This is a copy of a registered prospectus which was filed with the CIPC on 2 September 2019 and registered on 6 September 2019. The definitions and interpretations commencing on page 10 of this Prospectus apply to the entire document, including this cover page. This Prospectus, accompanied by the documents referred to under "Documents available for inspection" as set out in paragraph 1 of Section 4 of this Prospectus, is prepared and issued in terms of the Companies Act and the Companies Regulations for the purpose of providing information to the PN Shareholders wishing to participate in the MCG Offer. This Prospectus will accompany the Offer Circular. **[reg 51(4)]**

MULTICHOICE GROUP LIMITED

(formerly MultiChoice Group Proprietary Limited and K2018473845 (South Africa) Proprietary Limited)
Incorporated in the Republic of South Africa
(Registration number 2018/473845/06)
("**Company**")

PROSPECTUS

This Prospectus relates to the MCG Offer as set out in the Offer Circular, which accompanies this Prospectus, being the Company's offer to acquire, subject to certain conditions, up to a maximum of 20% of the PN Shares held by each PN Shareholder in consideration for the issue of 0.97 MCG Shares for every PN Share Tendered.

The MCG Offer set out in the Offer Circular constitutes an initial public offering of the securities of the Company in terms of section 95(1)(e) of the Companies Act. This Prospectus is therefore issued in terms of section 99(2) of the Companies Act.

The MCG Offer opens at 09:00 on Wednesday, 25 September 2019 and closes at 14:00 on Monday, 28 October 2019.

Date of issue: 16 September 2019

Financial Advisor and Sponsor

RMB
A division of FirstRand Bank Limited
Traditional values. Innovative ideas.

Legal and Tax Advisor

WEBBER WENTZEL
in alliance with > Linklaters

Transfer Secretaries

singularsystems
simplifying complexity

Auditor

pwc

CORPORATE INFORMATION AND ADVISORS

Registered Office

MultiChoice Group Limited
(Registration number 2018/473845/06)
MultiChoice City
144 Bram Fischer Drive
Ferndale
Randburg
South Africa, 2194
(PO Box 1502, Randburg, South African, 2125)

Company Secretary

Donna Maree Dickson
MultiChoice City
144 Bram Fischer Drive
Ferndale
Randburg
South Africa, 2194
(PO Box 1502, Randburg, South African, 2125)

Auditor to the Company

PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
Waterfall City
4 Lisbon Lane
Jukskei View
Midrand
South Africa, 2090
(Private Bag X36, Sunninghill
South Africa, 2157)

Legal and Tax Advisor to the Company

Webber Wentzel
90 Rivonia Road
Sandton
South Africa, 2196
(PO Box 61771, Marshalltown
Johannesburg, South Africa, 2107)

Financial Advisor and Sponsor to the Company

Rand Merchant Bank (a division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
4 Merchant Place
1 Fredman Drive
Sandton
South Africa, 2196
(PO Box 786273, Sandton, South Africa, 2146)

Transfer Secretaries

Singular Systems Proprietary Limited
(Registration number 2002/001492/07)
25 Scott Street
Waverley
Johannesburg
South Africa, 2090
(PO Box 785261, Sandton, South Africa 2146)

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IMPORTANT INFORMATION

Capitalised terms used in this Prospectus have been defined on pages 10 to 17.

SPECIAL NOTE REGARDING THE OFFER

This Prospectus is addressed only to persons in South Africa, and does not constitute an offer or invitation to subscribe in, into or from, or capable of acceptance in, any jurisdiction other than in South Africa. No one has taken any action that would permit the MCG Offer to occur outside South Africa.

SPECIAL NOTE REGARDING THE PROSPECTUS

This Prospectus has been prepared on the assumption that the MCG Offer Conditions set out in the Offer Circular, which document accompanies this Prospectus, will be fulfilled or waived in accordance with the terms of the Offer Circular.

FORWARD-LOOKING STATEMENTS

This Prospectus contains statements about the Company and the MCG Group that are, or may be, forward-looking statements. All statements (other than statements of historical fact) are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity, capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, expansion prospects or future capital expenditure levels and other economic factors, such as, amongst other things, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Many of these risks and uncertainties relate to factors that are beyond the Company's and the MCG Group's ability to control or estimate precisely, such as changes in taxation, future market conditions, currency fluctuations, the actions of governmental regulators and other risk factors. The Company and the MCG Group cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which the Company and the MCG Group operate or may be exposed to may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus.

All these forward-looking statements are based on estimates and assumptions made by the Company as communicated in publicly available documents, all of which estimates and assumptions, although the Company believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to the Company and/or the MCG Group or not currently considered material by the Company and/or the MCG Group.

PN Shareholders should keep in mind that any forward-looking statement made in this Prospectus or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of the Company and/or the MCG Group not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. The Company and/or the MCG Group have no duty to, and do not intend to, update or revise the forward-looking statements contained in this Prospectus after the date of this Prospectus, except as may be required by law.

No statement in this Prospectus is intended as a profit forecast or a profit estimate and no statement in this Prospectus should be interpreted to mean that earnings per MCG Share for the current or future financial years would necessarily match or exceed the historical published earnings per MCG Share. Prices and values of, and income from, shares may go down as well as up and an investor may not get back the amount invested. It should be noted that past performance is no guide to future performance. Persons needing advice should consult an independent financial advisor.

Any forward-looking statement has not been reviewed nor reported on by the external auditors.

FOREIGN SHAREHOLDERS

This Prospectus has been prepared for the purposes of complying with the Companies Act and the Companies Regulations and the information disclosed may not be the same as that which would have been disclosed if this Prospectus had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

The MCG Offer may be affected by the laws of the relevant jurisdictions of PN Shareholders not resident in South Africa. Such non-resident PN Shareholders should inform themselves about, observe, and advise the Company in writing of, any applicable legal requirements of such jurisdictions. Any failure to comply with such applicable requests or requirements may constitute a violation of the laws of such jurisdiction. It is the responsibility of any non-resident PN Shareholder to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the MCG Offer, including the obtaining of any governmental, exchange control or other consents or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due in respect of such jurisdiction.

This Prospectus and any accompanying documentation are not intended to be, and do not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction in which it is unlawful to make such an offer, invitation or solicitation, or such offer, invitation or solicitation would require the Company to comply with disproportionately onerous filing and/or other disproportionately onerous regulatory obligations. In those circumstances, or otherwise if the distribution of this Prospectus and any accompanying documentation in jurisdictions outside of South Africa are restricted or prohibited by the laws of such jurisdiction, this Prospectus and any accompanying documentation are deemed to have been sent for information purposes only and should not be copied and/or redistributed. PN Shareholders who are not resident in South Africa must satisfy themselves as to the full observance of the laws of any applicable jurisdiction concerning their acceptance of or participation in the MCG Offer, including any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such other jurisdictions and are required to advise the Company of all such filing or regulatory obligations as the Company may be required to comply with in such jurisdictions in relation to the MCG Offer. The Company, its Board and its representatives and advisors accept no responsibility for the failure by a PN Shareholder to inform itself about, or to observe, any applicable legal requirements in any relevant jurisdiction, or for any failure by the Company to observe the requirements of any jurisdiction.

The MCG Offer and this Prospectus are governed by the laws of South Africa (excluding the conflict of laws rules of that jurisdiction to the extent such rules require the application of the laws of any other country) and are subject to applicable South African laws and regulations, including the Companies Act and the Company Regulations.

Any PN Shareholder who is in doubt as to its position, including, without limitation, tax status and effects, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

PROSPECTUS COMPLIES WITH THE COMPANIES ACT

This Prospectus complies with section 100 of the Companies Act and Parts B and C of Chapter 4 of the Companies Regulations. The written consents of the experts and advisors set out in the "Corporate Information and Advisors" Section of this Prospectus have been attached to the Prospectus filed with the CIPC. Each of the aforementioned experts and advisors have consented to the use of any statement made by them in this Prospectus and/or the use of their names in this Prospectus, as the case may be, and have not withdrawn such consents. The number of each applicable regulation of the Companies Regulations is given in square brackets after appropriate headings or sub-headings.

IMPORTANT DATES AND TIMES FOR THE MCG OFFER

MCG Offer Opening Date	09:00	Wednesday	25 September 2019
MCG Offer Closing Date	14:00	Monday	28 October 2019
MCG Shares allocated		Tuesday	29 October 2019
Listing of MCG Shares and implementation of MCG Offer		Tuesday	29 October 2019

The dates and times set out in this Prospectus, including the dates and times of making allocations, the MCG Offer Opening Date and the MCG Offer Closing Date are subject to change. Any material changes will be published in accordance with the Offer Circular.

AN OVERVIEW OF THE MCG OFFER

This is a summary of the MCG Offer and is not comprehensive. For a more detailed understanding of the MCG Offer and the Company, you should read the entire Prospectus and the Offer Circular that you received together with the Prospectus.

PN owns a stake in the South African operations of the Company, being MCSA, through MultiChoice SA Holdings. The Company was separately listed on the JSE in February 2019, pursuant to the Admission, and was unbundled out of Naspers in March 2019, pursuant to the Unbundling. As part of the Admission and Unbundling, PN received an additional 5% share in MCSA (through the issue of an additional 5% shares in MultiChoice SA Holdings). This means that PN now owns an indirect stake of 25% in MCSA.

At the time of the Admission and Unbundling, it was announced that an offer for PN Shareholders to exchange a portion of their stake in PN for shares in the listed Company would be made. The MCG Offer therefore fulfills this obligation and provides PN Shareholders with an opportunity to gain exposure to the rest of the Company's assets while providing additional liquidity through the listed MCG Shares.

In addition to PN receiving the extra 5% shareholding in MCSA (through the increase of its shareholding in MultiChoice SA Holdings by 5%) at the time of the Unbundling from Naspers, PN Shareholders now have an opportunity to exchange a portion of their PN Shares for shares in the Company. If PN Shareholders decide to accept the MCG Offer and keep the MCG Shares going forward, they will receive dividends from both PN and the Company in the event that PN and/or the Company resolve to declare and pay any dividend for that year. As MCG Shares are listed on the JSE, they can be sold to any investor, whereas PN Shares can only be sold to qualifying black South African investors in terms of the PN MOIs.

The MCG Offer will be open to all PN Shareholders and is expected to open on 25 September 2019 and is expected to close on 28 October 2019. The MCG Offer will be subject to the fulfilment of certain conditions, which will include an amendment to the PN MOIs to allow for the MCG Offer to be implemented. All PN Shareholders will receive a notice of a shareholders' meeting, together with the Offer Circular accompanying this Prospectus, which will set out the resolutions on which the PN Shareholders are required to vote.

Participation in the MCG Offer is completely voluntary and PN Shareholders are not obliged to participate in the MCG Offer.

AN OVERVIEW OF THE PROCESS FOR ACCEPTING THE MCG OFFER

PN Shareholders shall be entitled to either:

(a) accept the MCG Offer in respect of up to a maximum of 20% of the PN Shares held by a PN Shareholder on the MCG Offer Record Date. In this regard PN Shareholders are reminded that the PN MOIs require that a shareholder may not hold less than 20 PN Shares and therefore PN Shareholders should carefully consider the number of PN Shares Tendered if they wish to participate in the MCG Offer; or

(b) decline the MCG Offer.

PN Shareholders who wish to decline the MCG Offer do not need to take any further action and will continue to hold their PN Shares in the same manner as prior to the MCG Offer.

If PN Shareholders wish to accept the MCG Offer, they may do so in accordance with paragraph 9 of the Offer Circular, by:

(a) contacting the Call Centre on 0860 116 226 during weekdays (excluding public holidays) from 07:00 to 18:00 from 09:00 on Wednesday, 25 September 2019 to 14:00 on Monday, 28 October 2019 to advise whether they are accepting the MCG Offer and how many PN Shares they are Tendering (bearing in mind that (i) PN Shareholders may not Tender more than 20% of all of the PN Shares held by them and (ii) PN Shareholders are required to hold at least 20 PN Shares at all times in accordance with the terms of the PN MOIs), after which Singular Nominees will notify the Company accordingly; or

(b) making use of the online MCG Offer platform to indicate whether they wish to accept the MCG Offer and if so, how many PN Shares they are Tendering (bearing in mind that (i) PN Shareholders may not Tender more than 20% of all of the PN Shares held by them and (ii) PN Shareholders are required to hold at least 20 PN Shares at all times in accordance with the terms of the PN MOIs), after which Singular Services will notify the Company accordingly. This online facility is free of charge and is available on the internet. To make use of this platform, PN Shareholders are required to register for the service, at www.EESE.co.za. PN Shareholders will use their username and password to login to the platform. PN Shareholders will also be able to view and download a user guide explaining how to use the online process on PN's and the Company's website as well as at www.EESE.co.za. This platform will be available from 09:00 on Wednesday, 25 September 2019 until 14:00 on Monday, 28 October 2019; or

(c) completing the Form of Acceptance and Transfer (*pink*) attached to the Offer Circular, which accompanies this Prospectus, in order to accept the MCG Offer and sending the complete Form of Acceptance and Transfer (*pink*) to Singular Services to be received by Singular Services by no later than 14:00 on Monday, 28 October 2019.

Any PN Shareholder that requires assistance with accepting the MCG Offer or is unsure of what action to take must please contact the Call Centre at 0860 116 226 or send an email to Singular Services at phuthumanathi@singularservices.co.za.

DEFINITIONS AND INTERPRETATIONS

In this Prospectus, unless the context otherwise indicates, words in the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa* and the words in the first column have the meanings stated opposite them in the second column, as follows:

"**Admission**"	admission by introduction, as a primary listing, in accordance with the JSE Listings Requirements, of all of the issued MCG Shares on the JSE, which occurred on the Admission Date;
"**Admission Date**"	the date of the Admission, being Wednesday, 27 February 2019;
"**ADS**"	American depositary share representing an interest in Naspers "N" Shares or MCG Shares, as the context requires;
"**Annexure**"	an annexure to this Prospectus;
"**ARPU**"	average revenue per user;
"**Audit Committee**"	the audit committee of the Company;
"**Auditor**"	PricewaterhouseCoopers Inc., registration number 1998/012055/21, a personal liability company incorporated under the laws of South Africa;
"**Authorised User**"	has the meaning ascribed to such term in section 1 of the Financial Markets Act;
"**B-BBEE**"	broad-based black economic empowerment;
"**Board**" or "**Directors**"	the board of directors of the Company and "**Director**" means any member of the Board, as the context so requires;
"**Board Charter**"	the Company's board charter, which sets out the role, powers, responsibilities and composition of the Board;
"**Business**"	the video entertainment business operations of the MCG Group;
"**business day**"	any day other than a Saturday, Sunday or a public holiday in South Africa;
"**CEO**"	the chief executive officer of the Company, being Calvo Phedi Mawela as at the Last Practicable Date;
"**Certificated**" or "**in Certificated Form**"	recorded in physical paper form on the Register without reference to the Strate System;
"**CFO**"	the chief financial officer of the Company, being Timothy Neil Jacobs as at the Last Practicable Date;
"**CIPC**"	the Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act, or its successor body;
"**Common Monetary Area**"	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini;
"**Companies Act**"	the South African Companies Act, 71 of 2008, as amended;
"**Companies Regulations**"	the Companies Regulations, 2011, published in terms of the Companies Act;
"**Company**" or "**MCG**"	MultiChoice Group Limited, registration number 2018/473845/06, a public company with limited liability incorporated under the laws of South Africa, the MCG Shares being listed on the main board of the securities exchange operated by the JSE;
"**Company MOI**"	the memorandum of incorporation of the Company, relevant extracts of which are set out in Annexure 1 to this Prospectus;
"**Company Secretary**"	Donna Maree Dickson;

"**Company Share Plans**"	the Restricted Share Plan, the Share Option Plan, the MCA SAR Scheme and the Irdeto SAR Scheme, as further described in Annexure 2;
"**Competition Act**"	the South African Competition Act, 89 of 1998, as amended;
"**Competition Commission**"	the South African Competition Commission;
"**COO**"	the chief operating officer of the Company, being Sybrand de Villiers as at the Last Practicable Date;
"**CSDP**"	a Central Securities Depository Participant, as defined in the Financial Markets Act, appointed by a MCG Shareholder for purposes of, and in regard to, dematerialisation of shares evidenced by physical documents of title into the Strate System;
"**Dematerialise**"	the process by which paper share certificates or other physical documents of title are replaced with electronic records of ownership under Strate with a duly appointed CSDP or Authorised User, as the case may be;
"**DMT**"	Digital Mobile Television Proprietary Limited, registration number 07/035, a private company with limited liability incorporated under the laws of Namibia;
"**DTH**"	direct-to-home;
"**DTT**"	digital terrestrial television;
"**EBITDA**"	earnings before interest (finance costs-net), taxation, depreciation, amortisation, other gains/losses, retention option expenses and share-based compensation charges from equity-settled share compensation plans. Net finance costs include interest paid on borrowings and finance leases, interest received on cash balances, preference dividends received, profits and losses on foreign exchange translations and fair value adjustments on derivative instruments (mainly foreign exchange contracts). Other gains/losses include dividends received from investments, profits and losses on sale of assets, fair value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities;
"**ECA**"	the South African Electronic Communications Act, 36 of 2005, as amended;
"**EFT**"	electronic funds transfer;
"**Entity**"	any association, business, close corporation, company, concern, enterprise, firm, partnership, trust, undertaking, voluntary association or other similar entity (whether incorporated or unincorporated);
"**EESE**"	the Equity Express Securities Exchange;
"**Exchange Act**"	the US Securities Exchange Act of 1934, as amended;
"**Exchange Control Regulations**"	the South African Exchange Control Regulations, 1961 as promulgated by Government Notice R.1111 of 1 December 1961 and amended up to Government Notice R.445 of 8 June 2012, in terms of section 9 of the South African Currency and Exchanges Act, 9 of 1933, as amended;
"**Financial Interest**"	has the meaning set out in section 1 of the ECA;
"**Financial Markets Act**"	the South African Financial Markets Act, 19 of 2012, as amended;
"**financial year**" or "**FY**"	any financial year of the Company for any 12 month period ended on 31 March;
"**FinSurv**"	the Financial Surveillance Department of the SARB;
"**Foreign Control Restrictions**"	as set out in section 64(1) of the ECA, the restriction and limitation placed on the ability of a foreigner to, directly or indirectly: (i) exercise control over a holder of a commercial broadcasting service licence in terms of the ECA; and (ii) have a Financial Interest or an interest in voting shares or paid up capital in a holder of a commercial broadcasting service licence in terms of the ECA, from time to time, which restriction and limitation is currently placed at 20%;

"**Foreign Entity**"	any Entity: (i) which is incorporated, established or formed in any country other than South Africa; or (ii) in which any Foreign Person, directly or indirectly, has any Financial Interest or any interest either in voting shares or paid up capital, as contemplated in the ECA, which for the avoidance of doubt will include any Entity controlled (as contemplated in the Companies Act) by Foreign Persons;
"**Foreign Person**"	any natural person who is not a South African Person;
"**Foreign Shareholder**"	any: (i) Foreign Entity or Foreign Person which holds MCG Shares; or (ii) other Entity or person who has a direct or indirect Financial Interest or interest in voting shares or paid-up capital of the Company determined by the Board (in its sole discretion) to constitute a "foreigner" for purposes of the Foreign Control Restrictions and which Entity or person shall, consequently, be deemed to constitute a Foreign Shareholder as envisaged and defined in the Company MOI;
"**Forex**"	foreign exchange;
"**Form of Acceptance and Transfer**"	for purposes of accepting the MCG Offer, the form of acceptance, surrender and transfer attached to the Offer Circular;
"**ICASA**"	the Independent Communications Authority of South Africa;
"**ICT**"	information and communication technology;
"**IFRS**"	the International Financial Reporting Standards and the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council;
"**Income Tax Act**"	the South African Income Tax Act, 58 of 1962, as amended;
"**Irdeto**"	the MCG Group's digital platform and application security division;
"**Irdeto BV**"	Irdeto Holdings B.V., registration number 34122126, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands;
"**Irdeto SA**"	Irdeto South Africa Proprietary Limited, registration number 2011/002613/07, a private company with limited liability incorporated under the laws of South Africa;
"**Irdeto SAR Scheme**"	the Irdeto BV 2012 share appreciation right scheme;
"**JSE**"	JSE Limited, registration number 2005/022939/06, a public company with limited liability incorporated under the laws of South Africa, or the securities exchange, licensed as an exchange under the Financial Markets Act;
"**JSE Listings Requirements**"	the listings requirements issued by the JSE under the Financial Markets Act to be observed by issuers of equity securities listed on the JSE, as amended from time to time;
"**King Code**"	the Code of Corporate Practices and Conduct as set out in the King Report on Corporate Governance for South Africa, 2016;
"**Last Practicable Date**"	29 August 2019;
"**Legal and Tax Advisor**"	Webber Wentzel;
"**MAH BV**"	MultiChoice Africa Holdings B.V., registration number 34272155, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands;
"**Main Street 484**"	Main Street 484 Proprietary Limited, registration number 2006/031966/07, a private company with limited liability incorporated under the laws of South Africa;
"**Material Contract**"	material contracts described in Annexure 3 to this Prospectus;

"**Material Subsidiaries**"	the material subsidiaries of the Company (as contemplated in the Companies Act), being MAH BV, MultiChoice SA, MCSA, MSS and SuperSport International Holdings Proprietary Limited;
"**MCA SAR Scheme**"	the MultiChoice 2008 share appreciation right scheme;
"**MCG Group**"	the Company and its subsidiaries, affiliates and associates as it will exist upon the Last Practicable Date;
"**MCG Offer**"	the offer by the Company to acquire up to 20% of the total issued PN Shares from PN Shareholders in exchange for the issue of 0.97 MCG Shares for every PN Share Tendered (which will constitute no more than 3% of the issued share capital of the Company after implementation of the MCG Offer), subject to the MCG Offer Conditions (and further subject to any modification or amendment made thereto);
"**MCG Offer Closing Date**"	the last date on which PN Shareholders will be entitled to accept the MCG Offer, which date is expected to be Monday, 28 October 2019;
"**MCG Offer Conditions**"	the conditions to the implementation of the MCG Offer set out in the Offer Circular;
"**MCG Offer Consideration**"	the issue by the Company of 0.97 MCG Shares for every PN Share Tendered by a Participating PN Shareholder;
"**MCG Offer Opening Date**"	the first date on which PN Shareholders may accept the MCG Offer expected to be Monday, 25 September 2019;
"**MCG Offer Record Date**"	the record date to be eligible to participate in the MCG Offer, being Friday, 25 October 2019;
"**MCG Pre-listing Statement**"	the pre-listing statement issued by the Company on 21 January 2019 in relation to its listing on the JSE;
"**MCG Shareholders**"	the holders of MCG Shares from time to time;
"**MCG Shares**"	the ordinary no par value shares of the Company;
"**MCGH BV**"	MultiChoice Group Holdings B.V., registration number 72799498, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands;
"**MCSA**"	MultiChoice South Africa Proprietary Limited, registration number 2007/029660/07, a private company with limited liability incorporated under the laws of South Africa;
"**MIHH**"	MIH Holdings Proprietary Limited, registration number 1993/005613/07, a private company with limited liability incorporated under the laws of South Africa;
"**MIHH Share for Share Agreement**"	the share for share agreement entered into between MIHH and the Company dated 28 September 2018, as described in Annexure 3 to this Prospectus;
"**M-Net**"	Electronic Media Network Proprietary Limited, registration number 1985/002853/07, a private company with limited liability incorporated under the laws of South Africa;
"**MSS**"	MultiChoice Support Services Proprietary Limited, registration number 2007/014131/07, a private company with limited liability incorporated under the laws of South Africa;
"**MultiChoice Botswana**"	MultiChoice Botswana Proprietary Limited, registration number CO92/2181, a private company with limited liability incorporated under the laws of Botswana;
"**MultiChoice Namibia**"	MultiChoice Namibia Proprietary Limited, registration number 91/236, a private company with limited liability incorporated under the laws of Namibia;
"**MultiChoice SA**"	MultiChoice Proprietary Limited, registration number 1994/009083/07, a private company with limited liability incorporated under the laws of South Africa;
"**MultiChoice SA Holdings**"	MultiChoice South Africa Holdings Proprietary Limited, registration number 2006/015293/07, a private company with limited liability incorporated under the laws of South Africa;

"**Naspers**"	Naspers Limited, registration number 1925/001431/06, a public company with limited liability incorporated under the laws of South Africa;
"**Naspers Group**"	Naspers, its subsidiaries, affiliates and associates;
"**Naspers Shareholders**"	holders of shares in the issued share capital of Naspers, from time to time;
"**NMS**"	NMS Insurance Services (SA) Limited, registration number 2005/026017/06, a public company with limited liability incorporated under the laws of South Africa;
"**Nominations Committee**"	the nominations committee of the Company;
"**Non-residents**"	persons not resident in South Africa;
"**Offer Circular**"	the Offer Circular issued by the Company which is accompanied by this Prospectus (and any supplement thereto);
"**OTT**"	over-the-top;
"**Participating PN Shareholders**"	PN Shareholders to whom the MCG Offer is made and who lawfully and validly accept the MCG Offer by 14:00 on the MCG Offer Closing Date and who are entitled, subject to the MCG Offer being implemented, to receive the MCG Offer Consideration;
"**PN**" or "**PN Entities**"	collectively, PN1 and PN2;
"**PN Board**" or "**PN1 Board**" or "**PN2 Board**"	the board of directors of each of the PN Entities as at the Last Practicable Date, whose details and further information are set out in the Offer Circular;
"**PN MOIs**"	collectively, the PN1 MOI and the PN2 MOI, and a reference to "**PN MOI**" shall be a reference to either one of them as the context may require;
"**PN Shareholders**"	collectively, the holders of PN1 Shares and PN2 Shares, and a reference to "**PN Shareholder**" shall be a reference to either one of them as the context may require;
"**PN Shares**"	collectively, PN1 Shares and PN2 Shares;
"**PN1**"	Phuthuma Nathi Investments (RF) Limited, registration number 2006/015187/06, a ring-fenced, public company with limited liability incorporated under the laws of South Africa;
"**PN1 MOI**"	the memorandum of incorporation of PN1, as amended from time to time;
"**PN1 Shareholder**"	a holder of PN1 Shares;
"**PN1 Shares**"	fully paid, ordinary shares with a par value of R0.0000001 each in the authorised share capital of PN1;
"**PN2**"	Phuthuma Nathi Investments 2 (RF) Limited, with registration number 2006/036320/06, a ring-fenced, public company with limited liability incorporated under the laws of South Africa;
"**PN2 MOI**"	the memorandum of incorporation of PN2, as amended from time to time;
"**PN2 Shareholder**"	a holder of PN2 Shares;
"**PN2 Shares**"	fully paid, ordinary shares with a par value of R0.0000001 each in the authorised share capital of PN2;
"**POPI Act**"	the South African Protection of Personal Information Act, 4 of 2013, as amended;
"**Prospectus**"	this entire document and all the Annexures to it;
"**Rand**" or "**ZAR**"	the lawful currency of South Africa;
"**Register**"	the register of Certificated MCG Shareholders maintained by the Transfer Secretaries and the Uncertificated Securities Register maintained by the relevant CSDPs in accordance with section 50 of the Companies Act;
"**Remuneration Committee**"	the remuneration committee of the Company;

"**Responsible Party**"	a person who determines the purpose of, and means for processing of, personal information under the POPI Act;
"**Rest of Africa**"	the MCG Group's division which offers digital satellite, online services and DTT services to subscribers in Sub-Saharan Africa and the adjacent islands (other than South Africa);
"**Restricted Share Plan**"	the MultiChoice Group restricted share plan;
"**Restructuring**" or "**Restructure**"	the restructuring implemented prior to the Admission Date in order to facilitate Admission which included, amongst other things, the transfer of the Business by Naspers to the Company as more fully set out in paragraph 3.2.5 of Section 1 below;
"**Risk Committee**"	the risk committee of the Company;
"**RSU Trust**"	the MultiChoice Group restricted share plan trust;
"**SAICA**"	the South African Institute of Chartered Accountants;
"**SARB**"	the South African Reserve Bank;
"**Scheme**"	the scheme of arrangement proposed by the PN2 Board in terms of which PN1 will acquire the entire issued share capital of PN2 for the issue of PN1 Shares to PN2 Shareholders and the subsequent delisting of PN2 as more fully described in the Scheme Circular;
"**Scheme Circular**"	the bound document, dated 16 September 2019, including the annexures thereto, which sets out the terms and conditions of the Scheme;
"**Sector Codes**"	the Sector Codes of Good Practice, issued under the South African Broad-based Black Economic Empowerment Act, 53 of 2003, as amended from time to time;
"**Securities Act**"	the US Securities Act of 1933, as amended;
"**Senior Management**"	those members of the management bodies of the MCG Group who are identified in paragraph 7.1 of Section 1 below;
"**SENS**"	the Stock Exchange News Service operated by the JSE;
"**Share Option Plan**"	the MultiChoice Group share option plan;
"**Showmax BV**"	Showmax B.V., registration number 64610489, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands;
"**Singular Nominees**"	Singular Systems Nominees Proprietary Limited, registration number 2016/533249/07, being a Central Securities Depository Participant (as defined in the Financial Markets Act) appointed by PN1 and PN2 for purposes of, and in regard to, dematerialisation of shares evidenced by physical documents of title into the Strate System, and related custody services, and who, for purposes of the PN Entities and their listing on EESE, holds the PN Shares as legal owner and nominee for and on behalf of the PN Shareholders as beneficial holders of PN Shares;
"**Singular Services**"	Singular Services, a division of Singular Systems Proprietary Limited, registration number 2002/001492/07, being the designated Authorised User, as appointed by PN Shareholders to provide brokerage services;
"**Social and Ethics Committee**"	the social and ethics committee of the Company;
"**South Africa**"	the Republic of South Africa;
"**South African Entity**"	any Entity which is not a Foreign Entity;
"**South African Person**"	any natural person who is a citizen of South Africa in terms of the South African Citizenship Act, 88 of 1995, whether or not such person is ordinarily resident in South Africa;

"**South African Shareholder**"	any: (i) South African Entity or South African Person which holds MCG Shares; or (ii) any other Entity or person who has a direct or indirect Financial Interest or interest in voting MCG Shares or paid-up capital of the Company determined by the Board (in its sole discretion) not to constitute a "foreigner" for purposes of the Foreign Control Restrictions and which Entity or person shall, consequently, be deemed not to constitute a Foreign Shareholder as envisaged and defined in the Company MOI;
"**Sponsor**"	Rand Merchant Bank, registration number 1929/001225/06, an accredited JSE sponsor;
"**Strate**"	an electronic settlement environment for transactions to be settled and transfer of ownership to be recorded electronically, operated by Strate Proprietary Limited, registration number 1998/022242/07, a private company with limited liability incorporated under the laws of South Africa, and a registered central securities depository in terms of the Financial Markets Act and responsible for the electronic custody and settlement system used by the JSE;
"**Strate System**"	the system operated for dealings in Uncertificated securities listed on the JSE that take place on the JSE and for dealings in Certificated securities listed on the JSE that take place off market;
"**Sub-Saharan Africa**"	the geographic region which lies south of the Sahara on the African continent;
"**Tender**" or "**Tendered**"	the tender by PN Shareholders of those PN Shares held by them for disposal in terms of the MCG Offer;
"**Trading Profit**"	the internal measure of performance used by the Company to benchmark performance between the MCG Group's operations and those of other companies, calculated by adjusting operating profit for lease interest on transponders (included in finance costs), amortisation, once-off gains or losses and the impact of equity-settled share-based compensation;
"**Transfer Secretaries**"	Singular Systems Proprietary Limited, registration number 2002/001492/07, a private company incorporated under the laws of South Africa, the transfer secretaries of the Company as at the Last Practicable Date;
"**TreasuryCo**"	MultiChoice Group Treasury Services Proprietary Limited, registration number 2018/473867/07, a private company with limited liability incorporated under the laws of South Africa;
"**Unbundling**"	the distribution on the Unbundling Operative Date of 438 837 468 MCG Shares held by Naspers, which comprised 100% of the issued share capital of the Company, to Naspers Shareholders at the time, in terms of section 46 of the Companies Act and section 46 of the Income Tax Act;
"**Unbundling Operative Date**"	4 March 2019;
"**Uncertificated**" or "**in Uncertificated Form**"	recorded on the Register and title to which may be transferred by means of the Strate System;
"**Uncertificated Securities Register**"	the record of Dematerialised MCG Shares administered and maintained by a CSDP and which forms part of the Register;
"**United Kingdom**" or "**UK**"	the United Kingdom of Great Britain and Northern Ireland;
"**United States**" or "**US**"	the United States of America;
"**USD**"	the lawful currency of the United States; and
"**VAT**"	value-added tax.

SECTION 1: INFORMATION ABOUT THE COMPANY [REG 56]

This Section provides an overview of the main business of the Company, its future prospects and its performance.

1. NAME, ADDRESS AND INCORPORATION [REG 57]

1.1 MultiChoice Group Limited, formerly MultiChoice Group Proprietary Limited and K2018473845 (South Africa) Proprietary Limited (registration number 2018/473845/06), was registered and incorporated with the CIPC on 4 September 2018.

1.2 The address of the Company's registered office (which is also the Company's primary place of carrying on business in South Africa) is set out in the "Corporate Information and Advisors" Section of this Prospectus.

1.3 The address of the office of the Transfer Secretaries is set out in the "Corporate Information and Advisors" Section of this Prospectus.

1.4 The Company is not a foreign company. Furthermore, the Company is not a subsidiary of any other company.

1.5 The details of the Company's subsidiaries are set out in Annexure 4.

2. DIRECTORS, OTHER OFFICE HOLDERS, OR MATERIAL THIRD PARTIES [REG 58]

2.1 Directors and prescribed officers [reg 58(2)(a)]

2.1.1 The Company has a unitary board structure as at the Last Practicable Date comprising of ten non-executive and three executive Directors.

2.1.2 The number of Directors shall not be less than four and not more than 20, having regard to the composition from time to time and the mandatory requirements of the Companies Act.

2.1.3 The full names, occupations and business addresses of the Directors and prescribed officer as at the Last Practicable Date are set out below:

Name, age and nationality	Occupation/position	Business address
Patel, Mohamed Imtiaz Ahmed (55), South African	Chairperson and executive Director	Dubai Media City, Shatha Towers, 18th Floor, Office 1805-08, Dubai, UAE
Pacak, Stephan Joseph Zbigniew (64), South African	Lead independent non-executive Director	MultiChoice City, 144 Bram Fischer Drive, Randburg, South Africa, 2194
Mawela, Calvo Phedi (43), South African	Executive Director – CEO	MultiChoice City, 144 Bram Fischer Drive, Randburg, South Africa, 2194
Jacobs, Timothy Neil (50), South African	Executive Director – CFO	MultiChoice City, 144 Bram Fischer Drive, Randburg, South Africa, 2194
Eriksson, Donald Gordon (74), South African	Independent non-executive Director	MultiChoice City, 144 Bram Fischer Drive, Randburg, South Africa, 2194
Volkwyn, John James (61), South African	Non-executive Director	MultiChoice City, 144 Bram Fischer Drive, Randburg, South Africa, 2194
Letele, Francis Lehlohonolo Napo (69), South African	Non-executive Director	MultiChoice City, 144 Bram Fischer Drive, Randburg, South Africa, 2194
Masilela, Elias (55), South African	Non-executive Director	MultiChoice City, 144 Bram Fischer Drive, Randburg, South Africa, 2194

Name, age and nationality	Occupation/position	Business address
Moroka, Kgomotso Ditsebe (65), South African	Independent non-executive Director	MultiChoice City, 144 Bram Fischer Drive, Randburg, South Africa, 2194
Sabwa, Christine Mideva (46), Kenyan	Independent non-executive Director	APT C1, Exeter Prestive, Riara Close, Off Riara Road, Kiliman, Nairobi, Kenya
Stephens, Louisa (42), South African	Independent non-executive Director	MultiChoice City, 144 Bram Fischer Drive, Randburg, South Africa, 2194
Mabuza, Jabulane Albert (61), South African	Independent non-executive Director	232 Jutlander Road, Beaulieu Estate, Midrand
Sanusi, Fatai Adegboyega (57), British/Nigerian	Independent non-executive Director	31 Pangbourne Drive, Stanmore, UK
De Villiers, Sybrand (50), South African	COO (prescribed officer)	Dubai Media City, Shatha Towers, 18th Floor, Office 1805-08, Dubai, UAE

2.1.4 As at the Last Practicable Date, the Company does not have any proposed directors or prescribed officers other than as listed above and the Company Secretary (to the extent that she is a prescribed officer). The prescribed details of the Company Secretary are set out in paragraph 2.2.2 of Section 1.

2.2 **The Company's auditors, legal advisor and company secretary [reg 58(2)(b)]**

2.2.1 The names and business addresses of the Company's Legal and Tax Advisor and the Auditor are set out in the "Corporate Information and Advisors" Section of this Prospectus.

2.2.2 The Company Secretary is Donna Maree Dickson, FCIS (BCom Law, PGDip (General management), PGDip (Governance, Risk and Compliance)) (38, South African). Her business address is set out in the "Corporate Information and Advisors" Section of this Prospectus.

2.2.3 The Company has not appointed stockbrokers or underwriters in respect of this Prospectus, but has appointed Sasfin Securities Proprietary Limited as its stockbroker for purposes of the Company Share Plans. The business address of Sasfin Securities Proprietary Limited is:

29 Scott Street
Waverley
Johannesburg
2090
(PO Box 95104, Grantpark, 2051).

2.3 **Extracts from the MOI relating to the Directors [reg 58]**

Extracts of the relevant provisions of the Company MOI concerning the qualifications, remuneration, borrowing powers and appointment of the Directors are set out in Annexure 1.

2.4 **Appointment of Directors and prescribed officers [reg 58(3)(a)]**

2.4.1 No Director is appointed on a fixed-term contract. The date of appointment of each Director is as set out below.

Director	Date first appointed in current position
Patel, Mohamed Imtiaz Ahmed	6 December 2018
Pacak, Stephan Joseph Zbigniew	6 December 2018
Mawela, Calvo Phedi	6 December 2018
Jacobs, Timothy Neil	6 December 2018
Eriksson, Donald Gordon	6 December 2018
Volkwyn, John James	6 December 2018
Letele, Francis Lehlohonolo Napo	6 December 2018
Masilela, Elias	6 December 2018
Moroka, Kgomotso Ditsebe	6 December 2018
Stephens, Louisa	6 December 2018
Sabwa, Christine Mideva	14 May 2019
Mabuza, Jabulane Albert	5 July 2019
Sanusi, Fatai Adegboyega	5 July 2019

Certain of the Directors and Sybrand de Villiers (being the current COO) have entered into agreements with the Company or its subsidiaries, in respect of which further details are set out in paragraph 7.1 of Section 1 of the Prospectus.

2.4.2 The COO was appointed in his current position on 1 November 2018. He previously entered into a service agreement in respect of which further details are set out in paragraph 7.1 of Section 1 of the Prospectus. The current Company Secretary (to the extent that she is a prescribed officer) was appointed on 1 April 2019. Such appointment is subject to a three month termination notice period.

2.4.3 One-third of the non-executive Directors are subject, by rotation, to retirement and re-election by MCG Shareholders at least at every annual general meeting, in accordance with the Company MOI. Any non-executive Director whose term of office exceeds nine years is subject to a rigorous annual review by the Board, taking into account his or her performance and independence. The mandatory retirement age for non-executive Directors will be 75 years, and the Director shall vacate office at the end of the financial year in which that director turns 75 years old, unless the Board, in its discretion, decides otherwise.

2.4.4 The MCG Shareholders may at a general meeting of the Company elect all of the Directors (and their alternates) by ordinary resolution. The MCG Shareholders further have the right to nominate persons for appointment as Directors, but no individual MCG Shareholder has a direct appointment right.

2.4.5 The Board further has the power to appoint Directors (i) to fill a casual vacancy (a vacancy on the Board which does not result in the number of Directors being less than four), or (ii) as an addition to the Board, but such appointment must be confirmed by the MCG Shareholders at the next annual general meeting.

2.4.6 A Director may be removed by an ordinary resolution adopted at a general meeting by the MCG Shareholders in accordance with the Companies Act.

2.4.7 Other than as required in terms of the Company MOI, as at the Last Practicable Date, no directors or prescribed officers are proposed to be appointed other than those who are existing Directors or prescribed officers as set out above.

2.5 **Directors' remuneration [reg 58(3)(b)]**

2.5.1 The Company may pay remuneration to the Directors for their service as Directors in accordance with a special resolution approved by the MCG Shareholders within the previous two years.

2.5.2 The Directors will be paid all their travelling and other expenses properly and necessarily incurred by them in and about the business of the Company (including in relation to attending meetings of the Directors or of committees thereof). If any Director is required to perform extra services or to reside abroad or to be specifically occupied about the Company's business, he or she shall be entitled to receive such remuneration, which may be either in addition to or in substitution for any other remuneration, as is determined by a disinterested quorum of the Board.

2.5.3 The total remuneration, benefits and fees paid to the Directors for the year ended 31 March 2019 is set out in Annexure 5.

2.5.4 The anticipated remuneration payable to the Directors for the year ending 31 March 2020 (to the extent known) is set out in Annexure 5.

2.5.5 ***Company Share Plans***

The Company operates the Company Share Plans, the principal features of which are set out in Annexure 2.

Directors (excluding non-executive Directors and Directors serving on the Remuneration Committee) may participate in the Restricted Share Plan and the Share Option Plan. All Directors may participate in the Irdeto SAR Scheme and the MCA SAR Scheme.

As at the Last Practicable Date, the Directors had the rights to acquire MCG Shares under the Company Share Plans as set out in Annexure 5. The Directors' total beneficial interests in MCG Shares as at the Last Practicable Date are set out in paragraph 4.3 of Section 1.

Other than as envisaged in the Company Share Plans, none of the Directors has been granted any MCG Share options or awards or any other right which would have had the same or a similar effect in respect of providing a right to such Director to subscribe for MCG Shares.

2.6 **Borrowing powers of Directors [reg 58(3)(c)]**

2.6.1 The Directors may exercise all of the powers of the Company to borrow such sums as they think fit for the purposes of the Company and to secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of any securities, mortgage or charge upon all or any of the property or assets of the Company. There are no restrictions on the Company's borrowing powers. Such borrowing powers have not been varied in the three years immediately preceding the Last Practicable Date, and may only be varied by amending the Company MOI.

2.6.2 The Directors (in their capacity as Directors of the Company) do not have the power to exercise any borrowing powers of any subsidiaries of the Company.

2.7 **Management of the Company [reg 58(3)(d)]**

No part of the business of the Company or any of its subsidiaries is managed, or proposed to be managed, by any third party under a contract of management.

2.8 **Approach to corporate governance [reg 54(1)b]**

Approach to governance

2.8.1 The MCG Group is committed to the highest standards of corporate governance, ethics and integrity. This governance philosophy drives the MCG Group's value creation for all stakeholders. The MCG Group continues to entrench the principles of sound corporate governance throughout the MCG Group, applying appropriate business ethics and standards in the conduct of the MCG Group's business affairs.

2.8.2 The Board understands and accepts its responsibility to safeguard and represent the interests of the stakeholders of the Company in perpetuating a successful and sustainable business that ensures the achievement of the MCG Group's strategic objectives.

MCG Group governance framework

2.8.3 The Board is the custodian of the MCG Group's corporate governance. The Board, its committees, and the boards and committees of the Company's subsidiaries are responsible for ensuring that the appropriate principles and practices of the King Code are applied and embedded in the governance practices of MCG Group companies.

2.8.4 The Board and Board committee charters and policies were formulated in alignment with the recommendations contained in the King Code and the requirements of the JSE Listings Requirements. The policies and charters were approved by the relevant Board committees and, ultimately, the Board on 10 December 2018.

2.8.5 A disciplined reporting structure ensures that the Board is fully apprised of subsidiary activities, risks and opportunities. All controlled entities in the MCG Group are expected to demonstrate good governance as set out in the King Code, taking into account proportionality considerations. This means that the practices needed to demonstrate the MCG Group's governance in terms of the King Code are applied, as appropriate, across the MCG Group. The companies in the MCG Group are diverse and at different maturity stages and, as such, a one size fits all approach cannot be followed when implementing governance practices. While good governance principles apply to all types and sizes of organisations, the practices implemented by each organisation to achieve the principles may vary. Practices are implemented as appropriate to give effect to overarching good governance principles.

2.8.6 As part of the internal annual CEO/CFO sign off process, businesses across the MCG Group are requested to confirm that subsidiaries have aligned their policies to the MCG Group policies.

2.8.7 Business and governance structures have clear approval frameworks reviewed on an annual basis and are aligned to the MCG Group levels of authority approved by the Board annually. The Board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities.

2.8.8 In relation to assessing corporate governance services, the MCG Group has an internal company secretarial function, and an annual assessment of the Company Secretary's performance, qualifications and skills is undertaken.

MCG Group's King Code journey

2.8.9 The Board recognises the link between effective governance, sustainable performance and the creation of long-term value for all its stakeholders. The Board is committed to the principles of transparency, integrity, fairness and accountability, and recognises the need to implement good corporate governance principles. The Board, therefore, seeks to apply the principles in the King Code, which forms the cornerstone of our approach to governance. We support the overarching goals of the King Code, being (i) an ethical culture; (ii) effective control; (iii) good performance and (iv) legitimacy.

2.8.10 A thorough and comprehensive review has been conducted in relation to each principle and underlying recommended practice under the King Code. The Board, to the best of its knowledge, believes that the MCG Group has satisfactorily applied the principles of the King Code. For a more detailed review, Annexure 6 sets out the manner in which the MCG Group has applied each of the principles of the King Code.

2.8.11 The MCG Group continues to develop its governance policies, practices, and procedures in line with an integrated governance, risk, and compliance framework. The Board is satisfied that every effort has been made in the year under review to apply all material aspects of the King Code, where appropriate and relevant, and the MCG Group continues to entrench and enhance its understanding and application of the practices and principles of the King Code.

Entrenching an ethical culture

2.8.12 The Board is committed to entrenching an ethical culture throughout the MCG Group and sets the tone at the top by formulating its values and ensuring ethical business standards. The Directors, overseen by the chairperson of the Board, hold one another accountable for decision-making and ethical behaviour. Directors, both individually and collectively, seek to demonstrate integrity, competence, responsibility, accountability, fairness and transparency to ensure effective leadership, which, together with management, assists in achieving strategic objectives.

2.8.13 It is the MCG Group's policy to conduct business dealings on the basis of compliance with applicable laws, rules, codes, standards and regulation, and proper regard for ethical business practices. The MCG Group's success in the markets in which it operates is built on integrity in its business affairs. The MCG Group strives to prevent situations that may compromise these principles in its dealings with customers, suppliers, governments and business associates.

2.8.14 The MCG Group's code of business ethics and conduct sets out the standards for business conduct throughout the MCG Group and is supported by a wide range of MCG Group policies. However, as the MCG Group conducts business in various countries, its employees are also subject to the laws and regulations of those countries, and the MCG Group policies are, therefore, supplemented by local policies and procedures. Ensuring that MCG Group companies adopt appropriate processes and establish supporting policies and procedures is an ongoing process.

2.8.15 The Board has delegated responsibility for regular review of the MCG Group's code of business ethics and conduct and an ethics communication plan to the Social and Ethics Committee.

2.8.16 Management focuses on policies and procedures that address key ethical risks, such as conflicts of interest, accepting inappropriate gifts and acceptable business conduct. A Group Ethics Officer has also recently been appointed to focus on this important aspect of its business. The Social and Ethics Committee is responsible for overseeing and reporting on business ethics in relation to the MCG Group, taking into account specific disclosures and best practice as recommended by the King Code.

2.8.17 Management teams across the MCG Group understand and apply the MCG Group's code of business ethics and conduct and create and maintain awareness of this code and the Company's whistleblower policy. Reference to this code is included in the contracts of new employees of Material Subsidiaries, and in the induction process for new employees. The code applies to the recruitment, performance evaluation and reward processes. Management teams are required to monitor adherence to the code and apply a zero-tolerance policy to violations. Sanctions are in place and action is taken when necessary, which includes prosecuting to the fullest extent of the law when appropriate.

2.8.18 Reference to the MCG Group's code of business ethics and conduct is included in third-party procurement contracts of certain Material Subsidiaries. Contractors, agents and consultants who work with any MCG Group company are expected to follow the same standards of business conduct. MCG Group companies may require specific steps to be taken, including, where appropriate, due diligence checks and specific contractual terms for specific types of contractors, agents and consultants.

2.8.19 The risk management function monitors the MCG Group's whistleblower facility operated by Deloitte Tip-offs Anonymous. Where appropriate, internal audit and/or external forensic consultants investigate reported matters. Significant allegations and fraud are reported to the Audit and Risk Committees. Furthermore, the Social and Ethics Committee receives reports on whistleblower activity and ethics. Internal audit and risk management support the Social and Ethics Committee and Remuneration Committee with an assessment of the MCG Group's ethics performance annually.

Responsible corporate citizenship

2.8.20 The Board, assisted by the Social and Ethics Committee, ensures that the Company is, and is seen to be, a responsible corporate citizen by taking into consideration not only the financial performance of the Company, but also the impact that business has on the environment and the society within which it operates.

2.8.21 The MCG Group's sustainable development policy includes the responsibility for corporate citizenship. Moreover, the MCG Group's purpose, values and strategy are aligned with the principles of responsible corporate citizenship.

2.8.22 The MCG Group's businesses manage numerous corporate citizenship initiatives affecting the workplace, economy, society and environment, including B-BBEE and employment equity performance for South African subsidiaries, local employment, health and safety laws, employee development opportunities, responsible tax policy, fraud and anti-bribery and anti-corruption initiatives, initiatives to minimise impact on the environment, and corporate social investment initiatives which contribute to the societies in which our businesses operate.

Ensuring compliance with laws and regulations

2.8.23 As the MCG Group has a primary listing on the JSE, it is subject to the JSE Listings Requirements, the guidelines in the King Code, as well as legislation applying to publicly-listed companies in South Africa.

2.8.24 The Board is responsible for ensuring that the MCG Group complies with all of its statutory obligations as specified in the Company MOI, the Companies Act, the JSE Listings Requirements and all other regulatory requirements. The Directors have taken steps to ensure, to the best of their knowledge, the MCG Group's compliance with all these requirements.

2.8.25 The MCG Group has a legal compliance programme that is led by the MCG Group head of legal compliance and legal compliance teams with support from external consultants. The legal compliance programme includes:

(a) a legal compliance framework and roadmap, which sets out the legal compliance strategy, goals and objectives. It addresses the requirements of an adequate and fit-for-purpose legal compliance programme and provides for key activities to mitigate the identified legal compliance risks; and

(b) group-wide policies built on the principles in the code of business ethics and conduct. The legal compliance, anti-bribery and anti-corruption, sanctions and export controls and competition compliance policies were approved by the Board in December 2018.

2.8.26 Future focus areas include continuing to raise awareness of the compliance principles, making improvements to the framework based on emerging risks, incorporating feedback from monitoring activities and focusing on the implementation of enhanced third party screening.

2.8.27 Each segment is required to provide a quarterly legal compliance report to the MCG Group legal compliance function. This report includes an overview of key compliance risk areas and mitigating measures, key compliance regulatory developments and material compliance incidents and investigations. The MCG Group legal compliance function uses these reports to compile a consolidated report provided to the Risk Committee. Reports on legal compliance from a social and ethics perspective will going forward also be provided to the Social and Ethics Committee. Assurance on the effectiveness of compliance management is received through a combined assurance model.

2.8.28 These arrangements enable the Risk Committee, and the Board, to oversee the MCG Group's legal compliance holistically in a way that supports good corporate citizenship.

Assurance

2.8.29 The Audit Committee and the Board oversee assurance services and functions to enable effective control and support the integrity of information for internal decision making, and to enable accurate external reporting. Internal audit reports on the internal control environment are submitted to the Audit Committee.

2.8.30 The MCG Group follows a combined assurance model, which covers key risks through an appropriate combination of assurance service providers and functions, including line functions that own and manage risks, specialist internal audit and risk support and compliance functions (for the MCG Group and significant businesses), as well as external auditors and other relevant parties, such as regulatory inspectors. This model is linked to key risks and an assessment of the effectiveness of our combined assurance model is reported on to the Audit and Risk Committees. The Company Secretary, MCG Group general counsel and external counsel guide the Board on legal requirements.

2.8.31 The Audit Committee appoints the head of internal audit. The head of internal audit has unrestricted access to and meets periodically with the chair of this committee.

Chair, lead independent Director and CEO

2.8.32 The Board is chaired by Mohamed Imtiaz Ahmed Patel, an executive Director. The chair is responsible for providing leadership to the Board and overseeing its efficient operation and has been tasked with ensuring effective corporate governance practices.

2.8.33 The Board is of the view that appointing an executive chair is appropriate for the Company under the circumstances as the incumbent has valuable MCG Group, industry and regulatory intellectual capital to contribute to the future development and progression of the Business.

2.8.34 The lead independent Director, Stephan Joseph Zbigniew Pacak, acts as lead Director in all matters where there may be an actual or perceived conflict and it would be inappropriate for the chair to deal with the matter concerned.

2.8.35 The Board has satisfied itself that Stephan Joseph Zbigniew Pacak acts with independence of mind and judgement and there is no interest, position, association or relationship that is likely to influence unduly or cause bias in decision-making in the best interests of the Company. The Board made this determination as to Stephan Joseph Zbigniew Pacak's independence having regard to a number of factors, including consideration of his historical relationship with the Naspers Group (and his interest in Naspers) and his directorship of MCSA. Bearing these factors in mind, the Board determined that he is best placed to fulfil the role as lead independent Director given his significant experience in governance within the environment the MCG Group operates in.

2.8.36 The CEO, Calvo Phedi Mawela, is responsible for leading the implementation and execution of the approved strategy, policy and operational planning of the MCG Group, as well as ensuring that the day-to-day affairs of the MCG Group are appropriately supervised and controlled.

Board committees

2.8.37 As provided for in the Company MOI and the Board Charter, the Board is supported and assisted by the Audit Committee, Nominations Committee, Remuneration Committee, Risk Committee and the Social and Ethics Committee, which have clear mandates and oversight responsibility for various aspects of the Business. The responsibilities delegated to each committee are formally documented in the terms of reference for that committee, which have been approved by the Board and are reviewed at least annually. The current composition and key responsibilities of each of the committees is set out below.

Audit Committee

The Audit Committee is chaired by Stephan Joseph Zbigniew Pacak, an independent non-executive Director. Other members include Louisa Stephens, Donald Gordon Eriksson and Christine Mideva Sabwa, who are all independent non-executive Directors.

This committee meets at least three times a year (and, when necessary, convenes when a special meeting is requested by the external auditors). Currently the practice is for the committee to meet four times a year. The committee is responsible for, amongst other things:

(a) monitoring and reviewing the adequacy and effectiveness of accounting policies, financial and other internal control systems and financial reporting processes;

(b) providing independent oversight of the MCG Group's combined assurance functions, including reviews of the independence and effectiveness of external audit, internal audit, non-audit services from auditors as well as compliance; and

(c) assessing compliance with applicable legal, regulatory and accounting standards and policies in the preparation of fairly presented financial statements and external reports.

Looking ahead, it is the intention that the committee will focus on discharging its functions in terms of its charter, assessing the impact of changes to accounting standards and the JSE Listings Requirements, King Code recommendations, the MCG Group's working capital requirements and ensuring that the Company and its subsidiaries continue to operate as going concerns, and reviewing at each meeting the accounting for taxation provisions and contingencies.

Nominations Committee

The Nominations Committee is chaired by Kgomotso Ditsebe Moroka SC, an independent non-executive Director. Other members include Louisa Stephens, an independent non-executive Director and John James Volkwyn, a non-executive director. Mohamed Imtiaz Ahmed Patel (chairperson of the Board) attends by invitation. The Nominations Committee meets at least twice a year, prior to scheduled meetings of the Board.

The committee is responsible for, amongst other things:

(a) identifying individuals qualified to be elected as members of the Board and Board committees, as well as the executive team. These individuals are then recommended to the Board for appointment in terms of the Company MOI and the appointment and board diversity policy. The committee is also responsible for establishing procedures to ensure that the selection of individuals for recommendation are transparent; and

(b) reviewing the structure, size and composition of the Board and its committees and making recommendations to the Board with regard to any adjustments that are deemed necessary to ensure the required mix of skills, experience, other qualities and diversity to ensure the effectiveness of those bodies in compliance with applicable laws and regulations.

Looking ahead, it is the intention that the committee will focus on developing and approving Board diversity targets as well as reviewing the composition of the Board and its committees. At the end of the 2020 financial year, the committee must assess itself against its charter in order to evaluate whether it has carried out its duties during the reporting period.

Remuneration Committee

The Remuneration Committee is chaired by Kgomotso Ditsebe Moroka SC, an independent non-executive Director. Other members include Stephan Joseph Zbigniew Pacak, an independent non-executive Director, and John James Volkwyn, a non-executive Director. Mohamed Imtiaz Ahmed Patel, chairperson of the Board, as well as the CEO, Calvo Phedi Mawela, and the chief human resources officer attend by invitation.

The committee meets at least twice a year prior to scheduled meetings of the Board. Due to the MCG Group's unbundling from Naspers pursuant to the Unbundling and its separate listing in the latter part of the 2019 financial year, the committee met only once prior to the end of the 2019 financial year.

The Remuneration Committee's responsibilities include:

(a) independently reviewing and monitoring the integrity of the MCG Group's remuneration policies and implementation thereof;

(b) ensuring that the Company remunerates fairly, responsibly and transparently; and

(c) ensuring compliance with the statutory duties of the committee as contained in relevant legislation.

In fulfilment of the above responsibilities, the committee's functions include:

(a) reviewing executive remuneration and benefits, and ensuring the Directors and Senior Management are fairly and responsibly rewarded for their individual contributions to the MCG Group's overall performance;

(b) evaluating the MCG Group's remuneration and benefit competitiveness;

(c) reviewing and approving the overall annual increase pool awarded to the MCG Group's employees;

(d) approving employment agreements, offers of employment as well as severance agreements for the CEO and the executive committee;

(e) reviewing and monitoring the implementation of the MCG Group's guaranteed and variable pay plans, and making recommendations to the Board with respect to new guaranteed and variable pay plans;

(f) reviewing the potential risk in respect of the MCG Group's remuneration and benefit programmes and policies;

(g) annually evaluating and monitoring the MCG Group's remuneration philosophy and practices; and

(h) actively engaging with MCG Shareholders on concerns raised regarding the remuneration policy or implementation report, or both, upon receiving an "against" vote of 25% or more of the voting rights exercised at any shareholders' meeting.

Following the Unbundling, the committee has been actively reviewing the MCG Group's approach to remuneration in alignment with the MCG Group's purpose, as well as considering input received from MCG Shareholders.

Looking ahead, at the end of the 2020 financial year, the committee must assess itself against its charter in order to evaluate whether it has carried out its duties during the reporting period. The committee will further continue to monitor executive remuneration across the market.

Risk Committee

The Risk Committee is chaired by Stephan Joseph Zbigniew Pacak, an independent non-executive Director. Other members include Louisa Stephens and Donald Gordon Eriksson, independent non-executive Directors, Board chairperson Mohamed Imtiaz Ahmed Patel, CEO, Calvo Phedi Mawela, and CFO, Timothy Neil Jacobs. Regular attendees include business unit risk managers, the head of internal audit, group general counsel and the head of regulatory.

The Risk Committee meets at least twice a year prior to scheduled meetings of the Board and is established to independently review management's recommendations on risk management. Currently the practice is for the committee to meet four times a year.

The Risk Committee's functions include:

(a) monitoring and providing recommendations to the Board on the MCG Group's risk management systems, including the systems, processes, methodologies and tools of risk governance and risk management, and annual operating plans for overall risk management and forensics;

(b) reviewing, approving and recommending risk measurement methodologies to the Board, including methodologies used to identify, assess, measure, monitor and report on risks, including methods used for the calculation of risk exposures; and

(c) monitoring and reviewing the regulatory compliance processes and procedures.

During the 2019 financial year, the focus for the committee was on ensuring the MCG Group is adequately insured, with a particular focus on the necessary directors' and prescribed officers' insurance cover.

Looking ahead, the committee will focus on the MCG Group's risk management processes, risk tolerance and appetite. At the end of the 2020 financial year, the committee will assess itself against its charter in order to evaluate whether it has carried out its duties during the reporting period.

Social and Ethics Committee

The Social and Ethics Committee is chaired by Kgomotso Ditsebe Moroka SC, an independent non-executive Director, and its other members are independent non-executive Director, Stephan Joseph Zbigniew Pacak and non-executive Director Francis Lehlohonolo Napo Letele, the CEO, Calvo Phedi Mawela, and the CFO, Timothy Neil Jacobs. The chairs of the Audit Committee, Risk Committee and Remuneration Committee shall each be a member of the Social and Ethics Committee together with the CFO and CEO. Mohamed Imtiaz Ahmed Patel (chairperson of the Board) attends by invitation.

This committee meets at least twice a year prior to scheduled meetings of the Board. No meetings were held during the 2019 financial year, and as a result the MCG Group will produce its first committee report in the 2020 financial year. Currently the practice is for the committee to meet four times a year.

The primary purpose of the Social and Ethics Committee is to oversee the MCG Group's activities with regard to sustainable social and economic development initiatives, which include public safety, HIV/Aids, environmental management, corporate social investment, consumer relationships, labour and employment, the promotion of equality and ethics management.

This committee is responsible for ensuring and monitoring compliance with all applicable laws (including the Companies Act), as well as relevant codes and standards relating to B-BBEE, employment equity, environmental management, health and safety, HIV/Aids, corporate social responsibility, consumer relationships and human resources. Its responsibilities further include:

(a) reviewing, at least every second year, the strategies and policies of the MCG Group designed to achieve responsible corporate citizenship;

(b) reviewing and approving the MCG Group code of ethics and the MCG Group's stakeholder management plan and policy; and

(c) reporting to shareholders as required in terms of the Companies Act.

Looking ahead, it is the intention that the committee will focus on enhancing its ethics management processes as well as its stakeholder engagement and response processes, and will strive to improve its corporate citizenship policies and process, including improving sustainability and corporate social systems and processes. At the end of the 2020 financial year, the committee must assess itself against its charter in order to evaluate whether it has carried out its duties during the reporting period.

3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE COMPANY [REG 59]

3.1 General business description [reg 59(2)(b)]

3.1.1 The Company is the ultimate holding company of the MCG Group.

3.1.2 Since launching the first pay-TV operation outside the US in 1986, the MCG Group has grown into one of the leading video entertainment operators on the African continent. Today, the MCG Group is one of the fastest growing pay-TV broadcast providers globally, entertaining over 15.1 million households in 50 countries across multiple platforms, including digital satellite and terrestrial television, as well as OTT.

3.1.3 The MCG Group is structured around the following three business segments:

(a) South Africa, the division that offers digital satellite television and subscription video on demand services to 7.4 million subscribers in South Africa as at 31 March 2019. Connected Video, which forms part of the South Africa segment from a financial reporting standpoint, delivers online video entertainment services;

(b) Rest of Africa, the division which offers digital satellite, online services and DTT services to 7.7 million subscribers across Africa as at 31 March 2019; and

(c) Technology, which includes the MCG Group's leading digital platform and application security division, Irdeto.

3.1.4 As a pioneer in the African pay-TV ecosystem, the MCG Group has played an important role in making information and entertainment easily accessible to the people of Africa. As a leading business in the region, the MCG Group's investments have brought both social and economic benefits to the communities where we operate. Today, the MCG Group employs more than 6 000 permanent staff in the continent and indirectly creates economic prosperity for more than 20 000 people who are employed by the MCG Group's various partners and suppliers.

3.1.5 A general description of the business carried on by each Material Subsidiary of the Company is set out in Annexure 4.

3.2 **General history [reg 59(3)(a)]**

3.2.1 The Company was registered and incorporated as a private company on 4 September 2018.

3.2.2 On 11 January 2019 the Company was converted to a public company.

3.2.3 MIHH was the sole shareholder of the Company until 26 February 2019, when it distributed all of the MCG Shares then held by it in the capital of the Company (being 438 837 468 MCG Shares) to Naspers as a dividend *in specie* as part of the Restructuring.

3.2.4 On 27 February 2019 the Company listed on the Main Board of the JSE, and on 4 March 2019, as part of the Unbundling, Naspers distributed all its MCG Shares, comprising 100% of the issued share capital of the Company, to the Naspers Shareholders at the time, in terms of section 46 of the Companies Act and section 46 of the Income Tax Act.

3.2.5 Before the Company listed on the JSE, it acquired the Business as follows:

(a) in terms of the MIHH Share for Share Agreement:

- on 28 September 2018, MIHH transferred to the Company the issued shares held by it in the capital of MultiChoice SA Holdings, Irdeto SA, Main Street 484, Irdeto BV, Showmax BV, MAH BV, DMT, MultiChoice Botswana and MultiChoice Namibia (collectively, the "**Company Shares**");
- on 8 November 2018, MIHH transferred to the Company the issued shares held by it in the capital of NMS (the "**NMS Shares**");
- in exchange for the transfer of the Company Shares and the NMS Shares by MIHH to the Company, the Company allotted and issued 438 837 467 MCG Shares in the authorised but unissued share capital of the Company to MIHH on 8 November 2018;

(b) the Company incorporated MCGH BV on 9 October 2018 and transferred the issued shares held by it in the capital of MAH BV, Irdeto BV and Showmax BV to MCGH BV on 26 October 2018;

(c) TreasuryCo was registered and incorporated on 4 September 2018, as a wholly-owned subsidiary of the Company (initially holding 100 ordinary shares in the share capital of TreasuryCo, which were issued to the Company on 29 October 2018) and on 29 November 2018 the Company transferred the issued shares held by it in the capital of MultiChoice Botswana and MCGH BV to TreasuryCo;

(d) on 18 January 2019 the Company repurchased four MCG Shares from MIHH for a cash consideration of ZAR180 per MCG Share;

(e) on 22 January 2019 the Company issued one MCG Share to MIHH at a cash consideration of ZAR71 259 812 and on 15 February 2019 the Company issued a further three MCG Shares to MIHH. These three further MCG Shares were issued as consideration for the Company acquiring from MIHH certain loan receivables which MIHH held against Showmax BV (in the amount of USD9 283 788.14 on 15 February 2019), MAH BV (in the amount of USD173 432 998.13 on 15 February 2019) and Irdeto BV (in the amount of USD2 492 296 on 15 February 2019) (collectively the "**Loan Receivables**"), with effect from 15 February 2019;

(f) on 15 February 2019, these Loan Receivables were assigned by the Company to TreasuryCo and by TreasuryCo to MCGH BV;

(g) after implementation of these transactions, MIHH held 438 837 468 MCG Shares which were unbundled by it to Naspers as contemplated in paragraph 3.2.3 of Section 1 above.

3.2.6 The general history of the Material Subsidiaries of the Company is set out in Annexure 4.

3.3 **Material changes [reg 59(3)(b)]**

3.3.1 Since the incorporation of the Company, it has:

(a) acquired the Business as set out in paragraph 3.2.5 of Section 1 above;

(b) converted to a public company from a private company on 11 January 2019;

(c) listed on the JSE's Main Board on 27 February 2019; and

(d) taken various preparatory steps to make the MCG Offer.

3.3.2 No other material changes in the assets or liabilities of the Company or the state of affairs of the Company have taken place between the date of incorporation of the Company and the Last Practicable Date.

3.4 **Prospects and state of affairs [reg 59(3)(c) and (d)]**

3.4.1 ***Prospects [reg 59(3)(c)]***

Prospects of business

The Company's performance will be dependent upon many market factors, including amongst other things (i) currency exchange rate fluctuations between the Rand and the other currencies in which the MCG Group conducts business (primarily USD, Euro, the Nigerian Naira, the Angolan Kwanza, the Kenyan Shilling and the Zambian Kwacha), (ii) high inflation in the markets in which the MCG Group operates, (iii) USD liquidity in the countries in which the MCG Group operates, (iv) political, social and economic circumstances in the countries in which the MCG Group operates, including for example, chronic electricity outages and high levels of unemployment in certain jurisdictions; (v) consumers' ability to afford the MCG Group's services and products, (vi) increased competition which the MCG Group faces in respect of its services and products, and (vii) the regulatory framework within which the MCG Group operates (and changes thereto).

The PN Shareholders are further referred to the Board's overview of the Business in Annexure 7, the Company's current trading performance and the latest integrated annual report of the Company.

The risk factors relating to the Company, the MCG Group's business, regulatory, political and economic developments and the MCG Shares, as at the Last Practicable Date, are set out in Annexure 8. The prospects of the Company and the MCG Group could be impacted by these risk factors.

Having considered these factors, the Directors are of the opinion that the prospects of the Company and the MCG Group are satisfactory.

3.4.2 ***State of affairs [reg 59(3)(d)]***

State of affairs of the Company

As at the Last Practicable Date, the Company's issued share capital was 438 837 468 MCG Shares. The financial particulars of the Company are set out in paragraph 3.7 of Section 1 below.

State of affairs of each Material Subsidiary of the Company

Annexure 4 sets out the details in respect of the issued securities (including details of the shares held by the holding company and the date on which it became a subsidiary) and the main business of each Material Subsidiary.

The consolidated financial particulars of the Company are further set out in paragraph 3.7 of Section 1 below.

3.5 **Key factors affecting the value of MCG Shares [reg 54(1)(a)]**

The market price of the MCG Shares could be impacted by the Company's material investments and assets in the MCG Group's three business segments, comprising the South Africa (which includes MultiChoice SA Holdings and Connected Video, including Showmax and DStv Now), technology (which includes Irdeto) and Rest of Africa businesses. Consequently, factors affecting the Company's underlying investments and assets will in turn have an impact on the trading price of the MCG Shares. These factors include, amongst other things, the risk factors set out in Annexure 8.

3.6 **Principal immovable property and capital commitments [reg 59(3)(e) and (f)]**

Details of the principal immovable properties held or occupied by the Company and its subsidiaries are set out in Annexure 9.

At the Last Practicable Date, the Company and its Material Subsidiaries have not made any commitments for the purchase, construction or installation of any buildings, plant or machinery.

3.7 **Company and MCG Group financial particulars and dividends for each of the preceding three years [reg 59(3)(g)]**

The consolidated and combined financial performance of the MCG Group for the three financial years ended 31 March 2019, 31 March 2018 and 31 March 2017 is set out in the table below.

	Consolidated		Combined
	Year ended 31 March 2019	**Year ended 31 March 2018**	**Year ended 31 March 2017**
Revenue (ZAR million)	50,095	47,452	47,708
Profit before taxation (ZAR million)	2,497	6,247	1,345
(Loss)/profit after taxation (ZAR million)	(1,276)	2,538	(1,532)
Dividends paid (ZAR million)	6,724	6,757	6,640
Dividends paid per ordinary share (ZAR cents)	1,532	1,540	1,513
Basic and diluted (loss)/earnings per Share (ZAR cents)	(374)	332	(554)
Dividend cover	(0.2)	0.2	(0.4)

Financial particulars of the Company are set out in the table below. As the Company itself was only incorporated on 4 September 2018, the Company has no operating or financial history in respect of the two financial years ended 31 March 2018 and 31 March 2017.

	Seven months ended 31 March 2019	**Year ended 31 March 2018**	**Year ended 31 March 2017**
Revenue (ZAR million)	45	N/A	N/A
Loss before taxation (ZAR million)	(3)	N/A	N/A
Loss after taxation (ZAR million)	(5)	N/A	N/A
Dividends paid (ZAR million)	–	N/A	N/A
Dividends paid per ordinary share (ZAR cents)	–	N/A	N/A
Dividend cover	–	N/A	N/A

The Company has not paid dividends at any time before the Last Practicable Date.

Further historic financial information of the Company and the MCG Group for the three financial years ended 31 March 2019, 31 March 2018 and 31 March 2017 is set out in Annexure 10.

4. SHARE CAPITAL OF THE COMPANY [REG 60]

4.1 **Authorised and issued share capital [reg 60(a)(i)]**

The table below sets out the authorised and issued share capital of the Company as at the Last Practicable Date. No other classes of shares exist in the Company's share capital:

	Rand
Authorised share capital	
1 000 000 000 ordinary shares of no par value (MCG Shares)	N/A
Issued share capital	
438 837 468 ordinary shares of no par value (MCG Shares)	N/A

The stated capital on the Last Practicable Date is expected to be ZAR0 as MCG Shares were issued and valued at a nominal value.

As at the Last Practicable Date, 5 549 545 MCG Shares are held as treasury shares by the RSU Trust. No other MCG Shares are, or on the Last Practicable Date will be, held in treasury by the MCG Group.

4.2 **Rights attaching to shares [reg 60(a)(ii)]**

Each MCG Share entitles the holder of that MCG Share to the right to:

(a) be entered into the Register as the registered holder of that MCG Share;

(b) exercise voting rights on all matters submitted for a decision to MCG Shareholders;

(c) attend, participate in, and speak at any meeting of the MCG Shareholders, in person or by proxy;

(d) exercise one vote per MCG Share held, subject to the provisions of the Company MOI in terms of which the ability of Foreign Shareholders to exercise voting rights attached to the MCG Shares held by Foreign Shareholders may be limited such that the MCG Shares held by Foreign Shareholders do not in aggregate carry voting rights in excess of the Foreign Control Restrictions and the total number of voting rights cast by or on behalf of Foreign Shareholders at such shareholders' meeting do not exceed the Foreign Control Restrictions;

(e) participate proportionally in any distributions made by the Company in respect of MCG Shares;

(f) on the liquidation of the Company only, as contemplated in the Companies Act and the South African Insolvency Act, 24 of 1936 (as amended), receive proportionally any surplus funds available for distribution amongst the MCG Shareholders.

Extracts of the relevant provisions of the Company MOI concerning dividends and other rights attaching to each issued MCG Share are set out in Annexure 1. No other preferential conversion and exchange rights or redemption rights attach to the MCG Shares.

4.3 **Directors' interests [reg 60(a)(iii)]**

As at the Last Practicable Date, the Directors, including Directors who have resigned in the preceding 18 months (and their associates), will hold the following direct and indirect beneficial interests in MCG Shares:

Name	Direct beneficial interest	Indirect beneficial interest	Total	% of issued share capital
Patel, Mohamed Imtiaz Ahmed	1 412	–	1 412	0.00%
Eriksson, Donald Gordon	–	–	–	–
Letele, Francis Lehlohonolo Napo	737	–	737	0.00%
Moroka, Kgomotso Ditsebe	290	–	290	0.00%
Pacak, Stephan Joseph Zbigniew	376 635	291 548	668 183	0.15%
Volkwyn, John James	15 000	10 910	25 910	0.01%
Masilela, Elias	–	–	–	–
Jacobs, Timothy Neil	2 731	–	2 731	0.00%
Mawela, Calvo Phedi	–	–	–	–
Stephens, Louisa	–	–	–	–
Sabwa, Christine Mideva	–	–	–	–
Mabuza, Jabulane Albert	–	–	–	–
Sanusi, Fatai Adegboyega	–	–	–	–
Total	**396 805**	**302 458**	**699 263**	**0.16%**

No special rights attach to the MCG Shares held by any of the Directors, directly or indirectly.

4.4 **Alterations to share capital [reg 60(b)]**

On incorporation, the Company's authorised share capital consisted of 1 000 ordinary no par value shares.

On 2 October 2018, the Company amended the Company MOI to increase its authorised share capital to 1 000 000 000 ordinary no par value shares by creating an additional 999 999 000 ordinary no par value shares, having the same rights and privileges as the current ordinary shares.

Prior to the Last Practicable Date:

(a) the Company allotted and issued one MCG Share in the authorised but unissued share capital of the Company to MIHH on 28 September 2018; and

(b) as part of the Restructuring, the Company allotted and issued MCG Shares to MIHH and repurchased MCG Shares from MIHH, as set out in paragraphs 3.2.5(a), (d) and (e) of Section 1.

Other than as set out above, there has been no alteration to the Company's share capital prior to the Last Practicable Date.

4.5 Public offers in the last three years [reg 60(c)]

There have been no offers for subscription or sale of any MCG Shares to the public prior to the Last Practicable Date.

5. OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES [REG 61]

Save for restricted stock units ("**RSUs**") granted under the Restricted Share Plan, no options or preferential rights to subscribe for any shares in the Company or any subsidiary of the Company have been granted prior to, or are proposed to be granted as at, the date of issue of this Prospectus. Although the Share Option Plan has been established, no share options have been, or are proposed to be, granted as at the date of issue of this Prospectus.

6. COMMISSIONS PAID OR PAYABLE IN RESPECT OF UNDERWRITING [REG 62]

No consideration has been paid as a commission within the last two years, or is payable, by the MCG Group, and no consideration is payable as a commission in respect of the MCG Offer, to any person for subscribing or agreeing to subscribe, or procuring or agreeing to procure, subscription for and/or underwriting of any securities of the Company.

7. MATERIAL CONTRACTS [REG 63]

7.1 Directors and managerial remuneration, royalties, and secretarial and technical fees payable [reg 63(1)(a)]

The remuneration payable to Directors is detailed in paragraph 2.5 of Section 1 above.

The Company has entered into service agreements as set out below with the executive Directors and members of the Senior Management team. These agreements are generally in accordance with market standards and are terminable on notice. The non-executive Directors have no fixed term of appointment, save for rotation of Directors as required by the Company MOI.

Name	Date of conclusion of original service agreement	Notice period	Restraint
Directors			
Patel, Mohamed Imtiaz Ahmed	08/11/1999	12 months	12 months
Mawela, Calvo Phedi	01/03/2007	6 months	12 months
Jacobs, Timothy Neil	01/11/2018	6 months	6 months
Senior Management			
De Villiers, Sybrand	01/12/2015	6 months	6 months
Foot, Brandon	01/10/2007	6 months	12 months
Heshu, Jabavu	01/10/2018	3 months	12 months
Krudrop, Max	01/05/2018	3 months	12 months
Lowther, Douglas	31/03/2015	12 months	12 months
Van Eeden, Gerdus	01/04/1995	1 month	12 months
Masamba, Roy	01/12/2017	6 months	6 months
Ekdahl, Niclas	10/09/2018	6 months	12 months

The Company entered into a consultancy agreement with Kgomotso Ditsebe Moroka SC on 8 June 2018 in terms of which she renders professional advisory services on regulatory matters such as engagement with regulators and implementation of regulations across the MCG Group. The agreement was for a period of one year from 1 April 2018 to 31 March 2019 and Kgomotso Ditsebe Moroka SC would receive payment of ZAR191 912 for services rendered thereunder. The consultancy agreement has been renewed for another one year period from 1 April 2019 on terms agreed between the parties.

The Company entered into a consultancy agreement with John James Volkwyn on 6 July 2018 in terms of which he renders consultancy services to the MCG Group. The agreement was for a period of one year from 1 April 2018 to 31 March 2019 and he would receive payment of USD180 000 per annum for services rendered thereunder. The consultancy agreement has been renewed for another one year period from 1 April 2019 on terms agreed between the parties.

MultiChoice SA has entered into a services agreement with Francis Lehlohonolo Napo Letele on 1 April 2011 in terms of which he renders executive chairman services. The agreement is for an indefinite period and he will receive payment of ZAR4 090 000 per annum for services rendered thereunder.

The Company has entered into a consultancy agreement with Mohamed Imtiaz Ahmed Patel on 28 February 2018 in terms of which he will render consulting services with effect from the date of his retirement from permanent employment. The agreement is for a period of three years from the date of commencement. The amount to be paid to him for services rendered under this agreement must still be determined.

Other than as stipulated above, neither the Company nor any of its subsidiaries has entered into any existing agreements, or as at the Last Practicable Date proposes to enter into agreements, relating to the directors' and managerial remuneration.

Neither the Company nor any of its subsidiaries has entered into any existing agreements, or as at the Last Practicable Date proposes to enter into agreements, relating to the payment of any royalties and, save as regards to the appointment of the Company Secretary, neither the Company nor any of its subsidiaries has entered into any existing agreements, or as at the Last Practicable Date proposes to enter into agreements, written or oral, relating to secretarial and/or technical fees.

7.2 **Material Contracts [reg 63(1)(b)]**

The details of the Material Contracts entered into by the Company and its subsidiaries within the two years immediately before the date of issue of this Prospectus are set out in Annexure 3. These contracts are available for inspection at the registered office of the Company as described in paragraph 1 of Section 4 below.

8. INTEREST OF DIRECTORS AND PROMOTERS [REG 64]

No consideration has been paid, or agreed to be paid, within the three years immediately before the date of issue of this Prospectus to any Director or a related person, or to another company in which the Director is beneficially interested or of which a Director is also a director, or to any partnership, syndicate or other association of which a Director is a member, to induce a Director to become a director of the Company, or to qualify as a Director, or for services rendered by him or her or by a company, partnership, syndicate or other association in connection with the promotion or formation of the Company.

No Director or promoter has any direct or indirect material interest in:

(a) the promotion of the Company;

(b) any property proposed to be acquired by the Company out of the proceeds of the MCG Offer; or

(c) any property acquired or proposed to be acquired by the Company or any subsidiary of the Company during the three years immediately before the date of the Prospectus,

but may freely participate in the MCG Offer (to the extent that the MCG Offer is made to them).

9. LOANS [REG 65]

9.1 Material loans made to the Company and its subsidiaries

Details of material loans made to the Company and the subsidiaries of the Company, as well as inter-group borrowings, as at 31 July 2019 (being the last reported figures available to MCG as at the the Last Practicable Date), are set out in Annexure 12.

9.2 Material outstanding loans made by the Company and its subsidiaries other than in the ordinary course of business

No material loans have been made by the Company or any of its subsidiaries other than in the ordinary course of business.

10. SHARES ISSUED OR TO BE ISSUED OTHER THAN FOR CASH [REG 66]

Save for the MCG Shares proposed to be issued to the PN Shareholders as part of the MCG Offer, the Company and its subsidiaries have within the three years immediately before the date of issue of this Prospectus, issued securities to persons other than for cash in the following circumstances:

(a) the Company allotted and issued 438 837 467 MCG Shares in the authorised but unissued share capital of the Company to MIHH on 8 November 2018 in exchange for the transfer of the Company Shares and the NMS Shares by MIHH to the Company, as set out in paragraph 3.2.5 of Section 1 above;

(b) as set out in paragraph 3.2.5 of Section 1 above, on 26 October 2018 the Company transferred the issued shares held by it in the capital of MAH BV, Irdeto BV and Showmax BV (the "**Dutch Shares**") to MCGH BV in terms of a Dutch notarial deed of issuance of a share and contribution executed on behalf of the Company, MCGH BV, MAH BV, Irdeto BV and Showmax BV, dated 26 October 2018. In terms of such notarial deed:

- MCGH BV issued to the Company one share in the capital of MCGH BV, with a nominal value of one USD cent, numbered 2 (the "**New Share**"), at par, and therefore in exchange for an obligation to pay expressed in cash of one USD cent (the "**Issuance Obligation To Pay**");
- the Issuance Obligation To Pay and the Incorporation Obligation To Pay (as defined below) are fulfilled by a non-cash contribution made and transferred by the Company to MCGH BV, consisting of the Dutch Shares; and
- it is (i) recorded that prior to implementing the issue of the New Share, the entire issued and outstanding capital of MCGH BV, consisting of one share with a nominal value of one USD cent, numbered 1 (the "**Existing Share**"), was held by the Company, which Existing Share was issued at par upon incorporation of MCGH BV, and therefore in exchange for an obligation to pay of one USD cent (the "**Incorporation Obligation To Pay**"); (ii) recorded that it was previously stipulated that the Existing Share was not paid up and that the Existing Share shall be paid in full immediately after incorporation, either in cash, by transfer to a bank account to be designated by MCGH BV or by any other means to be agreed upon by MCGH BV and the Company; and (iii) agreed that in addition to the Issuance Obligation To Pay, the Incorporation Obligation To Pay shall also be fulfilled by means of the non-cash contribution of the Dutch Shares.

The transfer of the Dutch Shares was completed on 26 October 2018;

(c) as set out in paragraph 3.2.5 of Section 1 above, on 29 November 2018 the Company transferred the issued shares held by it in the capital of MultiChoice Botswana and MCGH BV ("**TreasuryCo Shares**") to TreasuryCo. TreasuryCo allotted and issued two ordinary shares to the Company in exchange for the transfer of the TreasuryCo Shares by the Company to TreasuryCo. This allotment and issue was completed on 6 December 2018;

(d) the Company allotted and issued three MCG Shares in the authorised but unissued share capital of the Company to MIHH on 15 February 2019 in exchange for the assignment of the Loan Receivables by MIHH to the Company, as set out in paragraph 3.2.5 of Section 1 above;

(e) TreasuryCo allotted and issued three ordinary shares to the Company on 15 February 2019 in exchange for the assignment of the Loan Receivables by the Company to TreasuryCo, as set out in paragraph 3.2.5 of Section 1 above; and

(f) MCGH BV issued three shares to TreasuryCo on 15 February 2019 in exchange for the assignment of the Loan Receivables by TreasuryCo to MCGH BV, as set out in paragraph 3.2.5 of Section 1 above.

Other than the above issues of shares, none of the Company's shares or any subsidiary's shares have been issued other than for cash in the three years immediately preceding the date of issue of this Prospectus and no other agreement has been entered into in terms of which the Company's shares or any subsidiary's shares will be issued other than for cash.

11. PROPERTY ACQUIRED OR TO BE ACQUIRED [REG 67]

Other than as envisaged in terms of the Restructuring, the Company and its subsidiaries:

(a) have not purchased or acquired any property (as contemplated in regulation 67(1) of the Companies Regulations) in the three years prior to the Last Practicable Date;

(b) do not propose to purchase or acquire any property (as contemplated in regulation 67(1) of the Companies Regulations); and

(c) have not sold any property (as contemplated in regulation 67(1) of the Companies Regulations) that is immovable and have not sold or purchased an option over property (as contemplated in regulation 67(1) of the Companies Regulations) that is immovable in the three years prior to the date of issue of this Prospectus.

12. AMOUNTS PAID OR PAYABLE TO PROMOTERS [REG 68]

As at the Last Practicable Date, no amount has been paid or is proposed to be paid and no benefit has been or will be given by the Company since its incorporation on 4 September 2018, to any promoter, or to any partnership, syndicate or other association of which the promoter is or was a member.

13. PRELIMINARY EXPENSES AND ISSUE EXPENSES [REG 69]

The expenses incurred, or to be incurred, by the Company in relation to the MCG Offer and the Scheme (whether preliminary or otherwise), including costs of the professional advisors, all of which are exclusive of any applicable VAT and disbursements, are estimated to be ZAR29 100 000, comprised as follows:

External project team	Appointed	Estimated fees (ZAR'm)
Financial advisor – the Company	Rand Merchant Bank (a division of FirstRand Bank Limited	10.0
Legal and tax advisor	Webber Wentzel	7.5
Printing and postage	Ince	6.0
Share platform development	Singular Systems Proprietary Limited	1.9
Auditors fees (including systems audit)	PricewaterhouseCoopers	0.9
Listing fee (MCG Shares on EESE)	EESE	0.7
Financial advisor – PN	Tamela Holdings Proprietary Limited	0.6
PN roadshow costs	Various	1.5
Total		**29.1**

SECTION 2: INFORMATION ABOUT THE OFFER

This Section 2 contains a summary of the terms of the MCG Offer and is not intended to create an independent source of rights or obligations with respect to the MCG Offer. Full terms of the MCG Offer are set out in the Offer Circular.

If any conflict or inconsistency arises between the provisions of this Section 2 and the provisions of the MCG Offer as contained in the Offer Circular, the provisions of the MCG Offer as contained in the Offer Circular shall prevail to the extent of such conflict or inconsistency.

1. PURPOSE OF THE OFFER [REG 70]

1.1 PN Shareholders are referred to the announcement by the Company as published on SENS and on EESE-News on Monday, 16 September 2019, in which the Company announced its intention of making an offer to acquire, subject to certain conditions, up to a maximum of 20% of the PN Shares held by PN Shareholders in exchange for MCG Shares.

1.2 The purpose of the MCG Offer is:

1.2.1 to provide PN Shareholders with an opportunity to gain exposure to the rest of the Company's assets while providing additional liquidity through the listed MCG Shares; and

1.2.2 reinforce the Company's commitment to broad, socio-economic transformation in South Africa by providing opportunities to historically disadvantaged groups and PN Shareholders to participate in potential future value creation.

1.3 The MCG Offer will be open for acceptance by the PN Shareholders at their discretion and will be capped at an aggregate of 20% of the issued PN Shares held by each PN Shareholder, with each PN Shareholder only being entitled to Tender up to 20% of the PN Shares held by it.

1.4 In terms of the MCG Offer, should PN Shareholders agree to participate in the MCG Offer (in respect of all or part of 20% of their shareholdings in PN1 or PN2, as applicable), then the MCG Shares received by such PN Shareholders will be freely tradeable on the JSE, thereby unlocking additional liquidity for a portion of the PN Shareholders' shares.

2. TIME AND DATE OF THE OPENING AND CLOSING OF THE MCG OFFER [REG 71]

The MCG Offer as contemplated in this Prospectus will open at 09:00 on the MCG Offer Opening Date, being Wednesday, 25 September 2019, and is expected to close at 14:00 on the MCG Offer Closing Date, being Monday, 28 October 2019.

3. PARTICULARS OF THE OFFER [REG 72]

3.1 Terms of the MCG Offer

3.1.1 The MCG Offer entails an offer by the Company to acquire up to 20% of the issued PN Shares held by each of the PN Shareholders.

3.1.2 PN Shareholders that wish to accept the MCG Offer, and therefore will be Participating PN Shareholders, will be entitled to accept the MCG Offer in respect of up to 20% of the PN Shares held by them as at the MCG Offer Record Date in consideration for the MCG Offer Consideration (as detailed in paragraph 6 of the Offer Circular). PN Shareholders may not Tender more than 20% of the PN Shares held by them on the MCG Offer Record Date. In this regard, PN Shareholders are reminded that no PN Shareholders may hold less than 20 PN1 or PN2 Shares, as the case may be. Accordingly, PN Shareholders must bear these thresholds in mind when accepting the MCG Offer and in the number of PN Shares Tendered in respect of the MCG Offer.

3.1.3 Upon implementation of the MCG Offer, PN Shareholders who have accepted the MCG Offer will receive 0.97 MCG Shares for every PN Share Tendered. This ratio was determined based on the volume weighted average share price of PN Shares and the Company for the 90 days immediately prior to 21 August 2019 and excluding any increase in the price of PN Shares as a result of the declaration of a dividend to PN Shareholders on 19 June 2019, and payment thereof. PN Shareholders must, however, note that the ratio of 0.97 MCG Shares for every PN Share Tendered is prior to taking into account the impact of transaction fees. As PN Shares are, for purposes of the

listings requirements of EESE, deemed to be sold in exchange for MCG Shares, transaction fees will be payable on the acceptance of the MCG Offer at 1.1% of the value of the trade plus VAT on such fees. This means that, after the deduction of these fees and the VAT on the fees, for every PN Share Tendered, PN Shareholders will receive 0.957 MCG Shares in their Singular Services broker accounts on Tuesday, 29 October 2019.

3.1.4 The MCG Offer will be subject to the fulfilment or waiver of the MCG Offer Conditions, as contained in paragraph 8 of Section B of the Offer Circular, which are, amongst other things:

(a) the PN1 Shareholders having adopted by special resolution the proposed amendments to the PN1 MOI, which amendments propose to, amongst other things, amend the restriction on who may hold PN1 Shares to allow the Company to acquire the PN1 Shares, at a meeting of the PN Shareholders, by a majority representing not less than 75% of the votes exercised by PN1 Shareholders present and entitled to vote, either in person or by proxy;

(b) the PN2 Shareholders having adopted by special resolution the proposed amendments to the PN2 MOI, which amendments propose to, inter alia, amend the restriction on who may hold PN2 Shares to allow the Company to acquire the PN2 Shares, at a meeting of the PN Shareholders, by a majority representing not less than 75% of the votes exercised by PN2 Shareholders present and entitled to vote, either in person or by proxy; and

(c) application having been made and granted for the listing of an additional 13 095 000 MCG Shares on the JSE, being the maximum number of MCG Shares that will be issued as the MCG Offer Consideration.

3.1.5 The effect of the MCG Offer will be that, with effect from the implementation of the MCG Offer (expected to be Tuesday, 29 October 2019), the Company will acquire and own all of the PN Shares Tendered and previously held by the PN Shareholders who accepted the MCG Offer and the PN Shareholders who accepted the MCG Offer will subscribe for and own the MCG Shares which constitute the MCG Offer Consideration. Following the implementation of the MCG Offer, the Company will have a direct interest in PN of up to 20% of the issued PN Shares.

3.1.6 For the avoidance of doubt, PN Shareholders will be entitled to accept the MCG Offer from 09:00 on the MCG Offer Opening Date (expected to be Wednesday, 25 September 2019) until 14:00 on the MCG Offer Closing Date (expected to be Monday, 28 October 2019), however, any PN Shares Tendered will not be acquired by the Company until such time as the MCG Offer is implemented.

3.1.7 If PN Shareholders wish to accept the MCG Offer, they may do so in accordance with paragraph 9 of the Offer Circular, by either:

(a) contacting the Call Centre on 0860 116 226 to advise whether they are accepting the MCG Offer and how many PN Shares they are Tendering (bearing in mind that (i) PN Shareholders may not Tender more than 20% of all of the PN Shares held by them; and (ii) PN Shareholders are required to hold at least 20 PN Shares at all times in accordance with the terms of the PN MOIs), after which Singular Nominees will notify the Company accordingly; or

(b) making use of the online MCG Offer platform to indicate whether they wish to accept the MCG Offer and if so, how many PN Shares they are Tendering (bearing in mind that (i) PN Shareholders may not Tender more than 20% of all of the PN Shares held by them; and (ii) PN Shareholders are required to hold at least 20 PN Shares at all times in accordance with the terms of the PN MOIs), after which Singular Services will notify the Company accordingly. This online facility is free of charge and is available on the internet. To make use of this platform, PN Shareholders are required to register for the service, at www.EESE.co.za. PN Shareholders will use their username and password to login to the platform. PN Shareholders will also be able to view and download a user guide explaining how to use the online process on PN's and the Company's website as well as at www.EESE.co.za. This platform will be available from 09:00 on Wednesday, 25 September 2019 until 14:00 on Monday, 28 October 2019; or

(c) completing the Form of Acceptance and Transfer (*pink*) attached to the Offer Circular, which accompanies this Prospectus, in order to accept the MCG Offer and sending the complete Form of Acceptance and Transfer (*pink*) to Singular Services to be received by Singular Services by no later than 14:00 on Monday, 28 October 2019.

3.1.8 If a PN Shareholder does not wish to accept the MCG Offer in respect of any of the PN Shares held by them they do not need to take any further action and in the event that the MCG Offer is implemented they will remain PN Shareholders.

3.2 **Particulars of the MCG Shares [reg 72(1)]**

Class of the Company shares forming the subject matter of the MCG Offer:	Ordinary shares of no par value (MCG Shares)
Price per MCG Share:	Not applicable as MCG Shares are being issued as consideration for the purchase of PN Shares.
Number of MCG Shares offered:	13 095 000

The MCG Shares forming the subject matter of the MCG Offer are not secured.

3.3 **Previous issue of securities by the Company during the three years preceding the date of issue of this Prospectus [reg 72(2)]**

3.3.1 Since its incorporation on 4 September 2018, the Company allotted and issued:

(a) one MCG Share in the authorised but unissued share capital of the Company to MIHH on 28 September 2018 at a cash consideration of ZAR0.01;

(b) 438 837 467 MCG Shares in the authorised but unissued share capital of the Company to MIHH on 8 November 2018 in exchange for the transfer of the Company Shares and the NMS Shares by MIHH to the Company, in terms of the MIHH Share for Share Agreement, as set out in paragraph 3.2.5 of Section 1 above;

(c) one MCG Share in the authorised but unissued share capital of the Company to MIHH on 22 January 2019 at a cash consideration of ZAR71 259 812, as set out in paragraph 3.2.5 of Section 1 above; and

(d) three MCG Shares in the authorised but unissued share capital of the Company to MIHH on 15 February 2019 in exchange for the assignment of the Loan Receivables by MIHH to the Company, as set out in paragraph 3.2.5 of Section 1 above.

3.3.2 The MCG Shares contemplated above were issued upon incorporation of the Company and further as part of the Restructuring. These transactions and the MCG Offer contemplated in this Prospectus and the Offer Circular are unrelated transactions. As a result, the issue price/consideration in respect of these previous issues of MCG Shares and this Prospectus differ.

3.4 **Previous issue jof securities for a premium by the Company during the three years preceding the date of issue of this Prospectus [reg 72(3)]**

The Company has not issued any securities for a premium.

4. MINIMUM SUBSCRIPTION [REG 73]

The purpose of the MCG Offer is not to raise capital for the Company. The MCG Shares are being issued as consideration for the purchase of the PN Shares. Accordingly, no minimum amount for subscription, as contemplated in section 108(2) of the Companies Act, read with regulation 73 of the Companies Regulations, will apply.

5. EXCHANGE CONTROL

PN Shareholders whose registered address is outside the Common Monetary Area will need to comply with the Exchange Control Regulations set out in Annexe A to the Offer Circular.

If PN Shareholders are in any doubt as to what action to take, they should consult their professional advisors.

6. TAXATION CONSIDERATIONS RELATING TO THE MCG OFFER

PN Shareholders are referred to Annexe B to the Offer Circular for a summary of the South African tax considerations which are relevant for PN Shareholders who are to acquire, hold and dispose of MCG Shares pursuant to the MCG Offer.

Notwithstanding this paragraph 6 and Annexe B to the Offer Circular, the Company and its advisors cannot be held responsible for the taxation consequences that the MCG Offer may have on individual PN Shareholders and therefore PN Shareholders are advised to consult their own tax advisors if they are in any doubt about their tax position. They should also confirm how the general comments in Annexe B to the Offer Circular apply to their specific personal circumstances and, in particular, ascertain whether there are any additional or exceptional tax consequences which could apply to them.

SECTION 3: STATEMENTS AND REPORTS RELATING TO THE OFFER

1. STATEMENT AS TO ADEQUACY OF CAPITAL [REG 74]

The Directors are of the opinion that the issued share capital and working capital of the Company will be adequate for the purpose of the business of the Company, and of any subsidiary of the Company, for at least 12 months after the date of issue of this Prospectus.

2. REPORT BY DIRECTORS AS TO MATERIAL CHANGES [REG 75]

The Directors report that, other than in the ordinary course of business and in terms of this Prospectus, there has been no material change in the assets or liabilities of the Company or any subsidiary between the date of the most recent annual financial statements report of the Company, being 31 March 2019, and the date of issue of this Prospectus.

3. STATEMENT AS TO LISTING ON STOCK EXCHANGE [REG 76]

All the issued shares of the Company are listed on the Main Board of the JSE as a primary listing. The MCG Shares that will be issued pursuant to the MCG Offer will upon implementation of the MCG Offer be listed on the Main Board of the JSE and the Company has submitted an application for these MCG Shares to be listed on the Main Board of the JSE as a primary listing. The approval of the JSE application is an MCG Offer Condition.

4. REPORT BY AUDITOR WHERE BUSINESS UNDERTAKING TO BE ACQUIRED [REG 77]

No part of the proceeds of the issue of the MCG Shares or any other funds will be applied directly or indirectly in the purchase of any business undertaking.

5. REPORT BY AUDITOR WHERE THE COMPANY WILL ACQUIRE A SUBSIDIARY [REG 78]

The acquisition by the Company of the PN Shares will not result in PN becoming a subsidiary of the Company.

6. REPORT BY AUDITOR OF THE COMPANY [REG 79]

In terms of regulation 79 of the Companies Act, the Company's auditor is required to prepare a report on, amongst other things, the profits and losses, dividends and assets and liabilities of the Company and its subsidiaries. The Auditor's report as required in terms of regulation 79 is set out in Annexure 11.

The Company was incorporated on 4 September 2018 and as at the Last Practicable Date, audited annual financial statements were made out by or for the Company in respect of its first financial year, ending on 31 March 2019, but not in respect of the remaining period of the three years ending on a date three months before the issue of the Prospectus. This financial information in respect of the Company is available on the website of the Company at https://www.multichoice.com/investors/reporting/.

Audited annual consolidated summarised financial information was made out for the MCG Group for the two financial years ended 31 March 2019 and 31 March 2018 (comparative). This financial information in respect of the MCG Group is available on the website of the Company at https://www.multichoice.com/investors/reporting/. Reviewed annual combined financial information was made out for the MCG Group for the financial year ended 31 March 2017 and is included in the MCG Pre-listing Statement, which is available on the website of the Company at https://www.multichoice.com/investors/pre-listing-documents/.

The Directors have appointed PricewaterhouseCoopers Inc. as the auditors to the Company and the MCG Group who confirms this statement in the Auditor's report contained in Annexure 11.

SECTION 4: ADDITIONAL MATERIAL INFORMATION

1. **DOCUMENTS AVAILABLE FOR INSPECTION [REG 53]**

The following documents will be available for inspection at the registered office of the Company from Monday, 16 September 2019, to Monday, 11 November 2019, during normal business hours:

(a) the Company MOI;

(b) copies of the written consents of the Auditor, Sponsor, Legal and Tax Advisor, Transfer Secretaries, Company Secretary and Sasfin Securities Proprietary Limited;

(c) copies of the Material Contracts as set out in Annexure 3; and

(d) the powers of attorney, if applicable, and resolutions authorising the signing of the Prospectus.

2. **PN [REG 54(2)]**

2006/2007 Empowerment Transactions

In 2006 and 2007, Naspers undertook one of the largest B-BBEE transactions in South Africa by enabling the acquisition of a stake in MCSA by black investors. The MCG Group arranged, structured and funded the sale of a 20% interest in MCSA (the "**2006/2007 Empowerment Transactions**") to black investors through PN. PN comprises approximately 84 620 individual and institutional shareholders.

Naspers (through MIHH) effectively enabled the transaction through vendor funding by way of a subscription by MIHH for preference shares in PN1 and PN2. The transaction allowed black investors to invest in MCSA by acquiring indirect shares in MCSA (valued at ZAR50 per share) for a ZAR10 per share cash contribution (with MIHH providing ZAR40 in vendor funding per share). The preference shares held by MIHH were redeemed on implementation of the Unbundling and thereafter there is no debt remaining in PN1 or PN2.

The PN shares previously traded on an over-the-counter platform which enabled share trading between black shareholders and investors. On 23 November 2018, PN Shares were listed on the EESE.

Through PN, MCSA has provided long-term, far-reaching benefits to B-BBEE shareholders, with an estimated return on investment of approximately 17 times. Shareholders have benefitted from:

1. Capital Growth: PN shares have delivered meaningful share price appreciation – an initial investment of ZAR10 per share (at time of the B-BBEE transactions in 2006/2007) has increased to a price of approximately ZAR130 per share, which represents a compounded annual growth rate of approximately 22%.
2. Cash Flow: MCSA's strong financial performance (particularly cash generation) enabled meaningful dividend payments to PN Shareholders which resulted in PN1 and PN2 being able to repay their vendor funding in 2014, two years ahead of schedule. As such, PN now realises the full value of its MCSA dividends unencumbered. To date, PN Shareholders have received approximately ZAR11.9 billion in dividends, relative to a total investment of ZAR675 million.

The black ownership in PN1 and PN2 contributes materially to MCSA's B-BBEE ownership level and has ensured that MCSA has consistently met its B-BBEE requirements in terms of the ICT Sector Codes and its ICASA broadcast licences.

2018 Empowerment Transaction

To underpin the MCG Group's commitment to empowerment, the MCG Group agreed to implement a new empowerment transaction at MCSA level. This was done by issuing new shares in MCSA to PN (effectively increasing its stake from 20% to 25%) for a nominal consideration (the "**2018 Empowerment Transaction**"). The 2018 Empowerment Transaction was implemented on implementation of the Unbundling on 4 March 2019.

Upon implementation of the 2018 Empowerment Transaction, the PN Shareholders' indirect interest in MCSA increased from 20% to 25% and resulted in a 25% increase in PN's future dividend flows.

In terms of the 2018 Empowerment Transaction, MCSA issued an additional 6.7% of the issued share capital in MCSA to PN1 and PN2 in proportion to their existing shareholdings in MCSA. Following the 2018 Empowerment Transaction, the shareholding in the ordinary share capital of MCSA is as set out below.

	Prior to the 2018 Empowerment Transaction	Following the 2018 Empowerment Transaction
The Company	80.0%	75.0%
PN (Total)	20.0%	25.0%
PN1	13.3%	16.7%
PN2	6.7%	8.3%

SECTION 5: INAPPLICABLE OR IMMATERIAL MATTERS

The following paragraphs of the Companies Act and the Companies Regulations are not applicable in the circumstances of the MCG Offer:

Regulation number	Regulation heading
54(3)	General statement of required information
55	Specific matters to be addressed for a limited offer
57(2)	Name, address and incorporation
57(3)(a)	Name, address and incorporation
59(2)(a)	History, state of affairs and prospects of the company
64(2)(b),(c)	Interest of directors and promoters
77	Report by auditor where company will acquire a business undertaking
78	Report by auditor where company will acquire a subsidiary
79(2)	Report by auditor where company has no subsidiary
80	Requirements for prospects of mining company

By order of the Board

2 September 2019

Registered Office

MultiChoice City
144 Bram Fischer Drive
Ferndale
Randburg
South Africa, 2194
(PO Box 1502, Randburg, South African, 2125)

Signed at Johannesburg on 2 September 2019 by Timothy Neil Jacobs in his capacity as director of the Company and on behalf of all of the remaining directors of the Company in terms of powers of attorney signed by all such directors

Timothy Neil Jacobs

EXTRACTS FROM THE COMPANY MOI [REG 58; 60(A)(II)]

Capitalised terms used in this Annexure 1, but not defined in the Prospectus shall bear the meanings ascribed to such terms in the Company MOI.

3 POWERS OF THE COMPANY

3.1 The Company has all of the legal powers and capacity contemplated in the Act, and no provision contained in this Memorandum of Incorporation should be interpreted or construed as negating, limiting or restricting those powers in any way whatsoever.

3.2 The legal powers and capacity of the Company are not subject to any restrictions, limitations or qualifications, as contemplated in section 19(1)(b)(ii).

5. ISSUE OF SHARES AND VARIATION OF RIGHTS

5.1 The Company is authorised to issue 1 000 000 000 ordinary shares of no par value, each of which rank *pari passu* in all respects. **[10.5(a)]**

5.2 Each ordinary share shall entitle the holder thereof to the right to:

5.2.1 be entered into the Securities Register as the registered holder of that ordinary share;

5.2.2 exercise voting rights on all matters submitted for a decision to shareholders of the Company;

5.2.3 attend, participate in, and speak at any meeting of the holders of ordinary shares in the Company, in person or by proxy; **[10.5(b)]**

5.2.4 exercise 1 (one) vote per ordinary share held; **[10.5(b)]**

5.2.5 participate proportionally in any distributions made by the Company in respect of ordinary shares in the Company; and

5.2.6 on the liquidation of the Company only, as contemplated in the Act and the Insolvency Act No. 24 of 1936, as amended, receive proportionally any surplus funds available for distribution amongst the shareholders.

5.3 The Board shall have the power (subject to approval in accordance with 38.1.2, where applicable, and any other limitations contained in this Memorandum of Incorporation), to –

5.3.1 increase or decrease the number of authorised shares of any class of the Company's shares; or

5.3.2 consolidate and reduce the number of the Company's issued and authorised shares of any class;

5.3.3 subdivide its shares of any class by increasing the number of its issued and authorised shares of that clause, without an increase of its capital;

5.3.4 reclassify any classified shares that have been authorised but not issued;

5.3.5 classify any unclassified shares that have been authorised but not issued; and

5.3.6 determine the preferences, rights, limitations or other terms of any shares.

5.4 Subject to the provisions of the Act and this Memorandum of Incorporation, authorised but unissued equity Securities in the share capital of the Company shall be offered for subscription to existing shareholders of the Company in proportion to their existing shareholding, except where such Securities are issued –

5.4.1 in consideration for the acquisition of assets, for cash, as contemplated in, and in accordance with, the provisions of the Listings Requirements; **[10.1]**

5.4.2 pursuant to an approved share based incentive scheme for executive directors or employees of the Group, in accordance with the provisions of the Listings Requirements. For the purposes hereof, "**Group**" means the Company and its subsidiaries and associated companies, as defined in the share based incentive scheme concerned;

5.4.3 in terms of options or conversion rights, provided that such options or conversion rights have been previously approved, to the extent necessary;

5.4.4 in terms of a rights offer to be undertaken by the Company;

5.4.5 as capitalisation shares contemplated in section 47;

5.4.6 pursuant to a scrip dividend, as contemplated by the Listings Requirements (whether including a reinvestment option or not);

5.4.7 for cash pursuant to a general or specific approval given by the shareholders in general meeting;

5.4.8 pursuant to a share issue which otherwise falls within a category in respect of which it is not, in terms of the Listings Requirements, a requirement for the relevant shares to be so offered to existing shareholders; or

5.4.9 in accordance with an authority approved by ordinary shareholders in a general meeting

provided that shareholder approval shall not be required in terms of 5.4 for such unless it is required in terms of the Listings Requirements or the Act.

5.5 The Company may apply to the Companies and Intellectual Property Commission to exclude from any rights offer any Foreign Shareholder or any other category of holders of the Company's Securities who are not resident within South Africa.

5.6 Notwithstanding 5.5, any *pro rata* offer of any Securities to any person shall be subject to the possible exclusion of any persons who are prohibited by any law of any country to whose jurisdiction they are subject, from participation in that offer.

5.7 Notwithstanding the provisions of 5.4, the shareholders may at a general meeting authorise the directors to issue Securities of the Company at any time and/or grant options to subscribe for Securities as the directors in their discretion think fit, provided that such transaction(s) has/have been approved by the JSE and comply with the Listings Requirements and the Act and that shareholder approval will not be required for such issue unless it is required in terms of the Listings Requirements or the Act. **[10.1]**

5.8 After the expiration of the time within which an offer may be accepted, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Securities offered, the directors may, subject to the aforegoing provisions, issue such equity Security in such manner as they consider most beneficial to the Company. The directors may exclude any shareholder or category of shareholder from an offer contemplated in 5.4 if and to the extent that they consider it necessary or expedient to do so because of the Foreign Ownership Restriction, other legal impediments or compliance with the laws or the requirements of any regulatory body of any territory that may be applicable to the offer.

5.9 The Board may resolve to issue shares of the Company at any time, but –

5.9.1 only within the classes, and to the extent that those shares have been authorised by, or in terms of, this Memorandum of Incorporation; and

5.9.2 only to the extent that such issue has been approved by the Shareholders in a general meeting, either by way of a general authority (which may be either conditional or unconditional) to issue shares in its discretion, or a specific authority in respect of any particular issue of shares, provided that, if such approval is in the form of a general authority to the directors, it shall be valid only until the next annual general meeting of the Company and it may be varied or revoked by any general meeting of the shareholders, prior to such annual general meeting.

5.10 Should there be any issued preference shares in the share capital of the Company, the issue of further Securities ranking in priority to, or *pari passu* with those preference shares, shall be deemed to be a variation of the rights attached to those preference shares, which will adversely affect those rights and no further Securities of any class ranking in priority to, or *pari passu* with, existing preference shares, of any class, shall be created without a special resolution passed at a separate general meeting of such preference shareholders. **[10.5(f)]**

5.11 The holders of Securities, other than ordinary shares and any special shares created for the purposes of black economic empowerment Broad-Based Black Economic Empowerment Act No. 53 of 2003 and the Codes of Good Practice on Black Economic Empowerment, shall not be entitled to vote on any resolution taken by the Company, save for as permitted by paragraph 10.5(h) of the Listings Requirements. In instances that such shareholders are permitted to vote at general/annual general meetings, their votes may not carry any special rights or privileges and they shall be entitled to one vote for each share that they hold, provided that their total voting right at such a general/annual general meeting may not exceed 24.99% of the total voting rights of all shareholders at such meeting. **[10.5 (c)]**

5.12 Subject to any preferences, rights or limitations under which any Securities are held, the preferences, rights or limitations attached to all or any Securities of any class may be amended, varied, cancelled or expanded by a special resolution of shareholders at a general meeting. Without limiting the generality of the foregoing, the rights attaching to shares (unless the terms attaching to the shares specifically provide otherwise) shall be deemed to be amended by the creation or issue of any other shares ranking *pari passu* or in priority to any shares already issued by the Company. No amendment, variation, cancellation or expansion of any preferences, rights, limitations and other terms attaching to any other class of shares already in issue shall be effected without –

5.12.1 a special resolution, taken by the holders of shares in that class, at a separate meeting. In such instances, the holders of such shares will be allowed to vote at the meeting of ordinary shareholders. No resolution of shareholders of the Company shall be proposed or passed, unless a special resolution of the holders of the shares of that class, approved the amendment; or **[10.5(e)]**

5.12.2 the approval thereof by a special resolution passed at a separate general meeting of the holders of the shares in question in the same manner, *mutatis mutandis*, as a special resolution of the shareholders of the Company, and the provisions of the Act and this Memorandum of Incorporation relating to general meetings shall apply to such separate general meeting, except that a quorum at any such general meeting shall be 3 (three) persons present in person or by proxy, holding at least 25% (twenty five per cent) of the issued shares of the class in question, provided that if a quorum is not so present, the provisions of section 64(4) shall apply, the meeting shall be adjourned to the 5th (fifth) business day thereafter, and the shareholders present or represented at the meeting to which the adjournment takes place, shall constitute a quorum.

5.13 No shares of the Company may be authorised in respect of which the preferences, rights, limitations or any other terms may be varied and no resolution may be proposed to the Company's shareholders for such variation in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7) of the Act. **[10.5(g)]**

5.14 The Company may pay to any person a commission for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Securities issued or to be issued by the Company, provided that, for so long as any Securities of the Company are listed on the JSE, any such commission shall not exceed 10% (ten percent) of the consideration payable for such subscription. **[10.14]**

5.15 At all times whilst the Company's shares are listed on the JSE, the Company shall not issue any shares in terms of sections 40(5) to 40(7). **[10.2(a)]**

13 FINANCIAL ASSISTANCE

The Board may authorise the Company to provide financial assistance by way of loan, guarantee, the provision of security, or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any Securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of such Securities of the Company, as set out in section 44, and the authority of the Board in this regard, is not limited or restricted by this Memorandum of Incorporation.

17 DISTRIBUTIONS

17.1 Subject to the provisions of the Act, and this Memorandum of Incorporation, and particularly section 46, the Company may make a proposed distribution if such distribution – **[10.17(a)]**

17.1.1 is pursuant to an existing legal obligation of the Company or a court order; or

17.1.2 is authorised by resolution of the Board, in compliance with the Listings Requirements.

17.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the shares in respect of which such distribution is payable.

17.3 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

17.4 The Board may from time to time declare and pay to the shareholders such interim distributions as the Board considers to be appropriate.

17.5 No larger distribution shall be declared by the Company in general meeting than is recommended by the Board, but the Company in general meeting may declare a smaller distribution.

17.6 All unclaimed distributions shall be held in trust by the Company for a period of not less than 3 (three) years from the date on which they were declared, whereafter such unclaimed distributions may be declared forfeited by the Board for the benefit of the Company. The Board may at any time annul such forfeiture upon such conditions (if any) as it thinks fit. All unclaimed monies, other than distributions, that are due to any shareholder/s shall be held by the Company in trust for an indefinite period until lawfully claimed by such shareholder/s but subject to the laws of prescription. **[10.17(c)]**

17.7 Any distribution, interest or other sum payable in cash to the holder of a share may be paid by EFT or other electronic means or by cheque sent in a manner permitted by the Act and addressed to –

17.7.1 the holder at his registered address; or

17.7.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the share, at his registered address; or

17.7.3 such person and at such address as the holder or joint holders may in writing direct.

17.8 Every such cheque, EFT or payment by other electronic means shall –

17.8.1 be made payable to the order of the person to whom it is addressed; and

17.8.2 be sent or made at the risk of the holder or joint holders.

17.9 The Company shall not be responsible for the loss in transmission of any cheque, EFT or payment by other electronic means or of any document (whether similar to a cheque or not) sent by post as aforesaid.

17.10 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a share held by such holder or joint holders.

17.11 Payment by any means into the bank account recorded in the Company's bank account register nominated by the shareholder, or in the case of joint shareholders into the bank account nominated by the shareholder whose name stands first in the Securities Register in respect of the share, shall discharge the Company of any further liability in respect of the amount concerned.

17.12 A distribution may also be paid in any other way determined by the directors, and if the directives of the directors in that regard are complied with, the Company shall not be liable for any loss or damage which a shareholder may suffer as a result thereof.

17.13 Without detracting from the ability of the Company to issue capitalisation shares, any distribution may be paid wholly or in part –

17.13.1 by the distribution of specific assets; or

17.13.2 by the issue of Securities or of shares, debentures or securities of any other company; or

17.13.3 in cash; or

17.13.4 in any other way which the Board or the Company in general meeting may at the time of declaring the distribution determine, including granting to the Company's ordinary shareholders a right of election between receiving any distribution in cash or in the form of the distribution of specific assets or the provisions of a reinvestment alternative. **[10.7]**

17.14 Where any difficulty arises in regard to such distribution, the Board may settle that difficulty as it thinks expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.

17.15 The Board may –

17.15.1 determine that cash payments shall be made to any shareholder on the basis of the value so fixed in order to secure equality of distribution; and

17.15.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Board deems expedient.

17.16 Any distribution must be made payable to shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date. **[10.17(b)]**

17.17 Without limiting the provisions of 17.1.2, all payments to holders of Securities listed on the JSE must be in accordance with the Listings Requirements (to the extent applicable) and no capital may be repaid on the basis that it may be called up again. **[10.8]**

17.18 Distributions payable in cash shall be declared in the currency of the Republic. The Board may, in its discretion and on such terms and conditions as it may determine, authorise the payment of any distribution to a non-resident shareholder in any foreign currency requested by the non-resident shareholder, at the cost, expense and risk of the non-resident shareholder in question.

25 SHAREHOLDERS ACTING OTHER THAN AT A MEETING

25.1 In accordance with the provisions of section 60, but subject to 25.4, a resolution that could be voted on at a shareholders' meeting (other than in respect of the election of directors) may instead be –

25.1.1 submitted by the Board for consideration to the shareholders entitled to exercise the voting rights in relation to the resolution;

25.1.2 voted on in writing by such shareholders within a period of 20 (twenty) business days after the resolution was submitted to them.

25.2 A resolution contemplated in 25.1 –

25.2.1 will have been adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be, at a properly constituted shareholders' meeting; and

25.2.2 if adopted, will have the same effect as if it had been approved by voting at a meeting.

25.3 Within 10 (ten) business days after adopting a resolution in accordance with the procedures provided in this 25, the Company shall deliver a statement describing the results of the vote, consent process or election to every shareholder who was entitled to vote on or consent to the resolution.

25.4 The provisions of this 25 shall not apply to any shareholder meetings that are required to be held "in person" in terms of the Listings Requirements or the passing of any resolution for the election of directors or to any annual general meeting of the Company. Notwithstanding the aforegoing, the following resolutions which require a shareholders meeting in terms of the Listings Requirements may, notwithstanding anything contained in this Memorandum of Incorporation to the contrary, be proposed as written resolutions in accordance with section 60 of the Act, namely: [10.11(c), 10.11(h), 10.16(b) and 10.16(g)]

25.4.1 a change to the name of the Company;

25.4.2 odd-lot offers;

25.4.3 an increase in the authorised share capital of the Company; and

25.4.4 the approval of amendments to this Memorandum of Incorporation.

26 COMPOSITION AND POWERS OF THE BOARD

26.1 The board comprises of not less than 4 (four) and not more than twenty (20) directors, the majority of whom are to be elected by the shareholders, as contemplated in section 66(4)(b) of the Act. **[10.16(a)]**

26.2 In addition to the elected directors:

26.2.1 the board may in terms of section 66(4)(a)(i) of the Act appoint and remove directors to the board;

26.2.2 there are no *ex officio* directors of the company, as contemplated in section 66(4)(a)(ii) of the Act;

26.2.3 the board may, in terms of section 66(4)(a)(iii), appoint one or more alternate directors, **[10.16(b)]**

and the appointment of all directors contemplated in 26.2.1 shall be subject to shareholder approval at the next annual general meeting of the company. **[10.16(c)]**

26.3 In addition to satisfying the qualification and eligibility requirements set out in section 69, the Board may, in its sole discretion, impose that in order to become or remain a director or a prescribed officer of the Company, a person must be, and remain independent from any competitor of the Company and in particular another media company, as determined by the Board from time to time;

26.4 The Company's ordinary shareholders shall be entitled to elect all of the directors of the Company in the manner as set out in section 68(2). The Company's ordinary shareholders shall have the right to nominate persons for appointment as directors; provided that such right shall not include the right to appoint or remove any director/s, and the appointment of all directors shall be subject to ordinary shareholder approval, as contemplated by the Listings Requirements. **[10.16(b)]**

26.5 The authority of the Board to fill a vacancy on the Board on a temporary basis, as set out in section 68(3) is not limited or restricted by this Memorandum of Incorporation provided that such appointment must be confirmed by the shareholders at the next annual general meeting of the Company. **[10.16(c)]**

26.6 The authority of the Board to manage and direct the business and affairs of the Company, as set out in section 66(1) is not limited or restricted by this Memorandum of Incorporation.

26.7 If the number of directors falls below the minimum number of directors required, the remaining director(s) shall, as soon as possible and in any event not later than 3 (three) months from the date that the number of directors fell below the minimum, fill the vacancies or call a general meeting for the purpose of filling the vacancies. **[10.16(d)]**

26.8 The failure by the Company to have the minimum number of directors during the 3 (three) month period referred to in 26.7 does not limit or negate the authority of the Board. **[10.16(d)]**

26.9 After the expiry of the 3 (three) month period referred to in 26.7, the remaining directors may act only to –

26.9.1 increase the number of directors to the required minimum; or

26.9.2 summon a general meeting for that purpose, provided that if there is no director able or willing to act, then any shareholder may convene a general meeting for that purpose. **[10.16(d)]**

26.10 The authority of the Board to consider a matter other than at a meeting, as set out in section 74 is not limited or restricted by this Memorandum of Incorporation, provided that each director has received notice of the matter to be decided. Any resolution signed by the majority of the directors and inserted in the minute book shall be as valid and effective as if it had been passed at a meeting of directors. Any such resolution may consist of several documents and shall be deemed to have been passed on the date on which it was signed by the last director who signed it (unless a statement to the contrary is made in that resolution). **[10.16(j)]**

26.11 The right of the directors to requisition a meeting of the Board, as set out in section 73(1) may be exercised by at least 25% (twenty five per cent), as provided for in section 73(1).

26.12 The authority of the Board to conduct a meeting entirely by Electronic Communication, or to provide for participation in a meeting by Electronic Communication, as set out in section 73(3) is not limited or restricted by this Memorandum of Incorporation.

26.13 The authority of the Board to determine the manner and form of providing notice of its meetings, as set out in section 73(4) is not limited or restricted by this Memorandum of Incorporation.

26.14 The authority of the Board to proceed with a meeting despite failure or defect in giving notice of the meeting, as set out in section 73(5) is not limited by this Memorandum of Incorporation.

26.15 The quorum requirement for a directors meeting to begin, the voting rights at such a meeting and the requirements for approval of a resolution at such a meeting are as set out in section 73(5), without variation.

26.16 A director shall cease to hold office as such if –

26.16.1 he is required to do so in terms of section 69; and/or

26.16.2 he is required to do so in terms of the Listings Requirements and/or

26.16.3 in the case of a non-executive director, at the end of the financial year of the Company in which that director turns 75 (seventy five) years old, unless the Board, in its discretion, decides otherwise.

26.17 The directors may elect a chairperson and lead director of the Board and determine the period for which each is to hold office. If more than one lead director is elected, the directors shall, upon their election, determine the order of their seniority. At any meeting of directors the chairperson of the Board, or if he is not present or willing to act as such, the most senior lead director present and willing to act as such, shall act as chairperson. If no chairperson or lead director has been elected, or is present and willing to act as such, the directors present at any directors' meeting shall choose one of their number to be chairperson of the meeting. **[10.16(i)]**

26.18 In the case of a tied vote, the chairperson may not have a second or deciding vote, and the resolution being voted on fails.

26.19 At the first annual general meeting of the Company, all the elected Directors shall retire from office. Thereafter, at each annual general meeting of the Company, with effect from the annual general meeting of the Company and subject to the provisions relating to the disqualification of directors, at least 1/3 (one-third) of the non-executive directors then holding that position, shall retire. The directors who are to retire are those who have held their position for the longest period since their last election, but as between persons who became directors on the same day, the determination shall be made by ballot, unless otherwise agreed amongst themselves. **[10.16(g)]**

26.20 A retiring director shall be eligible for re-election if nominated by the Company's nomination committee. If re-elected he shall be deemed not to have vacated his office. **[10.16(g)]**

26.21 No person other than a retiring director, unless recommended by the Board, is competent to be elected as a director at any general meeting, unless he is nominated as a director by shareholders representing at least 20% (twenty per cent) of the voting rights, which nomination must be in writing and lodged at the registered office of the Company at least 60 (sixty) days prior to the meeting at which such director is to be elected, together with the consent of the nominee unless the latter is also the proposer.

26.22 Life directorships and directorships for an indefinite period shall not be permitted. **[10.16(k)]**

26.23 The proposal of any resolution to shareholders to permit or ratify and act of the Board that is inconsistent with any limitation or restriction imposed by this Memorandum of Incorporation, or the authority of the Board to perform such an act on behalf of the Company or (save to the extent otherwise agreed with the JSE) that is contrary to the Listings Requirements is prohibited. **[10.3]**

28 DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

28.1 The directors or members of the Board committees shall be entitled to such remuneration for their services as directors or members of Board committees as may have been determined from time to time by a special resolution approved by the shareholders within the previous 2 (two) years, as set out in section 66(9) and (10). In addition, the directors shall be entitled to be paid all reasonable expenses in travelling (including accommodation) to and from meetings of the Board and shareholders, and the members of the Board committees shall be entitled to all reasonable expenses in travelling (including accommodation) to and from meetings of the members of the Board committees as determined by a disinterested quorum of directors. **[10.16(f)]**

28.2 The authority of the Board, as set out in section 45, to authorise the Company to provide financial assistance to a director, prescribed officer, company, corporation or other person referred to in section 45(2) is not limited or restricted by this Memorandum of Incorporation.

31 BORROWING POWERS

31.1 The directors may from time to time exercise all of the powers of the Company to –

31.1.1 borrow for the purposes of the Company, such sums as they think fit; and/or

31.1.2 secure the payment or repayment of any such sums or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

31.2 For the purposes of 31.1, the borrowing powers of the Company shall be unlimited.

37 ODD-LOT OFFER

In implementing any odd-lot offer made by the Company in accordance with the Listing Requirements, the Company shall, in respect of shareholders holding less than 100 (one hundred) ordinary shares in the issued share capital of the Company ("**Odd-Lots**") and who did not elect to retain their Odd-Lots or increase their Odd-Lot holdings, cause the Odd-Lots to be sold on such terms as the directors may determine and the Company shall account to the shareholders concerned for the proceeds attributable to the sales, provided that the Odd-Lot offer has been approved by shareholders in a general meeting.

38 AMENDMENT OF MEMORANDUM OF INCORPORATION

38.1 This Memorandum of Incorporation may be altered or amended in the manner set out in section 16, 17 or 152(6)(b), subject to the provisions contemplated in section 16(1)(c), provided that –

38.1.1 any amendment must be submitted to the JSE for approval before such amendments are submitted to the shareholders for approval; and

38.1.2 any amendment to this Memorandum of Incorporation must be approved by a special resolution of the ordinary shareholders, save if such an amendment is ordered by a court in terms of section 16(1)(a) of the Act. Amendment, for the avoidance of doubt shall include, but not be limited to – **[10.5(d)]**

38.1.2.1 the creation of any class of shares;

38.1.2.2 the variation of any preferences, rights, limitation and other share terms attaching to any class of shares;

38.1.2.3 the conversion of one class of shares into one or more other classes;

38.1.2.4 the increase of the number of Securities;

38.1.2.5 consolidation of Securities;

38.1.2.6 sub-division of Securities; or

38.1.2.7 the change of the name of the Company.

40. FOREIGN CONTROL RESTRICTIONS

40.1 Foreign Shareholders

40.1.1 If, in respect of a shareholders' meeting –

40.1.1.1 the number of ordinary shares held by Foreign Shareholders at the record date of such shareholders' meeting (expressed as a percentage of the total issued ordinary shares of the Company at such time) exceed the percentage prescribed by the Foreign Control Restriction; or

40.1.1.2 the total number of voting rights to be cast by or on behalf of Foreign Shareholders at such shareholders' meeting [or in respect of any matter or resolution] (expressed as a percentage of the total voting rights of the Company to be cast at such shareholders' meeting, net of any abstentions) exceeds the Foreign Control Restriction,

then, in these circumstances only and in order to ensure compliance with the Foreign Control Restriction, the Foreign Shareholders' ability to exercise voting rights attached to each ordinary share held by such Foreign Shareholders shall be limited such that (i) the ordinary shares held by Foreign Shareholders do not, in aggregate, carry voting rights in excess of the Foreign Control Restriction and (ii) the total number of voting rights cast by or on behalf of Foreign Shareholders at such shareholders' meeting do not exceed the Foreign Control Restriction. In the event that the Foreign Shareholders' voting rights are limited as contemplated above, then, in such instances only, the voting rights attached to each ordinary share held by South African Shareholders shall be consequently increased proportionately in accordance with each South African Shareholder's shareholding. The provisions of this 40.1.1 shall: (a) also apply to all resolutions contemplated in 25 for purposes of determining voting rights as contemplated in 25.2.1; and (b) only apply for so long as the Foreign Control Restriction applies to the Company and to the extent required to ensure compliance with the Foreign Control Restriction.

40.1.2 If, for purposes of any resolution(s) or matter(s) in respect of which voting rights are to be cast by or on behalf of a Foreign Entity, such Foreign Entity can prove, to the satisfaction of the Board (in its sole discretion), the portion (expressed as a percentage) of the ultimate Financial Interest or interest in voting shares or paid-up capital of that Foreign Entity that is held by South African Persons, then for purposes of such resolution(s) or matter(s):

40.1.2.1 that same portion (expressed as a percentage) of the ordinary shares held by that Foreign Entity and voting rights to be cast by or on behalf of that Foreign Entity shall be deemed to be held or cast (as the case may be) by South African Persons and the Foreign Entity shall be treated as a South African Shareholder in respect of those ordinary shares and voting rights; and

40.1.2.2 the remainder of the ordinary shares held by that Foreign Entity and voting rights to be cast by or on behalf of that Foreign Entity shall be deemed to be held or cast (as the case may be) by Foreign Persons and the Foreign Entity shall be treated as a Foreign Shareholder in respect of those ordinary shares and voting rights.

40.1.3 The Board, with power of delegation including the chairperson of any shareholders meeting, is authorised to:

40.1.3.1 request any shareholder that is an Entity to provide self-certification, to the satisfaction of the Board (in its sole discretion), of the extent to which any Foreign Persons or Foreign Entities have a direct or indirect Financial Interest or interest either in voting shares or paid-up capital of such shareholder;

40.1.3.2 request any shareholder who is a Person to provide proof, to the satisfaction of the Board (in its sole discretion), that such Person is a South African Person;

40.1.3.3 implement such controls and measures and request any additional documents as the Board deems necessary (in its sole discretion) to verify shareholders' status as Foreign Shareholders or South African Shareholders and to ensure the practical efficiency of the conduct of general meetings while implementing the provisions of this clause 40; and

40.1.3.4 do all things necessary, reasonable or desirable in order to give effect to and implement the provisions of 40.1.1 from time to time, in order to ensure compliance with 40.1.1 and make any determinations in relation to the matters outlined in 40.1.1 (including the identification and designation of Foreign Shareholders, voting rights to be cast by Foreign Shareholders, the limitation and increase of votes in accordance with 40.1.1, voting rights exercised and subsequent result of voting), including at a general meeting, which will be final and binding.

40.2 **ECA amendments**

This 40 and the relevant definitions in 1 have been inserted in the Memorandum of Incorporation in order to ensure compliance with the restrictions on foreign control over a holder of a commercial broadcasting service licence in terms of the ECA. If any of these restrictions is subsequently removed or modified, then in order to ensure ongoing compliance with the relevant provisions of the ECA, the relevant provision in this Memorandum of Incorporation shall: (1) no longer apply if the relevant provision in the ECA has been removed; or (2) shall apply as modified in the ECA if the relevant provision has been modified in the ECA. The Directors are hereby authorised to amend this Memorandum of Incorporation to reflect such amendments as well as any other amendments that they deem to be necessary or desirable to ensure ongoing compliance with the relevant provisions of the ECA, subject to the approval thereof by the JSE and the shareholders (if and to the extent required). If shareholder approval for an amendment to the Memorandum of Incorporation in terms of this 40.2 is required, each shareholder undertakes to vote in favour of such amendment and appoints and authorises the chairperson of the relevant shareholders' meeting to do in its name all things necessary to give effect to the provisions of this 40.2, including to represent the shareholder at any shareholders' meeting for purposes of passing a resolution in respect of an amendment to the Memorandum of Incorporation.

COMPANY SHARE PLANS AND SHARE APPRECIATION RIGHT SCHEMES

Company Share Plans

The Restricted Share Plan and Share Option Plan (forming part of the Company Share Plans) are administered through the respective trusts as set out below and are intended to motivate permanent employees of the Company, any direct or indirect holding company of the Company and the Company's subsidiaries and affiliates, as contemplated in the respective trust deeds (the Company's "**Group**" for purposes of this summary), as identified by the Board ("**Employees**") to be efficient and productive and remain in the employ of the Company or relevant members of the Group (each an "**Employer Company**") by providing those Employees with an opportunity to own MCG Shares in the Company, thereby protecting and enhancing the business of the Group (and the respective Group companies) and the Group's (and the respective Group companies') income. Both of these Company Share Plans are therefore intended to apply throughout the Group.

The summary of the salient terms of these Company Share Plans in this Annexure 2 is not exhaustive of all the terms of these Company Share Plans, and the relevant trust deed in respect of a Company Share Plan should be reviewed if further information is required in relation to the Company Share Plan.

Restricted Share Plan

The Restricted Share Plan is administered through the RSU Trust and is constituted in terms of the trust deed of the RSU Trust ("**RSU Trust Deed**").

The Restricted Share Plan provides for the trustees to grant a conditional right to delivery of MCG Shares ("**Award**"), at the discretion of the Board, to Employees of Employer Companies on behalf of such Employer Company.

The Company must ensure (and procure that the Group ensures, to the extent applicable) that the trustees are placed in sufficient funds from time to time in order to ensure that the RSU Trust can timeously meet its obligations in terms of the RSU Trust Deed. Awards will vest in four equal annual tranches, with the first tranche vesting on the second anniversary of the date of grant of the Award and the further tranches vesting on each subsequent anniversary of the date of grant of the Award. Settlement of Awards will take place on each of the relevant vesting dates of the Awards.

Awards under the Restricted Share Plan will be settled, at the discretion of the Board, in whole or in part, through the issue or transfer of MCG Shares to Employees or in cash (instead of MCG Shares) or any combination thereof.

An Employee will have no rights to dividends or voting rights attaching to, arising from or in relation to MCG Shares prior to the vesting date of the related Award (or any component thereof), which rights will vest in the trustees prior to such time.

The maximum number of MCG Shares that may be settled by the issue of MCG Shares by the Company or the delivery of treasury MCG Shares under the Restricted Share Plan may not exceed the maximum number of MCG Shares authorised by the MCG Shareholders to be available for fresh issue in connection with all share-based schemes of the Group, being 43 883 747 MCG Shares, which maximum may not be amended except with the prior approval by ordinary resolution of the equity security holders of the Company.[1]

The maximum number of MCG Shares at any time allocated to any one Employee in respect of all unvested Awards granted to the Employee may not exceed 4 300 000 MCG Shares, either alone or when aggregated with the number of MCG Shares that such Employee is entitled to in terms of all share-based schemes of the Group.

In the event of termination of an Employee's employment with an Employer Company, all of that Employee's unvested Awards will lapse, save in the event of:

- death, ill health, disability, or any other event, matter, fact or circumstances approved in the sole discretion of the Board (a "**Discretionary Event**"), in which cases all unvested Awards will be accelerated and vest on the date of termination of employment (subject to the Board's discretion to vest only a portion of unvested Awards in the case of a Discretionary Event);

1 In order to approve such resolution, a 75% majority of the votes must be cast in favour of such resolution by all equity security holders present or represented by proxy at the annual general meeting.

- retirement, termination of Employment as a result of a business disposition by the Company (or an Employer Company) or the Employee ceasing to qualify for participation in the Restricted Share Plan due to "jurisdictional issues",[2] in which cases the vesting of such Employee's Award will be accelerated on a *pro rata* basis;[3] or
- retrenchment or redundancy, in which cases the vesting of the Employee's Award will be accelerated on a *pro rata* basis,[4] unless the trustees decide otherwise.

Whenever a date on which MCG Shares are required to be transferred or delivered to an Employee in terms of the RSU Trust Deed or the date for the performance of any relevant action or election in terms of the Restricted Share Plan ("**Key Date**") falls within a prohibited period[5], or performance of the relevant action or election in terms of the RSU Trust Deed is prohibited in terms of the JSE Listings Requirements, applicable law or regulation including those relating to price-sensitive or inside information (or comparable provisions) or any policy adopted by the Company (including those relating to dealings in securities by directors) or is inadvisable or impractical, as determined in the discretion of the Board ("**Relevant Event**"), the relevant Key Date will be extended to a date 14 days immediately succeeding the expiration of the Relevant Event, or such increased period as determined by the trustees.

The RSU Trust Deed regulates certain "corporate events", including but not limited to where:

- MCG Shares are divided into a greater number and/or MCG Shares are consolidated into a lesser number;
- there is a *pro rata* distribution of cash or assets in respect of the MCG Shares by way of a return of capital or a special dividend; or
- there is a *pro rata* issue or distribution of MCG Shares to MCG Shareholders by way of a bonus issue, rights issue or capitalisation of any account in satisfaction of any dividend, or by way of any other distribution of assets MCG Shareholders are given in that capacity a *pro rata* right to acquire MCG Shares.

In addition to the "corporate events" specifically listed in the RSU Trust Deed, the Board may designate any other matter, fact, event or circumstance relating to MCG Shares or the Company's share capital or which affects or has the potential to affect the Awards as a "corporate event".

In relation to a corporate event in relation to the subdivision or consolidation of MCG Shares contemplated above, the Board, having regard to such professional advice as it considers appropriate in the circumstances, must make such substitution of and/or adjustment to the Restricted Share Plan and the Awards granted or to be granted. In relation to any other corporate event contemplated in the RSU Trust Deed, the Board, having regard to such professional advice as it considers appropriate in the circumstances, may, in its discretion, make such substitution of and/or adjustment to the Restricted Share Plan and the Awards granted or to be granted.

Such adjustments may include (but are not limited to):

- substitution of Awards with other Awards or share or value-based scheme in respect of MCG Shares or other securities of the Company and/or securities of any other legal or corporate entity;
- adjusting any of the terms, rights and/or benefits attributable to any Award, including as to the number of MCG Shares and/or relevant securities of the Company to which the Award relates, the number of Awards, the date(s) of vesting, benefits payable on vesting of an Award, the benefits attributable to the Award and/or manner of calculation thereof and/or an adjustment to the maximum limits contemplated in the Restricted Share Plan (set out above); and/or
- requiring and/or permitting Employees to dispose of or cancel all or any number of their Awards on stipulated terms (including fair compensation).

In respect of a corporate event in relation to the subdivision and/or consolidation of MCG Shares contemplated above, the adjustment should give an Employee entitlement to the same proportion of the equity capital of the Company as that to which the Employee was previously entitled, and shall include a corresponding adjustment to the maximum limits set out in the Restricted Share Plan (set out above).

The issue of MCG Shares as consideration for an acquisition, the issue of MCG Shares for cash and the issue of MCG Shares for a vendor consideration placing will not be regarded as a corporate event requiring adjustment in terms of the RSU Trust Deed.

2 "Jurisdictional issues" are defined in the trust deed as "tax, legal or other complications or impediments created or existing for the Company and/or an Employer Company or for the administration and/or implementation of the Scheme in a country or jurisdiction in which a Beneficiary resides or is employed, the consequences of which are set out in paragraph 43 of the RSU Trust Deed".

3 The accelerated portion to be vested will only be in respect of that portion of the Employee's Awards which would have vested on the following vesting tranche, not in relation to all outstanding tranches.

4 The accelerated portion to be vested will only be in respect of that portion of the Employee's Awards which would have vested on the following vesting tranche, not in relation to all outstanding tranches.

5 Any period during which dealing in MCG Shares by an employee is prohibited, whether by virtue of the JSE Listings Requirements or any other exchange on which the MCG Shares may from time to time be listed, the internal rules of the company or applicable legislation and/or any period designated for the purposes of the scheme as a "prohibited period" by the Board.

The Board will procure that the auditors of the Company, or other independent advisors acceptable to the JSE, confirm to the JSE in writing that any adjustments made (as contemplated above), are in accordance with the provisions of the RSU Trust Deed; that such confirmation is provided to the JSE at the time that any such adjustment is finalised; and that any such adjustment is reported on in the Company's annual financial statements in the year during which the adjustment is made.

Any amendment of the RSU Trust Deed in relation to the matters outlined in paragraph 14.1 of Schedule 14 to the JSE Listings Requirements must be approved by MCG Shareholders in accordance with the JSE Listings Requirements and the RSU Trust Deed.

The Restricted Share Plan must be approved by a majority of 75% or more of the votes cast by all MCG Shareholders present or represented by proxy, excluding any votes exercised in respect of any treasury MCG Shares held by the Group and any MCG Shares held by share schemes of the Group.

Share Option Plan

The Share Option Plan is administered through the Multichoice Group share option plan trust ("**Share Option Trust**") and is constituted in terms of the trust deed of the Share Option Trust ("**Share Option Trust Deed**").

The Share Option Plan provides for the trustees to issue an option to acquire MCG Shares ("**Option**"), at the discretion of the Board, to Employees of Employer Companies.

Exercised Options will be settled through a sale of MCG Shares to Employees, which will be implemented by delivery of the MCG Shares to the Employees and payment of the relevant amount for the acquisition of those MCG Shares by the Employees. The MCG Shares that are sold to an Employee pursuant to the exercise of an Option will be delivered to the Employee in four equal tranches, with the contract resulting from the exercise of the Option (involving the payment of the purchase price against delivery of the relevant portion of MCG Shares) being implemented (i) in respect of the first tranche of MCG Shares, after the second anniversary of the date on which the Option is issued, and (ii) in respect of the further tranches of MCG Shares, after each subsequent anniversary of the date on which the Option is issued.

An Employee will have no rights to dividends or voting rights attaching to, arising from or in relation to MCG Shares prior to the date on which MCG Shares are required to be transferred or delivered to the Employee in terms of the Share Option Trust Deed, which rights will vest in the trustees prior to such time.

The maximum number of MCG Shares that may be settled by the issue of MCG Shares by the Company or the delivery of treasury MCG Shares under the Share Option Plan may not exceed the maximum number of MCG Shares authorised by the MCG Shareholders to be available for fresh issue in connection with all share-based schemes of the Group, being 43 883 747 MCG Shares, which maximum may not be amended except with the prior approval by ordinary resolution of the equity security holders of the Company.[6]

The maximum number of MCG Shares at any time allocated to any one Employee in respect of all Options issued may not exceed 4 300 000 MCG Shares, either alone or when aggregated with the number of MCG Shares that such Employee is entitled to in terms of all share-based schemes of the Group.

In the event of termination of an Employee's employment with an Employer Company all of that employee's unexercised Options and all existing sales pursuant to the exercise of an Option that have not been implemented shall lapse, save in the event of:

- death, ill health, disability, retirement or any other event, matter, fact or circumstances approved in the sole discretion of the Board (a "**Discretionary Event**"), in which cases the Employee will be entitled to exercise all unexercised Options issued to him/her and implement all existing sales (pursuant to Options already exercised) and to take delivery and obtain the release of MCG Shares sold to him/her under existing sales, in each case against payment in full of all amounts owing by the employee in respect of such MCG Shares; or
- retirement or redundancy, in which cases the Employee will be entitled to exercise all unexercised Options issued to him/her and implement all existing sales (pursuant to Options already exercised) and to take delivery and obtain the release of MCG Shares sold to him/her under existing sales, in each case only to the extent that the Employee would have been entitled to do so in terms of the Share Option Plan on the date of termination of his/her employment had his/her employment not ceased on such date, against payment in full of all amounts owing by the employee in respect of such MCG Shares.

Unexercised Options that are not exercised or are not capable of being exercised in terms of the above provisions will be deemed to have lapsed and be cancelled and sales that are not implemented or are not capable of being implemented in terms of the above provisions will be deemed to have been cancelled.

6 In order to approve such resolution, a 75% majority of the votes must be cast in favour of such resolution by all equity security holders present or represented by proxy at the annual general meeting, excluding all the votes attaching to all equities securities owned or controlled by persons who are existing beneficiaries of the Scheme.

Whenever a date on which MCG Shares are required to be transferred or delivered to an Employee in terms of the Share Option Trust Deed or the date for the performance of any relevant action or election in terms of the Share Option Plan ("**Key Date**") falls within a prohibited period,[7] or performance of the relevant action or election in terms of the Share Option Trust Deed is prohibited in terms of the JSE Listings Requirements, applicable law or regulation including those relating to price-sensitive or inside information (or comparable provisions) or any policy adopted by the Company (including those relating to dealings in securities by directors) or is inadvisable or impractical, as determined in the discretion of the Board ("**Relevant Event**"), the relevant Key Date will be extended to a date 14 days immediately succeeding the expiration of the Relevant Event, or such increased period as determined by the trustees.

The Share Option Trust Deed regulates certain "corporate events", including but not limited to where:

- MCG Shares are divided into a greater number and/or MCG Shares are consolidated into a lesser number;
- there is a *pro rata* cash or *in specie* distribution in respect of the MCG Shares by way of a return of capital or a special dividend; or
- there is a *pro rata* issue or distribution of MCG Shares to MCG Shareholders by way of a bonus issue, rights issue or capitalisation of any account in satisfaction of any dividend, or by way of any other distribution *in specie* MCG Shareholders are given in that capacity a *pro rata* right to acquire MCG Shares.

In addition to the "corporate events" specifically listed in the Share Option Trust Deed, the Board may designate any other matter, fact, event or circumstance relating to MCG Shares or the Company's share capital or which affects or has the potential to affect the Options as a "corporate event".

In relation to a corporate event in relation to the subdivision or consolidation of MCG Shares contemplated above, the Board, having regard to such professional advice as it considers appropriate in the circumstances, must make such substitution of and/or adjustment to the Share Option Plan and the Options issued or to be issued. In relation to any other corporate event contemplated in the Share Option Trust Deed, the Board, having regard to such professional advice as it considers appropriate in the circumstances, may, in its discretion, make such substitution of and/or adjustment to the Share Option Plan and the Options issued or to be issued.

Such adjustments may include (but are not limited to):

- substitution of Options with other Options or share or value-based scheme in respect of MCG Shares or other securities of the Company and/or securities of any other legal or corporate entity;
- adjusting any of the terms, rights and/or benefits attributable to any Option, including as to the number of MCG Shares and/or relevant securities of the Company to which the Option relates, the number of Options, the date(s) on which MCG Shares are required to be transferred or delivered, the purchase price payable in respect of MCG Shares to which the Option relates, benefits payable pursuant to the exercise of an Option, the benefits attributable to the Option and/or manner of calculation thereof and/or an adjustment to the maximum limits contemplated in the Share Option Plan (set out above); and/or
- requiring and/or permitting Employees to dispose of or cancel all or any number of their Options on stipulated terms (including fair compensation).

In respect of a corporate event in relation to the subdivision and/or consolidation of MCG Shares contemplated above, the adjustment should give an Employee entitlement to the same proportion of the equity capital of the Company as that to which the Employee was previously entitled, and shall include a corresponding adjustment to the purchase price payable in respect of MCG Shares and the maximum limits set out in the Share Option Plan (set out above).

The issue of MCG Shares as consideration for an acquisition, the issue of MCG Shares for cash and the issue of MCG Shares for a vendor consideration placing will not be regarded as a corporate event requiring adjustment in terms of the Share Option Trust Deed.

The Board will procure that the auditors of the Company, or other independent advisors acceptable to the JSE, confirm to the JSE in writing that any adjustments made (as contemplated above), are in accordance with the provisions of the Share Option Trust Deed; that such confirmation is provided to the JSE at the time that any such adjustment is finalised; and that any such adjustment is reported on in the Company's annual financial statements in the year during which the adjustment is made.

Any amendment of the Share Option Trust Deed in relation to the matters outlined in paragraph 14.1 of Schedule 14 to the JSE Listings Requirements must be approved by MCG Shareholders in accordance with the JSE Listings Requirements and the Share Option Trust Deed.

The Share Option Plan must be approved by a majority of 75% or more of the votes cast by all MCG Shareholders present or represented by proxy, excluding any votes exercised in respect of any treasury MCG Shares held by the Group and any MCG Shares held by share schemes of the Group.

7 Any period during which dealing in MCG Shares by an employee is prohibited, whether by virtue of the JSE Listings Requirements or any other exchange on which the MCG Shares may from time to time be listed, the internal rules of the company or applicable legislation and/or any period designated for the purposes of the scheme as a "prohibited period" by the Board.

Share appreciation right schemes

The MCG Group share appreciation right schemes are administered through the respective scheme rules as set out below and are intended to motivate permanent employees of relevant companies in the MCG Group as contemplated in the respective scheme rules.

The summary of the salient terms of the respective share appreciation right schemes in this Annexure 2 is not exhaustive of all the terms of the share appreciation right schemes, and the relevant scheme rules in respect of a share appreciation right scheme should be reviewed if further information is required in relation to the share appreciation right scheme.

Irdeto SAR Scheme

The Irdeto SAR Scheme is constituted and administered through the Irdeto Holdings BV 2012 SAR Scheme rules ("**Irdeto SAR Scheme Rules**").

The Irdeto SAR Scheme Rules provide for the Committee[8], at its discretion to award share appreciation rights (SARs) ("**Grant**") (based on an increase in the value of Scheme Shares[9]), to Employees (as defined) of Irdeto BV (for purposes of this summary, the "**Company**") and its Affiliates[10] (collectively the "**Group**" and each member of the Group being an "**Employer Company**). Each Employer Company will, at such Employer Company's own cost, periodically recommend to the Committee which Employees it intends to incentivise by way of Grants.

Provided that it falls outside of a closed period, the Committee may discretionarily award Grants in the manner and form prescribed by the Irdeto SAR Scheme Rules and the Employee may accept such Grant as prescribed in the Irdeto SAR Scheme Rules within 30 days of the date of the Grant. A Grant is personal to the Employee and may not be ceded.

A Participant[11] shall be entitled to exercise the Grant upon the delivery, to the Committee, of a written notice of acceptance in the manner and form prescribed by the Irdeto SAR Scheme Rules.

Subject to the Employee's employment at the relevant date on which the Grant vests, Grants awarded prior to 21 June 2018 shall not be exercised:

- in whole or in part, until after the first anniversary falling after the date of the Grant;
- between the first and second anniversaries of the date of the Grant, in respect of more than one-fifth of the Scheme Shares to which the SAR relates;
- between the second and third anniversaries of the date of the Grant in respect of such number of Scheme Shares as constitutes, together with the number of Scheme Shares in respect of which the SAR was exercised between the first and second anniversaries, more than two-fifths of the total number of Scheme Shares to which the SAR relates;
- between the third and fourth anniversaries of the date of the Grant in respect of such number of Scheme Shares as constitutes, together with the number of Scheme Shares in respect of which the SAR was exercised between the first and third anniversaries, more than three-fifths of the total number of Scheme Shares to which the SAR relates;
- between the fourth and fifth anniversaries of the date of the Grant in respect of such number of Scheme Shares as constitutes, together with the number of Scheme Shares in respect of which the SAR was exercised between the first and fourth anniversaries, more than four-fifths of the total number of Scheme Shares to which the SAR relates; and
- in respect of any balance of the total Scheme Shares to which the SAR relates, until after the fifth anniversary of the date of Grant.

In respect of Grants awarded on or after 21 June 2018, subject to the provisions in the Irdeto SAR Scheme Rules dealing with fractions of shares, 25% of the SARs comprised in the Grant will vest on each of the first, second, third and fourth anniversaries of the date of the Grant provided that the Employee remains in the employ of the Employer Company on the relevant vesting date.

If the aggregate value of the applicable Scheme Shares on the date on which the SAR is exercised exceeds the aggregate value of the Scheme Shares at the date at which the SAR was granted ("**Gain**"), such Gain may be settled either in shares in the capital of the Company, Listed Shares[12] or cash. The Irdeto SAR Scheme Rules contain comprehensive provisions which regulate how the Company and the Scheme Shares will be valued from time to time.

8 Committee is defined as the Human Resources and Remuneration Committee of the board of directors of Naspers and any other duly authorised committee of the board of directors of the Company, the members of which do not hold any executive office with the Company.

9 A Scheme Share is defined as a notional share in the capital of the Company in respect of which a SAR has been granted or which is the subject matter of a SAR, and, unless the contrary appears from the context, assets deemed to be linked to such notional shares.

10 An "Affiliate" of the Company is any other person directly or indirectly controlling, controlled by or under common control with the Company, where "control" is specifically defined.

11 Participant is defined as an Employee to whom a Grant has been made and who has accepted such Grant, and includes, where appropriate, an Employee's representative.

12 Listed Shares is defined as shares of the Company or of any Affiliate of the Company or of any company in which the Company or any Affiliate of the Company, directly or indirectly, has a shareholding, if they have been listed on a recognized international securities exchange.

A Participant will not, as a result of a Grant of a SAR or the exercise thereof, have any rights to dividends or voting rights or other rights in, or to shares whether during the SAR period (being the period commencing on the date of the Grant to the date stated in the letter of grant as the date on which the SAR will lapse) or thereafter.

In relation to Participants in the United States, the exercise and settlement of the Grant is intended to be exempt from Section 409A of the US Internal Revenue Code as a "stock rights" award, and each Grant to a US Participant will be construed and interpreted in accordance with such intent and the Committee has the authority to modify application of the scheme to accord with such intent.

The aggregate number of unvested Scheme Shares in respect of which SARs have been awarded shall not, when added to the shares of the Company subject to all other existing share incentive schemes of the Company, exceed 15% of the then total number of notional shares in the capital of the Company as recorded in terms of the Irdeto SAR Scheme Rules. The Committee has discretion over the maximum number of Scheme Shares in respect of which Grants may be granted to any Employee, provided that such number does not exceed 2.5% of the aggregate number of notional shares in the capital of the Company as recorded in terms of the Irdeto SAR Scheme Rules.

A SAR will lapse:

- on the date of termination, in the event of termination of an Employee's employment by reason of resignation or lawful dismissal, subject to the Committee's discretion;
- where it is not exercised before the expiry of a 10 year period from the date of the Grant, provided that if such expiry falls during a closed period, then the SAR in question may be exercised within 90 days after the end of the closed period.

In respect of Grants awarded prior to 21 June 2018, if, while any portion of a Participant's SARs remains unexercised, he or she ceases to be an Employee for reasons other than resignation or lawful dismissal, the whole of the unexercised SARs (whether vested or not) shall be exercisable within a specified period, failing which the SARs shall lapse.

In respect of Grants awarded on or after 21 June 2018:

- if, while any portion of a Participant's SARs remains unexercised, he or she ceases to be an Employee by reason of resignation, lawful dismissal or agreement between the Participant and the Employer Company, such SARs shall lapse, subject to the Committee's discretion;
- if, while any portion of a Particpant's SARs remains unexercised, he or she ceases to be an Employee for reasons other than resignation, lawful dismissal, agreement between the Participant and the Employer Company or redundancy/retrenchment, the whole of the unexercised SARs (whether vested or not) shall be exercisable within a specified period, failing which the SARs shall lapse;
- if, while any portion of a Participant's SARs remains unexercised, he or she ceases to be an Employee by reason of redundancy/retrenchment, he or she shall be entitled to exercise unexercised SARs that have vested as at the termination date within a specified period, failing which the SARs shall lapse.

If, while any portion of a Participant's SARs remains unexercised:

- the Employer Company of such Participant changes, unless the CEO of Naspers discretionarily decides otherwise, or such change being the result of an administrative reorganisation and the responsibilities of such Participant remain unchanged, the Participant shall be deemed to have exercised all their SARs notwithstanding the provisions on vesting and exercise in the Irdeto SAR Scheme Rules; or
- where the Committee determines that the Scheme or the Participant's participation in the Irdeto SAR Scheme is no longer appropriate, then the Participant shall be deemed to have exercised all their SARs notwithstanding the provisions on vesting and exercise in the Irdeto SAR Scheme Rules.

In the event where the Company and/or any of its Affiliates, in relation to Scheme Shares being the subject of a Grant, distributes shares and/or any other assets in the course of, *inter alia*, (i) any reorganisation, rationalisation, compromise; (ii) reduction of capital or capitalisation issue; (iii) a special dividend and/or (iv) in contemplation of deregistration, winding up or liquidation of the Company, the Committee shall, in its discretion make adjustments to the number of shares in respect of which such SARs have been granted and to any other provisions relating to Grants in order to take account of such distribution.

In the event where the Company's share or loan capital is the subject of a reorganisation, reclassification, increasing or reducing its share or loan capital, or the Company making a distribution to shareholders other than by way of a normal cash interim dividend or final dividend, the Committee may make such adjustments to the total number of Scheme Shares in respect of which each SAR has been granted and to any other provisions relating to Grants affected by such change as the Committee deems, in its discretion, to be fair and reasonable.

The Committee shall also make such adjustments to the Irdeto SAR Scheme to take into account, *inter alia*, material changes in law or accounting practices or principles, acquisitions, dispositions or similar corporate transactions, if it so determines, in its discretion, that adjustments are appropriate to avoid material distortions or inequity in the operation of the Irdeto SAR Scheme, but no adjustments otherwise as required by law may be made without a

Participant's consent, if an adjustment would have a material adverse effect on the rights of the Participant under the Irdeto SAR Scheme.

Where the Company is wound up in circumstances other than as stated above, either of the Participant or the Committee may on 14 days' notice to the other cancel the Grants with neither of the Committee or the Participant having any further claim as a result of the cancellation.

In the event of a change of control of the Company, the Committee shall, within 14 days after such change of control has become binding and unconditional, notify the Participants of such change. Unless the acquiring entity notifies the Participants in writing within 7 days after the notification by the Committee that the Irdeto SAR Scheme shall continue in force or it is arranged that outstanding Grants are to be exchanged for the grant of substantially similar awards (as determined by the Committee in its discretion) with respect to interests in the registered capital of the acquiring entity, an Affiliate of the Company or an Affiliate of the acquiring entity, a Participant shall be entitled to exercise all SARs accepted within 30 days (or such longer date as determined by the Committee) after the date upon which the Committee notified the Participant of the change of control. To the extent that a Participant fails to exercise a SAR as set out above, the right to do so shall lapse, unless the Committee in its discretion determines otherwise.

MCA SAR Scheme

The MCA SAR Scheme is constituted and administered through the MultiChoice 2008 SAR Plan rules ("**MCA SAR Scheme Rules**").

The MCA SAR Scheme Rules provide for the Committee[13], at its discretion to award share appreciation rights (SARs) ("**Grant**") (based on an increase in the value of Scheme Shares[14]), to Employees (as defined) of MultiChoice SA Holdings and MAH BV (excluding Showmax business units within the Naspers group) (for purposes of this summary, the "**Company**") and its Affiliates[15] (collectively the "**Group**" and each member of the Group being an "**Employer Company**"). Each Employer Company will, at such Employer Company's own cost, periodically recommend to the Committee which Employees it intends to incentivise by way of Grants.

Provided that it falls outside of a closed period, the Committee may discretionarily award Grants in the manner and form prescribed by the MCA SAR Scheme Rules and the Employee may accept such Grant as prescribed in the MCA SAR Scheme Rules within such period as prescribed in the letter of Grant, being a period not more than 30 days of the date of the Grant. A Grant is personal to the Employee and may not be ceded.

A Participant[16] shall be entitled to exercise the Grant upon the delivery, to the Committee, of a written notice of acceptance in the manner prescribed by the MCA SAR Scheme Rules.

Subject to the Employee's employment at the relevant date on which a SAR vests, a SAR shall not be exercised:

- in whole or in part, until after the third anniversary falling after the date of the Grant;
- between the third and fourth anniversaries of the date of the Grant, in respect of more than one-third of the Scheme Shares to which the SAR relates;
- between the fourth and fifth anniversaries of the date of the Grant in respect of such number of Scheme Shares as constitutes, together with the number of Scheme Shares in respect of which the SAR was exercised between the third and fourth anniversaries, more than two-thirds of the total number of Scheme Shares to which the SAR relates; and
- in respect of any balance of the total Scheme Shares to which the SAR relates, until after the fifth anniversary of the date of Grant.

If the aggregate value of the applicable Scheme Shares on the business day immediately preceding the date on which the SAR is exercised exceeds the aggregate value of the Scheme Shares on the business day immediately preceding the date on which the SAR was granted (such amount less any income tax payable on such excess, the "**Gain**"), such Gain may be settled either in class N ordinary shares in the capital of Naspers, Listed Shares[17] or cash. The MCA SAR Scheme Rules contain comprehensive provisions which regulate how the Company and the Scheme Shares will be valued from time to time.

13 Committee is defined as the Remuneration and Equity Committee of the board of directors of MCSA and/or the Human Resources and Remuneration Committee of Naspers or any other duly authorised committee of the board of the Company or of Naspers, the members of which do not hold any executive office with the Company.

14 A Scheme Share is defined as an ordinary share in the capital of the Company in respect of which a SAR has been granted, and, unless the contrary appears from the context, assets deemed to be linked to that share.

15 "Affiliate" is defined extensively in the MultiChoice SAR Scheme Rules.

16 Participant is defined as an Employee to whom a Grant has been made and who has accepted such Grant, and includes, where appropriate, an Employee's representative.

17 Listed Shares is defined as shares of the Company or of any Affiliate of the Company or of any company in which the Company or any Affiliate of the Company, directly or indirectly, has a shareholding, if they have been listed on a recognized international securities exchange.

A Participant will not as a result of a Grant of a SAR or the exercise thereof, have any rights to dividends or voting rights or other rights in or to shares whether during the SAR period (being the period commencing on the date of the Grant to the date stated in the letter of grant as the date on which the SAR will lapse) or thereafter.

The aggregate number of outstanding Scheme Shares in respect of which SARs have been awarded shall not exceed 10% of the aggregate number of issued ordinary shares of the Company at the time of the Grant or, if applicable, of the Company's subsequently increased issued ordinary share capital. In certain instances such number may be adjusted by the Committee. The Committee has discretion over the maximum number of Scheme Shares in respect of which Grants may be granted to any Employee, provided that such number does not exceed 1% of the aggregate number of issued ordinary shares of the Company from time to time.

A SAR will lapse:

- on the date of termination, in the event of termination of an Employee's employment by reason of resignation or lawful dismissal, subject to the Committee's discretion;
- where it is not exercised before the expiry of a 10 year period from the date of Grant, provided that if such expiry falls during a closed period, then the SAR in question may be exercised within 90 days after the end of the closed period.

If, while any portion of a Participant's SARs remains unexercised, he or she ceases to be an Employee for reasons other than resignation or lawful dismissal, the whole of the unexercised SARs (whether vested or not) shall be exercisable within a specified period, failing which the SARs shall lapse.

If, while any portion of a Participant's SARs remains unexercised:

- the Employer Company of such Participant changes, unless the MultiChoice Group CEO together with the Naspers CEO decides otherwise, or such change being the result of an administrative reorganisation and the responsibilities of such Participant remain unchanged, the Participant shall be deemed to have exercised all their SARs notwithstanding the provisions on vesting and exercise in the MCA SAR Scheme Rules; or
- where the Committee determines that the MCA SAR Scheme or the Participant's participation in the MCA SAR Scheme is no longer appropriate, then the Participant shall be deemed to have exercised all their SARs notwithstanding the provisions on vesting and exercise in the MCA SAR Scheme Rules.

In the event where the Company and/or any of its Affiliates, in relation to Scheme Shares being the subject of a Grant, distributes shares and/or any other assets in the course of, *inter alia*, (i) any reorganisation, rationalisation, compromise; (ii) reduction of capital or capitalisation issue; (iii) a special dividend and/or (iv) in contemplation of deregistration, winding up or liquidation of the Company, the Committee shall, in its discretion make adjustments to the number of shares in respect of which such SARs have been granted and to any other provisions relating to Grants in order to take account of such distribution.

In the event where the Company's share or loan capital is the subject of a reorganisation, reclassification, increasing or reducing its share or loan capital, or the Company making a distribution to shareholders other than by way of a normal cash interim dividend or final dividend, the Committee shall make such adjustments to the total number of Scheme Shares in respect of which each SAR has been granted and to any other provisions relating to Grants affected by such change as the Committee deems, in its discretion to be fair and reasonable.

The Committee shall also make such adjustments to the MCA SAR Scheme to take into account, *inter alia*, material changes in law or accounting practices or principles, acquisitions, dispositions or similar corporate transactions, if it so determines, in its discretion, that adjustments are appropriate to avoid material distortions or inequity in the operation of the MCA SAR Scheme, but no adjustments otherwise as required by law may be made without a Participant's consent, if an adjustment would have a material adverse effect on the rights of the Participant under the MCA SAR Scheme.

Where the Company is wound up in circumstances other than as stated above, either of the Participant or the Committee may on 14 days' notice to the other cancel the Grants with neither of the Committee or the Participant having any further claim as a result of the cancellation.

In the event of a change of control of the Company, the Committee shall, within 14 days after such change of control has become binding and unconditional, notify the Participants of such change. Unless the acquiring entity notifies the Participants in writing within 7 days after the notification by the Committee that the MCA SAR Scheme shall continue in force or it is arranged that outstanding Grants are to be exchanged for the grant of substantially similar awards (as determined by the Committee in its discretion) with respect to interests in the registered capital of the acquiring entity, an Affiliate of the Company or an Affiliate of the acquiring entity, a Participant shall be entitled to exercise all SARs accepted within 30 days (or such longer date as determined by the Committee) after the date upon which the Committee notified the Participant of the change of control. To the extent that a Participant fails to exercise a SAR as set out above, the right to do so shall lapse, unless the Committee in its discretion determines otherwise.

MATERIAL CONTRACTS

Description of agreement	Parties	Date	Nature
Separation agreement	The Company Naspers	23 November 2018 (framework separation agreement) 15 April 2019 (addendum to framework separation agreement)	This agreement sets out the principles regulating various aspects of the separation of the Company and its affiliates from the Naspers Group (as a result of the implementation of the Unbundling) and the provision of certain transitional services for a period of time after such separation.
Transitional services agreement	The Company Naspers	2 April 2019	This agreement was entered into pursuant to the separation agreement between the Company and Naspers and regulates in further detail the provision of certain transitional services by the MCG Group to the Naspers Group and by the Naspers Group to the MCG Group pursuant to the separation of the two groups upon the implementation of the Unbundling.
Business and share sale agreement	Showmax BV Showmax Poland BV	28 September 2018	In terms of this agreement, the "Showmax" business conducted in Poland and the shares in Showmax CEE Sp. z o.o. were sold by Showmax BV to Showmax Poland BV. The purchase price paid by Showmax Poland BV to Showmax BV on 28 September 2018 for the purchase of the business and shares sold under the business and share sale agreement was a nominal price of one USD.
MIHH Share for Share Agreement	The Company MIHH	28 September 2018	In terms of this agreement, MIHH transferred to the Company the issued shares held by it in the capital of MultiChoice SA Holdings, Irdeto SA, Main Street 484, Irdeto BV, Showmax BV, MAH BV, DMT, MultiChoice Botswana and MultiChoice Namibia in exchange for 438 837 467 MCG Shares.

Description of agreement	Parties	Date	Nature
Notarial deed of issuance of a share and contribution	The Company MCGH BV MAH BV Irdeto BV Showmax BV	26 October 2018	In terms of this deed: 1. MCGH BV issued to the Company one share in the capital of MCGH BV at a nominal value of one USD cent ("**New Share**") in exchange for an obligation to pay expressed in cash of one USD cent (the "**Issuance Obligation To Pay**"); 2. the Issuance Obligation To Pay and the Incorporation Obligation to Pay (as defined below) were fulfilled by a non-cash contribution made and transferred by the Company to MCGH BV, consisting of the shares held by the Company in MAH BV, Irdeto BV and Showmax BV ("**Dutch Shares**"); 3. prior to implementing the issue of the New Share, the entire issued share capital of MCGH BV (consisting of one share) was held by the Company and issued at one USD cent ("**Existing Share**"). The subscription price for the Existing Share was not paid up and an obligation to pay arose between MCGH BV and the Company (the "**Incorporation Obligation To Pay**"). MCGH BV and the Company agreed that the Incorporation Obligation To Pay would, in addition to the Issuance Obligation To Pay, be settled by the transfer of the Dutch Shares to MCGH BV.
TreasuryCo share for share agreement	The Company TreasuryCo	29 November 2018	In terms of this agreement: 1. the Company transferred to TreasuryCo the issued shares held by it in the capital of MultiChoice Botswana and MCGH BV (collectively, the "**TreasuryCo Shares**") on 29 November 2018; and 2. TreasuryCo allotted and issued two ordinary shares in the authorised but unissued share capital of TreasuryCo to the Company on 6 December 2018 in exchange for the transfer of the TreasuryCo Shares by the Company to TreasuryCo.
PN MCSA subscription agreement	PN1 PN2 MCSA	26 November 2018	In terms of this agreement PN1 subscribed for 4.17% and PN2 subscribed for 2.08%, of the total issued ordinary shares in MCSA after their issue. The subscription price for the issue was nominal as MCSA wished to recognise the support of the PN shareholders to MCSA over the years and to reinforce the MCG Group's commitment to B-BBEE. As a result of the subscription, PN collectively holds 25% of the issued ordinary shares in MCSA.
Sale and purchase agreement	Myriad International Holdings B.V. MCGH BV	17 December 2018	In terms of this agreement, amongst other things, Myriad International Holdings B.V. sold its shares in MultiChoice Moçambique, S.A. and GOtv Mozambique, S.A. to MCGH BV.
Deed of assignment	Myriad International Holdings B.V. MIH Ming He Holdings Ltd. Irdeto BV	15 February 2019	In terms of this deed, Myriad International Holdings B.V. assigned and transferred a loan receivable in the total amount of USD2 492 296 owed to it by Irdeto BV (the "**Irdeto Receivable**"), to MIH Ming He Holdings Ltd. pursuant to the resolution by Myriad International Holdings B.V. to declare an *in specie* dividend to MIH Ming He Holdings Ltd. by distributing, assigning and transferring the Irdeto Receivable to it.

Description of agreement	Parties	Date	Nature
Deed of assignment	MIH Finance v.o.f. MIH Ming He Holdings Ltd. Showmax BV MAH BV	15 February 2019	In terms of this deed, MIH Finance v.o.f. sold, assigned and transferred the following to MIH Ming He Holdings Ltd: 1. a receivable in a total amount of USD9 283 788.14, owed by Showmax BV to MIH Finance v.o.f. under a loan facility agreement, dated 31 March 2016, between Showmax BV and MIH Finance v.o.f., as amended ("**Showmax Receivable**"); 2. a receivable in a total amount of USD173 432 998.13, owed by MAH BV to MIH Finance v.o.f. under a loan facility agreement, dated 31 March 2016, between MAH BV and MIH Finance v.o.f., as amended ("**MAH Receivable**").
Deed of assignment	MIH Ming He Holdings Ltd. MIHH Showmax BV MAH BV Irdeto BV	15 February 2019	In terms of this deed, MIH Ming He Holdings Ltd. assigned and transferred the Irdeto Receivable, the Showmax Receivable and the MAH Receivable (collectively, the "**Assigned Receivables**") to MIHH pursuant to the resolution by MIH Ming He Holdings Ltd. to declare an *in specie* dividend to MIHH by distributing, assigning and transferring the Assigned Receivables to it.
Assignment agreement	MIHH The Company Showmax BV MAH BV Irdeto BV	15 February 2019	In terms of this agreement, MIHH ceded, transferred and assigned the Assigned Receivables to the Company, in exchange for three MCG Shares that would be allotted and issued by the Company to MIHH.
Assignment agreement	The Company TreasuryCo Showmax BV MAH BV Irdeto BV	15 February 2019	In terms of this agreement, the Company ceded, transferred and assigned the Assigned Receivables to TreasuryCo, in exchange for three ordinary shares in the authorised but unissued share capital of TreasuryCo that would be allotted and issued by TreasuryCo to the Company.
Deed of issuance of shares and contribution	MCGH BV TreasuryCo Showmax BV MAH BV Irdeto BV	15 February 2019	In terms of this deed: 1. MCGH BV issued to TreasuryCo three shares in the capital of MCGH BV; and 2. such shares were fully paid up by a non-cash contribution by TreasuryCo to MCGH BV consisting of the Assigned Receivables.

DETAILS OF SUBSIDIARIES [REG 57(3)(B); 59(2)(B); 59(3)(A)(I); 59(3)(D)(II)]

Details of the Company's subsidiaries as at the Last Practicable Date are set out below.

Material Subsidiaries [reg 57(3)(b); 59(2)(b); 59(3)(a)(i)]

Name	Registration number	Date and place of incorporation	Issued securities and details of shares held by holding company	Date of becoming subsidiary	Main Business(es) and if more than one material business, the relevant importance of each such business	Length of time during which such business has been carried on
MultiChoice Africa Holdings BV	34272155	19/04/2007 Netherlands	66 853 ordinary shares of 1 EUR each 100% held by MultiChoice Group Holdings BV	19/04/2007	Support services to the African operations, including managerial, accounting and governance assistance	12 years
MultiChoice Proprietary Limited	1994/009083/07	09/11/1994 South Africa	201 000 000 ordinary shares of R0,000001 each 100% held by MultiChoice South Africa Proprietary Limited	03/10/1995	Pay-television services	23 years
MultiChoice South Africa Proprietary Limited	2007/029660/07	15/10/2007 South Africa	360 000 000 ordinary shares of R0,0001 each 100% held by MultiChoice South Africa Holdings Proprietary Limited	01/02/2008	Video entertainment and internet subscriber platforms	11 years

Name	Registration number	Date and place of incorporation	Issued securities and details of shares held by holding company	Date of becoming subsidiary	Main Business(es) and if more than one material business, the relevant importance of each such business	Length of time during which such business has been carried on
MultiChoice Support Services Proprietary Limited	2007/014131/07	15/05/2007 South Africa	1 000 ordinary shares of R1 each and 350 000 redeemable preference shares of R1 each 100% held by MultiChoice South Africa Proprietary Limited	29/06/2007	Broadcast technology services and subscriber management support services and subscription video on demand services	12 years
SuperSport International Holdings Proprietary Limited	1997/004203/07	24/03/1997 South Africa	268 763 276 ordinary shares of R0,01 each 100% held by MultiChoice South Africa Holdings Proprietary Limited	21/11/1997	Investment holding company	21 years

Other subsidiaries [reg 57(3)(b)]

Name	Registration number	Date of incorporation	Place of incorporation
Cable Media Ltd	CPR/2015/184162	02/04/2015	Kenya
CommerceZone (Pty) Ltd	1996/015095/07	01/11/1996	South Africa
Denuvo GmbH	CN 407984 b	18/12/2013	Austria
Details Nigeria Ltd	RC149059	09/05/1990	Nigeria
Digital Mobile Television (Pty) Ltd	2007-035	15/02/2007	Namibia
DSTV Media Sales (Pty) Ltd	1995/001791/07	28/02/1995	South Africa
Electronic Media Network (Pty) Ltd	1985/002853/07	20/06/1985	South Africa
GO TV Rwanda Ltd	103090617	18/09/2013	Rwanda
GOtv (SL) Ltd	SLE071016GOTVS1600475	04/10/2013	Sierra Leone
GOtv Ghana Ltd	CS298762017	08/06/2004	Ghana
GOtv Kenya Ltd	C130704	17/11/2006	Kenya

Name	Registration number	Date of incorporation	Place of incorporation
GOTV Lesotho (Pty) Ltd	2013/0740	26/04/2013	Lesotho
GOtv Ltd	12441	10/09/2012	Malawi
GOtv Moçambique S.A.	100327902	13/09/2012	Mozambique
GOtv Tanzania Ltd	93954	20/09/2012	Tanzania
GOtv Uganda Ltd	95175	11/01/2008	Uganda
GOtv Zambia Ltd	120100088810	09/12/2010	Zambia
Huntley Holdings (Pty) Ltd	1997/004269/07	25/03/1997	South Africa
Huntley Media Services (Pty) Ltd	1996/015134/07	04/11/1996	South Africa
Irdeto (Pty) Ltd (Australia)	ACN 075 474 314 ABN 82 075 474 314	12/09/1996	Australia
Irdeto (Technology) Beijing Co. Ltd	91110105600092666Y	17/10/2001	China
Irdeto Africa B.V.	34191941	17/06/2003	The Netherlands
Irdeto B.V.	34073774	21/06/1979	The Netherlands
Irdeto B.V. – Japan Branch	0100-03-014442	07/01/2008	Japan
Irdeto B.V. Turkey Branch	n/a (branch)	26/02/2013	Turkey
Irdeto Canada Corp	872017199 RC0001	17/09/1997	Canada
Irdeto Do Brazil Tecnologia Ltda	35.223.777.993	29/09/2009	Brazil
Irdeto France SAS	442 513 917 (RCS); 2002B09926 (gestion)	27/06/2002	France
Irdeto Holdings B.V.	34122126	09/09/1999	The Netherlands
Irdeto Poland sp. z o.o.	KRS 0000767322	07/11/2018	Poland
Irdeto Security B.V.	65887859	19/04/2016	The Netherlands
Irdeto Singapore PTE Ltd	200817390W	02/09/2008	Singapore
Irdeto South Africa (Pty) Ltd	2011/002613/07	02/02/2011	South Africa
Irdeto Technology India Private Limited	U64202DL2005PTC133223	22/02/2005	India
Irdeto UK Ltd	05928377	07/09/2006	United Kingdom
Irdeto USA Inc.	3234694	25/05/2000	USA
LLC Irdeto	1117746494832	23/06/2011	Russia
Local Productions (Kenya) Ltd	CPR/2011/55649	06/09/2011	Kenya

Name	Registration number	Date of incorporation	Place of incorporation
Main Street 484 (Pty) Ltd	2006/031966/07	13/10/2006	South Africa
MGH Southern Africa Support Services Ltd	120150131155		Zambia
MCG West Africa Support Services Ltd	CS260872013	25/04/2012	Ghana
M-Net Intelprop Ltd	19341/3574	10/03/1998	Mauritius
M-Sat Nigeria Ltd	RC480418	22/05/2003	Nigeria
MSS Local Productions Nigeria Ltd	RC715545	29/10/2007	Nigeria
MultiChoice Africa Services B.V	72527390	07/09/2018	The Netherlands
MultiChoice Botswana (Pty) Ltd	CO92/2181	03/12/1992	Botswana
MultiChoice Eastern Cape (Pty) Ltd	1991/060088/07	26/06/1991	South Africa
MultiChoice Ghana Limited	CS298752017	04/05/1990	Ghana
MultiChoice Group Holdings B.V	72799498	09/10/2018	The Netherlands
MultiChoice Group Services (Pty) Limited	2019/120255/07	19/03/2019	South Africa
MultiChoice Group Treasury Services (Pty) Ltd	2018/473867/07	04/09/2018	South Africa
MultiChoice Investments (Pty) Ltd	1999/015521/07	20/07/1999	South Africa
MultiChoice Kenya Ltd	C63472	20/02/1995	Kenya
MultiChoice Mobile Operations (Pty) Ltd	2007/019879/07	16/07/2007	South Africa
MultiChoice Moçambique S.A.	100354411	13/12/2012	Mozambique
MultiChoice Namibia (Pty) Ltd	91/236	05/07/1991	Namibia
MultiChoice Nigeria Ltd	RC234847	16/11/1993	Nigeria
MultiChoice Operations (Pty) Ltd	2006/009259/07	28/03/2006	South Africa
MultiChoice South Africa Holdings (Pty) Ltd	2006/015293/07	19/05/2006	South Africa
MultiChoice Tanzania Limited	32563	29/08/1997	Tanzania
MultiChoice Technical Operations (Pty) Ltd	2006/006198/07	28/02/2006	South Africa
MultiChoice Uganda Ltd	V01056	16/12/1992	Uganda
MultiChoice Zambia Holdings Ltd	150485	18/05/1995	British Virgin Islands
MultiChoice Zambia Ltd	119940031633	31/05/1994	Zambia
M-Web Nigeria Ltd	326825	23/12/1997	Nigeria
Myriad Southern Africa Ltd	120150131155	02/04/2015	Zambia

Name	Registration number	Date of incorporation	Place of incorporation
NMS Communications (Pty) Ltd	2001/001469/07	24/01/2001	South Africa
NMS Insurance Services SA Ltd	2005/026017/06	19/07/2005	South Africa
NMS Properties (Pty) Ltd	2005/031291/07	05/09/2005	South Africa
Orbicom (Pty) Ltd	1993/004259/07	28/07/1993	South Africa
Showmax B.V.	64610489	23/11/2015	The Netherlands
ShowMax s.r.o.	3737101	21/01/2015	Czech Republic
SSI Intelprop Holdings Ltd	19343/3576	10/03/1998	Mauritius
Stand 1194-1196 Ferndale (Pty) Ltd	1995/007365/07	20/07/1995	South Africa
SuperSport Holdings B.V.	33204344	21/06/1988	The Netherlands
SuperSport International (Pty) Ltd	1997/004108/07	20/03/1997	South Africa
SuperSport Sports Holdings (Pty) Ltd	1997/004109/07	20/03/1997	South Africa
SuperSport United Football Club (Pty) Ltd	1994/002185/07	24/03/1994	South Africa
Uniqic B.V.	69626308	14/09/2017	The Netherlands
Yizani Phuthuma Nathi (RF) (Pty) Ltd	2015/295621/07	19/08/2015	South Africa
MGH Southern Africa Support Services Ltd	CPR/2012/65778		Kenya

DIRECTORS' REMUNERATION

Remuneration of Directors for the financial year ended 31 March 2019

Set out below is a breakdown of the remuneration paid or accrued as payable by the MCG Group to the Directors during the financial year ended 31 March 2019:

Executive director and prescribed officer single figure remuneration

FY2019	Total cost to company/base salary	Pension	Benefits[1]	Short-term incentives[2]	Long-term incentive plan[3]	Total
Executive directors/ prescribed officer	**('000)**	**('000)**	**('000)**	**('000)**	**('000)**	**('000)**
Patel, Mohammed Imtiaz Ahmed[6]	USD648[4]	USD42	USD339	USD434	USD0	**USD1 463**
Mawela, Calvo Phedi[5]	ZAR5 572	ZAR577	ZAR694	ZAR3 780	ZAR0	**ZAR10 623**
Jacobs, Timothy Neil[5]	ZAR2 352	ZAR271	ZAR16	ZAR5 810[7]	ZAR0	**ZAR8 449**
De Villiers, Sybrand[6]	USD517	USD63	USD153	USD287	USD0	**USD1 020**

(1) Benefits exclude pension and includes all benefits not included in total cost to company/base salary such as medical benefits, fringe benefits, family benefits, travel, long-service and disability.

(2) Bonus paid based on the performance of the relevant financial year (FY2019).

(3) Intrinsic value of MCG Share awards vesting in FY2020.

(4) Includes officer's fees as a Prescribed Officer of other companies in the MCG Group.

(5) Appointed on 1 November 2018.

(6) Paid in USD which is aligned with MCG Dubai based contracts.

(7) Tim Jacobs received a sign-on bonus of R3,81m on joining with a 12-month retention period.

Non-executive Directors' fees

	Directors' remuneration		Directors' fees		Committee and trustee fees[2][3]		
FY2019	**Paid for services to the MCG Group**	**Paid for services to other MCG Group companies**	**Paid for services to the MCG Group**	**Paid for services to other MCG Group companies[1]**	**Paid for services to the MCG Group**	**Paid for services to other MCG Group companies**	**Total**
Non-executive directors	**ZAR'm**	**ZAR'm**	**ZAR'm**	**ZAR'm**	**ZAR'm**	**ZAR'm**	**ZAR'm**
Eriksson, Donald Gordon	–	–	0.18	3.81	0.11	4.25	8.35
Letele, Francis Lehlohonolo Napo[4]	–	11.52	–	–	–	–	11.52
Masilela, Elias	–	–	0.18	0.56	–	0.29	1.03
Moroka, Kgomotso Ditsebe	–	–	0.18	0.71	0.18	0.52	1.59
Pacak, Stephan Joseph Zbigniew	–	–	0.18	4.11	0.29	0.63	5.21
Stephens, Louisa	–	–	0.18	0.24	0.14	0.14	0.70
Volkwyn, John James[5]	–	2.64	–	–	–	–	2.64
Sabwa, Christine Mideva[6]	–	–	–	–	–	–	–
Mabuza, Jabulane Albert[7]	–	–	–	–	–	–	–
Sanusi, Fatai Adegboyega[7]	–	–	–	–	–	–	–

(1) Includes fees paid by Naspers for 11 months for DG Eriksson and SJZ Pacak relating to Naspers board services.

(2) Committee fees include fees for the attendance of the audit committee, risk committee, remuneration committee, the nomination committee and the social and ethics committee meetings of the board. Other fees relate to payments for other services to the MCG Group.

(3) Trustee fees include fees for the attendance of the various retirement fund trustee meetings of the MCG Group's retirement funds. An additional fee may be paid to directors for work done as directors with specific expertise.

(4) Remunerated as an employee of the MultiChoice South Africa group.

(5) Remunerated as an employee of MultiChoice Africa Services BV.

(6) Appointed on 14 May 2019.

(7) Appointed on 5 July 2019.

Anticipated remuneration of Directors for the financial year ended 31 March 2020

The following remuneration package of the executive Directors and prescribed officers for the financial year ending 31 March 2020 has been approved by the Remuneration Committee:

FY2020	**Base salary**	**FY2020 increase**
Executive directors/prescribed officer	**('000)**	**(%)**
Patel, Mohamed Imtiaz Ahmed[1]	USD620	0
Mawela, Calvo Phedi	ZAR6 750	12.5[2]
Jacobs, Timothy Neil	ZAR5 803	5.5
De Villiers, Sybrand[1]	USD620	0

(1) Imtiaz Patel and Brand de Villiers are paid in US dollar which is aligned with MCG Dubai-based contracts.

(2) Calvo Mawela's increase is above inflation to align with his new role as CEO.

It is anticipated that the further components of these individuals' remuneration packages will be determined in accordance with the same principles as applied in the 2019 remuneration structure.

The MCG shareholders have approved the remuneration payable to the non-executive directors until the next annual general meeting of the Company, as follows:

Board		**31 March 2020 (excluding VAT)**
1.1	Non-executive director	ZAR540 000, plus daily fees when travelling to and attending meetings
Committees		
1.2	Audit committee: Chair	ZAR420 000
1.3	Member of audit committee	ZAR210 000
1.4	Risk committee: Chair	ZAR250 000
1.5	Member of risk committee	ZAR125 000
1.6	Remuneration committee: Chair	ZAR295 000
1.7	Member of remuneration committee	ZAR147 500
1.8	Nomination committee: Chair	ZAR200 000
1.9	Member of nomination committee	ZAR100 000
1.10	Social and ethics committee: Chair	ZAR230 000
1.11	Member of social and ethics committee	ZAR115 000

Directors registered for VAT will be entitled to VAT in addition to the above stated remuneration.

Directors' interest in share incentive schemes (including Company Share Plans)

The table below details the value of vested but unexercised and unvested share awards, other than under the Restricted Share Plan, as at 31 March 2019.

Name	Share plan	Offer date	Number of shares	Offer price	Release date[1]	Expiry date	Share price as at 31 March 2019	Fair value per share of vested and unvested SARs as at 31 March 2019	Fair value per award of vested and unvested SARs as at 31 March 2019	Intrinsic Value of vested and unvested SARs as at 31 March 2019
				ZAR			ZAR	ZAR	ZAR	ZAR
MIA Patel	MCA 2008 SAR Plan	11-Jul-13	19 885	117,35	11-Jul-18	11-Jul-23	77,19	–	–	0.00
		15-Sep-14	28 198	125,60	15-Sep-18	15-Sep-24	77,19	–	–	0.00
		15-Sep-15	82 276	113,19	15-Sep-18	15-Sep-25	77,19	–	–	0.00
		15-Sep-14	28 198	125,60	15-Sep-19	15-Sep-24	77,19	58,08	1 637 740	0.00
		15-Sep-15	82 276	113,19	15-Sep-19	15-Sep-25	77,19	46,75	3 846 403	0.00
		01-Sep-16	58 369	116,30	01-Sep-19	01-Sep-26	77,19	39,54	2 307 910	0.00
		15-Sep-15	82 276	113,19	15-Sep-20	15-Sep-25	77,19	51,69	4 252 846	0.00
		01-Sep-16	58 369	116,30	01-Sep-20	01-Sep-26	77,19	45,30	2 644 116	0.00
		28-Jun-17	67 996	94,39	28-Jun-20	28-Jun-27	77,19	35,73	2 429 497	0.00
		01-Sep-16	58 370	116,30	01-Sep-21	01-Sep-26	77,19	50,62	2 954 689	0.00
		28-Jun-17	67 996	94,39	28-Jun-21	28-Jun-27	77,19	39,76	2 703 521	0.00
		27-Jun-18	119 527	77,19	27-Jun-21	27-Jun-28	77,19	29,48	3 523 656	0.00
		28-Jun-17	67 996	94,39	28-Jun-22	28-Jun-27	77,19	43,51	2 958 506	0.00
		27-Jun-18	119 527	77,19	27-Jun-22	27-Jun-28	77,19	32,92	3 934 829	0.00
		27-Jun-18	119 529	77,19	27-Jun-23	27-Jun-28	77,19	36,00	4 303 044	0.00
			1 060 788							0.00
	Showmax share appreciation right scheme	18-Sep-15	2 222	18.00	18-Sep-18	18-Sep-25	18.00	–	–	0.00
		18-Sep-15	2 222	18.00	18-Sep-19	18-Sep-25	18.00	9.83	21 842	0.00
		18-Sep-15	2 222	18.00	18-Sep-19	18-Sep-25	18.00	10.28	21 842	0.00
			6 667							

Name	Share plan	Offer date	Number of shares	Offer price	Release date[1]	Expiry date	Share price as at 31 March 2019	Fair value per share of vested and unvested SARs as at 31 March 2019	Fair value per award of vested and unvested SARs as at 31 March 2019	Intrinsic Value of vested and unvested SARs as at 31 March 2019
				ZAR			ZAR	ZAR	ZAR	ZAR
CP Mawela	MCA 2008 SAR Plan	12-Sep-13	5 871	117,35	12-Sep-18	12-Sep-23	77,19	–	–	0.00
		15-Sep-14	5 087	125,60	15-Sep-18	15-Sep-24	77,19	–	–	0.00
		15-Sep-15	16 240	113,19	15-Sep-18	15-Sep-25	77,19	–	–	0.00
		15-Sep-14	5 087	125,60	15-Sep-19	15-Sep-24	77,19	58,08	295 453	0.00
		15-Sep-15	16 240	113,19	15-Sep-19	15-Sep-25	77,19	46,75	759 220	0.00
		01-Sep-16	13 958	116,30	01-Sep-19	01-Sep-26	77,19	39,54	551 899	0.00
		15-Sep-15	16 242	113,19	15-Sep-20	15-Sep-25	77,19	51,69	839 549	0.00
		01-Sep-16	13 958	116,30	01-Sep-20	01-Sep-26	77,19	45,30	632 297	0.00
		28-Jun-17	10 594	94,39	28-Jun-20	28-Jun-27	77,19	35,73	378 524	0.00
		01-Sep-16	13 958	116,30	01-Sep-21	01-Sep-26	77,19	50,62	706 554	0.00
		28-Jun-17	10 594	94,39	28-Jun-21	28-Jun-27	77,19	39,76	421 217	0.00
		27-Jun-18	26 119	77,19	27-Jun-21	27-Jun-28	77,19	29,48	769 988	0.00
		28-Jun-17	10 595	94,39	28-Jun-22	28-Jun-27	77,19	43,51	460 988	0.00
		27-Jun-18	26 119	77,19	27-Jun-22	27-Jun-28	77,19	32,92	859 837	0.00
		27-Jun-18	26 119	77,19	27-Jun-23	27-Jun-28	77,19	36,00	940 284	0.00
			216 781							
TN Jacobs	MCA 2008 SAR Plan	03-Dec-18	151 142	77.19	03-Dec-21	03-Dec-28	77,19	30,37	4 590 183	0.00
		03-Dec-18	151 142	77.19	03-Dec-22	03-Dec-28	77,19	33,97	5 134 294	0.00
		03-Dec-18	151 143	77.19	03-Dec-23	03-Dec-28	77,19	37,27	5 633 100	0.00
			453 427							
S de Villiers	MCA 2008 SAR Plan	27-Jun-16	81 471	116,3	27-Jun-19	27-Jun-26	77,19	13,07	1 064 826	0.00
		01-Sep-16	2 866	116,3	01-Sep-19	01-Sep-26	77,19	39,54	113 322	0.00
		27-Jun-16	81 471	116,3	27-Jun-20	27-Jun-26	77,19	13,40	1 091 711	0.00
		01-Sep-16	2 866	116,3	01-Sep-20	01-Sep-26	77,19	45,30	129 830	0.00
		28-Jun-17	14 125	94,39	28-Jun-20	28-Jun-27	77,19	35,73	504 686	0.00
		01-Sep-16	2 866	116,3	01-Sep-21	01-Sep-26	77,19	50,62	145 077	0.00
		27-Jun-16	81 473	116,3	27-Jun-21	27-Jun-26	77,19	14,85	1 209 874	0.00
		28-Jun-17	14 125	94,39	28-Jun-21	28-Jun-27	77,19	39,76	561 610	0.00
		27-Jun-18	21 591	77,19	27-Jun-21	27-Jun-28	77,19	29,48	636 503	0.00
		28-Jun-17	14 127	94,39	28-Jun-22	28-Jun-27	77,19	43,51	614 666	0.00
		27-Jun-18	21 591	77,19	27-Jun-22	27-Jun-28	77,19	32,92	710 776	0.00
		27-Jun-18	21 593	77,19	27-Jun-23	27-Jun-28	77,19	36,00	777 348	0.00
			360 165							

(1) For awards vested in 2018, the intrinsic values of the 2018 Awards are reflected in the table and not the Fair Values.

The table below details the share awards under the Restricted Share Plan made on 1 July 2019. No further awards have been made to the Directors under the Restricted Share Plan.

Name	Award date	Number of shares	Share price as at 1 July 2019	Release date
			ZAR	
MIA Patel	1-Jul-19	51 548	133.77	18 June 2021
	1-Jul-19	51 548	133.77	18 June 2022
	1-Jul-19	51 548	133.77	18 June 2023
	1-Jul-19	51 548	133.77	18 June 2024
		206 193		
CP Mawela	1-Jul-19	61 162	133.77	18 June 2021
	1-Jul-19	61 162	133.77	18 June 2022
	1-Jul-19	61 162	133.77	18 June 2023
	1-Jul-19	61 162	133.77	18 June 2024
		244 648		
TN Jacobs	1-Jul-19	15 768	133.77	18 June 2021
	1-Jul-19	15 768	133.77	18 June 2022
	1-Jul-19	15 768	133.77	18 June 2023
	1-Jul-19	15 768	133.77	18 June 2024
		63 073		
S de Villiers	1-Jul-19	38 226	133.77	18 June 2021
	1-Jul-19	38 226	133.77	18 June 2022
	1-Jul-19	38 226	133.77	18 June 2023
	1-Jul-19	38 226	133.77	18 June 2024
		152 905		

APPLICATION OF PRINCIPLES OF KING CODE

Principle and application	Internal policy, document or process reference
PRINCIPLE 1: The governing body should lead ethically and effectively. The Directors, overseen by the chairperson, hold each other accountable for decision-making and ethical behaviour. They individually and collectively demonstrate integrity, competence, responsibility, accountability, fairness and transparency to provide effective leadership, which, together with management, assists in achieving strategic objectives. The induction of new Directors and ongoing training ensures Directors have the necessary knowledge and competence to fulfil their duties. Adequate information is provided in the Board and committee papers. Regular progress reports are provided to Board members for the individual business units and on new trends. The Company Secretary and MCG Group general counsel provide professional and independent guidance to the Board collectively, and each Director individually, on their duties and responsibilities, and draw their attention to relevant legislation and regulations. The Board will ensure proper disclosure of how it exercises its governance role. The Board and its committees monitor financial, environmental, social and governance matters, as well as risks and opportunities.	Applicable policies and governance elements: • Code of business ethics and conduct • Induction policy for new directors and summary of duties and liabilities of directors (MultiChoice board governance portal) • Board charter
PRINCIPLE 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture. The Board sets the tone at the top and is responsible for the monitoring and governance of the ethics of the MCG Group to ensure that it results in the outcomes envisaged by the King Code, which is detailed in the Board Charter. The MCG Group's values, code of business ethics and conduct (the "**Code**") and related policies encompass its interaction with internal and external stakeholders and broader society. The MCG Group conducts its business dealings on the basis of compliance with applicable law, and proper regard for ethical business practices. Management teams across the MCG Group understand and apply the Code and create and maintain awareness of the Code and whistleblower policy. Reference to the Code is included in the contracts of new employees of Material Subsidiaries, and in the induction process for new employees. The Code applies to the recruitment, performance evaluation and reward processes. Management teams are required to monitor adherence to the Code and apply a zero-tolerance policy to violations. Sanctions are in place and the necessary action is taken, which includes prosecuting to the fullest extent of the law when appropriate. Reference to our ethical values is included in third-party procurement contracts of some Material Subsidiaries. Contractors, agents and consultants who work with any MCG Group company are expected to follow the same standards of business conduct. MCG Group companies may require specific steps to be taken, including, where appropriate, due diligence checks and specific contractual terms for certain types of contractors, agents and consultants. The risk management function monitors the MCG Group's whistleblower facility operated by Deloitte Tip-offs Anonymous. Reported matters are investigated either internally or externally by forensic specialists as appropriate. Significant allegations and fraud are reported to the Audit and Risk Committees. The Social and Ethics Committee receives reports on whistleblower activity and ethics. Internal audit and the risk function provide the Social and Ethics Committee and Remuneration Committee with an assessment of the MCG Group's ethics performance annually.	Applicable policies and governance elements: • Code of business ethics and conduct • Whistleblower policy • MyAcademy training on code of business ethics and conduct and whistleblowing • Board charter

Principle and application	Internal policy, document or process reference
PRINCIPLE 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen. The Board, assisted by the Social and Ethics Committee, ensures that the MCG Group is, and is seen to be, a responsible corporate citizen by having regard to not only the financial aspects of the business of the MCG Group, but also the impact that business operations have on the environment and the society within which it operates. The MCG Group's sustainable development policy includes the responsibility for corporate citizenship and the MCG Group's purpose, values and strategy are aligned with the principles of responsible corporate citizenship. The MCG Group's businesses manage numerous corporate citizenship initiatives affecting the workplace, economy, society and environment, including: B-BBEE and employment equity performance for South African subsidiaries; local employment, health and safety laws; employee development opportunities; responsible tax policy; anti-fraud, anti-bribery and anti-corruption initiatives; initiatives to minimise impact on the environment; and corporate social investment initiatives which contribute to the societies in which our businesses operate.	Applicable policies and governance elements: • Legal compliance policy and programme • Anti-bribery and anti-corruption policy • Competition compliance policy • Sanctions and export controls policy • Sustainable development policy • Code of business ethics and conduct • Group's good governance guidelines • Board charter
PRINCIPLE 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. The MCG Group's ability to create value in a sustainable manner is illustrated throughout its business model. The Board is responsible for the Company's performance by steering and providing strategic direction and overseeing the adoption of strategy and plans (which originate from management). Annually, the Board approves the strategy, objectives and business plans for the ensuing financial year. Management is responsible to implement the plans and is incentivised to do so through annual performance-related incentives linked to the MCG Group's objectives and strategy. In approving the strategy, the Board takes into account sustainability aspects in long-term planning, risks and opportunities, and legitimate and reasonable interests of material stakeholders. The business plan covers short-term, medium-term and longer-term aspects such as investing in technologies of the future. The business plan is a bottom-up/top-down inclusive process. It focuses on the sustainability of the businesses, taking account of changing economic, competitive, technological and other market conditions. The Board oversees implementation of the strategy and business plan by management against agreed performance measures and targets. Performance is monitored via regular financial updates, business segment progress reports and presentations at Board meetings. Risk management, including implementation of controls, is an integral part of the business. In its deliberations the Board, assisted by its committees, considers the overall sustainability of the MCG Group from a 'people, profit and planet' perspective.	Applicable policies and governance elements: • Sustainable development policy • Board charter • Business plan and budget

Principle and application	Internal policy, document or process reference
PRINCIPLE 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of its performance, and its short-, medium- and long-term prospects. The chairs of the Board's committees are required to report to the Board at each scheduled Board meeting, keeping the Board apprised of developments in terms of their mandates. The MCG Group's integrated annual report will contain an assessment of its performance, measured against its objectives. The Audit Committee, and ultimately the Board, is responsible for overseeing reporting (including the audit and integrated report processes) and approving management's determination of reporting frameworks and basis for determining materiality. International Financial Reporting standards will be used for financial reporting purposes in accordance with JSE Listings Requirements, and the international integrated reporting framework, as endorsed by the King Code, will be used in the preparation of the integrated annual report. To assist the Board in ensuring the integrity of the integrated annual report, the Audit Committee reviews this report prior to making a recommendation to the Board for approval. The MCG Group's external auditor, PricewaterhouseCoopers Inc., audits or reviews, as appropriate, external financial reporting and material non-financial information included in the integrated annual report. B-BBEE scorecards are issued by EmpowerLogic for the South African businesses.	Applicable policies and governance elements: • Board charter • Audit committee charter
PRINCIPLE 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation. The Board is the focal point and custodian of corporate governance and exercises its leadership and oversight role by annually approving the strategy and the business plan and overseeing implementation. Its role, responsibilities, membership requirements and procedural conduct are documented and are set out in the Board Charter which it regularly reviews to guide its effective functioning. Further aspects of governance are addressed with greater impetus through the established Board sub-committees, for example, the Audit Committee, the Risk Committee, the Social and Ethics Committee and the Remuneration Committee. All board policies, and the Board and committee charters are reviewed annually. Accountability for the MCG Group's performance is ensured by its financial reporting and integrated annual report, together with disclosure information to be found on the MCG Group's website. Board-approved policies set out the processes to be followed for: • Any of its members or committees to obtain independent, external professional advice at the cost of the MCG Group on matters within the scope of their duties; and • Its non-executive members for requisitioning documentation from, and setting meetings with, management.	Applicable policies and governance elements: • Board charter • Audit committee charter • Obtaining independent professional advice policy • Directors' rights to access information policy

Principle and application	Internal policy, document or process reference
PRINCIPLE 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively. On at least an annual basis, the Board and its sub-committees must consider their compositions in terms of balance of skills, experience, diversity, independence and knowledge and whether these enable them to effectively discharge their roles and responsibilities as per the Board diversity policy. The composition of the Board (including board member rotation), in accordance with the Board Charter, is reviewed annually by the Nominations Committee, which makes recommendations to the Board. Composition is considered holistically, taking into account all aspects of diversity (including gender and race) in terms of its diversity policy, and capitalising on differences in the skills, geographical and industry experience of its members. The chief executive and chief financial officers are Board members. The Board is satisfied that there is a balance of skills, experience, diversity, independence and knowledge needed to discharge its role and responsibilities. Through the annual self-assessment of the Board and its sub-committees, the knowledge and skills set will be evaluated and improved where required. Furthermore, where necessary, subject matter experts are available for matters requiring specialised guidance. An executive chair has been appointed. The executive chair has valuable group, industry and regulatory intellectual capital and know-how to ensure the future development and progression of the business. In the event of the chair being unable to perform his duties or being conflicted, the lead independent Director takes over as an interim measure until a new candidate has been determined or the chair is able to resume his responsibilities. In the annual review of Board and committee composition, succession planning, including upcoming retirements, are considered and, where appropriate, new appointees are identified. All aspects of diversity are considered in succession planning, while training requirements are considered in developing executive and non-executive directors. The nomination, election and appointment processes are formal and transparent, and include a fit-and-proper test. Formal terms of appointment are in place for each non-executive director. The Nominations Committee and Board evaluate the categories of directors annually, categorising directors as executive, non-executive and/or independent. The independence of non-executive directors serving for longer than nine years will require formal assessment annually. CVs of all Directors will be available on the MCG Group's website.	Applicable policies and governance elements: • Board charter • Remuneration and equity committee charter • Board diversity policy • Appointment of new directors' policy • Induction for new directors' policy • E-learning training on directors' duties and corporate governance

Principle and application	Internal policy, document or process reference
PRINCIPLE 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties. The Board and its standing executive, Audit, Risk, Remuneration, Nominations, and Social and Ethics Committees fulfil key roles in ensuring good corporate governance in line with the King Code. There is a clear balance of power to ensure that no individuals have undue decision-making powers. Charters are approved by the Board for all committees and are to be reviewed annually. Committee charters deal with composition, roles and responsibilities, delegated authority, meeting procedures, right to obtain professional advice, and performance evaluation arrangements. All committee members are Board members. This is in line with the Companies Act requirements. Committees report to the Board at each scheduled Board meeting. There is overlapping membership between all committees for more effective functioning. Delegating responsibilities does not discharge the Board's accountability, and the Board's collective mind is applied to information, opinions, recommendations, reports and statements presented to it. Members of the executive and Senior Management are invited to committee meetings to provide information and insights in their areas of responsibility. Any Board member is entitled to attend any committee meeting as an observer, subject to agreement by the chair of that committee. However, they do not have a vote and are not entitled to fees for attendance. The Audit Committee has the power to make decisions on its statutory duties, and is accountable for its performance in this regard. The Board is ultimately accountable for other responsibilities delegated to the Audit Committee. The external audit partner and head of internal audit have unrestricted access to the chair of the Audit Committee, which meets separately with auditors twice a year. Committee-related disclosures required by the King Code will be made in the integrated annual report, including that it is satisfied that the auditor is independent.	Applicable policies and governance elements: • Board charter • Committee charters
PRINCIPLE 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness. The Board and all sub-committees' charters include the onus of annual assessments. Assessments of the performance by the Board, its sub-committees and the Company Secretary will be conducted every second year; however, performance in general will be considered every year as part of the review of the composition of the Board and its committees. The lead independent director will head the evaluation of the chair.	Applicable policies and governance elements: • Board charter • Remuneration and equity committee charter

Principle and application	Internal policy, document or process reference
PRINCIPLE 10: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities. The Board is satisfied that the Company is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised. The Board approves the appointment of the CEO and the CFO. The Remuneration Committee is required to consider the performance of the CEO and CFO annually against agreed performance incentive objectives. The Audit Committee is required to consider the performance of the CFO and the finance function and will report thereon in its report included in the integrated report. The Board approves the MCG Group levels of authority annually, which include delegated authorities to the CEO. The Board evaluates the overall performance of the CEO and CFO. The integrated annual report will disclose performance measures for the CEO, CFO and chief investment officer. Executive directors are also assessed in their capacity as Directors as part of the annual individual Directors' evaluation process. Succession plans, including interim appointees, for the CEO and senior executives are reviewed annually by the Remuneration Committee. The Board appoints the full time Company Secretary. The office of the Company Secretary is empowered and carries the necessary authority. The Company Secretary has the necessary competence, gravitas and objectivity to provide independent guidance and support. The Company Secretary reports to the chair on all statutory duties and functions performed for the Board. On other duties and administrative matters, the Company Secretary reports to the CFO. The performance and independence of the Company Secretary is evaluated annually by the Remuneration Committee, Nominations Committee and the Board.	Applicable policies and governance elements: • Board charter • Group levels of authority • Remuneration and equity committee charter

Principle and application	Internal policy, document or process reference
PRINCIPLE 11: The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives. The Board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of the business. Accordingly, risks are identified and managed within acceptable parameters. The Board approves the risk management policy, which is reviewed annually. Responsibility for managing risks and opportunities is shared by all the MCG Group's decision-makers, from the MCG Group's Board to the CEO through to other management with delegated responsibilities. Opportunities are identified and reported through various governance structures as part of the oversight process. Risks and opportunities are considered in setting strategy and discussing the annual business plan and budget. Executive management is responsible for identifying, managing and reporting risk. Mitigating controls are in place to address these risks which are monitored on a continuous basis. The MCG Group's risk framework, register and heat map drive the reporting process to ensure key objectives are identified and associated risks are considered, assessed and reported. The Board treats risk as integral to its decisions and in executing its duties it evaluates and determines the nature and extent of risk the MCG Group is willing to take in pursuing its strategic objectives. In strategic decisions, the MCG Group rigorously and regularly assesses risks and opportunities. A robust process is followed in evaluating new opportunities. The Risk Committee assists the Board in its risk oversight role while the Social and Ethics Committee assists the Board in overseeing the six capitals from a Social and Ethics perspective. The risk register reported to the Risk Committee details mitigating management actions as appropriate in response to risks. Business continuity is considered a key risk in the MCG Group and is managed accordingly. Internal audit provides assurance annually on the effectiveness of the risk management processes across the MCG Group.	Applicable policies and governance elements: • Board charter • Risk committee charter • Risk management policy

Principle and application	Internal policy, document or process reference
PRINCIPLE 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives. The MCG Group's chief information officer oversees I&T management in the MCG Group. The Board is aware of the importance of technology and information in relation to the MCG Group's strategy. The Board approves and annually reviews the I&T governance charter and security policy. I&T governance is integrated in the operations of the MCG Group businesses. Management of each subsidiary or business unit is responsible for ensuring effective processes on I&T governance are in place. The Risk Committee assists the Board with overseeing I&T-related matters. I&T governance will be a standing point on the Risk Committee agenda. I&T objectives have been included in the Risk Committee charter. The Risk Committee considers the risk register, as well as reports on I&T from the risk function and where relevant, the legal compliance function. Compliance with relevant laws and ethical and responsible use of I&T are addressed through the MCG Group's code of business ethics and conduct, the legal compliance and data governance programmes. Data governance is a high priority. Assurance to management, the Audit Committee and Board on the effectiveness of I&T governance, based on detailed controls to manage identified risks and reduce vulnerability is provided in terms of the combined assurance model. The Social and Ethics Committee oversees I&T from an ethics perspective. These arrangements for governing and managing I&T enable the Risk Committee, and ultimately the Board, to oversee the MCG Group's I&T governance.	Applicable policies and governance elements: • Board charter • Risk committee charter • Risk management policy • Information and technology charter • Data privacy programme and policies • Code of business ethics and conduct • Legal compliance policy and framework
PRINCIPLE 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen. The MCG Group has a legal compliance programme that is led by the head of legal compliance and the legal compliance team with support from external consultants. Assurance on the effectiveness of legal compliance management is received through a combined assurance model. Each business unit is required to provide a quarterly legal compliance report to the head of legal compliance. This report includes an overview of key compliance risk areas and mitigating measures, key compliance regulatory developments and material compliance incidents and investigations. The MCG Group legal compliance function uses these reports to compile a consolidated report that is reviewed by the head of legal compliance and is subsequently provided to the Risk Committee. Reports on legal compliance from a social and ethics perspective are also provided to the Social and Ethics Committee. These arrangements enable the Risk Committee, and the Board, to oversee the MCG Group's legal compliance holistically in a way that supports the MCG Group in being an ethical and good corporate citizen.	Applicable policies and governance elements: • Board charter • Risk committee charter • Legal and compliance policy • Anti-bribery and anti-corruption policy • Competition compliance policy • Sanctions and export controls policy • Legal compliance framework • Data privacy policy and programme

Principle and application	Internal policy, document or process reference
PRINCIPLE 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. The Board, assisted by the Remuneration Committee, ensures that staff is remunerated fairly, responsibly, transparently and in line with industry standards so as to promote the creation of value in a sustainable manner. The Board approves and is required to review the remuneration policy annually. The remuneration policy is designed to attract, motivate, reward and retain employees, as well as promote achieving strategic objectives within the MCG Group's risk appetite and ethical culture. The policy addresses fair and responsible organisation-wide remuneration and sets out all elements of remuneration. The remuneration policy is aligned with the King Code's recommendations and approved by the Board. The remuneration policy will be made available on the MCG Group's website. Remuneration will be disclosed in a three-part report included in the integrated report: background statement, overview of main provisions of the remuneration policy and an implementation report. Fees for non-executive Directors for their services are submitted for approval by MCG Shareholders (special resolution) within the two years preceding payment as required by the Companies Act. The remuneration policy and implementation report will be tabled annually for a separate non-binding advisory votes by MCG Shareholders at the annual general meeting.	Applicable policies and governance elements: • Remuneration policy • Board charter • Remuneration and equity committee charter • Risk management policy • Code of business ethics and conduct • Sustainable development policy
PRINCIPLE 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports The Board will provide assurance regarding the integrated annual report and annual financial statements in its statement of responsibility included in the integrated annual report. The Audit Committee and the Board oversee that assurance services and functions enable an effective control environment and support the integrity of information for internal decision-making and the MCG Group's external reports. Assurance provider reports, including internal audit reports, on the internal control environment are provided to the Audit Committee. The MCG Group follows a combined assurance model, which covers key risks through an appropriate combination of assurance service providers and functions, including line functions that own and manage risks, specialist risk and compliance functions and specialist internal audit functions (for the MCG Group and significant businesses), as well as external auditors and other relevant parties, such as regulatory inspectors. This model is linked to key risks and an assessment of combined assurance effectiveness is reported to the Audit and Risk Committees. The Company Secretary, group general counsel and external counsel guide the Board on legal requirements. The head of internal audit is appointed by the Audit Committee. The head of internal audit has unrestricted access to and meets periodically with the chair of this committee.	Applicable policies and governance elements: • Board charter • Audit committee charter • Internal audit charter

Principle and application	Internal policy, document or process reference
PRINCIPLE 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders with the best interests of the organisation over time. Stakeholder engagement is decentralised and dealt with by the communications, investor relations, corporate secretariat, legal and human resources teams and spokespersons in various MCG Group businesses. Overviews of governing and managing stakeholder relationships and measures to monitor effectiveness are reported to the Social and Ethics Committee. This enables the Board, assisted by the Social and Ethics Committee, to adopt a stakeholder-inclusive approach and monitors management's process of engagement with identified material stakeholders. The Board considers stakeholders in decisions and the Company is not steered in a direction to adversely affect the natural environment, society or future generations. Managing stakeholder risk is an integral part of group-wide risk management. The MCG Group will report on all its stakeholders and how it manages stakeholder relationships in the integrated annual report. The good governance guidelines and annual CEO/CFO sign-off process regulate the MCG Group governance framework.	Applicable policies and governance elements: • Board charter • All board and committee charters and group policies, including communications and investor relations policies • Adopted good corporate governance guidelines and annual CEO/CFO sign-off process

BUSINESS OVERVIEW [REG 59]

BUSINESS OVERVIEW

Since launching the first pay-TV operation outside the US in 1986, the MCG Group has grown into one of the leading video entertainment operators on the African continent. For over thirty years, the MCG Group has been telling stories that are as rich and diverse as Africa itself. Today, the MCG Group is one of the fastest growing pay-TV broadcast providers globally,[1] entertaining over 15.1 million households in 50 countries across multiple platforms, including digital satellite and terrestrial television, as well as OTT.

The MCG Group is structured around the following three business segments:

- South Africa, its division which offers digital satellite television and subscription video on demand services to 7.4 million subscribers in South Africa as at 31 March 2019. Connected Video, which forms part of the South Africa segment from a financial reporting standpoint, delivers online video entertainment services;
- Rest of Africa, its division which offers digital satellite, online and DTT services to 7.7 million subscribers across Africa as at 31 March 2019; and
- Technology, which includes the MCG Group's leading digital platform and application security division, Irdeto.

In the past financial year, the MCG Group has grown its subscriber base by 12% (FY2018: 13%), with a subscriber base of 15.1 million for the financial year ending 31 March 2019, and generated strong organic revenue growth, whilst the MCG Group's profitability has improved. The MCG Group's revenues were ZAR50.1 billion compared to ZAR47.5 billion the year before, and the MCG Group's EBITDA was ZAR10.3 billion, a 7.5% increase over the year ended 31 March 2018.

The table below summarises the MCG Group's main performance indicators including subscriber base, revenue, trading profit and capex development over the past three years:

MCG Group operational and reported financial performance summary

	Unit	FY2017	FY2018	FY2019
Subscribers	000's	11 942	13 476	**15 097**
Revenues	ZAR million	47 708	47 452	**50 095**
o/w South Africa	ZAR million	31 849	32 702	**33 696**
o/w Rest of Africa	ZAR million	14 208	13 106	**14 836**
o/w Technology	ZAR million	1 651	1 644	**1 563**
Organic revenue growth	%	7.3%	6.6%	**5.6%**
Trading profit	ZAR million	5 251	6 321	**7 014**
Trading profit margin %	%	11.0%	13.3%	**14.0%**
Net capex spend	ZAR million	1 316	759	**978**
Net capex to revenues	%	2.8%	1.6%	**2.0%**

As a pioneer in the African pay-TV ecosystem, the MCG Group has played an important role in making information and entertainment easily accessible to the people of Africa. As a leading business in the region, the MCG Group's investments have brought both social and economic benefits to the communities where it operates. Today, the MCG Group employs more than 6 000 permanent staff in the continent and indirectly creates economic prosperity for more than 20 000 people who are employed by the MCG Group's various partners and suppliers. The MCG Group remains committed to broad, socio-economic transformation in South Africa. This is exemplified most notably through the MCG Group's B-BBEE share scheme, which is aimed at empowering local communities.

1. *Based on company filings in 2017*

CONTENT

Content is at the core of what the MCG Group does. Today, the MCG Group believes that it has become Africa's leading destination for video entertainment. This is the result of the MCG Group's substantial portfolio encompassing local, sports and international content.

- First, the MCG Group has the leading **local content offering**, which covers all major genres and formats. The MCG Group's local content has won multiple awards and performs very well in terms of audience share. The MCG Group's local content is exclusive to its platform and the MCG Group produces some of this content itself. Local content is a key pillar of the MCG Group's strategy because it is a strong differentiator against competition and is cost efficient.
- Second, the MCG Group has a **compelling sports offering** – the MCG Group holds the rights to both local and international sporting events. The MCG Group has extensive production capabilities enabling it to produce world class content for sports federations, with which it has agreements.
- Third, the MCG Group has **access to international general entertainment content** from a number of US studios, including series, movies and kids content which enables the MCG Group to delight its subscribers.

Further, due to the MCG Group's pan-African footprint, it is able to secure content rights across the continent in a cost-efficient way.

The MCG Group has an extensive portfolio of local, international and sports content

Source: Company data

SOUTH AFRICA

South Africa is one of most attractive video markets on the continent due to factors such as (i) the size of its economy, (ii) the rising middle class, (iii) the well-developed satellite television and telecommunications infrastructure and (iv) the size of the addressable market.

The MCG Group caters for the entire spectrum of the video entertainment market, from the mass to premium segments, including multiple genre viewing preferences. The MCG Group's customer-centric approach ensures that it operates a comprehensive video entertainment ecosystem that comprises traditional pay-TV, OTT and other products, such as movie rentals and music streaming.

The MCG Group's DStv brand is a household name in South Africa and enjoys considerable customer support. The MCG Group also takes advantage of its multi-channel distribution and diverse payment networks to enhance the customer's experience of engaging with its services.

All of the above underpins the MCG Group's growing subscriber base, which expanded from 6.4 million subscribers in March 2017 to 7.4 million in March 2019. The MCG Group's blended monthly ARPU declined from ZAR346 in FY 2017 to ZAR322 in FY 2019, driven by the ongoing change in subscriber mix towards the mass market.

South Africa operating performance summary

Metric	Unit	FY2017	FY2018	FY2019
Subscribers	000's	6 358	6 921	**7 447**
Subscriber growth	%	10.9%	8.9%	**7.6%**
ARPU	ZAR/month	346	335	**322**
Organic ARPU growth	%	2.0%	(3.2%)	**(3.9%)**
Revenue	ZAR million	31 849	32 702	**33 696**
Organic revenue growth	%	9.5%	5.8%	**3.6%**
Trading profit	ZAR million	9 805	10 446	**10 199**
Trading profit margin %	%	30.8%	31.9%	**30.3%**

Going forward, the MCG Group's strategy in South Africa is three-fold:

- grow the mass-market segment;
- delight and retain the MCG Group's existing customer base with its full entertainment offering; and
- maintain operational excellence and agility to continue delivering strong cash-flow generation.

REST OF AFRICA

In sub-Saharan Africa, the MCG Group is the leading pay-TV operator, with strong positions in key markets, benefitting from a diversified presence across geographies, platforms and customer segments.

Rest of Africa subscriber and revenue breakdown

	Geography			
	Nigeria	Kenya	Zambia	Other
Subscription revenue (FY2019)	34%	11%	10%	45%

The MCG Group considers its markets in Rest of Africa to be attractive and well positioned for strong growth in the future. In particular, the MCG Group sees upside driven by (i) rising population, (ii) improving affordability, (iii) electrification and (iv) higher pay-TV and mobile broadband penetration. In the MCG Group's view, Rest of Africa markets differ from South Africa on the back of multiple factors: (i) diverse income levels with a large and fast growing mass market segment, (ii) a largely unbanked population, (iii) limited broadband infrastructure, and (iv) multiple local languages.

The MCG Group targets the full market with its products, including premium, mid-market and crucially the large and fast growing mass market segment. Alongside DTH, the MCG Group has invested in DTT infrastructure. The MCG Group's investment in DTT infrastructure enables it to serve the mass market at a lower cost with greater flexibility to tailor local viewing packages.

The MCG Group has built extensive on-the-ground operations tailored to its diverse markets, with local marketing, distribution, payment and technology infrastructure. The MCG Group's strong local partnerships enable on-the-ground access to diverse markets, enhancing our capabilities to cater to its customers and reducing complexity on its platforms.

The following table sets out the MCG Group's presence in Rest of Africa as of 31 March 2019.

Rest of Africa operating geographical presence

Country	Platform
Ghana, Kenya, Malawi, Mozambique, Namibia, Nigeria, Uganda and Zambia	DTH and DTT
Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Republic of Congo, Côte d'Ivoire, Democratic Republic of Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Guinea (Conakry), Guinea Bissau, Lesotho, Liberia, Madagascar, Mali, Maurituania, Mauritius, Niger, Rwanda, São Tomé & Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Sudan, Saint Helena (British Overseas Territory), Sudan, eSwatini, Tanzania, Togo, Zimbabwe	DTH

During the course of 2015 and 2016, the markets in which the MCG Group operates experienced significant economic headwinds, including high inflation and currency depreciation. In this environment, Rest of Africa underperformed.

Since then, the MCG Group has successfully implemented its "Value Strategy", which revolves around four key areas:

- retention and win-back – strong focus on customer value management and customer experience;
- value – providing relevant content to our customers at the right prices;
- acquisition – improved decoder offering and distribution; and
- cost management – rationalisation of content and overhead spend.

So far, the strategy has yielded strong subscriber growth while improving the cost profile of the Business and placing it on a path to profitability.

Rest of Africa operating performance summary

Metric	Unit	FY2017	FY2018	FY2019
Subscribers	000's	5 584	6 555	**7 650**
Subscriber growth	%	19.3%	17.4%	**16.7%**
Monthly ARPU	ZAR/month	202	160	**159**
Organic ARPU growth	%	(8.7%)	(5.9%)	**0.0%**
Revenue	ZAR million	14 208	13 106	**14 836**
Organic revenue growth	%	4.0%	8.3%	**13.3%**
Trading profit	ZAR million	(4 909)	(4 591)	**(3 735)**
Trading profit margin %	%	(34.6%)	(35.0%)	**(25.2%)**

CONNECTED VIDEO

Globally, OTT is driving the growth of the video entertainment market, with overall hours watched per week growing consistently. The MCG Group expects OTT to continue increasing in importance, and have therefore built a compelling OTT offering to benefit from this growth opportunity.

Specifically, the MCG Group has developed two separate OTT platforms, each with a very distinct positioning:

- DStv Now is a complementary service to DTH subscribers (free of charge for premium DStv subscribers), which drives customer satisfaction and retention. The MCG Group launched DStv Now in 2014 as a platform which allows subscribers to: (i) watch content broadcast in the past 7 to 28 days (catch-up TV), and (ii) access live streaming of most channels on their smart TVs, computers, tablets or smartphones.
- Showmax is the MCG Group's standalone OTT product that combines a compelling content offering, strong partnerships with telecommunications operators and an appealing user experience. With over 700 titles, and an offering focused on local and international content, Showmax is available in South Africa, Nigeria and Kenya enabling subscribers to watch content on up to five devices.

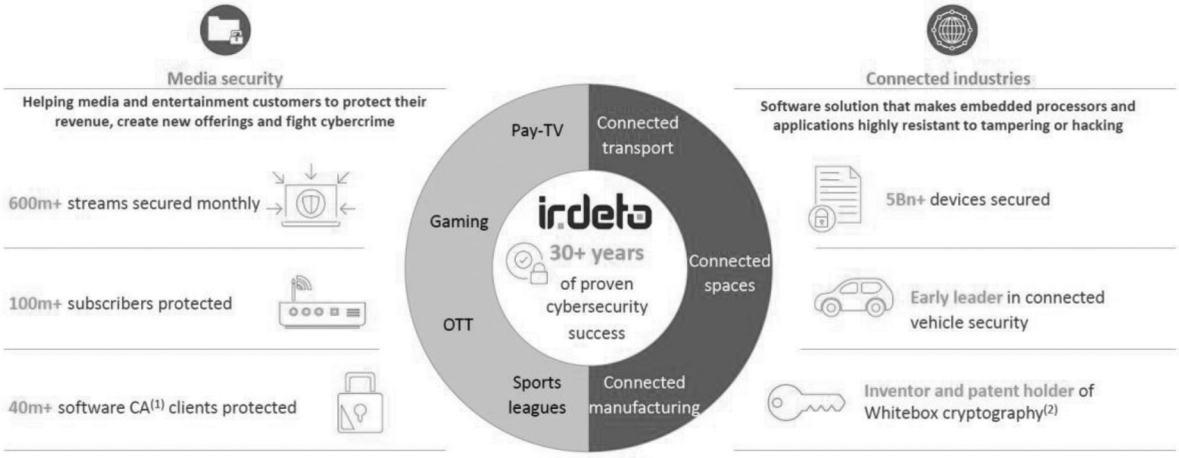
So far, the MCG Group has seen a strong up-take and traction on both platforms, with the number of monthly active subscribers across public offering doubling during the year. Going forward, the MCG Group sees sustained OTT as well as pay-TV growth.

TECHNOLOGY

The MCG Group has been a technology pioneer in African video entertainment, with numerous technology "firsts" over the last 30 years. To succeed in this field, the MCG Group's technology platforms have been developed around the unique features of its market: large population across a wide continent, limited fixed broadband infrastructure in some territories, and the piracy threat.

- The MCG Group's network infrastructure across DTH and DTT is fully invested.
- The MCG Group's range of consumer devices addresses the whole market from premium to mass segments. The MCG Group's devices offer unique functionality, mirroring an on-demand viewing experience (even without access to fixed connectivity), as well as top quality user interfaces.
- The MCG Group is at the forefront of anti-piracy techniques to safeguard the Business.
- Importantly, the MCG Group's technology segment, Irdeto, services the MCG Group entities, and also blue-chip corporations in the high growth media security and connected industries verticals, generating growing revenue and cash flows.

The MCG Group's external business focus of the Irdeto Platform



Notes: (1) Conditional Access (2) Protecting cryptographic keys in software applications

Source: Company data, Dataxis, ABI Research

In the Media Security segment, Irdeto helps a large base of global, blue-chip media and entertainment customers, including Comcast, 21st Century Fox, Liberty Global and the English Premier League. Irdeto solutions protect client brand and revenue through unique encryption capabilities, incorporating all aspects of security, and include, amongst others, conditional access, multi-digital rights management and piracy control.

In the Connected Industries segment, Irdeto provides an extensive range of cybersecurity products (e.g. function and control flow transformation, anti-debug, whitebox cryptography and integrity verification) primarily servicing the transportation and smart building verticals, which have strong requirements for security solutions and where Irdeto has already established strong partnerships. Going forward, the MCG Group aims to become a leading operator in these markets, which benefit from structural growth drivers such as increased connectivity, rise in autonomous vehicles and the Internet of Things.

Going forward, Irdeto's strategic focus is to (i) drive the MCG Group's technology and innovation roadmap, (ii) continue to gain market share in the more mature media security space, and (iii) tap into the highly attractive Connected Industries segment, leveraging 20 years of proven Media Security success.

THE MCG GROUP'S STRENGTHS

Substantial content offering

The MCG Group has a rich content portfolio, supported by a deep and broad content investment strategy across local, sports and international content:

- the MCG Group is Africa's leading story teller. The MCG Group is the key local content investor across Africa with significant investments, especially in local content, in the 2019 financial year. Content is both commissioned from local studios and produced in-house. It is broadcast via the MCG Group's portfolio of curated channels;

- the MCG Group is an established investor in sport in Africa. The MCG Group covers most genres of sports, through the acquisition of rights to popular international and local sports properties. The MCG Group's sports offering is delivered through the MCG Group's SuperSport channels; and
- the MCG Group has access to world-class general entertainment content. The MCG Group has a wide variety of entertainment content covering series, movies, children's entertainment and news channels.

Going forward, the MCG Group expects to continue to delight its customers by notably increasing its investments in local content (e.g. telenovelas and reality TV shows).

Leading African video entertainment platform

Due to its sustained investment in its services, the MCG Group is the leading video entertainment provider in Africa, with over 30 years of track record. Today the MCG Group:

- operates across 50 countries with a multi-platform distribution ecosystem, including DStv (DTH), GOtv (DTT) and Showmax (OTT) brands; and
- services over 15 million households. Importantly, the MCG Group's subscriber base is highly diversified, with 49% of customers located in South Africa and the remaining 51% across the rest of sub-Saharan Africa.

Large long-term growth opportunity

The MCG Group operates in what it considers to be highly attractive video markets with large and growing populations that consume significantly more video than other countries globally.

The MCG Group believes that its business has a dual growth opportunity:

- in pay-TV, the MCG Group benefits from improving affordability and a stabilising macroeconomic environment in sub-Saharan Africa, with a significant addressable TV household market; and
- in OTT, the MCG Group anticipates that the shift in consumer habits will continue to drive an increasing appetite for on-demand video. Importantly, the MCG Group is starting to see the evidence of this trend in South Africa with a doubling of the base year on year in FY2019. The MCG Group is well positioned to participate in this growth.

World-class technology and infrastructure

As a pioneer on the continent, the MCG Group benefits from a strong technological heritage and has three core platforms:

- A well-invested distribution network with (i) broad DTH coverage across sub-Saharan Africa, (ii) a fully invested DTT network with limited maintenance spend requirements and (iii) a developed OTT platform.
- Advanced consumer technology, with state-of-the-art consumer devices at affordable price points and attractive on-demand features, including a user interface, built by 200 in-house developers and constantly improving with more than 1 000 software updates per year.
- Excellent security platform powered by Irdeto, with unique intellectual property and anti-piracy capabilities servicing both the MCG Group's entities and leading communication operators.

Pan-African scale and strong local capabilities

Although the MCG Group operates in a multi-country environment, the MCG Group believes that its organisational structure, which combines centralised support with strong in-country capabilities, is a key driver behind its success.

Separately, the MCG Group considers that its organisation is suited to address Africa's unique challenges:

- the MCG Group's transmission networks are helping it overcome the challenge posed by Africa's sparsely distributed population; the MCG Group's dense distribution network supports it in addressing the informal retail structure of Rest of Africa markets;
- the MCG Group's multi-platform payment networks are tackling the low access to banking services of Africa's population; and
- the MCG Group's localised organisation, that is managed by local teams and has long-standing relationships with local partners, is well equipped to navigate the complexity of the regulatory landscape.

Compelling financial profile

The MCG Group has an attractive financial profile combining growth, rising profitability, cash-flow generation and financial flexibility:

- the MCG Group is one of the world's fastest-growing video entertainment operators, with the two key growth engines of Rest of Africa and Connected Video;

- the MCG Group's profitability has significant upside potential as it stabilises Rest of Africa and continue its profitability turnaround whilst extracting efficiencies in and penetrating the mass market in South Africa;
- the MCG Group benefits from stable and resilient cash-flows from South Africa; and
- the MCG Group's strong balance sheet with no financial debt provides strategic flexibility.

PAY-TV PACKAGES AND SUBSCRIBER DISTRIBUTION

In fulfilling the MCG Group's objective to deliver quality content everywhere, anytime, on any device, the MCG Group aims to serve the whole South African and sub-Saharan Africa population through a comprehensive, segmented video entertainment offering for all income groups. The MCG Group products and services are provided to several market segments through dedicated DStv and GOtv packages to suit various lifestyles and viewing tastes. For the DStv offering, such packages range from the entry-level DStv EasyView package to the top-end DStv Premium package. Other packages include Compact, Compact Plus, Family and Access.

Subscriber breakdown by platform

Subscriber by Platform	Unit	FY2017	FY2018	FY2019
SA DTH	000's	6 358	6 921	**7 447**
RoA total	000's	5 584	6 555	**7 650**
RoA DTH	000's	2 583	3 033	**3 535**
RoA DTT	000's	3 001	3 522	**4 115**
Group total	000's	11 942	13 476	**15 097**

The MCG Group's strong channel portfolio is the core of its offering

DStv bouquets span a range of price points and genres, catering to the diverse socio-economic dynamics and interests of the South African population.

DStv packages

The DStv EasyView package is the most affordable package and includes c.30 television channels covering news, general entertainment, religious programming as well as the free-to-air channels. It is identified as a "mass" tier package.

The DStv Compact, Family and Access packages cover the growing middle and lower income groups, which have experienced the fastest growth in subscriptions in the past few years. The Compact package is a mid-tier package and includes more than 100 television channels, including two sports channels principally dedicated to football. The Family and Access packages offer subscribers a selection of up to 75 television channels and a number of audio channels, with the main focus being local content. These packages are classified as "middle" tier packages.

The DStv Premium package targets higher income individuals and offers some of what the MCG Group believes is the best entertainment programming available, from across the globe, as well as locally. This package includes over 135 television channels and more than 90 audio channels. Content ranges from sport, news, documentaries, international blockbuster movies, series, lifestyle, kids' entertainment to a variety of music channels. The DStv Premium package is the "top" tier package.

GOtv packages

Through the MCG Group's GOtv brand, which runs in eight countries, the MCG Group offers four different content packages: GOtv Lite, GOtv Value, GOtv Plus and GOtv Max. These packages are designed to serve the mass market and offer value with both local and international content. Typically, GOtv packages use existing DStv programming, including free-to-air channels, but also carry exclusive channels, including local content, which is specifically developed for the targeted markets in sub-Saharan Africa.

Given that the majority of subscribers belong to the mass tier in Rest of Africa, the subscriber mix is best classified by technological platform, i.e. DTH and DTT. The table above outlines, amongst other things, the subscriber distribution in Rest of Africa across DTH and DTT over the past three financial years.

MARKETING, SALES AND CUSTOMER CARE

Marketing

The MCG Group's marketing functions are carried out by several departments. Corporate Affairs is responsible for the MCG Group's overall strategic brand positioning.

The MCG Group's local South Africa and Rest of Africa entities are responsible for the development, launch and monitoring of marketing campaigns in their respective territories. The MCG Group's local marketing teams design, develop, implement and track publicity campaigns, in order to transmit product, commercial and corporate messages to the target audience according to marketing and strategic plans, as well as managing the MultiChoice, DStv and GOtv brands. They are also in charge of analysing, defining, developing and maintaining the offer (product, price, promotion and marketing actions) according to the set operational and strategic objectives.

In the case of Rest of Africa, a centralised creative and analytics marketing team identifies customer trends across our sub-Saharan African footprint, and marketing campaigns are created accordingly. The team is complemented by in-country marketing teams that identify country-specific campaigns and implement all marketing efforts.

The MCG Group's group media strategy primarily focuses on mass media channels, in combination with direct marketing, and social media sites. The MCG Group's adverts are recognised for their creativity and carefully crafted local angle.

Sales

The MCG Group markets and sells packages to the market using a broad range of sales channels, primarily third-party distributors, as well as direct sales bringing the MultiChoice brand directly to the consumer.

In Rest of Africa, the unique characteristics of each local market translate into a unique distribution platform, with unorganised trade (agents and informal sales points located on the ground) representing the largest proportion of Rest of Africa sales. Thanks to the MCG Group's long-standing presence in this market, the Business in Rest of Africa has developed a deep network of re-sellers, maximising its reach, as well as strong relationships with them.

Customer care and billing

The customer care function is responsible for handling queries and complaints from the MCG Group's existing subscribers. The MCG Group manages customer care interactions through a multi-channel strategy, combining its call centre and online platform. The MCG Group believes that its customer care activities are key elements to improving subscriber experience and satisfaction and to increase subscriber loyalty.

The MCG Group continues to analyse new initiatives to improve the service provided to its subscribers, including (i) digitising interactions across the subscriber journey to enable enhanced self-service and transition to online on every touchpoint (including mobile), (ii) streamlining payment and collection processes to help subscribers stay connected, and (iii) improving internal processes to better handle subscriber queries.

The MCG Group also aims to retain potential churners through special offers, which are used as a major tool to improve the retention of existing subscribers and reconnect inactive ones. Special offers on decoders play an important role in the overall attractiveness of the Rest of Africa platform in particular.

From a billing standpoint, the MCG Group benefits from a unique payment platform, offering a total of 110 different payment methods, primarily driven by MultiChoice SA and its presence in different markets with varying payment requirements. Currently, MultiChoice SA's most prominent payment channels remain mobile (given the large unbanked population in sub-Saharan Africa) and cash (currency payments at local agents/dealers or MultiChoice SA branches). The MCG Group believes that its multi-solution payment capabilities, deeply entrenched into its local eco-systems, provide it with a competitive advantage.

TECHNOLOGICAL INFRASTRUCTURE

Third party international content is received at three head-end facilities via satellite or cable in the UK (note that we lease the satellite from a third party) and Spain. Proprietary channels' content from M-Net and SuperSport, free-to-air content and other third party channels are received at a head-end facility in Randburg, South Africa, which the MCG Group owns and operates. This content is received physically or via third party satellite transmission or fibre optic cables.

The head-end facilities are technical processing centres, where channel feeds are multiplexed (the bundling and aggregation of content), compressed and encrypted in order to enable onward distribution in accordance with bouquet and scheduling requirements. State-of-the-art encryption services are provided by Irdeto.

The multiplexed signal is then delivered to two co-located satellites (E36 B&C from EutelSat and IS20 A&B from IntelSat, which capacity we lease) through four uplink facilities, which are located in the UK, Spain and South Africa. Satellite transponder capacity is leased from the satellite providers, which then feed the DStv service to subscribers via their home installed satellite dishes across the African continent. The signal is eventually decrypted by subscribers' decoders.

In respect of GOtv, two other satellites (IS901 and IS33E) beam the signal to transmission towers located at 163 sites across Africa, which are owned and operated by us. GOtv subscribers receive the GOtv transmission from the transmission sites using external antenna connected to their decoders. GOtv is the only operator in Africa to operate Single Frequency Network, ensuring fewer frequencies in use and providing harmonious integration of overlapping signals.

For Connected Video, the MCG Group has put the necessary infrastructure in place to deliver seamlessly live and on-demand content to its subscribers online, on their connected televisions, computers, smartphones or tablets, wherever the subscribers are.

CONTENT COSTS

The business is reliant on its ability to provide a variety of content genres including local content, series, sport and movie content to its diverse subscriber base. Content costs are the largest cost item of the business and represented 41.1% of the MCG Group's total operating costs for the financial year ended 31 March 2019. Content costs include direct expenses (the cost of licensing third-party content and the production cost of programmes produced by the MCG Group), as well as the amortisation of programming rights for sporting events and films. The MCG Group produces programmes through its proprietary channels: M-Net and SuperSport.

The vast majority of content costs consist of sport and movie rights licensed from third parties. The MCG Group acquires sports rights typically for a period of three to five years at a fixed price. The MCG Group has output deals with film studios, typically for a period of approximately three years and the fees in these contracts can be fixed or variable in nature depending on the studio concerned. Most of the MCG Group's sports and movie rights contracts are denominated in foreign currencies, mainly USD.

Increased competition and currency depreciation have resulted in higher programming content costs and have reduced the MCG Group's operating margins, especially due to the intense bidding for sports rights. The MCG Group carefully analyses each rights package to ensure that it obtains value for money. In the past, the MCG Group has declined, and intends to continue to decline, transactions that the MCG Group does not consider economically viable. The MCG Group intends to manage content costs, including by way of the termination and non-renewal of certain contracts, renegotiation of existing deals and acquiring some content, where possible, on a non-exclusive basis.

Although overall programming content costs have been on the rise, these costs have largely been absorbed by various cost containment measures implemented by the MCG Group as well as an increase in our subscriber base. Therefore, programming content costs have broadly been stable on a per subscriber basis or as a percentage of overall subscription revenue.

RISK FACTORS

The risks and uncertainties described below represent the risks the MCG Group believes to be material, but these are not the only risks and uncertainties the MCG Group faces. Additional risks and uncertainties not presently known to the MCG Group or that the MCG Group currently believes are immaterial could also impair the MCG Group's business operations. If any of the following risks actually materialise, the MCG Group's business, results of operations, financial condition or prospects could be adversely affected. If that were to happen, the trading price of the MCG Shares could decline and investors may lose all or part of their investment. Factors which are material for the purpose of assessing the market risks associated with the MCG Shares are also described below.

RISKS RELATED TO THE BUSINESS OF THE COMPANY

The Business is conducted in a competitive environment with developing market demographic and technological trends, changing customer preferences and viewing habits and regulators becoming more engaged in the sector in general

The MCG Group competes directly with other video entertainment services and licensees, including state-owned and private free-to-air broadcast networks and international over-the-top services for customers, programming, audience share and advertising revenue. The MCG Group also competes with motion picture theatres, mobile network operators, gaming and other entertainment and leisure activities for general leisure spending.

The MCG Group faces competition from global companies that deliver content to consumers over the internet (including Netflix), often without charging a fee for access to the content (e.g. YouTube), or charging a lower fee than the subscription prices charged by the MCG Group. Also in the Rest of Africa specifically, various competitors have entered or plan to enter the video entertainment market. The entry of additional competitors using any of the existing and/or new platforms could impact and/or erode the MCG Group's video entertainment subscriber base. Currently, its main competitor is StarTimes, which operates a DTH service in South Africa and DTT, DTH and OTT services in various Rest of Africa countries, including the major markets of Nigeria and Kenya.

The MCG Group's business environment is subject to rapid technological change and changes in consumer preferences and viewing habits which could render the products and services offered by the MCG Group less attractive

The rate of technological change and adoption of new technologies currently affecting the video entertainment industry is rapid. Trends, such as the convergence of television, the internet, mobile telephones and other media, have created an unpredictable environment. New technologies or industry standards have the potential to replace or provide lower-cost alternatives to products and services that are currently sold by the MCG Group.

The MCG Group is constantly developing new services and products, the timing and introduction of which are subject to risks and uncertainties. Unexpected technical, operational, logistical, regulatory or other problems could delay or prevent the introduction of one or more of these services or products. As technology evolves to accommodate multimedia services and products, the MCG Group will need to adapt to, and support, these services and products in order to be successful.

Consumer preferences may change as a result of the availability of alternative services or products, such as less expensive or more innovative services or products. The MCG Group's ability to remain competitive and develop successful services and products also depends on its ability to predict accurately and to anticipate changes in consumer demand. It is not possible to predict whether technological innovations will, in the future, make some of the services and products offered by the MCG Group less competitive. In addition, the growing availability of affordable broadband together with smart consumer devices in the Rest of Africa will allow consumers greater choice and therefore can impact on the DTH and DTT subscription services provided by the MCG Group.

The MCG Group may lose subscribers and revenue if it cannot acquire, produce or retain attractive programming

The continued success of the MCG Group depends upon its ability to continue to acquire attractive local and international general entertainment, sport and other programming on reasonable commercial terms. Much of the programming is sourced from suppliers and rights holders. The film studio and sport content contracts of the MCG Group are up for renewal from time to time. In the event these contracts are not renewed or renewed on terms in excess of budget, the MCG Group may be required to seek alternative programming from other sources or costs of content may increase. The MCG Group cannot be sure whether alternative programming would be available on

commercially reasonable terms or whether the alternative programming would appeal to its subscribers. In addition, certain general entertainment and sport programming may not be available to the MCG Group if it has been licensed exclusively to another provider.

In the past, competitors have acquired rights to sports content (in various territories), such as, the English Premier League and UEFA Champions League and competitors currently hold rights to: Bundesliga and French Ligue 1. The MCG Group's business strategy also depends on its ability to offer attractive programming on an exclusive basis in order to differentiate itself from competitors. It may become more difficult to maintain exclusive rights to programming, particularly in light of the fact that the exclusivity of content rights is under increased scrutiny by regulators throughout Africa.

The MCG Group may lose prospective subscribers if it cancels or reduces its subsidies of decoders

The MCG Group currently subsidises a portion of the cost of decoders and the installation thereof to subscribers. Should a decision be taken to reduce or cancel the subsidy of decoders and installation, the MCG Group's offerings may become less attractive to new subscribers and could result in a decrease in the number of new subscribers. If the MCG Group is not able to attract new subscribers and/or retain existing subscribers, MCG Group revenue may be negatively impacted.

The MCG Group is exposed to material long-term commitments which may impact on the MCG Group's revenue

The MCG Group has many long-term agreements and commitments, including in particular, satellite transponder lease agreements (and related liabilities), which are material to the Business. These commitments remain in place irrespective of the MCG Group's financial performance. Should the MCG Group be experiencing strains on cash flows, for example, the commitments to which it is a party will place further strain on the revenues and cash flow generation of the MCG Group, which could also restrict the MCG Group's ability to deliver on its strategy.

Steady or declining subscriber levels may prevent further growth of the Business

The MCG Group may face difficulties in maintaining or growing the number of its subscribers, and in potential down-trading by subscribers with a negative impact on the ARPU, due to competition from new entrants to the video entertainment market and from other sources competing for discretionary income, economic and other local difficulties, loss of content curation expertise and seasonality associated with the markets in which the MCG Group operates. The loss of DTH subscribers (as experienced in the 2016 financial year) particularly in the upper tiers due to the commodity crisis and the resulting depreciation of currencies in the Rest of Africa (experienced in the 2017, 2018 and 2019 financial years) may have a significant impact on earnings and cash flows of the MCG Group, especially given that more than 82% of the MCG Group's revenue in the 2019 financial year came from subscription revenue. While plans implemented to reinvigorate growth and cut costs may have a positive impact, such impact may take time to achieve the desired result or not achieve it at all.

Declining subscriber levels could also adversely affect the MCG Group's digital security business, Irdeto, because the MCG Group's video entertainment operators constitute some of Irdeto's customers. Steady or declining subscriber levels make it difficult for the MCG Group to grow its Business.

The MCG Group's advertising revenue is impacted by its video entertainment subscriber numbers and the audience viewing share of its channels. The viewing behaviour of television viewers could also negatively affect the MCG Group's advertising revenue, as viewers with a personal video recorder or viewers of on-demand programming may choose not to view any advertising. The MCG Group cannot be certain that these factors will always be favourable to it and any adverse developments or changes could have a negative impact on its advertising revenue.

The MCG Group relies on related and third party service providers to distribute its products and services in certain jurisdictions and does not exercise direct control over the quality of service and interactions with regulators and subscribers

In certain jurisdictions, for example, Zimbabwe, Mozambique and Malawi, the MCG Group relies on third party service providers to provide its goods and services to customers. As these relationships are regulated by agreements between the MCG Group and the relevant third party service providers, the MCG Group has limited insight into the day-to-day operations of these third party service providers. The MCG Group will only be able to address any concerns with the relevant third party service provider if a subscriber complains to the MCG Group directly or the MCG Group conducts an audit and/or inspection. Because of the reliance on these parties in various African jurisdictions and the MCG Group's limited oversight in relation to their operations, the MCG Group is at risk of losing subscribers if they do not provide an efficient service.

In addition, some of the third party service providers may be required to obtain operating licences and may be required to engage with regulators. Again, as the MCG Group has limited oversight, it cannot control the full extent of engagements, compliance and conduct that third party service providers have with regulators. This may negatively

impact the operations of the Business and the reputation of the MCG Group. If a third party service provider engages in bribery and corruption, this may implicate the MCG Group as a result of the contractual relationship between the MCG Group and the third party service provider and the MCG Group may be prosecuted under anti-bribery and corruption legislation that apply to the MCG Group.

Furthermore, third party service providers have been selected by the MCG Group due to particular skills, abilities or other qualifications of employees or an owner of a third party service provider, that in certain instances are unique or personal to them. Should a particular employee or owner cease to be employed or own the business, retire or pass away, it may negatively affect the Business as it may be necessary for the MCG Group to enter into engagements with a new third party service provider that fulfils the requirements of the MCG Group or in certain instances, where skills, abilities or qualifications cannot be met, it may not be possible to engage with a local third party service provider.

The MCG Group's intellectual property rights may not be adequately protected under current laws in some jurisdictions, which may adversely affect its results and ability to grow the Business

The products of the MCG Group often contain intellectual property content that is delivered through a variety of media. The MCG Group relies on trademark, copyright, trade secret and other intellectual property laws and employee and third-party non-disclosure agreements to establish and protect its proprietary rights in these products. The MCG Group conducts business in some countries where the extent of the legal protection for its intellectual property rights is not well-established or is uncertain.

Despite patent, trademark and copyright protection, third parties may be able to copy, infringe or otherwise profit from the MCG Group's intellectual property rights without its authorisation. If unauthorised copying or misuse of the MCG Group's products were to occur to any substantial degree, the Business, results of operations and financial condition could be adversely affected. Litigation may be necessary to protect the MCG Group's intellectual property rights, which could result in substantial costs and the diversion of the MCG Group's efforts away from operating the Business.

If the MCG Group fails to maintain its brand recognition, the MCG Group may face difficulty in obtaining new consumers and business partners

The MCG Group's brand names, such as "MultiChoice", "M-Net", "SuperSport", "DStv", "GOtv", "ShowMax" and "Irdeto" are important corporate assets that help distinguish the MCG Group's products and services from those of its competitors. The MCG Group and its products are vulnerable to adverse market, media and political perception as it operates in an industry where integrity, customer trust and confidence are paramount.

Any direct or indirect damage to the MCG Group's reputation or brand as well as its associated brands, could affect the MCG Group's ability to attract and retain customers or have other adverse effects on the MCG Group in ways that are not predictable. Such damage could arise from failure or perceived failure to comply with legal and regulatory requirements, financial reporting irregularities, increasing regulatory and law enforcement scrutiny of "know your customer", anti-money laundering and anti-terrorist financing procedures and their effectiveness, regulatory investigations, significant changes to key stakeholders, disclosure of confidential customer information, cyber security breaches and inadequate services, among other factors, whether or not well founded, and litigation that arises from any of the foregoing, as well as regulatory enforcement actions, fines and penalties. The MCG Group's reputation and its brands could also be negatively impacted by misconduct or malpractice by intermediaries, business promoters, agents or franchisees or other third parties linked to the MCG Group.

For example, the MCG Group's brand was negatively impacted during November 2017 when concerns regarding the MCG Group's relationship with the ANN7 news channel and the manner in which the MCG Group engaged with the Minister of Communications, were raised in the media.

Loss of key personnel could have a negative impact on the MCG Group's operations

The MCG Group relies on a number of experienced employees with detailed knowledge of the Business and the markets in which the MCG Group operates. Unanticipated losses of key employees or the inability to identify, attract and retain qualified personnel in the future could adversely affect the Business. In particular, as a result of changing technologies and fast developments in the video entertainment industry, technical, analytical and engineering skills of employees are critical to the MCG Group. Due to stringent competition in the technological and video entertainment industry, it is becoming more difficult for the MCG Group to attract and retain employees with these skill sets.

The Business relies on software and hardware systems that are susceptible to failure

The Business is operated through complex broadcast and computer systems. Although the MCG Group has disaster recovery plans in the event of damage from fire, floods, earthquakes, power loss, telecommunications failures, break-ins, war, terrorist acts and similar events, these plans may not be effective for such events or other occurrences. If any of the aforegoing occurs, the MCG Group may only be able to offer a limited service or no service at all.

Interruptions to the availability of the MCG Group's services or increases in the response times of the MCG Group's services caused by the failure of its software or hardware systems could reduce user satisfaction and the MCG Group's attractiveness to consumers and advertisers.

The MCG Group's operations are susceptible to outages due to fire, floods, acts of war or terrorism, power loss, telecommunications failures, break-ins, industrial actions and similar events. Despite the MCG Group implementing network security measures, its servers may be vulnerable to computer viruses, software failure as a result of viruses, design faults and inadequate testing, break-ins and similar disruptions from unauthorised tampering with the MCG Group's computer systems. The MCG Group invests significant capital and other resources to protect its websites and systems against the threat of computer viruses and hackers and to alleviate any problems caused by them. If a computer virus affecting the MCG Group's system is highly publicised, the MCG Group's reputation could be materially damaged. In addition, the MCG Group relies on information technology systems for its internal communications, controls, reporting and relations with customers and suppliers. A significant disruption due to computer viruses, malicious intrusions, the setting up of shared services centres or the installation of new systems could affect the MCG Group's communications and operations, particularly when the MCG Group is required to migrate its hardware and software to new systems.

Satellite failures could adversely affect the Business and the ability to grow it

The MCG Group's television programming is transmitted to its customers through various satellites leased by the MCG Group for this purpose, and in some regions its terrestrial signals are also transmitted to regional broadcast points through satellite downlinks. In addition, the MCG Group receives a significant amount of its programming through satellites. The contractual arrangements relating to satellites are long term in nature. Satellites are subject to significant risks such as defects, incorrect orbital placement and destruction and damage that may prevent or impair proper commercial operations. All satellites have limited useful lives, which vary as a result of their construction, the durability of their components, the capability of their solar arrays and batteries, the amount of fuel remaining once in orbit, the launch vehicle used and the accuracy of the launch. The operation of satellites is beyond the control of the MCG Group as the satellites are leased and not owned by the MCG Group and the MCG Group is therefore not insured for business interruption as a result of satellite failure. Future launch failures or disruption of the transmissions of satellites that are already operational could materially adversely affect the MCG Group's operations, depending on the reason for the disruption. Should broadcasting fail due to an inability to receive or send a satellite signal as a result of damage to or destruction of the satellite uplinks or downlinks, operations in both South Africa and Rest of Africa will be impacted. The MCG Group has insurance in place for business interruption resulting from damage to assets and, in this instance, the loss of gross profit is insured.

In addition, the ability of the MCG Group to transmit programming following the end of the expected useful lives of the satellites currently used and to broadcast additional channels in the future will depend upon the MCG Group's ability to obtain rights to utilise transponders on other or replacement satellites. In the event of a satellite failure, the MCG Group would need to make alternative arrangements for transponder capacity. The MCG Group may not be able to obtain alternative capacity rights on commercially reasonable terms or at all. In the event that the MCG Group has to obtain alternative transponder capacity, it may need customers to realign their satellite dishes to receive the broadcasting signals, which could prove impractical and expensive to implement. If the MCG Group is unable to obtain sufficient satellite transponder capacity in the future, or if contracts with satellite providers were to be terminated, this would have a material adverse effect on the MCG Group's business and operations.

Unauthorised access to programming signals may adversely affect the MCG Group's revenue and programming arrangements

The MCG Group faces the risk that its programming signals will be accessed by unauthorised users. The delivery of subscription programming requires the use of conditional access technology to prevent unauthorised access to programming, or "piracy". The MCG Group mainly utilises conditional access technology supplied by its subsidiary, Irdeto. This conditional access technology needs to be updated continually to remain effective in preventing unauthorised access. The MCG Group will continue to incur substantial expenditures to replace or upgrade its conditional access technology in the future. Conditional access technology cannot completely prevent piracy, and virtually all video entertainment markets are characterised by varying degrees of piracy that manifest themselves in different ways. In addition, security technology cannot completely prevent the illegal retransmission or sharing of a television signal once it has been decrypted, although it can help trace it and identify its source. If the MCG Group fails to adequately prevent unauthorised access to transmissions, the MCG Group's ability to contract for programming services could be materially adversely affected and the MCG Group may lose subscribers who can receive pirated signals.

Content cost

If the costs of content rights increase rapidly, this may mean that the MCG Group must either increase the price of its services, cease procuring and providing the content or absorb the increased cost. This may lead to the MCG Group's offerings becoming less attractive to new or existing subscribers and resulting in a decrease in the number

of new and existing subscribers. If the MCG Group is not able to attract new subscribers and/or retain existing subscribers, MCG Group revenue may be negatively impacted.

LEGAL AND REGULATORY RISKS AFFECTING THE MCG GROUP

The MCG Group's operations are dependent on licences, the obtaining, renewal or maintenance of which may be uncertain or challenging and which may adversely affect the Business and its operating profits

The MCG Group's operations are subject to governmental regulation in the countries in which it operates. Governmental regulation can take the form of price controls, service requirements, programming content restrictions, programming rights restrictions, ownership restrictions (such as the Foreign Control Restrictions), management and leadership restrictions, licensing requirements and restrictions on the amount or content of advertising. Any of these political and regulatory processes could adversely affect the Business in certain circumstances. Failure or delays in obtaining or renewing any necessary regulatory approvals could adversely affect the MCG Group's ability to offer some or all of its services. In most of the countries in which the MCG Group conducts business, it operates under licences obtained from governmental or quasi-governmental agencies. These licences are subject to periodic renewal, and the MCG Group may not be able to renew the licences on terms as favourable as the existing licences or at all.

From time to time, parties may also seek to challenge the validity of licences or attempt to interfere with rights granted to the Business. This may result in the loss of rights held, or additional costs being incurred by, the Business.

The licences and/or other forms of approvals issued or granted to the MCG Group from time to time may, as a result of local participation or other indigenisation requirements, require the MCG Group to maintain a certain level of ownership by persons or a class of persons identified in the relevant licences and/or other forms of approvals. Failure to maintain the required level of ownership may have a material adverse impact on the licences or other forms of approvals issued or granted to the MCG Group, the operations of the MCG Group or the Business. For example, MCSA is required, at all times, to have no less than 30% ownership by persons from historically disadvantaged groups. In order to achieve this, MCSA has implemented a B-BBEE scheme with PN. Similarly in Kenya, the MCG Group has implemented a transfer of 30% of the shares held by the MCG Group in GOtv Kenya to a qualifying local nominee (whilst maintaining the beneficial interest in the stake).

Adverse changes in the regulatory framework of any country in which the MCG Group operates may impact the MCG Group

Adverse changes in the regulatory framework of any country in which the MCG Group operates may occur. The media and competition regulatory frameworks of the countries in which the MCG Group operates are subject to change, and such regulatory authorities may increase their regulation of the Business in these countries.

There are several legislative proposals and other initiatives under-way in some markets, particularly in South Africa where, amongst other things, amendments are proposed in relation to:

- the ECA, proposing amendments to ICASA's powers, the regulatory spectrum and conduct of competition enquiries;
- the Copyright Act, 98 of 1978 (as amended) in relation to royalties for repeats of local content licences or commissioned programmes, that could impact the manner in which the MCG Group conducts the Business and the value of the rights owned by the MCG Group;
- the Performers' Protection Act, 11 of 1967 (as amended) in relation to performers' compensation for, amongst other things, repeat broadcasts, that could have a negative financial impact on the Business, due to the MCG Group being required to compensate performers for the repeat broadcast of programming; and
- the Competition Act, which may introduce wide-ranging remedies to address competition, which may have an impact on all business in South Africa, including that of the MCG Group.

In addition, because of its leading position in the markets in which the MCG Group operates, the MCG Group is frequently required to participate in engagements with, and investigations by, the relevant regulators relating to the MCG Group's position in such markets.

Further in South Africa, there have also been initiatives by the Department of Health over the last five years to put in place legislative prohibitions on alcohol advertising. The broadcasting sector and others have raised concerns about the adverse economic impacts of a ban on alcohol advertising. These initiatives re-emerged in the final National Liquor Policy gazetted by the Minister of Trade and Industry on 30 September 2016. The broadcasting sector, the liquor industry and the MCG Group have made submissions to the Ministry of Trade and Industry on the Liquor Amendment Bill of 2016, highlighting the tremendous financial impact of loss of advertising revenue from alcohol advertising and the impact on sports development programmes. A ban on alcohol advertising will negatively affect advertising revenues of the MCG Group as various programmes, particularly on M-Net and SuperSport, rely on revenue from advertising and broadcast sponsorship from the liquor marketers. The laws, regulations and regulatory requirements currently affecting the MCG Group (and the products and services that the MCG Group

develops and sells) may change in ways that could have a material adverse effect on the MCG Group's Business, financial condition, results of operations and prospects. It is difficult to accurately predict the timing, scope or form of future regulatory initiatives and reforms.

In certain jurisdictions, the MCG Group is also dependent on regulatory authorities allocating frequencies for use in the MCG Group's DTT Business. If these allocations are not made and/or approved by the relevant regulatory authorities, or are allocated in a manner different to that applied for, this could affect the MCG Group's ability to provide services to its customers in these jurisdictions and consequently adversely affect the MCG Group's revenues.

The outcome of litigation or governmental investigations may adversely impact the Business or results of operations

Due to the international nature and scale of the MCG Group's operations, the MCG Group is exposed to legal and regulatory risks. These may include, among others, risks relating to claims or governmental investigations pertaining to competition, consumer protection, labour law, data protection, commercial contracts, tax disputes, compliance matters, acquisitions, disposals, joint ventures and investments. The MCG Group is currently party to certain lawsuits and governmental investigations. Adverse outcomes in some or all of the claims or matters pending may result in monetary damages or other remedies that could adversely affect the MCG Group's results of operations or ability to conduct business. Such adverse outcomes could also result in reputational damage to the MCG Group. In addition, as a result of the highly regulated and consumer focused industry in which the MCG Group operates, regulators routinely investigate the industry in order to, amongst other things, regulate the manner in which operators, including the MCG Group, operate in the relevant jurisdiction. This regulatory focus or action could ultimately result in a change in the manner in which Business is conducted or affect the cost of doing business in certain jurisdictions, including for example, new and/or different regulatory compliance standards or potential penalties and/or censure to the MCG Group if the MCG Group is found to have acted in contravention of any regulations.

South Africa

In South Africa, during June 2016, the sector regulator, ICASA launched an inquiry into competition in the subscription broadcasting market. On 25 August 2017, ICASA published a discussion document for public comment. The MCG Group made public submissions to the inquiry on 11 May 2018 and in its submissions it demonstrated that competition in the video entertainment market is effective and that there is no basis justifying any form of *ex ante* regulation by ICASA.

On 12 April 2019, ICASA published its draft findings. The draft findings identified four retail and two wholesale markets, pertaining to the retail distribution of broadcasting and video on demand services, and wholesale supply and acquisition of premium and non-premium content in South Africa. It further identified that competition is ineffective in three of the identified markets, being (a) retail distribution of basic-tier subscription television services and satellite-based free-to-air television services; (b) retail distribution of premium subscription television services; and (c) wholesale acquisition of premium content for distribution in South Africa. ICASA concluded that MultiChoice possesses significant market power in the markets that are characterised by ineffective competition.

Interested stakeholders were invited to provide written comments on the draft findings document by 21 June 2019. The final outcome of the inquiry is uncertain, but could have a material adverse impact on the MCG Group and its Business. The MCG Group launched a court application in order to obtain the necessary documents upon which ICASA relied for the findings document and these documents were made available by the regulator for the benefit of all stakeholders. The date for submission of written representations has been extended to 27 August 2019. The MCG Group will be making a submission to ICASA.

ICASA is reviewing the Sports Broadcasting Regulations of 2010 and invited interested parties to both make written representations on the draft regulations which it published in the Government Gazette and to make oral submissions during hearings held in June 2019. The MCG Group has participated fully in this process (by way of written submissions and presentations at the oral hearings) and will continue to do so. ICASA has advised that it intends to finalise these reglations by March 2020. The outcome of the review may have an adverse impact on the Business of the MCG Group should, for example the number of listed national sporting events which must be broadcast by free to air broadcasters be expanded.

ICASA has also published a questionnaire designed to assist it with a regulatory impact analysis of the current "Must Carry" regulations, which may negatively impact the Business should the MCG Group, for example, be required to pay for the public broadcaster channels that it carries.

In November 2018, the Competition Commission concluded (and made consequent recommendations to the Competition Tribunal) that, in relation to the 2013 South African Broadcasting Corporation ("**SABC**") channel distribution agreement entered into between the SABC and MCSA (which has since expired), (i) in respect of the entertainment channel, the agreement did not give rise to a merger but (ii) in respect of the news channel, the agreement resulted in a notifiable change of control because it influenced the SABC's policy on encryption. Both the

Competition Tribunal and the Competition Appeal Court have previously found the transaction not to be a merger. The MCG Group maintains that the agreement was a standard channel distribution agreement, which does not constitute a merger and will make further representations to the Competition Tribunal. The MCG Group continues to engage with the Competition Commission. The outcome of these proceedings is uncertain, and could have an adverse impact on the MCG Group.

The rest of sub-Saharan Africa

A brief synopsis of some of the more significant regulatory developments outside of South Africa is provided below. Although the MCG Group is protecting its rights in all jurisdictions, potential negative outcomes in any regulatory investigation or interaction in these countries may have an adverse impact on the Business of the MCG Group.

Angola

The Angolan Institute of Communications (*Instituto Angolano das Comunicacoes*) has provisionally approved a price increase on condition that pay television operators make the public broadcaster's channels available free of charge. The MCG Group is engaging the regulator on the issue of cost recovery.

Ghana

The draft Digital Migration Policy proposes that free-to-air DTT services should be encrypted. The MCG Group is working closely with the Ghana Independent Broadcasters Association on various initiatives to secure an amendment to this aspect of the policy.

The Common Market for Eastern and Southern Africa ("COMESA")

As part of its ongoing investigation into the Confederation of African Football ("**CAF**"), the COMESA Competition Commission has raised potential competition concerns arising from SuperSport's contractual relationship for broadcast rights to CAF football properties. The MCG Group is engaging with COMESA.

Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on the Business, results of operations, financial condition and cash flows of the MCG Group

The tax laws and regulations in the jurisdictions in which the MCG Group operates may change and there may be changes in enforcement of tax law. The MCG Group also operates in certain developing countries in which the tax regimes and dispute resolution processes are changing and developing. Additionally, tax laws and regulations are complex and opaque and subject to varying interpretations. The MCG Group cannot be sure that its interpretations are accurate or that the responsible tax authority agrees with the views of the MCG Group. If tax laws change or the MCG Group's tax positions are challenged by the tax authorities, it could incur additional tax liabilities, which could increase the MCG Group's cost of operations and have a material adverse effect on the Business, financial condition and results of operations of the MCG Group. In some instances, the tax authorities may seek to impose penalties and interest charges, which may result in higher costs if the MCG Group is unsuccessful in defending the claim, and negotiations proceedings are protracted.

The MCG Group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The MCG Group continues to seek advice and work with its advisors to identify and quantify such tax liabilities.

Certain changes in accounting or financial reporting standards or interpretations issued by standard-setting bodies for IFRS may adversely affect the MCG Group's reported revenue, profitability and financial results

The MCG Group prepares its financial statements in accordance with IFRS. IFRS is periodically revised and new accounting pronouncements, as well as new interpretations of existing accounting pronouncements, could affect the MCG Group's reported revenue, profitability and financial results. In general, changes in IFRS could have a significant impact on the amount or timing of the reported earnings of the MCG Group, valuation of liabilities or assets, and classification of financial instruments between equity and liability on either a retrospective or prospective basis. Non-compliance with accounting and disclosure requirements could result in significant penalties, but changes to IFRS are, however, an inherent risk in using IFRS as a reporting measure and cannot be avoided by the MCG Group or any other company using IFRS as a reporting measure.

Due to the nature of the Business, the MCG Group is exposed to risks of fraud and corruption

As a company operating in a number of jurisdictions, the MCG Group is exposed to the risks of fraud and corruption, both within its organisation and in dealing with parties external to the organisation. The MCG Group is committed to full compliance with applicable legislative and regulatory requirements in respect of fraud and corruption in

the jurisdictions in which it operates, and intends to maintain internal control systems to limit the occurrence of fraud or corruption. However, there can be no assurance that such procedures and established internal controls will protect the MCG Group against instances of fraudulent or corrupt activity and such activity could have an adverse effect on the Business, the reputation of the MCG Group, results of operations, financial condition or prospects.

The MCG Group has various policies in place regarding anti-bribery and anti-corruption, financial sanctions and competition law. However, such policies and controls may not prevent instances of dishonesty by employees, contractors, franchisees, agents or other third parties nor guarantee compliance with legal or regulatory requirements. This may lead to regulatory fines, disgorgement of profits, litigation, loss of operating licences or reputational damage.

Failure to comply with data protection legislation or a security breach or system failure in the MCG Group's technical or information technology infrastructure could result in regulatory action, compensation claims and adverse publicity which could have a material adverse effect on the MCG Group's business and results of operations

The MCG Group stores a range of information about its customers, including customers' bank details. The use of this information is subject to various laws, regulations and standards designed to protect sensitive or confidential customer and employee data, including, among others, the POPI Act, as it comes into effect. The POPI Act imposes a range of obligations, including restrictions on direct marketing and on cross-border transfers of personal information and an obligation to keep personal information secure. The POPI Act empowers the information regulator to impose administrative fines of up to R10 million where a data controller such as the MCG Group fails to comply with an enforcement notice. Non-compliance with an enforcement notice is also a criminal offence.

The EU General Data Protection Regulation, which has applied from 25 May 2018, has increased data security compliance obligations and consequences, including significant fines for organisations located within or outside of the EU. In particular, the MCG Group is exposed to General Data Protection Regulation by virtue of the operations undertaken by Irdeto, which is headquartered in Europe as well as in respect of certain aspects of the operations of MultiChoice including those undertaken by MultiChoice in Europe.

A breach of any aspect of data protection legislation, especially a breach involving the misappropriation, loss or other unauthorised disclosure of sensitive or confidential member information, including the use of such information for direct marketing purposes, whether by the MCG Group or one of its sub-contractors or service providers, could result in regulatory action, compensation claims and adverse publicity. In addition, compliance with evolving privacy and security laws, requirements and regulations may result in cost increases due to necessary systems changes, new limitations or constraints on the MCG Group's business models and the development of new administrative processes.

The MCG Group owns operations which require it to comply with various environmental and health and safety laws and regulations

The MCG Group's facilities and operations are subject to certain environmental laws and regulations in the countries in which it operates. These environmental requirements may include, among other things, certain pollution control measures or limits for solid and hazardous wastes, water discharges and air emissions, and may require businesses whose activities have an impact on the environment to obtain permits regulating those activities. Non-compliance with such requirements may result in criminal or civil penalties, damages claims, or requirements to install or retrofit pollution control equipment or practices. In addition, South African environmental law imposes an obligation on companies to remediate environmental damage (including damage to natural resources) caused, as well as a duty of care to take reasonable measures to prevent pollution or degradation of the environment from occurring, continuing or recurring.

RISKS RELATED TO THE INDUSTRY AND THE MARKETS IN WHICH THE MCG GROUP OPERATES

Certain jurisdictions in which the MCG Group operates have experienced, and continue to experience, limited availability of foreign currency

In certain countries in which the MCG Group operates, for example Angola and Zimbabwe, the MCG Group has experienced and is experiencing difficulty in accessing the cash generated from its operations as a result of limited availability of Forex in these jurisdictions. Also, up until May 2017, the MCG Group experienced similar difficulties in Nigeria, due to, among other things, a lack of sufficient quantity of Forex. Although many of the countries in which the MCG Group operates have taken steps toward addressing the problems mentioned above, the sustainability or availability of these measures is difficult to predict. A lack of, or limited availability of Forex in certain countries where the MCG Group operates could adversely affect the MCG Group or the Business.

The MCG Group could suffer losses as a result of fluctuations in foreign currency exchange rates

The MCG Group's reporting currency is the South African Rand, but the MCG Group conducts business transactions in currencies other than its reporting currency. Consequently, the MCG Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD (largely related to content and transponder leases), the Euro (in respect of input costs largely related to transmission), the Nigerian Naira, the Angolan Kwanza, Kenyan Shilling and Zambian Kwacha (in respect of local revenue). Fluctuations in these currencies against the Rand have in the past affected, and could in the future affect, the MCG Group's revenue, operating costs and general business and financial condition. For example, since the 2015 financial year, the MCG Group has seen significant currency weaknesses.

A significant portion of the MCG Group's material cash obligations involving long-term commitments, including payment obligations under transmission equipment and satellite leases, and contracts for the acquisition of broadcast rights to video entertainment content, is denominated in the currencies of countries in which the MCG Group has limited operations, such as United States of America. Where the MCG Group's revenue is denominated in local currency, a depreciation of the local currency against the Rand and USD adversely affects the MCG Group's earnings and its ability to meet its cash obligations. Many of the MCG Group's operations are in countries or regions where the local currency has fluctuated considerably against the Rand and USD in recent years. The MCG Group cannot give assurances that the hedge transactions that it enters into to mitigate currency risk will fully protect the MCG Group against currency fluctuations or that the MCG Group will be able to hedge effectively against these risks in the future. In addition, in the Rest of Africa in particular (but also including South Africa), the MCG Group's video entertainment subscription prices are denominated in local currencies, while a significant portion of its cost base is denominated in USD. Many of these markets, including, among others, Angola and Nigeria, do not offer sufficient liquidity to hedge the foreign currency risk associated with the USD cost base. Furthermore, the ability to pass on the currency risk to customers is limited, due to market sensitivity around the affordability of the MCG Group's services. As a result, the MCG Group has limited ability to protect itself from the impact of a weakening in these currencies. Accordingly, if the local currencies depreciate against the USD or Rand, it could have an adverse effect on the Business and results of operations of the MCG Group.

A challenging macroeconomic environment in South Africa may adversely impact growth and retention of subscribers, which could have a material adverse effect on the MCG Group's business, results of operations and prospects

The MCG Group's South African operations are its most significant, accounting for 67% of its external revenue for the 2019 financial year. Challenging economic conditions in South Africa may put strain on the MCG Group's customer base and adversely impact growth in the subscription for pay-TV services.

The South African government recently announced that South Africa has entered a period of technical recession, which government hopes to counteract in various ways, including stimulus plans. Challenging economic conditions for the South African consumer, including potential interest rate increases could lead to a reduction in disposable income. Sales of video entertainment services could decrease during periods of poor economic times.

The MCG Group's operations expose it to a variety of economic, social and political risks in various jurisdictions

The MCG Group may be affected by political, social, economic, fiscal, monetary and regulatory changes in the countries where it has operations. The MCG Group's operations in these markets may involve economic and operating risks. In certain countries in which the MCG Group operates, it has in the past experienced difficulties resulting from currency fluctuations, high interest rates, increases in corporate bankruptcies, political instability, stock market declines, corruption, threats and ransom demands, epidemics and other factors that may materially adversely affect the Business.

For example, certain countries in which the MCG Group operates have experienced high levels of unemployment and crime in the past. These problems have impeded inward investment in these countries and have prompted emigration of some skilled workers. As a result, attracting and retaining qualified employees in these countries may be difficult. In addition, the high rate of HIV/AIDS infection and tuberculosis in a number of markets in which the MCG Group operates could cause the MCG Group to lose skilled employees or incur additional costs.

Furthermore, certain jurisdictions in which the MCG Group operates experience chronic electricity outages. The electricity outages impact on the ability of the MCG Group to operate efficiently and increase the operating expenses of the MCG Group.

As many of the jurisdictions in which the MCG Group operates at times face political instability, the MCG Group faces the risk that regulations can change unexpectedly when new political leaders take office and this could impact the operations of the MCG Group in various ways. For example, in certain jurisdictions, the broadcasting of certain

content is prohibited. This and the determination of this prohibited content can sometimes be impacted by political will and could impact the revenue of the MCG Group as alternative content may be required to be procured to replace the prohibited content that would otherwise have been broadcast.

Continuing uncertainties and challenging conditions in the global economy and Africa, in particular material markets such as Nigeria, Kenya, Zambia, Zimbabwe and Angola, may adversely impact the Business, results of operations and financial conditions

The current macroeconomic environment is volatile and continuing instability in global markets, including the markets in which the MCG Group operates, has contributed to a global economic downturn marked by high unemployment rates and inflation in some developing markets, the Rest of Africa has in recent years experienced adverse economic conditions, exacerbated by declining international oil prices, which create challenging market conditions for the MCG Group's Rest of Africa business. Any adverse change in economic, political or social conditions in the countries in which the MCG Group operates, and a continued deterioration of the economic conditions in the Rest of Africa, may have a materially adverse effect on its profitability.

Limitations and restrictions on foreign investment and ownership could hinder and limit the MCG Group's operations

Certain markets in which the MCG Group operates from time to time review their existing limitations on foreign ownership of businesses. The regulator in these markets could recommend more stringent limitations on foreign investment or propose other limitations and restrictions on foreign investment. The MCG Group cannot predict to what extent any such limitations or restrictions will come into place, but any limitation or restriction could hinder or limit the MCG Group's operations in these markets, or require it to divest from existing businesses at a suboptimal value.

South Africa's exchange control restrictions on foreign investment could hinder the MCG Group's normal corporate functioning and its ability to make foreign investments

South Africa's Exchange Control Regulations provide for restrictions on the exporting of capital and for various other exchange control matters. The orders and rules under the regulations provide for a common monetary area consisting of South Africa, the Republic of Namibia ("**Namibia**"), the Kingdom of Lesotho ("**Lesotho**") and the Kingdom of eSwatini ("**eSwatini**") (South Africa, Namibia, Lesotho and eSwatini, collectively the "**Common Monetary Area**"). Transactions between residents (including corporations) of the common Monetary Area, on the one hand, and non-residents of the Common Monetary Area, on the other hand, are subject to these exchange control regulations which are enforced by the Financial Surveillance Departments of the South African Reserve Bank ("**FinSurv**"). As a result of the exchange controls, South African residents, including companies, are generally not permitted to:

- export capital from South Africa, hold foreign currency in excess of certain limits or incur indebtedness denominated in foreign currencies without the approval of the FinSurv; or
- acquire an interest in a foreign venture without the approval of FinSurv.

Exchange controls may continue to operate in South Africa for the foreseeable future. As a consequence, transactions by a South African company with a non-resident company require exchange control approval. The MCG Group cannot predict to what extent any future required regulatory approval will be obtained and denial may result in such transactions not being concluded. Exchange controls could therefore hinder the MCG Group's ability to make foreign investments.

RISKS RELATED TO THE MCG SHARES

The market price of the MCG Shares may be volatile and subject to fluctuations, including significant decreases

The market price of the MCG Shares could be volatile and subject to significant fluctuations due to a variety of factors, some of which do not relate to the MCG Group's financial performance, including changes in general market conditions, the general performance of the JSE, changes in sentiment in the market regarding the MCG Shares (or securities similar to them), variations in the MCG Group's operating results, business developments for the MCG Group or its competitors, the operating and share price performance of other companies in the industries and markets in which the MCG Group operates, exchange rate fluctuations, perceptions of economic and political risk or speculation about the MCG Group's business in the press, media or the investment community. Furthermore, the MCG Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events or others could result in a decline in the market price of the MCG Shares.

The Company may not be able to declare and make dividend payments now and in the future

The Company's ability to pay dividends on the MCG Shares is dependent upon the availability of distributable reserves and upon the receipt by it of dividends and other distributions from its subsidiaries. The MCG Group's subsidiaries' distributable reserves and the dividends they may declare may be restricted to protect the security of those subsidiaries, as applicable legislation does not allow for the payment of dividends unless solvency and liquidity requirements are met.

The payment of dividends by subsidiaries is, in turn, subject to restrictions, including regulatory approval, the existence of sufficient distributable reserves and cash in those subsidiaries as well as certain restrictions in the Company's debt financing arrangements. These restrictions could limit or prohibit the payment of dividends to the Company by its subsidiaries, which could restrict the Company's ability to pay dividends to MCG Shareholders.

Additionally, the payment of special dividends or dividends *in specie* by the Company to MCG Shareholders who are not South African residents requires the consent of FinSurv. The withholding of consent by the SARB could limit or prohibit the Company's ability to pay special dividends or dividends *in specie*.

Future sales or new issuances of substantial amounts of MCG Shares in connection with any B-BBEE transactions, share incentive or option plans, acquisitions or otherwise, or the perception that such sales or issues could occur, could adversely affect the market value of the MCG Shares

Other than the proposed issue of MCG Shares under the MCG Offer, the Company has no current plans to conduct an offering of its MCG Shares. However, it is possible that the Company may decide to issue additional MCG Shares in the future in connection with its commitment to B-BBEE, share incentive or option plans, acquisitions or otherwise, and, if MCG Shareholders did not take up any offer or were not eligible to participate, their proportionate ownership and voting interests in the Company would be reduced. A future equity issue, or significant sale of MCG Shares by major MCG Shareholders, could have a material adverse effect on the market price of the MCG Shares as a whole.

Differences in exchange rates may have a material adverse effect on the value of shareholdings or dividends paid

The MCG Shares will be denominated in Rand only, and any dividends will be declared in Rand. The Board may, in its discretion and on such terms and conditions as it may determine, authorise the payment of any distribution (as defined in the Company MOI) to an MCG Shareholder not resident in South Africa in any foreign currency requested by such MCG Shareholder. As a result, MCG Shareholders outside South Africa may experience material adverse effects on the value of their shareholdings and their dividends, when converted into other currencies if the Rand depreciates against the relevant currency.

The ability of shareholders outside South Africa to exercise pre-emptive rights or participate in future issues of MCG Shares may be restricted by applicable laws

Securities laws of certain jurisdictions outside South Africa (including the US) may restrict the participation, or the Company's ability to allow participation, by certain MCG Shareholders in such jurisdictions in any future issue of MCG Shares or of other securities carried out by the Company.

Any proposed issue of equity securities in the Company will be subject to pre-emptive rights of the MCG Shareholders who already hold issued securities in the class of equity securities proposed to be issued, as set out in the Company MOI, save in relation to an acquisition of assets and other instances outlined in the Company MOI. An issue of new MCG Shares where pre-emptive rights do not apply could dilute the interests of the then-existing MCG Shareholders. Even where pre-emptive rights do apply, holders of MCG Shares who are located in the US, or holders of ADSs representing MCG Shares, may not be able to exercise pre-emptive rights unless a registration statement under the Securities Act is effective with respect to the MCG Shares to be issued upon the exercise of such rights or an exemption from the registration requirements is available thereunder. Unless the Company is otherwise required by reason of its US shareholder base to register under the Exchange Act, there can be no assurance that the Company will file any such registration statement, or that an exemption from the registration requirements of the Securities Act will be available, which could result in certain MCG Shareholders in the US (and holders of Company ADSs representing Shares) being unable to exercise pre-emptive rights. This could have an adverse impact on the market price of the MCG Shares and the ability of the Company to raise funds to meet its business requirements.

PRINCIPAL IMMOVABLE PROPERTIES

Details of the principal immovable properties held or occupied by the Company and its subsidiaries are set out below.

Principal properties owned

Country	Owner	Description	Extent	Title deed no.
South Africa	MSS	Erf 863 Kosmosdal Extension 11 Township, Registration Division IQ, Province of Gauteng	1 2756 H	T40606/2013
South Africa	MSS	Erf 864 Kosmosdal Extension 11 Township, Registration Division IQ, Province of Gauteng	8 658 sqm	
South Africa	MSS	Erf 1101 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T45054/2013
South Africa	MSS	Portion 1 of Erf 1195 Ferndale Township, Registration IQ, Province of Gauteng	1 861 sqm	T45054/2013
South Africa	MSS	Remaining Extent of Erf 1195 Ferndale Township, Registration IQ, Province of Gauteng	2 145 sqm	T45054/2013
South Africa	MSS	Erf 1197 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T45054/2013
South Africa	MSS	Erf 1199 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T45054/2013
South Africa	MSS	Portion 1 of Erf 893 Strijdompark Ext 25 Township, Registration IQ, Province of Gauteng	9 643 sqm	T45054/2013
South Africa	MSS	Erf 1102 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T41877/2013
South Africa	Electronic Media Network Ltd	Erf 1181 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T108922/1997
South Africa	Electronic Media Network Ltd	Erf 1200 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T10715/1989
South Africa	Electronic Media Network Ltd	Erf 1201 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T2535/1994
South Africa	Electronic Media Network Ltd	Erf 1202 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T87185/1989
South Africa	Electronic Media Network Ltd	Erf 1203 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T2535/1994
South Africa	Electronic Media Network Ltd	Erf 1205 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T2535/1994
South Africa	Electronic Media Network Ltd	Erf 1207 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T2535/1994
South Africa	Electronic Media Network Ltd	Erf 1208 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T30373/1989
South Africa	Electronic Media Network Ltd	Erf 1209 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T156478/2002
South Africa	Electronic Media Network Ltd	Portion 3 of Erf 1690 Ferndale Township, Registration IQ, Province of Gauteng	1 682 sqm	T9581/1989

Country	Owner	Description	Extent	Title deed no.
South Africa	Main Street 361 (Pty) Ltd	Erf 1210 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T38573/2008
South Africa	Main Street 361 (Pty) Ltd	Erf 1211 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T38573/2008
South Africa	Main Street 361 (Pty) Ltd	Erf 1212 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T135035/2007
South Africa	Main Street 361(Pty) Ltd	Erf 1213 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T151695/2007
South Africa	Stand 1194/1196 Ferndale (Pty) Ltd	Erf 1194 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T26173/1996
South Africa	Stand 1194/1196 Ferndale (Pty) Ltd	Erf 1196 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T26173/1996
South Africa	MultiChoice Africa (Pty) Ltd	Erf 1198 Ferndale Township, Registration IQ, Province of Gauteng	4 015 sqm	T70500/1997
South Africa	NMS Properties (Pty) Ltd	Erf 1214 Ferndale Township, Registration IQ, Province of Gauteng	4 015 Sqm	T24106/2013
South Africa	NMS Properties (Pty) Ltd	Erf 1215 Ferndale Township, Registration IQ, Province of Gauteng	4 015 Sqm	T24106/2013
South Africa	NMS Properties (Pty) Ltd	Erf 1216 Ferndale Township, Registration IQ, Province of Gauteng	4 015 Sqm	T24106/2013
South Africa	NMS Properties (Pty) Ltd	Erf 1217 Ferndale Township, Registration IQ, Province of Gauteng	4 015 Sqm	T24106/2013
South Africa	MultiChoice Africa (Pty) Ltd	Portion 1 of Erf 1690 Ferndale Township, Registration IQ, Province of Gauteng	1 500 sqm	T46091/1995
South Africa	MultiChoice Africa (Pty) Ltd	Remaining Extent of Erf 1690 Ferndale Township, Registration IQ, Province of Gauteng	4 848 sqm	T18449/1996
Botswana	MultiChoice Botswana (Pty) Ltd	Plot 74374, Unit 1 & 4, Carbo Centre, Off Tlokweng Road, Gaborone, Botswana	751 sqm	892/2012
Ghana	MultiChoice Ghana Ltd	No. 8 Basko Lane, off George Bush High Way Accra	5 400 sqm	–
Kenya	MultiChoice LPKL – MultiChoice Africa	Jamhuri Road Jamhuri Park Nairobi Kenya	10 117 sqm	L.R. No. 9141
Kenya	MultiChoice Kenya Ltd	L.R No. 3734/421 Oloitoktok Rd,Kileleshwa,Nairobi	2 246 sqm	No. 70/70/2006
Nigeria	MultiChoice Nigeria Ltd	Plot 1379-81 Tiyamiyu Savage Street VI Lagos	2 253 sqm	LG 7584
Nigeria	MultiChoice Nigeria Ltd	7A Olosa Street VI Lagos	1 404 sqm	No. 67/67/1982
Zambia	MultiChoice Zambia Ltd	Plot 34772/34773 Alick Nkhata Avenue, Mass Media. P.O. Box 320011	1 983 sqm	73647
Namibia	MultiChoice Namibia (Pty) Ltd	161 Nelson Mandela Avenue, Windhoek, Namibia	7 616 sqm	T2279/2006
Uganda	MultiChoice Uganda Ltd	Plot 17B Impala Avenue Kampala	2 100 sqm	FRV 359/14

Principal properties leased

Country	Owner	Description	Extent	Entity	Rental	Unexpired term of lease (as at 30 September 2019)
South Africa	Aquasky Properties Pty Ltd	275 Anton Lembede Street, Durban CBD including 47 parking bays	1 700 sqm	MSS	R368 472.23 including parking excl VAT	7 months
South Africa	FPG Holdings Pty Ltd	Erf 39236 Parow: Willie Faasen St, N1 City, Cape Town, 7460	3 000 sqm	MSS	R303 632.32 iro the leased premises, R6064.01iro the storage area and R85 000.00 iro the parking bays excl VAT	4 years 7 months
South Africa	Orpen Brothers Properties 1 Pty Ltd	Hoogland Ext 42, Aintree Lane, Northriding, Randburg situated on Erf 256 Hoogland Ext 42	9 767 sqm	MSS	R548 423.802 iro the leased premises, excl VAT	7 months
South Africa	Stonemill Office Park Pty Ltd	Office G1, G2 and F2 Ground Floor, Greenstone House including 96 basement parking bays and 76 open parking bays	2 989 sqm	MSS	R375 003.00 iro the leased premises, R54 167.62 iro the basement parking bays and R23 823.72 iro the open parking bays excl VAT	1 year 6 months
South Africa	Roprops 5 Pty Ltd	Office 1 on the Ground Floor and storeroom on the lower ground floor and 100 parking bays situated at the Glass House, 309 Umhlanga Rocks Drive, La Lucia Ridge	1 658 sqm	MSS	R277 879.08 iro the leased premises, R67 301.25 iro parking bays excl VAT	9 months
United Arab Emirates	Al Sayyah & Sons Investment LLC	Office No. 1805-1809, 18th Floor, Shatha Towers, Dubai (comprises 2 separate leases for offices 1805-1808 and 1809 respectively – with the same counterparty and expiry)	1 074 sqm	MultiChoice Africa Ltd	AED91 003	1 year, 8 months
Angola	Posthe Trading, LDA	Edificio Potche, Rua CS5B, Talatona, Luanda	1 468 sqm	MultiChoice Angola Limitada	USD6 728	4 months
Mozambique	Fenix – Projectos E Invetimentos LDA	Av. Marginal, Vladimir Lenine, Maputo, Mozambique	1 151 sqm	MultiChoice Moçambique S.A. & GoTv Moçambique S.A.	USD37 353	3 years, 2 months

Country	Owner	Description	Extent	Entity	Rental	Unexpired term of lease (as at 30 September 2019)
Kenya	Mugumo Gardens Limited	Rright wing of the First Floor, 90 James Gichuru, Road, Westlands, Nairobi	582 sqm	MIH East Africa Ltd	USD7 426	4 years, 5 months
Zambia	DG Partners	Plot 1 Chila road Kabulonga Lusaka Zambia. P.O. Box 320011	501 sqm	Myriad Southern Africa Ltd	USD9 011	2 years, 11 months
Tanzania	Thornton & Turpin (Tanzania) Limited	Plot no 103 Kinondoni Road, P.O. Box 8933, Dar es Salaam, Tanzania	784 sqm	MultiChoice Tanzania Ltd	USD13 500	3 months
The Netherlands	PFO2 SCPI	Taurus Avenue 105, 2132LS, Hoofddorp, the Netherlands	9 229 sqm	Irdeto B.V.	USD183 333	10 years, 1 month
France	Rivoli Avenier Patrimoine et Edissimo	3-5 rue San Georges– 75009 Paris	500 sqm	Irdeto B.V.	USD26 667	6 years, 10 months
USA	Snyder NOHO 111 LLC	5250 Lankershim Boulevard, St. 750, North Hollywood, CA 91601 USA	1 021 sqm	Irdeto B.V.	USD36 054	1 year, 4 months
USA	Hudsons Concourse, LLC	Concourse 1, 226 Airport Parway, San Jose, CA 95110, USA	533 sqm	Irdeto B.V.	USD19 060	3 months
Canada	Kanata Research Park Corporation	2500 Solandt Road, Suite 300, Ottawa, ON, K2K 3G5, Canada	2 917 sqm	Irdeto B.V.	USD27 102	1 year, 8 months
China	Beijing Sunflower Tower Co., Ltd.	Beijing Sunflower Tower Suite 600, 37 Maizidian West Street, Chaoyang District, China	1 808 sqm	Irdeto B.V.	USD65 284	1 year, 3 months
India	Mahatta Towers Pvt. Ltd.	Star City Mall, Mayur Vihar District Centre, Mayur Vihar, Delhi – 110092 India	1 723 sqm	Irdeto B.V.	USD33 868	1 year, 9 months
Czech Republic	BECON s.r.o.	Bucharova 2657/12, 158 00 Praha 13 - Stodulky	923 sqm excluding parking	Showmax s.r.o.	EUR 11 890 iro the leased premises, EUR 1 612 iro storage and parking bays	4 years, 1 month

REGULATION 79 FINANCIAL INFORMATION

Consolidated and combined financial information of the MCG Group

The consolidated and combined financial performance of the MCG Group for the three financial years ended 31 March 2019, 31 March 2018 and 31 March 2017 is set out in the table below.

	Consolidated		Combined
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Revenue (ZAR million)	50 095	47 452	47 708
Profit before taxation (ZAR million)	2 497	6 247	1 345
(Loss)/profit after taxation (ZAR million)	(1 276)	2 538	(1 532)
Dividends paid (ZAR million)	6 724	6 757	6 640
Basic and diluted (loss)/earnings per Share (ZAR cents)	(374)	332	(554)
Dividends paid per ordinary share (ZAR cents)	1 532	1 540	1 513
Dividend cover	(0.2)	0.2	(0.4)

The consolidated statement of financial position of the MCG Group as at 31 March 2019 and as at 31 March 2018 has been included below. This financial information is extracted from the MCG Group's consolidated annual financial statements for the year ended 31 March 2019 and is not a full set of financial statements in accordance with IFRS and the requirements of the Companies Act. Reading the information in this Annexure is therefore no substitute for reading the audited consolidated annual financial statements of the MCG Group for the year ended 31 March 2019 and the reviewed combined historical financial information for the MCG Group for the financial year ended 31 March 2017, as contemplated above.

The audited consolidated annual financial statements of the MCG Group for the year ended 31 March 2019, including the 31 March 2018 comparative, is available for inspection at the Company's registered office and on the Company's website at https://www.multichoice.com/investors/reporting/.

The reviewed combined historical financial information for the MCG Group for the financial year ended 31 March 2017 is further included in the MCG Pre-listing Statement, which is available for inspection at the Company's registered office and on the Company's website at https://www.multichoice.com/investors/pre-listing-documents/.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2019

	Notes	**2019 ZAR'm**	2018 ZAR'm
ASSETS			
Non-current assets		**23 684**	**24 101**
Property, plant and equipment	18	**17 279**	17 585
Goodwill and other intangible assets	23	**4 283**	4 190
Investments and loans	25	**238**	123
Amounts due from related parties	27	**180**	1 191
Derivative financial instruments	12	**282**	–
Deferred taxation	10	**1 422**	1 012
Current assets		**17 319**	**14 477**
Inventory	20	**924**	461
Programme and film rights	19	**5 133**	4 910
Trade and other receivables	21	**4 095**	4 827
Amounts due from related parties	27	**–**	139
Derivative financial instruments	12	**444**	96
Cash and cash equivalents	22	**6 723**	4 044
TOTAL ASSETS		**41 003**	**38 578**
EQUITY AND LIABILITIES			
Equity reserves attributable to the group's equity holders		**12 538**	**(4 650)**
Share capital	26	**–**	–
Other reserves		**(12 445)**	(7 156)
Retained earnings		**24 983**	2 506
Non-controlling interests		**(2 743)**	(1 343)
TOTAL EQUITY		**9 795**	**(5 993)**
Non-current liabilities		**15 186**	**28 526**
Capitalised finance leases	12	**14 441**	12 784
Long-term loans and other liabilities	12	**59**	189
Amounts due to related parties	27	**134**	15 000
Derivative financial instruments	12	**4**	404
Deferred taxation	10	**548**	149
Current liabilities		**16 022**	**16 045**
Capitalised finance leases	12	**1 290**	819
Programme and film rights	12	**2 493**	2 206
Provisions	16	**136**	169
Accrued expenses and other current liabilities	15	**11 885**	11 430
Amounts due to related parties	27	**–**	316
Derivative financial instruments	12	**218**	1 105
TOTAL EQUITY AND LIABILITIES		**41 003**	**38 578**

The accompanying notes are an integral part of the consolidated annual financial statements.

	2019 ZAR'm	2018 ZAR'm
10. **Deferred taxation**		
Reconciliation of deferred tax asset		
At beginning of year	**863**	1 090
Credited/(Charged) to income statement	**545**	(321)
(Charged)/Credited to other comprehensive income	**(560)**	152
Disposal of subsidiaries and business	**–**	(31)
Foreign exchange effects	**26**	(27)
	874	**863**
Deferred tax is attributable to the following temporary differences		
Assets		
Provisions and other current liabilities	**489**	445
Capitalised finance leases	**2 880**	2 512
Income received in advance	**414**	429
Other*	**241**	577
	4 024	**3 963**
Liabilities		
Property, plant and equipment	**(74)**	(75)
Intangible assets	**(30)**	(59)
Receivables and other current assets	**(337)**	(361)
Capitalised finance leases	**(2 069)**	(2 269)
Programme and film rights	**(314)**	(300)
Other*	**(326)**	(36)
	(3 150)	(3 100)

** Other includes derivative financial assets and liabilities.*

For all temporary differences noted, the current year movement has been recognised in profit and loss with the exception of changes in the fair value of derivative financial instruments that relate to cash flow hedges which have been recognised in other comprehensive income.

The group has tax losses carried forward of approximately ZAR21.7 billion (2018: ZAR14.6 billion). A summary of the tax losses carried forward at 31 March 2019 by tax jurisdiction and the expected expiry dates are set out below:

	Rest of Africa ZAR'm	Latin America and USA* ZAR'm	Total ZAR'm
Expires in year one	**83**	**–**	**83**
Expires in year two	**226**	**–**	**226**
Expires in year three	**171**	**–**	**171**
Expires in year four	**660**	**–**	**660**
Expires in year five	**640**	**–**	**640**
Expires after year five	**14 445**	**5 457**	**19 902**
	16 225	**5 457**	**21 682**

** Technology segment tax jurisdictions.*

12. **Liabilities funding operations**

The group's long-term sources of financing primarily consists of finance lease liabilities for transponder capacity and amounts due for programme and film rights.

Financial liabilities include current and non-current debt. Financial liabilities are classified as current unless the borrowing entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities, other than those arising under finance leases, are initially recognised at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Liabilities arising under finance leases are initially recognised at the lower of fair value and the present value of the minimum lease payments. The interest rate implicit in the lease or, where this cannot be reliably determined, the group's incremental borrowing rate is used to calculate the present values of minimum lease payments. Each lease payment is allocated between the lease obligation and finance charges with the interest element charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The related leased asset is initially recognised as property, plant and equipment at an equivalent amount (refer to note 18).

Financial liabilities are derecognised when the obligation in the contract is discharged, cancelled or has expired. Premiums or discounts arising from the difference between the fair value of debt raised and the amount repayable at maturity date are charged to the consolidated income statement as interest expense based on the effective interest rate method.

Derivative instruments and hedge accounting

Hedging strategy

The group applies hedging where economically viable in all markets for periods between 12 and 36 months as part of our foreign currency risk management strategy which is reviewed regularly by the board of directors. This provides certainty in terms of future financial assets and obligations denominated in foreign currency and allows the group to set achievable financial plans and deliver sustainable returns to shareholders. This is applied in the South Africa, Rest of Africa and Technology segments through forward exchange contracts (FECs), non-deliverable forwards (NDFs) and futures instruments in Nigeria.

Hedging of foreign currency costs

In the South Africa segment, the group uses FECs to hedge the exposures arising from its cash obligations denominated in US dollar for transponder lease payments and its US dollar and Euro denominated payments to purchase programming and channels, because the entities with the obligation to settle these exposures do not have the US dollar or Euro as their functional currencies. This is performed for periods between 18 and 36 months.

Hedging of local currency collections

FECs, NDFs and futures (hedging instruments) are used to hedge currency risk relating to local currency collections in the Rest of Africa segment. This is performed by implementing hedging instruments centrally to secure a foreign exchange rate for all cash extracted in the future for periods up to 12 months in key markets such as Nigeria, Kenya, Zambia and Ghana. This protects the group against foreign currency depreciation (especially in markets which experience liquidity challenges) and provides certainty of cash remittance rates.

Hedging of operating costs in the Technology segment

The Technology segment utilises FECs and NDFs to hedge operational costs to provide certainty of foreign exchange rates for financial planning purposes.

Hedge accounting

The group applies hedge accounting where all the relevant criteria are met.

The group designates hedging instruments taken out as either a cash flow hedge or fair value hedge as follows:

- Cash flow hedge: hedge of the foreign currency risk of a firm commitment to purchase programming and channels, operating costs in the Technology segment and in the Rest of Africa local in-country collections.;
- Fair value hedge: hedge of the fair value of recognised transponder lease liabilities and in the Rest of Africa local in- country collections.

FECs and NDFs in the Rest of Africa segment are designated as cash flow hedges whilst the Nigerian futures are designated as fair value hedges.

12. **Liabilities funding operations (continued)**

Changes in the fair value of FECs that are designated, and qualify, as cash flow hedges are recognised in consolidated other comprehensive income and the ineffective part of the hedge is recognised in the consolidated income statement. The amounts deferred in consolidated other comprehensive income are transferred to the consolidated income statement and classified as income or expense in the same periods during which the hedged transaction affects the consolidated income statement. The amounts transferred are recognised in either 'cost of providing services and sale of goods' or 'selling, general and administration expenses'.

Changes in the fair value of derivatives that are designated, and qualify, as fair value hedges are recorded in the income statement, along with changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. These are presented in 'finance costs/(income)' (refer to note 13, which is included in the full audited annual consolidated summarised financial information for the MCG Group that is available on the website of the Company at https://www.multichoice.com/investors/reporting/).

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms (notional value and timing of exposure) of the hedging instrument match the terms of the hedged item. In addition, the gain or loss on the hedged item (which for transponder lease liabilities is designated as the portion of the contractual cash flows covered by forward exchange contracts) is compared to the gain or loss on the hedging instrument to ensure the hedging relationship is effective. The group therefore performs a qualitative and quantitative assessment of effectiveness.

Rebalancing will occur when adjustments need to be made to the hedged item due to a material change in the underlying hedged item. This is treated as a continuation of the hedging relationship.

Hedge ineffectiveness will be assessed and recognised immediately in the consolidated income statement before adjusting the hedging relationship.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes significantly from what was originally estimated, the total amount of the hedged item reduces or if there are changes in the credit risk of either party to the hedging relationship.

Hedge accounting will be discontinued in its entirety when the hedging relationship no longer meets the risk management objective, the hedging relationship no longer complies with the qualifying criteria or the hedging instrument has been sold or terminated.

Partial discontinuation will occur when a portion of the forecast transaction is no longer highly probable, or a portion of the hedged item is no longer part of the hedging relationship due to an adjustment to the hedge ratio (percentage cover in relation to highly probable forecasted transactions).

		2019 ZAR'm	2018 ZAR'm
(a)	**Interest-bearing: Capitalised finance leases**	**14 441**	**12 784**
	Total liabilities	**15 731**	13 603
	Less: Current portion	**(1 290)**	(819)
(b)	**Interest-bearing: Loans and other liabilities (A)**	**13**	**9**
	Total liabilities	**13**	9
	Less: Current portion	**–**	–
(c)	**Non-interest-bearing: Programme and film rights**	**–**	**–**
	Total liabilities	**2 493**	2 206
	Less: Current portion	**(2 493)**	(2 206)
(d)	**Interest- and non-interest-bearing: Amounts due to related parties**	**134**	**15 000**
	Total liabilities	**134**	15 316
	Less: Current portion	**–**	(316)
	Non-interest-bearing: Loans and other liabilities (B)	**46**	**180**
	Net non-current liabilities	**14 634**	27 973
	Net non-current loans and other liabilities (A)+(B)	**59**	189

The impact of these liabilities on the group's liquidity is disclosed in note 17.

12. **Liabilities funding operations (continued)**

Reconciliation of liabilities arising from financing activities	**Capitalised finance leases 2019 ZAR'm**	**Interest-bearing liabilities 2019 ZAR'm**	**Related-party loans 2019 ZAR'm**	**Non – Interest-bearing liabilities 2019 ZAR'm**
Balance at 1 April 2018	**13 603**	**9**	**15 316**	**180**
Additional liabilities recognised	**10**	**1 753**	**4 573**	**2**
Repayments*	**(1 529)**	**(1 813)**	**(196)**	**–**
Interest accrued	**650**	**–**	**455**	**–**
Contribution from parent**	**–**	**–**	**(22 617)**	**–**
Foreign exchange translation***	**2 997**	**(1)**	**3 019**	**25**
Transfer to interest-bearing liabilities	**–**	**65**	**(65)**	**–**
Reallocated to third party current payable	**–**	**–**	**(35)**	**–**
Cash movement in intercompany current accounts	**–**	**–**	**(316)**	**–**
Reallocation of share-based payment liability to equity reserve	**–**	**–**	**–**	**(161)**
Balance at 31 March 2019	**15 731**	**13**	**134**	**46**
Less: Current portion	**(1 290)**	**–**	**–**	**–**
Non-current liabilities	**14 441**	**13**	**134**	**46**

Reconciliation of liabilities arising from financing activities	**Capitalised finance leases 2018 ZAR'm**	**Interest bearing liabilities 2018 ZAR'm**	**Related-party loans 2018 ZAR'm**	**Non – Interest bearing liabilities 2018 ZAR'm**
Balance at 1 April 2017	16 181	–	24 574	177
Additional liabilities recognised	37	1 500	6 607	41
Repayments*	(1 424)	(1 500)	(3 207)	(9)
Interest accrued	648	9	616	–
Waiver of related party loan**	–	–	(7 036)	–
Contribution from parent**	–	–	(4 037)	–
Foreign exchange translation***	(1 839)	–	(2 201)	(29)
Balance at 31 March 2018	13 603	9	15 316	180
Less: Current portion	(819)	–	(316)	–
Non-current liabilities	12 784	9	15 000	180

* *Capital repayments of ZAR879 million (2018: ZAR776 million) are included in repayment of capitalised finance lease liabilities within financing activities in the cash flow statement and ZAR650m (2018: ZAR648 million) is included as part of interest costs paid within operating activities in the cash flow statement.*

** *These items are non-cash in nature. Refer to the consolidated statement of changes in equity where these loan capitalisation transactions are included within retained earnings.*

*** *This item is non-cash in nature.*

12. **Liabilities funding operations (continued)**

(a) Interest-bearing: Capitalised finance leases

Asset leased	Related platform**	Years of final repayment (calendar year)	Weighted average year-end interest rate	2019 ZAR'm	2018 ZAR'm
Transponder 1-21	SA DTH	2027 – 2032	3.50 – 4.98%	**10 156**	8 569
W7 transponder	RoA DTH	2025	4.35 – 6.00%	**2 308**	2 135
E36 B&C transponder	RoA DTH	2025 – 2031	3.93 – 4.04%	**3 154**	2 708
IS 904 Intelsat Transponder 1 – 8,13	RoA DTT	2019 – 2020	3.49-5.43%	**113**	191
Total capitalised finance leases*				**15 731**	13 603

* *All transponder leases are denominated in US dollars.*

** *South Africa direct-to-home (SA DTH), Rest of Africa direct-to-home (RoA DTH) and Rest of Africa digital terrestrial television (RoA DTT).*

(b) Interest-bearing: Loans and other liabilities

Unsecured	Loan utilised for	Currency of year-end balance	Years of final repayment (calendar year)	Weighted average year-end interest rate	2019 ZAR'm	2018 ZAR'm
Austrian Government	Research and development	EUR	2021-2024	0.75%	**13**	9

(c) Non-interest-bearing: Programme and film rights

Unsecured	Currency of year-end balance	Years of final repayment (calendar year)*	2019 ZAR'm	2018 ZAR'm
Various trade suppliers	ZAR	2019	**1 613**	177
Various trade suppliers	USD	2019	**–**	374
Various trade suppliers	ZAR	2020	**177**	1 295
Various trade suppliers	USD	2020	**393**	117
Various trade suppliers	ZAR	2020-2024	**143**	175
Various trade suppliers	GBP	2020	**2**	–
Various trade suppliers	EUR	2020	**9**	–
Various international production studios	EUR	2019	**–**	27
Various international production studios	USD	2020	**156**	41
Total programme and film rights			**2 493**	2 206

* *Relates to the length of studio contracts and does not correlate to the recognition of liabilities. In line with the accounting policy of the group, all liabilities are current in nature.*

12. **Liabilities funding operations (continued)**

(d) Interest- and non-interest-bearing: Amounts due to related parties

Amounts due to related parties: Non-current	Nature of relationship	2019 ZAR'm	2018 ZAR'm
MIH Finance VOF*	Fellow subsidiary	**–**	14 726
Other	Fellow subsidiaries, holding company and equity investees	**134**	274
		134	**15 000**

** The amounts owing to MIH Finance VOF are unsecured, denominated in US dollars and bear interest at 3-months US dollar LIBOR plus a 1.75 percentage point mark-up. As part of the unbundling, the loan was capitalised in September 2018 and February 2019. Gains on capitalisation of these loans were recognised in equity.*

Amounts due to related parties: Current	Nature of relationship	2019 ZAR'm	2018 ZAR'm
Showmax B.V. (Polish entities)	Fellow subsidiary	–	155
Myriad International Holdings B.V.	Fellow subsidiary	–	49
MIH Finance VOF	Fellow subsidiary	–	46
Myriad/MIH (Malta) Limited	Fellow subsidiary	–	39
Other	Fellow subsidiaries	–	27
		–	**316**

These current balances are unsecured, interest-free and have no fixed terms of repayment, except for amounts owing to MIH Finance VOF which carries interest as disclosed above.

(e) Management of foreign currency exposure on cash obligations

A significant portion of the group's cash obligations under contracts for transponder leases as well as programming and channels are denominated in US dollars, Euro and Nigerian naira. In the Rest of Africa segment, for local in-country collections forward foreign exchange cover is either not available in certain territories or does not meet management's risk objective (i.e. the cost of the hedge is uneconomical) and accordingly exposures in those territories are not hedged. Where forward cover is available, the group uses forward exchange contracts, non-deliverable forwards (NDFs) and futures to hedge the exposure to foreign currency risk, because the entities with the obligation to settle these exposures do not have these foreign currencies as their functional currencies. The group generally covers forward 100% of highly probable forecasted exposures in foreign currency for a minimum of 12 months and committed exposures up to three years. This results in the group typically taking out cover as follows:

- Programming and channels; operating costs and set-top box costs: 100% of all highly probable forecasted exposures to purchase programming and channels, operating costs and set-top box costs, except in territories where forward exchange cover is not available or does not meet management's risk objective.
- Transponder lease payments: due to the long-term nature of the transponder lease agreements, the group only takes out cover for up to three years of lease payments. A portion of the foreign exchange movement in the recognised lease liability is therefore unhedged.

Market risk

The group uses a combination of forward exchange contracts, non-deliverable forwards and futures to hedge its exposure to foreign currency risk. Under the group's policy, an economic relationship should exist between the hedged item and hedging instrument.

The group designates the contracted forward rate of foreign currency hedges in the hedge relationships. The contracted forward rate is determined with reference to relevant market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. This differential is discounted where it is material.

12. **Liabilities funding operations (continued)**

(e) Management of foreign currency exposure on cash obligations (continued)

The fair value of the derivative financial instruments, and whether those derivatives were designated in a hedge relationship or not, are set out below:

	2019 ZAR'm	2018 ZAR'm
Non-current assets		
Forward exchange contracts	**282**	–
Current assets	**444**	96
Forward exchange contracts	**361**	76
Currency depreciation features*	**83**	20
Non-current liabilities		
Forward exchange contracts	**(4)**	(404)
Current liabilities		
Forward exchange contracts	**(218)**	(1 105)
Net derivative assets/(liabilities)	**504**	(1 413)

** Currency depreciation features relate to clauses in content acquisition agreements that provide the group with a contractually specified level of currency depreciation protection.*

The following amounts were recognised in profit or loss in relation to the forward exchange contracts:

	2019 ZAR'm	2018 ZAR'm
Net profit/(loss) on the forward exchange contracts	**406**	(376)
Movements in the hedging reserve related to cash flow hedges are detailed below. The amount deferred is expected to realise over three years in line with maturity of the forward exchange contracts.		
Opening balance	**(680)**	(355)
Net fair value losses recognised in other comprehensive income	**699**	(643)
Derecognised and added to asset	**22**	346
Derecognised and reported in revenue	**(4)**	21
Derecognised and reported in cost of providing services and sale of goods	**649**	(201)
Derecognised and reported in finance cost	**(40)**	(87)
Tax effects	**(560)**	151
Non-controlling interests in hedging reserve	**(360)**	88
Closing balance	**(274)**	(680)

Exposure to foreign currency on uncovered commitments

The below details the group's uncovered commitments that are denominated in a currency other than the functional currency of the settling entity:

Uncovered commitments:	**2019 Currency amount of commitments 'm**	**2019 ZAR'm**	**2018** Currency amount of commitments **'m**	**2018 ZAR'm**
US dollar*	**49**	**712**	1 327	15 746
South African Rands	**60**	**60**	116	116
Euro	**62**	**1 007**	85	1 243
Other currencies**	**9 063**	**585**	9 376	508
		2 364		17 613

** In FY2019 the group extended its hedging programe to 36 months which resulted in a decrease in US dollar uncovered commitments.*

*** Include Nigeria naira, British pound and Australian dollar.*

12. **Liabilities funding operations (continued)**

Effects of hedge accounting on the financial position and performance

The effects of the foreign currency related hedging instruments on the group's financial position and performance are as follows:

	2019		2018	
Foreign exchange contracts	**Cash flow hedges**	**Fair value hedges**	**Cash flow hedges**	**Fair value hedges**
Carrying amount per currency pair – asset/ (liability) (ZAR'm)				
USD/ZAR	**307**	**255**	(1 040)	(217)
EUR/ZAR	**(21)**	**–**	(115)	–
USD/NGN	**–**	**(15)**	–	77
Other*	**(89)**	**(16)**	(138)	–
	197	**224**	**(1 293)**	**(140)**
Notional amount per currency pair – buy/ (sell)				
USD/ZAR – (USD'm)	**318**	**435**	585	121
EUR/ZAR – (EUR'm)	**50**	**–**	69	–
USD/NGN – (NGN'm)	**–**	**(64 880)**	–	(68 627)
Other	*	*	*	*
Maturity date range	**April 2019 – January 2022**	**April 2019 – January 2022**	April 2018 – January 2020	April 2018 – January 2020
Hedge ratio per currency pair				
USD/ZAR	**100 %**	**100 %**	100 %	100 %
EUR/ZAR	**100 %**	**100 %**	100 %	100 %
USD/NGN	**100 %**	**100 %**	100 %	100 %
Other	*	*	*	*
Change in value of hedged item used to determine hedge effectiveness per currency pair – gain/(loss) (ZAR'm)				
USD/ZAR	**866**	**626**	**	**
EUR/ZAR	**52**	**–**	**	**
USD/NGN	**–**	**(16)**	**	**
Other*	**(94)**	**(36)**	**	**
	824	**574**	**	**
Weighted average hedged rate per currency pair for the year				
USD/ZAR	**13.86**	**14.76**	14.29	14.27
EUR/ZAR	**17.43**	**–**	17.44	–
USD/NGN	**–**	**363.94**	–	348.06
Other	*	*	*	*

* *Other relates to multiple immaterial hedging currency pairs.*

** *The group elected to apply IFRS 9 on a modified retrospective basis (i.e. from 1 April 2018) and therefore no comparative information is disclosed.*

12. **Liabilities funding operations (continued)**

Sensitivity analysis

Equity price risk

Management's best estimate of the reasonably possible changes in the market values of the investment held at fair value through other comprehensive income (refer to note 25), assuming all other variables were held constant, specifically foreign exchange rates, would result in an increase in total equity of ZAR15.6 million (2018: increase by ZAR10.6 million).

Foreign exchange risk

Some of the groups entities have a functional currency other than US dollar. These entities hold significant US dollar liabilities, (eg. Transponder leases (Note 12(a)), resulting in foreign exchange profit and loss exposures (Note 13, which is included in the full audited annual consolidated summarised financial information for the MCG Group that is available on the website of the Company at https://www.multichoice.com/investors/reporting/). In addition, a significant portion of the group's programme and film rights purchases are in US dollar whereas the corresponding revenues are in local currencies, which exposes the group to cash flow foreign exchange risk. As explained in note 12(e) the group enters into hedging arrangements to partially mitigate this risk.

The sensitivity results below detail the group's sensitivity to a 10% decrease in the Rand against the US dollar, Euro and British pound. These percentage decreases represent management's assessment of the possible changes in the foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for the above percentage change in foreign currency rates.

The sensitivity analysis below excludes the effects of the hedging relationships noted in note 12(e).

A 10% decrease of the Rand against the US dollar, Euro and British pound would result in the profit after tax increasing by ZAR220.7 million (2018: decreasing ZAR520.3 million). Changes in other equity would increase by ZAR1.9 billion (2018: decrease ZAR267.1 million).

Interest rate risk

The majority of the group's borrowings relate to transponder leases that have fixed interest rates (refer to note 12(a)). The group has no other significant variable rate borrowings or assets.

The group is mainly exposed to interest rate fluctuations of the South African Repo/JIBAR, US/GBP LIBOR and EURIBOR rates. The following changes in the rates represent management's best estimate of the possible change in interest rates at the respective year-ends:

- South African Repo/JIBAR rate: increases by 100 basis points (2018: increases by 100-basis points)
- US/GBP LIBOR and EURIBOR rates: increases by 100 basis points each (2018: increases by 100-basis points each)

If interest rates changed as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's net profit after tax would increase by ZAR28.7 million (2018: increase ZAR19.1 million).

Total equity would be unaffected by the above changes in interest rates (2018: ZARnil).

14. **Commitments and contingencies**

The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group plans to fund these commitments and contingencies out of existing facilities and internally generated funds.

Commitments

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2019 amount to ZAR68.0 million (2018: ZAR106.9 million).

(b) Programme and film rights

At 31 March 2019, the group had entered into contracts for the purchase of programme and film rights. The group's commitments in respect of these contracts amount to ZAR33.4 billion (2018: ZAR33.5 billion).

14. **Commitments and contingencies (continued)**

(c) Set-top boxes

At 31 March 2019, the group had entered into contracts for the purchase of set-top boxes (decoders). The group's commitments in respect of these contracts amount to ZAR2.0 billion (2018: ZAR2.2 billion).

(d) Guarantees

The group has guarantees of ZAR145 million (2018: ZAR475 million) mainly in respect of payments for sports rights and for service contracts.

(e) Assets pledged as security

The group pledged property, plant and equipment with a net carrying value of ZAR12.1 billion (2018: ZAR12.4 billion) as security against certain assets acquired in terms of finance leases. Refer note 18 for further details.

(f) Other commitments

At 31 March 2019, the group had entered into contracts for the receipt of various services. These service contracts are for the receipt of advertising, transmission services, computer and decoder support services, access to networks and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amount to ZAR2.0 billion (2018: ZAR1.0 billion).

(g) Operating lease commitments

The group has the following operating lease commitments:

	2019 ZAR'm	2018 ZAR'm
Minimum lease payments due		
Payable in year one	**353**	337
Payable later than one year but not later than five	**695**	676
Payable after five years	**240**	260
	1 288	**1 273**

The group leases office, manufacturing, warehouse and satellite uplinks under various non-cancellable operating leases. Certain contracts contain renewal options and escalation clauses for various periods of time.

Contingencies

Taxation matters

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. Our current assessment of possible withholding and other tax exposures, including interest and potential penalties, amounts to ZAR1.8 billion (2018: ZAR1.7 billion). No provision has been made as at 31 March 2019 and 2018 for these possible exposures.

15. **Accrued expenses and other current liabilities**

	2019 ZAR'm	2018 ZAR'm
Trade payables	**2 676**	1 999
Deferred income*	**2 994**	2 555
Accrued expenses	**2 508**	2 847
Taxes and other statutory liabilities	**2 484**	2 177
Employee benefits	**941**	1 014
Bonus accrual	**608**	593
Accrual for leave	**270**	230
Severance	**63**	191
Other current liabilities	**282**	838
	11 885	**11 430**

** Relates to subscription fees received from customers in advance.*

16. **Provisions**

	2019 ZAR'm	2018 ZAR'm
Ad valorem duties	**23**	23
Warranties	**33**	20
Other provisions	**80**	126
	136	**169**

The group is currently involved in various litigation matters. The litigation provision has been estimated based on legal counsel and management's estimates of costs and possible claims relating to these.

Included in other provisions are estimated amounts related to other regulatory matters.

17. **Liquidity management**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. In terms of the articles of association of the group, no limitation is placed on its borrowing capacity. The facilities expiring beyond one year are subject to renewal.

	2019 ZAR'm	2018 ZAR'm
On call	**3 500**	–
Expiring beyond one year	**–**	1 983
	3 500	**1 983**

The following analysis details the remaining contractual maturity of the group's non-derivative and derivative financial liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to settle the liability. The analysis includes both interest and principal cash flows.

31 March 2019	**Carrying value**	**Contractual cash flows**	**0-12 months**	**1-5 years**	**5 years+**
Non-derivative financial liabilities					
Interest-bearing: Capitalised finance leases	**15 731**	**19 260**	**1 881**	**7 950**	**9 429**
Interest-bearing: Loans and other liabilities	**13**	**13**	**1**	**12**	**–**
Non-interest-bearing: Programme and film rights	**2 493**	**2 806**	**1 885**	**921**	**–**
Non-interest-bearing: Loans and other liabilities	**46**	**46**	**4**	**15**	**27**
Trade payables	**2 676**	**2 661**	**2 661**	**–**	**–**
Accrued expenses and other current liabilities	**3 246**	**3 212**	**3 212**	**–**	**–**
Amounts due to related parties	**134**	**134**	**–**	**134**	**–**
Other financial liabilities	**16**	**20**	**20**	**–**	**–**
Derivative financial (liabilities)/ assets					
Forward exchange contracts – inflow	**643**	**12 340**	**6 201**	**5 351**	**788**
Forward exchange contracts – outflow	**(222)**	**(11 873)**	**(6 045)**	**(5 068)**	**(760)**
Currency devaluation features	**83**	**54**	**47**	**7**	**–**
	24 859	**28 673**	**9 867**	**9 322**	**9 484**

17. **Liquidity management (continued)**

31 March 2018	Carrying value	Contractual cash flows	0 – 12 months	1 – 5 years	5 years+
Non-derivative financial liabilities					
Interest-bearing: Capitalised finance leases	13 603	17 044	1 323	6 395	9 326
Interest-bearing: Loans and other liabilities	9	9	–	–	9
Non-interest-bearing: Programme and film rights	2 206	2 438	2 438	–	–
Non-interest-bearing: Loans and other liabilities	180	180	–	156	24
Trade payables	2 680	2 869	2 869	–	–
Accrued expenses and other current liabilities	2 916	2 926	2 926	–	–
Amounts due to related parties	15 316	15 316	15 316	–	–
Other financial liabilities	25	28	28	–	–
Derivative financial (liabilities)/ assets					
Forward exchange contracts – inflow	76	11 375	8 146	3 229	–
Forward exchange contracts – outflow	(1 509)	(12 821)	(9 146)	(3 675)	–
Currency devaluation features	20	20	16	4	–
	35 522	**39 384**	**23 916**	**6 109**	**9 359**

18. **Property, plant and equipment**

The group's property, plant and equipment is acquired either as an outright purchase or, in the case of transmission equipment and certain land and buildings, by entering into a finance lease.

Property, plant and equipment is stated at cost plus any cost to prepare these assets for their intended use, less accumulated depreciation and accumulated impairment losses.

Subsequent costs, including major renovations, are included in an asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement.

In the case of assets acquired under finance leases, cost is calculated at the lower of the fair value of the asset and the present value of the minimum lease payments. The interest rate implicit in the lease or, where this cannot be reliably determined, the group's incremental borrowing rate is used to calculate the present values of minimum lease payments. The related lease obligation is initially recognised at an equivalent amount (refer to note 12).

Land is not depreciated as its deemed to have an indefinite life. All other property, plant and equipment is depreciated to its estimated residual value on a straight-line basis over its expected useful life.

The depreciation methods estimated remaining useful lives and residual values are reviewed at least annually. The estimation of the useful lives of property, plant and equipment is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management.

	South Africa	Rest of Africa	Technology
Buildings – owned	10 to 50 years	5 to 50 years	n/a
Buildings – leased	5 years	n/a	1 to 10 years
Improvements to buildings – owned	4 to 50 years	5 to 50 years	n/a
Improvements to buildings – leased	5 years	n/a	3 to 10 years
Manufacturing equipment	n/a	n/a	5 years
Office equipment	2 to 17 years	2 to 5 years	3 to 5 years
Computer equipment	1 to 10 years	3 to 5 years	1 to 5 years
Furniture	5 years	2 to 5 years	n/a
Vehicles	2 to 10 years	4 to 5 years	n/a
Transmission equipment – owned	5 to 20 years	5 to 10 years	n/a
Transmission equipment – leased	15 years	3 to 15 years	n/a

18. **Property, plant and equipment (continued)**

The carrying value of work-in-progress mainly comprises digital terrestrial transmission broadcasting equipment and land and buildings that are under construction.

The group recognised impairment losses of ZAR5 million (2018: ZAR111 million) on property, plant and equipment, relating to South African DTT transmission equipment due to a lower than expected subscriber base on the DTT Platform (2018: relating to transmission equipment in Rest of Africa due to lower than expected financial performance). The impairment losses have been included in "Other (losses)/gains – net" in the consolidated income statement. The recoverable amounts of the assets impaired amounted to ZARnil (2018: ZARnil).

The group has pledged property, plant and equipment with a carrying value of ZAR12.1 billion (2018: ZAR12.4 billion) as security against certain assets acquired in terms of finance leases. The pledge mainly relates to assets acquired in terms of finance leases. The pledge would come into effect should default on the lease payments occur.

1 April 2018	**Land and buildings ZAR'm**	**Transmission equipment ZAR'm**	**Vehicles, furniture, computers and office equipment ZAR'm**	**Total ZAR'm**
Cost	**2 563**	**23 780**	**2 506**	**28 849**
Accumulated depreciation and impairment	**(645)**	**(9 116)**	**(1 733)**	**(11 494)**
Carrying value at 1 April 2018	**1 918**	**14 664**	**773**	**17 355**
Foreign currency translation effects	**65**	**1 184**	**43**	**1 292**
Transfer from work-in-progress	**80**	**91**	**32**	**203**
Acquisitions	**54**	**219**	**311**	**584**
Disposals/scrapings	**–**	**(15)**	**(63)**	**(78)**
Impairment	**–**	**(5)**	**–**	**(5)**
Depreciation	**(117)**	**(1 963)**	**(320)**	**(2 400)**
31 March 2019				
Cost	**2 812**	**25 647**	**2 674**	**31 133**
Accumulated depreciation and impairment	**(812)**	**(11 472)**	**(1 898)**	**(14 182)**
Carrying value excluding work-in-progress	**2 000**	**14 175**	**776**	**16 951**
Work-in-progress				**328**
Total carrying value at 31 March 2019*				**17 279**

** Includes leased transmission equipment with carrying values of ZAR12.1 billion.*

1 April 2017	**Land and buildings ZAR'm**	**Transmission equipment ZAR'm**	**Vehicles, furniture, computers and office equipment ZAR'm**	**Total ZAR'm**
Cost	2 653	25 564	2 426	30 643
Accumulated depreciation and impairment	(590)	(8 206)	(1 575)	(10 371)
Carrying value at 1 April 2017	**2 063**	**17 358**	**851**	**20 272**
Foreign currency translation effects	(87)	(949)	(49)	(1 085)
Transfer from work-in-progress	31	126	62	219
Acquisitions	17	217	242	476
Disposals/scrapings	(1)	–	(8)	(9)
Impairment	–	(110)	(1)	(111)
Depreciation	(105)	(1 978)	(324)	(2 407)
31 March 2018				
Cost	2 563	23 780	2 506	28 849
Accumulated depreciation and impairment	(645)	(9 116)	(1 733)	(11 494)
Carrying value excluding work-in-progress	**1 918**	**14 664**	**773**	**17 355**
Work-in-progress				230
Total carrying value at 31 March 2018*				**17 585**

** Includes leased land and buildings and transmission equipment with carrying values of ZAR19 million and ZAR12.4 billion respectively.*

19. **Programme and film rights**

Programme and film rights are recognised at cost when the rights come into licence or the period to which the sports event relates commences, as set out in the table below. The group may make prepayments for the rights and such prepayments are recognised as prepayment assets until such time as the asset meets the criteria for initial recognition as a programme and film right.

The group often contracts for programme and film rights in advance. These non-cancellable contracts are disclosed as commitments, unless a prepayment has been made as explained above.

	Programme and film rights	**Sports events rights**
Nature	Rights to broadcast programmes, series and films	Rights to broadcast sports events
Initial recognition and measurement		
Date recognised as an asset	*Purchased:* Date the rights come into licence *Produced:* Capitalised as incurred	Start of the period to which the events relate.
Measurement on initial recognition*	*Purchased:* Purchase price translated at spot rate on the purchase date. When a prepayment has been made on a programme and film right, the right will be recorded at the spot rate on prepayment date for the portion of the right prepaid and at the spot rate on licence date for the portion of the licence not prepaid. *Produced:* All costs necessary to produce and complete a programme. Costs in excess of the expected net realisable value of the production on completion, are expensed when contracted.	Purchase price translated at spot rate on the date of initial recognition. Any amounts prepaid are re-translated to the spot rate on initial recognition as the group will be entitled to a refund of the amount prepaid should the sports event not materialise. Payments made to negotiate and secure the broadcasting of sports events are expensed as incurred.
	Gains and losses recognised on foreign exchange contracts entered into to hedge foreign currency cash flows are capitalised to the asset on the date of initial recognition of the purchased and produced content and the sports rights.	
Subsequent measurement		
Pattern of recognition as an expense	Based on contracted screenings or expensed where management have confirmed that it is their intention that no further screenings will occur.	
Average period over which recognised as an expense	Programme and film rights are expensed over 5 to 7 television screenings.	Sports rights are expensed on a straight-line basis over the period to which the events relate.
Impairment	Unscreened content is assessed and any unscheduled content or content that will not be screened is written off immediately.	Sports rights are assessed for impairment by assessing likelihood of the sporting event being cancelled based on facts and circumstances available at year-end.

* *From 1 April 2019 on adoption of IFRIC 22, the group measured the sport right assets at the spot rate on the date that the consideration is transferred, except where payment is deferred in which case it will continue to be recognised at the spot rate of the consideration payable at the date of initial recognition of the sport rights assets.*

Cost price	**15 097**	9 102
Accumulated amortisation and impairment	**(12 401)**	(6 568)
Carrying value of programme and film rights assets	**2 696**	2 534
Prepayments for programme and film rights	**2 437**	2 376
Total programme and film rights	**5 133**	**4 910**

The movement in programme and film right assets for the year is set out below:

	2019 ZAR'm	2018 ZAR'm
Cost	**9 102**	9 851
Accumulated amortisation and impairment	**(6 568)**	(7 446)
Opening carrying value at 1 April	**2 534**	2 405
Acquisitions	**16 244**	15 360
Amortisation and impairment	**(16 082)**	(15 231)
Closing carrying value at 31 March	**2 696**	2 534
Cost	**15 097**	9 102
Accumulated amortisation and impairment	**(12 401)**	(6 568)

All programme and film rights are classified as current on the consolidated statement of financial position.

At 31 March 2019 the group had entered into contracts for the purchase of programme and film rights. The group's commitments in respect of these contracts can be found in note 14.

20. Inventory

Inventory is stated at the lower of cost and net realisable value. The cost of inventory is determined by means of the weighted average method.

Net realisable value is the estimate of the selling price, less the costs of completion and selling expenses. Allowances are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

Net realisable value write-downs relate primarily to set-top box subsidies. The group sells set-top boxes below cost as part of its marketing strategy to acquire subscribers. However, set-top boxes are not necessarily sold at the same time as a customer signs-up for a subscription service, therefore the loss from selling the set-top box below its cost price is not capitalised as customer acquisition cost taken into account in the allocation of subscription revenue.

	2019 ZAR'm	2018 ZAR'm
Decoders and associated components	**1 516**	923
Allowance for slow-moving and obsolete inventories	**(592)**	(462)
	924	461

The total allowance charged to the income statement to write inventory down to net realisable value amounted to ZAR275 million (2018: ZAR483 million), and there was no reversal of these allowances in 2019 (2018: ZARnil).

21. Trade and other receivables

Trade and other receivables consist primarily of invoiced amounts from normal trading activities and includes agency receivables in the Rest of Africa (agencies ordinarily have 30-day payment terms). The group has a relatively homogenous customer base, which is primarily residential in nature and is dispersed across many geographical areas. Trade and other receivables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest rate method, less expected credit losses. 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. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a full lifetime expected loss allowance for all trade receivables (refer to note 2, which is included in the full audited annual consolidated summarised financial information for the MCG Group that is available on the website of the Company at https://www.multichoice.com/investors/reporting/). The group always recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Once a debt is considered irrecoverable it is written off as a bad debt.

The group is exposed to certain concentrations of credit risk relating to its agency receivables in the Rest of Africa. It places its cash, where possible, with major banking groups and high-quality institutions relatively high credit ratings in that country. The group's treasury policy is designed to limit exposure to any one institution and invests its excess cash in low-risk investment accounts. The counterparties that are used by the group are evaluated on a continuous basis. At 31 March 2019 cash was held with numerous financial institutions.

As at 31 March 2019, the directors were unaware of any significant unprovided and uninsured concentration of credit risk, as these are individual households and corporate entities (including agencies in the Rest of Africa).

	2019 ZAR'm	2018 ZAR'm
Trade receivables	**2 830**	3 491
Expected credit loss for trade receivables	**(645)**	(658)
Net trade receivables	**2 185**	2 833
Prepayments	**968**	755
Staff debtors	**25**	18
VAT and related taxes receivable	**194**	277
Sundry deposits	**38**	19
Other receivables*	**685**	925
Total other receivables	**1 910**	1 994
Total trade and other receivables	**4 095**	4 827
The movement in the expected credit loss for trade receivables during the year was as follows:		
Opening balance at 1 April	**(658)**	(755)
Change in accounting policy (note 2)**	**(170)**	–
Restated opening balance at 1 April	**(828)**	(755)
Additional allowances charged to the income statement	**(88)**	(77)
Allowances reversed through the income statement	**237**	93
Allowances utilised	**65**	56
Foreign currency translation effects	**(31)**	25
	(645)	(658)

* *Includes primarily accrued income and clearing receipts.*

** *Included in the financial information for the MCG Group that is available on the website of the Company at https://www.multichoice.com/investors/reporting/.*

The group has not pledged any of its trade receivables as security against its finance leases or other liabilities.

The group's maximum exposure to credit risk at the reporting date is the carrying value of the trade and other receivables mentioned above. The group has a large diversified customer base across many geographical areas. The group does not hold any form of collateral as security relating to trade receivables.

The ageing of trade receivables as well as the expected credit loss per age class is presented below:

	Carrying value 2019 ZAR'm	**Impairment 2019 ZAR'm**	Carrying value 2018 ZAR'm	Impairment 2018 ZAR'm
Current	**1 144**	**(89)**	1 028	–
Past due 30 to 59 days	**483**	**(47)**	450	(47)
Past due 60 to 89 days	**270**	**(46)**	203	(21)
Past due 90 to 119 days	**104**	**(34)**	178	(21)
Past due 120 days and older*	**829**	**(429)**	1 632	(569)
	2 830	**(645)**	**3 491**	**(658)**

* *In 2018, ZAR1.1 billion of trade receivables related to the group's agency in Angola. A significant portion of the 30 days to 119 days aging buckets also related to the agency in Angola. Due to constrained liquidity and limited availability of foreign currency, remittances from Angola were delayed. In 2019, liquidity improved significantly in Angola and the majority of this foreign currency was remitted. To solidify our position in the Angolan market, we converted the Angolan operation from an agency to a subsidiary, which was fully consolidated, on 1 February 2019.*

22. Cash and cash equivalents

Cash and cash equivalents consist of:

	2019 ZAR'm	2018 ZAR'm
Cash at bank and on hand	**6 723**	4 044

Cash and cash equivalents consists of South African accounts denominated in Rands and foreign bank accounts. Foreign accounts are translated to South African Rands using the closing spot rate at year-end. All foreign accounts translated at year-end amounted to ZAR3.8 billion (2018: ZAR2.7 billion). Of the ZAR3.8 billion, ZAR1.6 billion is held by entities with a different functional currency to the related cash and cash equivalents balances which exposes the group to foreign currency risk. Foreign accounts include US dollar accounts amounting to ZAR2.1 billion (2018: ZAR2.0 billion) and Nigeria naira accounts of ZAR0.6 billion (2018: ZAR0.3 billion).

Included in cash and cash equivalents is the following restricted cash balances:

	2019 ZAR'm	2018 ZAR'm
Restricted cash	**316**	273

Restricted cash is still included in cash and cash equivalents due to the fact that it mostly relates to cash held on behalf of customers.

Included in cash and cash equivalents is an amount of ZAR368 million (2018: ZAR69 million) relating to cash balances held by subsidiaries where in-country foreign exchange illiquidity restricts the ability of subsidiaries to remit cash to intermediate holding companies in US dollar. Local currency can still be utilised in-country.

23. Goodwill and other intangible assets

Goodwill in a business combination is recognised at the acquisition date when the consideration transferred, and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. Goodwill and intangible assets with indefinite lives are tested for impairment annually.

Amortisation periods for intangible assets with finite useful lives vary in accordance with the expected benefits that are to be derived, but are subject to the following maximum limits:

Patents	5 years
Title rights	10 years
Brand names and trademarks	30 years
Software	10 years
Intellectual property rights	30 years
Customer-related assets	11 years

An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the revised recoverable amount exceeds the carrying amount. The reversal of such an impairment loss is recognised in "Other (losses)/gains – net" in the income statement.

	Goodwill ZAR'm	Software ZAR'm	Other* ZAR'm	Total ZAR'm
1 April 2018				
Cost	4 317	1 319	3 369	9 005
Accumulated amortisation and impairment	(862)	(806)	(3 186)	(4 854)
Carrying value at 1 April 2018	**3 455**	**513**	**183**	**4 151**
Foreign currency translation effects	23	3	19	45
Acquisitions	–	94	80	174
Acquisitions of subsidiaries and business	35	146	5	186
Transfers from work-in-progress	–	57	–	57
Disposals	–	–	(2)	(2)
Amortisation	–	(226)	(79)	(305)
Impairment	–	(51)	–	(51)
31 March 2019				
Cost	**4 557**	**1 646**	**3 657**	**9 860**
Accumulated amortisation and impairment	**(1 044)**	**(1 110)**	**(3 451)**	**(5 605)**
Carrying value excluding work-in-progress	**3 513**	**536**	**206**	**4 255**
Work-in-progress				**28**
Total carrying value at 31 March 2019				**4 283**

* *Includes intellectual property rights and subscriber base with carrying values of ZAR76 million and ZAR50 million, respectively, and brand names that have been fully amortised.*

	Goodwill ZAR'm	Software ZAR'm	Other* ZAR'm	Total ZAR'm
1 April 2017				
Cost	4 383	1 145	3 709	9 237
Accumulated amortisation and impairment	(967)	(636)	(3 594)	(5 197)
Carrying value at 1 April 2017	**3 416**	**509**	**115**	**4 040**
Foreign currency translation effects	(12)	(1)	(9)	(22)
Acquisitions	–	101	39	140
Acquisitions of subsidiaries and business	51	–	122	173
Transfers from work-in-progress	–	101	–	101
Disposals	–	–	(13)	(13)
Amortisation	–	(197)	(71)	(268)
31 March 2018				
Cost	4 317	1 319	3 369	9 005
Accumulated amortisation and impairment	(862)	(806)	(3 186)	(4 854)
Carrying value excluding work-in-progress	**3 455**	**513**	**183**	**4 151**
Work-in-progress				39
Total carrying value at 31 March 2018				**4 190**

* *Includes intellectual property rights and subscriber base with carrying values of ZAR82 million and ZAR51 million, respectively, and brand names that have been fully amortised.*

Impairment testing of goodwill

The group recognised impairment losses on goodwill of ZARnil (2018: ZARnil).

The group has allocated goodwill to various cash-generating units. The recoverable amounts of these cash-generating units have been determined based on value in use calculations. Value in use is based on discounted cash flow calculations. The group based its cash flow calculations on three year budgeted and forecast information approved by senior management and/or the various boards of directors of group companies. Long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the cash-generating units, were used to extrapolate cash flows into the future. The discount rates used reflect specific risks relating to the relevant cash-generating units and the countries in which they operate while maximising the use of market observable data. Other assumptions included in cash flow projections vary widely between cash-generating units due to the group's diverse range of business models, and are closely linked to entity-specific key performance indicators.

The group allocated goodwill to the following segments of cash-generating units:

	Carrying value of goodwill ZAR'm	Basis of determination of recoverable amount	Discount rate applied to pre-tax cash flows %	Growth rate used to extra-polate cash flows %
Segments of cash-generating units				
Technology	218	Value in use	16.0	1.0
South Africa	3 295	Value in use	13.0	3.0
	3 513			

Pre-tax discount rates have been applied as value in use was determined using pre-tax cash flows. Impairment testing is performed using the appropriate local currency cash flows, and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate.

If either the discount rate applied to cash flows were to increase by 5% or the growth rate used to extrapolate cash flows were to decrease by 5%, or if both the discount rate and the growth rate were to increase and decrease by 5% respectively, there would be no further significant impairments that would have to be recognised.

24. Investments in subsidiaries

All subsidiaries have the same financial year-end as MultiChoice Group Limited.

The following information relates to the group's interest in its significant subsidiaries:

Name of subsidiary	Effective % interest 2019	Effective % interest 2018	Nature of business	Country of incorporation	Functional currency	Direct/ indirect
South Africa						
MultiChoice South Africa Holdings Proprietary Limited*	**75.0**	80.0	Investment holding	South Africa	ZAR	Direct
Electronic Media Network Proprietary Limited (M-Net)*	**75.0**	80.0	Video-entertainment content provider	South Africa	ZAR	Indirect
SuperSport International Holdings Proprietary Limited*	**75.0**	80.0	Video-entertainment content provider	South Africa	ZAR	Indirect
DStv Media Sales Proprietary Limited*	**75.0**	80.0	Commercial airtime sales	South Africa	ZAR	Indirect
MultiChoice Proprietary Limited*	**75.0**	80.0	Subscription television	South Africa	ZAR	Indirect
MultiChoice South Africa Proprietary Limited*	**75.0**	80.0	Subscription television	South Africa	ZAR	Indirect
MultiChoice Support Services Proprietary Limited*	**75.0**	80.0	Subscriber management and technical support services and property holding company	South Africa	ZAR	Indirect
MultiChoice Group Treasury Services Proprietary Limited	**100.0**	–	Treasury Services	South Africa	ZAR	Direct
Rest of Africa						
MultiChoice Africa Holdings B.V. Group	**100.0**	100.0	Investment holding	The Netherlands	USD	Direct
MultiChoice Nigeria Limited	**79.0**	79.0	Subscription television	Nigeria	NGN	Indirect
MultiChoice Uganda Limited	**95.0**	75.0	Subscription television	Uganda	USX	Indirect
MultiChoice Zambia Limited	**51.0**	51.0	Subscription television	Zambia	ZK	Indirect
MultiChoice Kenya Limited	**60.0**	60.0	Subscription television	Kenya	KSH	Indirect
MultiChoice Tanzania Limited	**85.0**	60.0	Subscription television	Tanzania	TSH	Indirect
Technology						
Irdeto B.V.	**100.0**	100.0	Technology development	The Netherlands	USD	Direct
Irdeto South Africa Proprietary Limited	**100.0**	100.0	Market research and support services	South Africa	ZAR	Indirect

* *The empowerment transaction as per note 8 resulted in a change in the ownership percentage during FY2019.*

24. **Investments in subsidiaries (continued)**

	MultiChoice Nigeria Limited		MultiChoice South Africa Holdings Proprietary Limited	
	31 March 2019 ZAR'm	31 March 2018 ZAR'm	**31 March 2019 ZAR'm**	31 March 2018 ZAR'm
Summarised statement of financial position				
Non-current assets	**1 400**	1 178	**16 041**	17 047
Current assets	**1 514**	902	**13 990**	10 054
Total assets	**2 914**	2 080	**30 031**	27 101
Non-current liabilities	**4 487**	4 201	**10 212**	8 877
Current liabilities	**16 085**	11 041	**9 518**	9 355
Total liabilities	**20 572**	15 242	**19 730**	18 232
Accumulated non-controlling interests	**(3 708)**	(2 764)	**1 329**	1 774
Summarised income statement				
Revenue	**5 329**	4 049	**40 391**	40 165
Net (loss)/profit for the year	**(1 463)**	(4 348)	**3 466**	7 789
Other comprehensive income	**–**	–	**1 728**	(485)
Total comprehensive (loss)/income	**(1 463)**	(4 348)	**5 194**	7 304
(Loss)/profit attributable to non-controlling interests	**(307)**	(913)	**942**	1 461
Dividends paid to non-controlling interests	**–**	–	**1 320**	1 300
Summarised statement of cash flows				
Cash flows (utilised in)/generated from operating activities	**1 001**	(894)	**8 558**	7 461
Cash flows utilised in investing activities	**(160)**	(83)	**(645)**	(390)
Cash flows (utilised in)/generated from financing activities	**(697)**	(559)	**(8 431)**	(7 325)

25. Investments and loans

	Notes	2019 ZAR'm	2018 ZAR'm
Investment in joint ventures	(a)	**15**	18
Investments held at fair value through other comprehensive income	(b)	**155**	105
Other investments and loans*		**68**	–
		238	123

* *Loans to the MultiChoice Enterprise Development Trust beneficiaries. These loans are non-interest-bearing loans and are repayable over a fixed repayment term.*

(a) Investment in joint ventures

All of these entities are unlisted. They are all incorporated and have their principal place of business in South Africa. All these entities have the same year-end and all have the South African Rand as their functional currency:

	Effective interest		Carrying value	
Name of company	2019 %	2018 %	2019 ZAR'm	2018 ZAR'm
KwaZulu-Natal Cricket Proprietary Limited	**50**	50	**(2)**	(2)
Western Province Professional Cricket Proprietary Limited	**50**	50	**(1)**	(1)
Titans Cricket Proprietary Limited	**50**	50	**18**	19
Vast Networks Proprietary Limited	**49**	49	**–**	2
			15	18

The group continues to recognise losses in these investments as the group guarantees the obligations related to these companies.

(b) Investments held at fair value through other comprehensive income

In March 2016 the group acquired 1 200 000 shares in Phuthuma Nathi Investments 2 (RF) Limited at a cost price of ZAR10 per share. At year-end these shares were revalued to market value of ZAR130 per share (2018: ZAR88 per share).

26. **Share capital**

Authorised and issued

	2019 ZAR'm	2018 ZAR'm
438 837 468 ordinary shares	*	*

* *Ordinary shares were issued and valued at a nominal value.*

In the prior year, the legal entity did not exist, refer to the basis of preparation in note 1, which is included in the full audited annual consolidated summarised financial information for the MCG Group that is available on the website of the Company at https://www.multichoice.com/investors/reporting/.

Capital management

The group'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 and benefits for other stakeholders by pricing products and services commensurately with the level of risk.

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

The group optimises the management of its capital through a centralised treasury holding company (treasury holdco) structure. This structure is approved by the South African Reserve Bank. The treasury holdco is managed by the group treasury function and manages:

- Centralised cash management and yield maximisation;
- Forward exchange contracts on behalf of operating entities;
- Treasury policy compliance; and
- Group funding requirements.

Funding to subsidiaries is provided through a combination of loans and share capital, depending on country-specific requirements including regulatory. Intergroup loan funding is generally considered to be part of the capital structure.

The group follows a risk-based approach to the determination of the optimal capital structure. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or modify the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders through share buy backs, issue new shares or sell assets to reduce debt.

The group does not have a formally targeted leverage policy. The group has specific financial covenants in place with various financial institutions to govern its debt, all of which were complied with during the reporting period.

South African exchange control regulations provide for a common monetary area consisting of the Republic of South Africa, the Kingdom of Lesotho, the Kingdom of Swaziland and the Republic of Namibia, and restrict the export of capital from the common monetary area. Approval by the South African Reserve Bank is required for any acquisitions outside of the common monetary area if the acquisition is funded from within the common monetary area.

27. **Related parties**

(a) **Related party balances**

	Notes	**2019 ZAR'm**	2018 ZAR'm
Amounts due to related parties: Non-current	12	**(134)**	(15 000)
Amounts due to related parties: Current	12	**–**	(316)
Amounts due from related parties: Non-current	(i)	**180**	1 191
Amounts due from related parties: Current	(ii)	**–**	139
		46	(13 986)

		Nature of relationship	**2019 ZAR'm**	2018 ZAR'm
(i)	**Amounts due from related parties: Non-current**			
	MIH Treasury Services Proprietary Limited*	Fellow subsidiary	**–**	966
	Vast Networks Proprietary Limited	Joint venture	**–**	99
	Other	Fellow subsidiaries and equity investees	**180**	126
			180	1 191
(ii)	**Amounts due from related parties: Current**			
	MIH Finance VOF*	Fellow subsidiary	**–**	64
	Showmax B.V. (Polish entities)*	Fellow subsidiary	**–**	20
	PayU Global B.V.*	Fellow subsidiary	**–**	24
	Other	Fellow subsidiaries	**–**	31
			–	139

These current balances are unsecured, interest free and have no fixed terms of repayment.

(b) **Related party transactions**

During FY2019, loans owing to the Naspers group amounting to ZAR23 billion were capitalised as part of the unbundling from Naspers (refer to note 12).

28. **Fair value of financial instruments**

The calculation of fair value requires various inputs into the valuation methodologies used.

The source of the inputs used affects the reliability and accuracy of the valuations. Significant inputs have been classified into the hierarchical levels in line with IFRS 13 – Fair value measurement, as shown below.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly).

Level 3: Inputs for the asset or liability that are unobservable.

(a) **Fair value of instruments measured at fair value**

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

	Fair value			
	2019 ZAR'm	2018 ZAR'm	**Valuation method**	**Level in fair value hierarchy**
Financial assets				
Investments held at fair value through other comprehensive income	**155**	105	Quoted prices in a public market	Level 1
Forward exchange contracts	**643**	76	Fair value using forward exchange rates that are publicly available	Level 2
Currency depreciation features	**83**	20	The fair value is calculated based on the LIBOR rate of 2.48%	Level 3
Financial liabilities				
Forward exchange contracts	**15**	–	Fair value using forward exchange rates that are publicly available	Level 1
Forward exchange contracts	**207**	1 509	Fair value using forward exchange rates that are publicly available	Level 2

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

(b) **Fair value of instruments not measured at fair value**

The group discloses the fair values of the following financial instruments as their carrying values differ from their fair values:

Financial instrument	**Carrying value 2019 ZAR'm**	**Fair value 2019 ZAR'm**	Carrying value 2018 ZAR'm	Fair value 2018 ZAR'm
Financial liabilities				
Capitalised finance leases (level 3)	**15 731**	**15 727**	13 603	13 212

Level 3 – the fair values of all level 3 disclosures have been determined through the use of discounted cash flow analyses. Key inputs include current market interest rates as well as contractual cash flows.

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

FINANCIAL INFORMATION OF THE COMPANY

Financial particulars of the Company are set out in the table below. As the Company itself was only incorporated on 4 September 2018, the Company has no operating or financial history in respect of the two financial years ended 31 March 2018 and 31 March 2017.

	Seven months ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Revenue (ZAR million)	**45**	n/a	n/a
Loss before taxation (ZAR million)	**(3)**	n/a	n/a
Loss after taxation (ZAR million)	**(5)**	n/a	n/a
Dividends paid (ZAR million)	**–**	n/a	n/a
Dividends paid per ordinary share (ZAR cents)	**–**	n/a	n/a
Dividend cover	**–**	n/a	n/a

The statement of financial position of the Company for the seven-month period ended 31 March 2019 together with the applicable notes thereto (as mentioned therein), have been included below. This information is extracted from the Company's audited financial statements for the seven-month period ended 31 March 2019 and is not a full set of financial statements in accordance with IFRS and the requirements of the Companies Act. Reading the information in this Annexure is therefore no substitute for reading the audited financial statements of the Company for the seven-month period ended 31 March 2019. The audited financial statements of the Company for the year ended 31 March 2019, are available for inspection at the Company's registered office and on the Company's website at https://www.multichoice.com/investors/reporting/.

MULTICHOICE GROUP LIMITED

Financial statements for the seven-month period ended 31 March 2019.

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2019

	Notes	31 March 2019 ZAR'm
ASSETS		
Non-current assets		
Investments in subsidiaries	3	52 334
Current assets		
Cash and cash equivalents	4	37
TOTAL ASSETS		**52 371**
EQUITY AND LIABILITIES		
Equity		
Retained income		52 329
Liabilities		
Current liabilities		
Accrued expenses and other payables		14
Amounts due to related parties	6	28
		42
TOTAL EQUITY AND LIABILITIES		**52 371**

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.

The significant accounting estimates and judgements relate to the valuation of the investments in subsidiaries contributed by Naspers. The fair value of the assets contributed was calculated using a discounted cash flow valuation method, applying an appropriate terminal growth rate and cost of equity and comparing this to the current listed stock value of the MultiChoice Group. The key inputs to determine the fair value i.e. the future cash flows, the cost of equity and the terminal growth rate have all been estimated by management.

NOTES TO THE FINANCIAL STATEMENTS (EXTRACTS)

for the seven months ended 31 March 2019

3. Investments in subsidiaries

Name of company	Effective % interest 2019	Fair value 2019
Digital Mobile Television Proprietary Limited*	**100.00**	**–**
Irdeto South Africa Proprietary Limited**	**100.00**	**6**
MultiChoice Treasury Group Services Proprietary Limited**	**100.00**	**6 287**
MultiChoice Namibia Proprietary Limited*	**49.00**	**834**
MultiChoice South Africa Holdings Proprietary Limited Group**	**75.00**	**45 199**
NMS Insurance Services SA Limited**	**100.00**	**8**
		52 334

* *Incorporated and has principal place of business in Namibia.*

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

On 28 September 2018, MultiChoice Group Limited received a parent company contribution from Naspers of MultiChoice South Africa Holdings Proprietary Limited group, MultiChoice Africa Holdings B.V. group, Irdeto Holdings B.V. group and the Showmax B.V. group. This resulted in the formation of the MultiChoice group (MCG or the group).

On 27 February 2019 the group was listed on the Johannesburg Stock Exchange (JSE) and on 4 March 2019 was unbundled from Naspers to its shareholders as a dividend in specie. Up until this date the results of the group were consolidated within Naspers within the video-entertainment segment.

The fair value of the investments was recognised directly in retained earnings.

Digital Mobile Television Proprietary Limited

The Digital Mobile Television Proprietary Limited business is in a net liability position, currently loss making and investors largely discount this value in the valuation of the group as at 31 March 2019. Management's valuation of this entity has been limited to zero.

MultiChoice Treasury Group Services Proprietary Limited

MultiChoice Treasury Group Services Proprietary Limited holds investments in Irdeto Holdings B.V. Group, MultiChoice Botswana Proprietary Limited, MultiChoice Africa Holdings B.V. Group and Showmax B.V. Group. The value of MultiChoice Treasury Group Services Proprietary Limited has been determined as the sum of the fair values of these four seperate investments.

Irdeto Holdings B.V. Group

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

The group is incorporated in the Netherlands.

MultiChoice Botswana Proprietary Limited

The value has been calculated using a discounted cash flow valuation method, applying a terminal growth factor of 4%, applying 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 is in a net liability position, currently loss making and investors largely discount this value in the valuation of the group as at 31 March 2019. Management's valuation of this entity has been limited to zero.

The group is incorporated in the Netherlands.

Showmax B.V. Group

Showmax B.V. Group largely provides a support function to the group through the Connected Video division. Therefore the valuation of Showmax B.V. Group is incorporated into the valuation of MultiChoice South Africa Holdings Proprietary Limited.

The group is incorporated in the Netherlands.

MultiChoice Namibia Proprietary Limited

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

MultiChoice South Africa Holdings Proprietary Limited Group

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

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	31 March 2019
Cash at bank and on hand	37

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 2019, the company held its cash with a local bank with a 'Baa3' 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.

5. Share capital

	31 March 2019
Authorised	
1 000 000 000 Ordinary shares at no par value	–
Issued	
438 837 468 Ordinary shares	*

** Ordinary shares were issued and valued at a nominal value.*

Refer to the statement of changes in equity on page 14 of the audited annual financial statements of the Company, which are available on the website of the Company at https://www.multichoice.com/investors/reporting/.

6. Related parties

	31 March 2019
Amounts due to related parties	
MultiChoice Support Services Proprietary Limited	9
MultiChoice Proprietary Limited	19
	28

The balances are unsecured, interest free and are payable on demand. The contractual cash flows and fair value of these balances are equal to the carrying amount.

11. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2019	Notes	**Amortised cost**	**Fair value**
Cash and cash equivalents	4	37	37

Categories of financial liabilities

2019	Notes	**Amortised cost**	**Fair value**
Accrued expenses and other payables		14	14
Loans from group companies	6	28	28
		42	**42**

Financial risk management

Overview

The company's activities expose it to a variety of financial risks: credit 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, 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 which is deposited at one high-credit-quality financial institution.

Impairment of financial assets

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no material impairment loss was identified.

Liquidity risk

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 R28 million.

12. **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 and payables are deemed to reflect fair value due to the short maturities of these instruments.

	Carrying amount R'm	Fair value R'm
31 March 2019		
Assets		
Investment in subsidiaries	52 334	52 334
Cash and cash equivalents	37	37
	52 371	**52 371**
Liabilities		
Accrued expenses and other payables	14	14
Amounts due to related parties	28	28
	42	**42**

Of the instruments listed above, the investments in subsidiaries of R52.3 billion are classified as level 3 financial instruments. The fair values of the level 3 financial instruments have been determined through the use of discounted cash flow analyses. Key inputs include future cash flows, weighted average cost of capital and terminal values. There were no transfers between level 1 and level 2 financial instruments during the year.

AUDITOR'S REPORT IN TERMS OF REGULATION 79 IN RESPECT OF THE COMPANY AND THE MCG GROUP

Refer to next page

pwc

The Board of Directors
MultiChoice Group Limited
MultiChoice City
144 Bram Fischer Drive
Randburg
South Africa
2194

Dear Sirs

REPORT BY THE AUDITOR OF MULTICHOICE GROUP LIMITED IN TERMS OF REGULATION 79 OF THE COMPANIES ACT OF SOUTH AFRICA ON HISTORICAL FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

We have performed the procedures agreed with you and enumerated below with respect to the financial information required in terms of Regulation 79 of the Companies Act 2008 for the three financial years ended 31 March 2019, 31 March 2018 and 31 March 2017 of MultiChoice Group Limited ("MCG" or "the Company") and its subsidiaries (together "the MCG Group") presented in Annexure [10] to the Prospectus (the "Regulation 79 financial information") to be dated on or about 29 August 2019. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in MCG's compliance with Regulation 79 of the Companies Act of South Africa and are summarised as follows:

1. Agree the consolidated profit before taxation and the loss/profit after taxation of the MCG Group in respect of the years ended 31 March 2019 and 31 March 2018, in the Regulation 79 financial information, to the consolidated income statement for the years ended 31 March 2019 and 2018 included in the document titled "MultiChoice Group Limited consolidated annual financial statements for the year ended 31 March 2019" on MCG's website at the following weblink (http://www.multichoice-reports.co.za/group-iar-2019/pdf/full-afs.pdf);
2. Agree the combined profit before taxation and the loss after taxation of the MCG Group for the year ended 31 March 2017, in the Regulation 79 financial information, to the combined income statement for the year ended 31 March 2017 included in the combined historical financial information for the year ended 31 March 2017 included on page 102 in the document titled "MultiChoice Group Limited pre-listing statement" on MCG's website at the following weblink (https://www.multichoice.com/media/1432/2019-01-21-multichoice-pre-listing.pdf);
3. Agree the loss before taxation and the loss after taxation of MCG in respect of the period ended 31 March 2019, in the Regulation 79 financial information, to the statement of profit or loss and other comprehensive income included in the document titled "MultiChoice Group Limited financial statements for the period ended 31 March 2019" on MCG's website at the following weblink (https://www.multichoice.com/media/1776/2019-mcg-company-annual-financial-statements-14-june-2019-final.pdf);
4. Agree the consolidated asset and liability balances of the MCG Group as at 31 March 2019, in the Regulation 79 financial information, to the consolidated statement of financial position as at 31 March 2019 included in the document titled "MultiChoice Group Limited consolidated annual financial statements for the year ended 31 March 2019" on MCG's website at the following weblink (http://www.multichoice-reports.co.za/group-iar-2019/pdf/full-afs.pdf);
5. Agree the assets and liabilities of MCG as at 31 March 2019, in the Regulation 79 financial information, to the statement of financial position as at 31 March 2019 included in the document titled "MultiChoice Group Limited financial statements for the period ended 31 March 2019" on MCG's website at the following weblink (https://www.multichoice.com/media/1776/2019-mcg-company-annual-financial-statements-14-june-2019-final.pdf);

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6. Agree the dividend paid by the MCG Group for the years ended 31 March 2019 and 31 March 2018, in the Regulation 79 financial information, to the consolidated statement of cash flows for the years ended 31 March 2019 and 2018 included in the document titled "MultiChoice Group Limited consolidated annual financial statements for the year ended 31 March 2019" on MCG's website at the following weblink (http://www.multichoice-reports.co.za/group-iar-2019/pdf/full-afs.pdf);
   Recalculate the dividends paid per ordinary share by dividing the dividend paid by the number of ordinary shares, based on the financial information contained in the document titled "MultiChoice Group Limited consolidated annual financial statements for the year ended 31 March 2019" on MCG's website at the following weblink (http://www.multichoice-reports.co.za/group-iar-2019/pdf/full-afs.pdf). Recalculate the dividend cover, by dividing the earnings per share by the dividends paid per ordinary share.
7. Agree the dividend paid by the MCG Group for the year ended 31 March 2017, in the Regulation 79 financial information, to the combined statement of cash flows for the year ended 31 March 2017 included in the combined historical financial information for the year ended 31 March 2017 included on page 105 in the document titled "MultiChoice Group Limited pre-listing statement" on MCG's website at the following weblink (https://www.multichoice.com/media/1432/2019-01-21-multichoice-pre-listing.pdf);
   Recalculate the dividends paid per ordinary share by dividing the dividend paid by the number of ordinary shares, based on the financial information contained in the document titled "MultiChoice Group Limited pre-listing statement" on MCG's website at the following weblink (https://www.multichoice.com/media/1432/2019-01-21-multichoice-pre-listing.pdf). Recalculate the dividend cover, by dividing the earnings per share by the dividends paid per ordinary share.
8. Agree the dividend paid by MCG for the period ended 31 March 2019, in the Regulation 79 financial information, to the statement of cash flows included in the document titled "MultiChoice Group Limited financial statements for the period ended 31 March 2019" included on MCG's website at the following weblink (https://www.multichoice.com/media/1776/2019-mcg-company-annual-financial-statements-14-june-2019-final.pdf);
9. Obtain a schedule of material subsidiaries that incurred losses for the financial years ended 31 March 2019, 31 March 2018 and 31 March 2017.
   Inspect the MCG Group consolidation working to determine whether losses incurred in respect of material subsidiaries as defined in the prospectus were provided for/included in the consolidated profit before taxation and the loss/profit after taxation of the MCG Group in respect of the years ended 31 March 2019 and 31 March 2018, and the combined profit before taxation and the loss after taxation of the MCG Group for the year ended 31 March 2017.
10. Inspect the 30 June 2019 management accounts of MCG and the MCG Group and compare the categories of assets and liabilities to the audited financial statements for the period/year ended 31 March 2019 in order to identify any material change (being any movement in excess of 10% and R490 million) and document the details of the assets and liabilities in excess of 10% and R490 million;
11. Inspect the minutes of meetings of the board of directors of MCG and related group companies since the date of the last financial statements, and up to the date of this report, to identify any matters relating to material changes in assets or liabilities, e.g. the sale or purchase of a significant asset, and document any material changes (being any movement in excess of 10% and R490 million) identified; and
12. Obtain a letter of representation from management confirming the identified material changes (being any movement in excess of 10% and R490 million) in the assets and liabilities of MCG and its subsidiaries from the date of the 31 March 2019 financial statements to the date of this report.

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We report our findings below:

1. With respect to item 1, the consolidated profit before taxation and the loss/profit after taxation in respect of the years ended 31 March 2019 and 31 March 2018, in the Regulation 79 financial information agrees with the consolidated profit before taxation and the loss/profit after taxation in the consolidated income statement for the years ended 31 March 2019 and 2018 in the document titled "MultiChoice Group Limited consolidated annual financial statements for the year ended 31 March 2019" that we obtained from (http://www.multichoice-reports.co.za/group-iar-2019/pdf/full-afs.pdf);
2. With respect to item 2, the combined profit before taxation and the loss after taxation in respect of the year ended 31 March 2017, in the Regulation 79 financial information agrees with the combined profit before taxation and the loss after taxation in the combined income statement for the year ended 31 March 2017 included in the combined historical financial information for the year ended 31 March 2017 included on page 102 in the document titled "MultiChoice Group Limited pre-listing statement" that we obtained from (https://www.multichoice.com/media/1432/2019-01-21-multichoice-pre-listing.pdf);
3. With respect to item 3, the loss before taxation and the loss after taxation in respect of the period ended 31 March 2019, in the Regulation 79 financial information agrees with the loss before tax and the loss after tax in the statement of profit or loss and other comprehensive income included in the document titled "MultiChoice Group Limited financial statements for the period ended 31 March 2019" that we obtained from (https://www.multichoice.com/media/1776/2019-mcg-company-annual-financial-statements-14-june-2019-final.pdf);
4. With respect to item 4, the consolidated assets and liabilities of the MCG Group as at 31 March 2019, in the Regulation 79 financial information agrees with the consolidated statement of financial position as at 31 March 2019 included in the document titled "MultiChoice Group Limited consolidated annual financial statements for the year ended 31 March 2019" that we obtained from (http://www.multichoice-reports.co.za/group-iar-2019/pdf/full-afs.pdf)
5. With respect to item 5, the assets and liabilities of MCG as at 31 March 2019, in the Regulation 79 financial information agrees with the statement of financial position as at 31 March 2019 included in the document titled "MultiChoice Group Limited financial statements for the period ended 31 March 2019" that we obtained from the following link (https://www.multichoice.com/media/1776/2019-mcg-company-annual-financial-statements-14-june-2019-final.pdf);
6. With respect to item 6, the dividend paid for the years ended 31 March 2019 and 31 March 2018, in the Regulation 79 financial information agrees with the consolidated statement of cash flows for the years ended 31 March 2019 and 2018 included in the document titled "MultiChoice Group Limited consolidated annual financial statements for the year ended 31 March 2019" that we obtained from the following link (http://www.multichoice-reports.co.za/group-iar-2019/pdf/full-afs.pdf)
   Recalculated the dividends paid per ordinary share by dividing the dividend paid by the number of ordinary shares, and the dividend cover by dividing the earnings per share by the dividends per share, with no exceptions noted;
7. With respect to item 7, the dividend paid for the year ended 31 March 2017, in the Regulation 79 financial information agrees with the combined statement of cash flows for the year ended 31 March 2017 included in the combined historical financial information for the year ended 31 March 2017 included on page 105 in the document titled "MultiChoice Group Limited pre-listing statement" which we obtained from the following link (https://www.multichoice.com/media/1432/2019-01-21-multichoice-pre-listing.pdf)
   Recalculated the dividends paid per ordinary share by dividing the dividend paid by the number of ordinary shares, and the dividend cover by dividing the earnings per share by the dividends per share, with no exceptions noted;
8. With respect to item 8, the dividend paid of Rnil by MCG for the period ended 31 March 2019, in the Regulation 79 financial information, agrees with the statement of cash flows included in the document titled "MultiChoice Group Limited financial statements for the period ended 31 March

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2019" which we obtained from the following link (https://www.multichoice.com/media/1776/2019-mcg-company-annual-financial-statements-14-june-2019-final.pdf);

9. With respect to item 9, we obtained a schedule of material subsidiaries that incurred losses from management for the financial years ended 31 March 2019, 31 March 2018, and 31 March 2017 and these are set out below:
   - MultiChoice Africa Holdings B.V. incurred a loss after taxation of R 5.092 billion for the financial year ended 31 March 2019 and a loss after taxation of R 6.439 billion for the financial year ended 31 March 2017;
   - MultiChoice Support Services Proprietary Limited incurred a loss after taxation of R1.242 billion for the financial year ended 31 March 2019;
   - SuperSport International Holdings Proprietary Limited incurred a loss after taxation of R6,000 for the financial year ended 31 March 2019 and R1,000 for the financial year ended 31 March 2018;

   Inspected that the losses included in item 9 above were provided for/included in the consolidated profit before taxation and the loss/profit after taxation of the MCG Group in the MCG Group consolidation working obtained from management in respect of the years ended 31 March 2019 and 31 March 2018, and the combined profit before taxation and the loss after taxation of the MCG Group for the year ended 31 March 2017, where applicable.
10. With respect to item 10, set out below are the material changes (being any movement in excess of 10% and R490 million) in the assets and liabilities between the 30 June 2019 management accounts and the audited financial statements (for the year ended 31 March 2019):
    - Per the 30 June 2019 management accounts the programme and film rights of MCG Group is R3.835 billion as compared to R5.133 billion per the MultiChoice Group Limited consolidated annual financial statements for the year ended 31 March 2019
    - Per the 30 June 2019 management accounts the trade and other receivables of MCG Group is R5.344 billion as compared to R4.095 billion per the MultiChoice Group Limited consolidated annual financial statements for the year ended 31 March 2019
    - Per the 30 June 2019 management accounts the cash and cash equivalents of MCG Group is R8.299 billion as compared to R6.723 billion per the MultiChoice Group Limited consolidated annual financial statements for the year ended 31 March 2019;
11. With respect to item 11, we did not identify any material changes to assets and liabilities from inspecting the minutes of the meeting of the board of directors of MCG and the MCG Group dated 14 June 2019; and
12. With respect to item 12, we obtained a letter of representation from management of MCG and the MCG Group confirming that there have been no material changes in the assets and liabilities of MCG and the MCG Group from the date of the last audited financial statements (for the period/year ended 31 March 2019) up until the date of this report, except for the items noted in item 10 above.

With respect to Regulation 79(1)(b), it is a requirement that where no annual financial statements have been prepared by or for the company in respect of any part of the 3 years ending on a date 3 months before the issue of the prospectus, we are required to state this in our report of factual findings. MCG was only incorporated on 4th September 2018 and thus no annual financial statements were prepared by or for MCG for the years ended 31 March 2018 and 31 March 2017.

With respect to Regulation 79(4)(a), we completed our audit of the financial statements of MCG and the MCG Group for the period/year ended 31 March 2019, prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, on which we issued an unmodified opinion on 14 June 2019. Our audit was performed in accordance with International Standards on Auditing.

With respect to Regulation 79(4)(b)(i-iv), based on the results of work performed during our audit of the financial statements of MCG and the MCG Group we did not identify any material misstatements with regard to:

pwc

- debtor and creditor balances including accounts other than trade accounts,
- the adequacy of the provision for doubtful debts,
- the adequacy of the provision for obsolete, damaged or defective goods, and for supplies purchased at prices in excess of current market prices, and
- the elimination of intercompany profits within the MCG Group.

Because the above procedures do not constitute either an audit, review or other assurance engagement made in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, we do not express any assurance on the Regulation 79 financial information presented in Annexure [10] to the Prospectus.

We draw attention to Annexure [10], which refers to financial information included on MCG's website. At the date of our report, the financial information relating to the years ending 2019 and 2018 for MCG and the MCG Group at https://www.multichoice.com/investors/ and the financial information relating to the year ending 2017 for the MCG Group at https://www.multichoice.com/investors/pre-listing-documents/ included in Annexure [10] and our report are correct and have been prepared in accordance with the Companies Act 2008. We have no responsibility for the accuracy of the links and content beyond the date of our report.

Had we performed additional procedures or had we performed an audit or review of, or other assurance engagement on the historical results as per the Prospectus in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.

The report is supplied on the basis that it is for the sole use of the parties to whom it is addressed and exclusively for the purposes set out herein. No party other than those to whom it is addressed may rely upon this report for any purpose whatsoever.

Copies of our report may be made available to your professional advisers provided that it is clearly understood by the recipients that they enjoy such receipt for information only and that we accept no duty of care to them in respect of our reports and letters. Furthermore, the reports and letters are to be used by them only for the purposes stated herein. The report must not be made available or copied in whole or in part to any other party without our prior written consent, which consent may be given or withheld at our absolute discretion. This limitation will obviously not apply to the provision of this report in compliance with any order of court, subpoena or other judicially enforceable directive or to the Prospectus.

This report relates only to the accounts and items specified above and does not extend to any financial statements of the Company and the Group, taken as a whole.

BS Humphreys
Director
Chartered Accountant (SA)

29 August 2019
Johannesburg

Material loans to the Company or any subsidiary

Lender(s)	Borrower(s)	Amount	Currency of loan	Interest rate	Terms and conditions of repayment	Secured/ unsecured	Security provided
ABSA	MultiChoice Group Treasury Services Proprietary Limited	R1 billion *(Unutilised at 31 July 2019)*	Rand	Rate derived from published JIBAR and/or repo rates	Overnight borrowing facility	Secured	Guarantees from MultiChoice Proprietary Limited, Electronic Media Network Proprietary Limited and SuperSport International Proprietary Limited
Nedbank	MultiChoice Group Treasury Services Proprietary Limited	R1.5 billion *(Unutilised at 31 July 2019)*	Rand	Rate derived from published JIBAR and/or repo rates	Overnight borrowing facility	Secured	Guarantees from MultiChoice Proprietary Limited, Electronic Media Network Proprietary Limited and SuperSport International Proprietary Limited
First Rand Bank	MultiChoice Group Treasury Services Proprietary Limited	R1 billion *(Unutilised at 31 July 2019)*	Rand	Rate derived from published JIBAR and/or repo rates	Overnight borrowing facility	Secured	Guarantees from MultiChoice Proprietary Limited, Electronic Media Network Proprietary Limited and SuperSport International Proprietary Limited
SuperSport International Holdings Limited	SuperSport International Proprietary Limited	R766 363 962	Rand	Interest free	No fixed terms of repayment	Unsecured	N/A
MultiChoice Africa Holding BV	GOtv Kenya Limited	R1 852 584 582	USD	Interest free	No fixed terms of repayment	Unsecured	N/A
MultiChoice Africa Holding BV	MultiChoice Nigeria Limited	R19 401 941 668	USD	Interest free	No fixed terms of repayment	Unsecured	N/A
Intelsat	MSS	R9 962 774 119	Rand	3.50% – 4.98%	Monthly in advance	Secured	The pledge relates to assets acquired in terms of finance leases. The pledge would come into effect should default on the lease payments occur.

Lender(s)	Borrower(s)	Amount	Currency of loan	Interest rate	Terms and conditions of repayment	Secured/ unsecured	Security provided
Eutelsat S.A.	MultiChoice Africa Limited	R2 141 633 498	Rand	4.35% – 6.00%	Monthly in arrears	Secured	The pledge relates to assets acquired in terms of finance leases. The pledge would come into effect should default on the lease payments occur.
Eutelsat S.A.	MultiChoice Africa Limited	R3 023 140 731	Rand	3.93 – 4.04%	Monthly in arrears	Secured	The pledge relates to assets acquired in terms of finance leases. The pledge would come into effect should default on the lease payments occur.
Intelsat	MultiChoice Africa Limited	R66 733 315	Rand	3.49% – 5.43%	Monthly in advance	Secured	The pledge relates to assets acquired in terms of finance leases. The pledge would come into effect should default on the lease payments occur.

The MCG Group has foreign exchange facilities in place with various banks to hedge committed and highly probable future foreign currency exposures. These facilities are not classified as borrowing facilities as they can only be utilised for risk management and not borrowing purposes.

CONSENTS

Refer to next page

The Board of Directors
MultiChoice Group Limited
MultiChoice City
144 Bram Fischer Drive
Randburg
South Africa
2194

30 August 2019

Dear Sirs

Consent Letter - Prospectus

1. I refer to the prospectus of MultiChoice Group Limited, incorporated and registered under the laws of the Republic of South Africa with registration number 2018/473845/06 (the "**Company**"), to be issued to the public in connection with the Company's offer to acquire, subject to certain conditions, up to a maximum of 20% of the fully paid, ordinary shares in the authorised share capital of, collectively, Phuthuma Nathi Investments (RF) Limited, registration number 2006/015187/06 ("**PN1**") and Phuthuma Nathi Investments 2 (RF) Limited, registration number 2006/036320/06 ("**PN2**") from the shareholders of PN1 and PN2, in consideration for the issue of ordinary shares of the Company (the "**Prospectus**").

2. I, in my capacity as the company secretary of the Company, hereby consent to my name being stated and to the references thereto in the form and context in which it appears in the Prospectus.

3. Provided that the Prospectus is not amended in any material way without my approval after the date of this letter, I undertake that I will not withdraw such consent prior to the issue of the Prospectus.

Yours faithfully

.....
Donna Maree Dickson

1 Merchant Place Cnr Fredman Dr & Rivonia Rd Sandton 2196
PO Box 786273 Sandton 2146 South Africa
Switchboard +27 11 282-8000
Facsimile +27 11 282-8008
www.rmb.co.za

Reg. No. 1929/001225/06
An Authorised Financial Services Provider

RAND MERCHANT BANK
A division of FirstRand Bank Limited

The Board of Directors
MultiChoice Group Limited
MultiChoice City
144 Bram Fischer Drive
Randburg
South Africa
2194

30 August 2019

Dear Sirs

Consent Letter - Prospectus

1. We refer to the prospectus of MultiChoice Group Limited, incorporated and registered under the laws of the Republic of South Africa with registration number 2018/473845/06 (the "**Company**"), to be issued to the public in connection with the Company's offer to acquire, subject to certain conditions, up to a maximum of 20% of the fully paid, ordinary shares in the authorised share capital of, collectively, Phuthuma Nathi Investments (RF) Limited, registration number 2006/015187/06 ("**PN1**") and Phuthuma Nathi Investments 2 (RF) Limited, registration number 2006/036320/06 ("**PN2**") from the shareholders of PN1 and PN2, in consideration for the issue of ordinary shares of the Company (the "**Prospectus**").

2. Rand Merchant Bank, a division of FirstRand Bank Limited, in its capacity as the financial advisor to and sponsor of the Company, hereby consents to its name being stated and to the references thereto in the form and context in which it appears in the Prospectus.

3. Provided that the Prospectus is not amended in any material way without our approval after the date of this letter, we undertake that we will not withdraw such consent prior to the issue of the Prospectus.

Yours faithfully

.....
SANDRA LUNNEY
Head of Sponsor Services

For **Rand Merchant Bank**
A division of FirstRand Bank Limited
Duly Authorised

sasfin | Securities
beyond a bank

The Board of Directors
MultiChoice Group Limited
MultiChoice City
144 Bram Fischer Drive
Randburg
South Africa
2194

30 August 2019

Dear Sirs

Consent Letter - Prospectus

1. We refer to the prospectus of MultiChoice Group Limited, incorporated and registered under the laws of the Republic of South Africa with registration number 2018/473845/06 (the "**Company**"), to be issued to the public in connection with the Company's offer to acquire, subject to certain conditions, up to a maximum of 20% of the fully paid, ordinary shares in the authorised share capital of, collectively, Phuthuma Nathi Investments (RF) Limited, registration number 2006/015187/06 ("**PN1**") and Phuthuma Nathi Investments 2 (RF) Limited, registration number 2006/036320/06 ("**PN2**") from the shareholders of PN1 and PN2, in consideration for the issue of ordinary shares of the Company (the "**Prospectus**").

2. Sasfin Securities Proprietary Limited, in its capacity as the stockbroker of the Company in relation to certain of the share schemes operated in respect of the Company and its subsidiaries, hereby consents to its name being stated and to the references thereto in the form and context in which it appears in the Prospectus.

3. Provided that the Prospectus is not amended in any material way without our approval after the date of this letter, we undertake that we will not withdraw such consent prior to the issue of the Prospectus.

Yours faithfully

.....

For **Sasfin Securities Proprietary Limited**

Sasfin Securities (Pty) Ltd
Reg no. 1996/005886/07 info@sasfin.com
29 Scott Street Waverley Johannesburg 2090 PO Box 299 Johannesburg 2000
Tel: +27 11 809 7500 Fax: +27 11 809 7710
Also at Cape Town Durban Plettenberg Bay Port Elizabeth Pretoria
A member of the JSE and the Sasfin Group

singular systems
simplifying complexity

25 Scott Street, Waverley, JHB 2090 / PO Box 785261, Sandton 2146 / **Tel:** +27 (0) 10 003 0700 / **Fax:** +27 (0) 11 885 3835 / **Email:** hello@singular.co.za / **www.singular.co.za**

The Board of Directors
MultiChoice Group Limited
MultiChoice City
144 Bram Fischer Drive
Randburg
South Africa
2194

30 August 2019

Dear Sirs

Consent Letter - Prospectus

1. We refer to the prospectus of MultiChoice Group Limited, incorporated and registered under the laws of the Republic of South Africa with registration number 2018/473845/06 (the "**Company**"), to be issued to the public in connection with the Company's offer to acquire, subject to certain conditions, up to a maximum of 20% of the fully paid, ordinary shares in the authorised share capital of, collectively, Phuthuma Nathi Investments (RF) Limited, registration number 2006/015187/06 ("**PN1**") and Phuthuma Nathi Investments 2 (RF) Limited, registration number 2006/036320/06 ("**PN2**") from the shareholders of PN1 and PN2, in consideration for the issue of ordinary shares of the Company (the "**Prospectus**").

2. Singular Systems Proprietary Limited, in its capacity as the transfer secretaries of the Company, hereby consents to its name being stated and to the references thereto in the form and context in which it appears in the Prospectus.

3. Provided that the Prospectus is not amended in any material way without our approval after the date of this letter, we undertake that we will not withdraw such consent prior to the issue of the Prospectus.

Yours faithfully

.....
For **Singular Systems Proprietary Limited**
Duly Authorised

Singular Systems (Pty) Ltd. Company Reg No: 2002/001492/07 | Singular Systems (Pty) Ltd is an Authorised Financial Services Provider (FSP No. 44330)
Directors: Nick Kruiskamp | Helga De Vasconcelos | Bulelwa Ntshingwa
Alternate Director: Justin Babaya

WEBBER WENTZEL

in alliance with > Linklaters

The Board of Directors
MultiChoice Group Limited
MultiChoice City
144 Bram Fischer Drive
Randburg
South Africa
2194

90 Rivonia Road, Sandton
Johannesburg, 2196

PO Box 61771, Marshalltown
Johannesburg, 2107, South Africa

Docex 26 Johannesburg

T +27 11 530 5000
F +27 11 530 5111

www.webberwentzel.com

Your reference	Our reference	Date
MultiChoice Group Limited - Prospectus	A Parry / J Smit 3033629	30 August 2019

Dear Sirs

Consent Letter - Prospectus

1. We refer to the prospectus of MultiChoice Group Limited, incorporated and registered under the laws of the Republic of South Africa with registration number 2018/473845/06 (the "**Company**"), to be issued to the public in connection with the Company's offer to acquire, subject to certain conditions, up to a maximum of 20% of the fully paid, ordinary shares in the authorised share capital of, collectively, Phuthuma Nathi Investments (RF) Limited, registration number 2006/015187/06 ("**PN1**") and Phuthuma Nathi Investments 2 (RF) Limited, registration number 2006/036320/06 ("**PN2**") from the shareholders of PN1 and PN2, in consideration for the issue of ordinary shares of the Company (the "**Prospectus**").

2. Webber Wentzel, in its capacity as the legal and tax advisor to the Company, hereby consents to its name being stated and to the references thereto in the form and context in which it appears in the Prospectus.

3. Provided that the Prospectus is not amended in any material way without our approval after the date of this letter, we undertake that we will not withdraw such consent prior to the issue of the Prospectus.

Yours faithfully

WEBBER WENTZEL
Annabel Parry
Partner
Direct tel: +27 11 530 5283
Direct fax: +27 11 530 6283
Email: annabel.parry@webberwentzel.com

Senior Partner: JC Els **Managing Partner:** SJ Hutton **Partners:** BW Abraham RB Africa M Adderley NG Alp RL Appelbaum DC Bayman KL Beilings AE Bennett AP Blair DHL Booysen AR Bowley MS Burger RI Carrim T Cassim SJ Chong KL Collier KM Colman KE Coster K Couzyn DB Cron PA Crosland JH Davies PM Daya L de Bruyn PU Dela M Denenga DW de Villiers BEC Dickinson MA Diemont DA Dingley G Driver W Drue HJ du Preez CP du Toit SK Edmundson KH Elser AE Esterhuizen MJR Evans AA Felekis G Fitzmaurice JB Forman C Gabriel CP Gaul KL Gawith OH Geldenhuys MM Gibson CI Gouws PD Grealy JM Harvey MH Hathorn JS Henning KR Hillis S Hockey CM Holfeld PM Holloway AV Ismail ME Jarvis CA Jennings CM Jonker S Jooste LA Kahn ACR Katzke M Kennedy A Keyser MD Kota JC Kraamwinkel M Kyle J Lamb E Louw L Marais S McCafferty MC McIntosh SJ McKenzie CS Meyer AJ Mills D Milo NP Mngomezulu M Moloi LE Mostert VM Movshovich RA Nelson G Niven ZN Ntshona M Nxumalo AN Nyatsumba L Odendaal GJP Olivier N Paige AMT Pardini AS Parry S Patel GR Penfold SE Phajane BA Phillips MA Phillips D Ramjettan GI Rapson Z Rawoot K Rew SA Ritchie NJA Robb DC Rudman G Sader M Sader H Samsodien JW Scholtz KE Shepherd AJ Simpson N Singh N Singh-Nogueira P Singh J Smit RS Smith MP Spalding PS Stein MW Straeuli LJ Swaine Z Swanepoel A Thakor TK Thekiso PZ Vanda PP van der Merwe SE van der Meulen JP van der Poel CS Vanmali JE Veeran B Versfeld MG Versfeld TA Versfeld DM Visagie EME Warmington J Watson AWR Westwood RH Wilson M Yudaken **Chief Operating Officer:** SA Boyd

pwc

29 August 2019

The Board of Directors
MultiChoice Group Limited
MultiChoice City
144 Bram Fischer Drive
Randburg
South Africa, 2194

Dear Sirs

REGULATION 79 OF THE SOUTH AFRICAN COMPANIES ACT, 71 OF 2008 (THE "COMPANIES ACT") REPORT CONTAINED IN THE PROSPECTUS (THE "PROSPECTUS") OF MULTICHOICE GROUP LIMITED AND ("MCG" OR "THE COMPANY")

MultiChoice Group Limited (the "Company" or "MCG") is issuing a prospectus (the "Prospectus") to its shareholders regarding the offer by the Company to acquire up to a maximum of 20% of the fully paid, ordinary shares in the authorised share capital of, collectively, Phuthuma Nathi Investments (RF) Limited, registration number 2006/015187/06 ("PN1") and Phuthuma Nathi Investments 2 (RF) Limited, registration number 2006/036320/06 ("PN2") from the shareholders of PN1 and PN2, in consideration for the issue of ordinary shares of MCG (the "MCG Offer"). The MCG Offer constitutes an offer to the public of the securities of the Company in terms of the Companies Act.

We hereby consent to:

- act in the capacity as auditors in relation to the MCG Offer;
- the inclusion of our report in terms of Regulation 79 of the Companies Act relating to the MCG Offer;
- our name being stated as the auditors of the Company and the MCG Group

in the Prospectus, to be issued by the Company on or about 20 September 2019, or such later date following the date on which approval in respect of the Prospectus is granted by the CIPC, in the form and context in which it appears.

Yours faithfully

BS Humphreys
Director

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

Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.

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