-Jun-20	51 149	0.00	10-Jun-25	77.91	
		17-Nov-20	10 102	0.00	17-Nov-23	109.92	
		17-Nov-20	60 615	0.00	17-Nov-23	109.79	
		17-Nov-20	10 103	0.00	17-Nov-24	105.08	
		31-Mar-21	120 809	0.00	31-Mar-24	113.06	
					589 705		
		Phantom Performance Share Plan 2021 ²	31-Mar-21	42 767	0.00	31-Mar-25	100.84
			31-Mar-21	42 767	0.00	31-Mar-26	97.53
			85 534				

2022

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R	
TN Jacobs	MultiChoice Group RSU ¹	18-Jun-19	15 768	0.00	18-Jun-22	130.80	
		18-Jun-19	15 768	0.00	18-Jun-23	130.80	
		18-Jun-19	15 769	0.00	18-Jun-24	130.80	
		10-Jun-20	10 604	0.00	10-Jun-22	91.92	
		10-Jun-20	10 603	0.00	10-Jun-22	91.71	
		10-Jun-20	21 207	0.00	10-Jun-23	87.00	
		10-Jun-20	21 207	0.00	10-Jun-24	82.32	
		10-Jun-20	21 207	0.00	10-Jun-25	77.91	
		17-Nov-20	7 456	0.00	17-Nov-23	109.92	
		17-Nov-20	44 739	0.00	17-Nov-23	109.79	
		17-Nov-20	7 457	0.00	17-Nov-24	105.08	
		31-Mar-21	80 732	0.00	31-Mar-24	113.06	
					272 517		
		Phantom Performance Share Plan 2021 ²	31-Mar-21	28 579	0.00	31-Mar-25	100.84
			31-Mar-21	28 580	0.00	31-Mar-26	97.53
			57 159				

MultiChoice Group Limited

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Notes to the Annual Financial Statements for the year ended 31 March 2022

16. Directors' emoluments (continued)

2022

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R
MI Patel	MultiChoice Group RSU ¹	18-Jun-19	25 774	0.00	18-Jun-22	130.80
		18-Jun-19	25 774	0.00	18-Jun-23	130.80
		18-Jun-19	25 774	0.00	18-Jun-24	130.80
			77 322			

2021

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R	
CP Mawela	MultiChoice Group RSU ¹	18-Jun-19	61 162	0.00	18-Jun-21	130.80	
		18-Jun-19	61 162	0.00	18-Jun-22	130.80	
		18-Jun-19	61 162	0.00	18-Jun-23	130.80	
		18-Jun-19	61 162	0.00	18-Jun-24	130.80	
		10-Jun-20	51 147	0.00	10-Jun-22	91.71	
		10-Jun-20	51 147	0.00	10-Jun-23	86.80	
		10-Jun-20	51 147	0.00	10-Jun-24	82.06	
		10-Jun-20	51 149	0.00	10-Jun-25	77.66	
		17-Nov-20	80 820	0.00	17-Nov-23	109.79	
		31-Mar-21	120 809	0.00	31-Mar-24	113.06	
		650 867					
		Phantom Performance Share Plan 2021 ²		42 767	0.00	31-Mar-25	100.84
				42 767	0.00	31-Mar-26	97.53
			85 534				

2021

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R	
TN Jacobs	MultiChoice Group RSU ¹	18-Jun-19	15 768	0.00	18-Jun-21	130.80	
		18-Jun-19	15 768	0.00	18-Jun-22	130.80	
		18-Jun-19	15 768	0.00	18-Jun-23	130.80	
		18-Jun-19	15 769	0.00	18-Jun-24	130.80	
		10-Jun-20	21 207	0.00	10-Jun-22	91.71	
		10-Jun-20	21 207	0.00	10-Jun-23	86.80	
		10-Jun-20	21 207	0.00	10-Jun-24	82.06	
		10-Jun-20	21 207	0.00	10-Jun-25	77.66	
		17-Nov-20	59 652	0.00	17-Nov-23	109.79	
		31-Mar-21	80 732	0.00	31-Mar-24	113.06	
		288 285					
		Phantom Performance Share Plan 2021 ²	31-Mar-21	28 579	0.00	31-Mar-25	100.84
			31-Mar-21	28 580	0.00	31-Mar-26	97.53
				57 159			

MultiChoice Group Limited

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Notes to the Annual Financial Statements for the year ended 31 March 2022

16. Directors' emoluments (continued)

2021

Name	Share plan	Offer date	Number of shares	Offer price	Release date	Option fair value R
MI Patel	MultiChoice Group RSU ¹	18-Jun-19	25 774	0.00	18-Jun-21	130.80
		18-Jun-19	25 774	0.00	18-Jun-22	130.80
		18-Jun-19	25 774	0.00	18-Jun-23	130.80
		18-Jun-19	25 774	0.00	18-Jun-24	130.80
			103 096			

¹ 50% of RSUs awarded between June 2019 and September 2020, 75% of RSUs awarded in November 2020, and 100% of RSUs awarded in March 2021 are subject to performance conditions.

² 100% of Phantom Performance Share Scheme awards issued are subject to performance conditions.

Directors' interest in MultiChoice Group Limited shares

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

2022

Name	Direct	Indirect	Total
MI Patel ¹	27 186	-	27 186
CP Mawela ²	61 162	-	61 162
TN Jacobs ³	11 338	-	11 338
JJ Volkwyn	5 000	-	5 000
FLN Letele ⁴	88 836	-	88 836
	193 522	-	193 522

¹ 25 774 shares acquired through exercise of MultiChoice Group RSU offer in June 2021.

² 61 162 shares acquired through exercise of MultiChoice Group RSU offer in June 2021.

³ 15 768 shares acquired through exercise of MultiChoice Group RSU offer in June 2021. 7 161 shares were sold on market on 18 June 2021.

⁴ Retired as a non-executive director with effect from 1 December 2021.

2021

Name	Direct	Indirect	Total
MI Patel	1 412	-	1 412
FLN Letele	88 836	-	88 836
SJZ Pacak ¹	376 635	254 000	630 635
JJ Volkwyn	5 000	-	5 000
TN Jacobs	2 731	-	2 731
JA Mabuza	9 850	-	9 850
	484 464	254 000	738 464

¹ 37 548 shares of SJZ Pacak's indirect beneficial holding was sold on market on 7 July 2020.

There have been no further changes to the directors' interests in the table above between the end of the financial year and 9 June 2022.

17. Subsequent events

Dividend

The board has proposed a gross dividend of ZAR2.5bn or 565 SA cents per listed ordinary share for FY22. The dividend will be declared from income. It will be subject to the dividend tax rate of 20%, yielding a net dividend of 452 SA cents per listed ordinary share to those shareholders not exempt from paying dividend tax. Dividend tax will be 113 SA cents per listed ordinary share. The expected dividend payment date will be Monday, 12 September 2022.

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

MultiChoice Group Limited

Annual Financial Statements for the year ended 31 March 2022

Administration and Corporate Information

Company secretary

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Tel: +27 (0)11 289 6604

Registration number

2018/473845/06
Incorporated in South Africa

External auditor

PricewaterhouseCoopers Inc.

Transfer secretaries

Singular Systems Proprietary Limited
(Registration number: 2002/001492/07)
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ADR programme

The Bank of New York Mellon

Shareholder relations department

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

Sponsor

Rand Merchant Bank (A division of FirstRand
Bank Limited)
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MultiChoice Group Limited

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Analysis of shareholders

Size of holdings	Number of shareholders	Ordinary shares	% held
1 – 1000 shares	44 942	6 429 761	1.45 %
1001 – 10 000 shares	3 514	9 320 308	2.11 %
10 001 – 100 000 shares	698	23 624 372	5.34 %
100 001 – 1 000 000 shares	234	67 050 306	15.15 %
More than 1 000 000 shares	40	336 087 931	75.95 %

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

Name	Ordinary shares	% held
Groupe Canal+ SA	81 604 353	18.44 %
Government Employees Pension Fund (PIC's GEPP)	61 001 913	13.79 %
M&G Investments	41 113 700	9.29 %
Allan Gray	32 723 626	7.40 %

Public shareholder spread

To the best knowledge of the directors, the spread of public shareholders in terms of paragraph 4.25 of the JSE Limited Listings Requirements at 31 March 2022 was 63.32%, represented by 49 419 shareholders holding 280 180 725 ordinary shares in the group. The non-public shareholders of the group comprising 9 shareholders representing 162 331 953 ordinary shares or 36.68% are analysed as follows:

Category	Ordinary shares	% of ordinary issued share capital
Share schemes	12 396 438	2.80 %
Treasury shares	4 556 467	1.03 %
Directors	193 522	0.04 %
Beneficial holders > 10% ¹	145 185 526	32.81 %

¹ Beneficial ownership includes the direct shareholding held by an entity, as well as its indirect shareholding (i.e. held by institutions who manages funds on its behalf).