MultiChoice
ENRICHING LIVES

Building Africa's leading entertainment and services ecosystem

Integrated annual report 2022

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

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

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Navigating this report

We use these interactive icons that readers can click to access further information.

We include a glossary for abbreviations and key terms used at the back of this report.

About this report

Our integrated annual report provides transparent, succinct and material information about our performance during the year, and how this contributed to creating and sustaining value for our stakeholders.

Integrated thinking

Integrated thinking guides how we create and sustain value across multiple capitals – a process adopted by our board and senior management in their holistic approach to managing the group. During our strategic decision-making at executive committee and board levels, we consider the impact of and on the capitals we use. These include financial, technology and platforms, industry expertise, our people, customer and supplier relationships, and corporate citizenship.

What value means to MultiChoice

We seek to create and enhance long-term sustainable value for our stakeholders. For us, this means:

- Producing, licensing, aggregating and distributing the content valued by our customers in a way that is convenient, easily and broadly accessible and affordable for consumers, and cost-effective with the requisite return on investment for MultiChoice
- Creating the platform of choice for African households by offering our customers new and relevant products and services through technology
- Providing an environment that rewards growth and innovation, and provides numerous development opportunities and career paths for our people
- Nurturing long-standing and mutually beneficial relationships with our partners and suppliers, including business to business (B2B) and direct-to-consumer capacity
- Making targeted investments through mergers and acquisitions to create value for internal and external stakeholders and pursue mutually beneficial collaboration
- Meaningfully contributing to the broader industry verticals and communities where we operate, including community upliftment, talent discovery and development, support for sports codes and creative pursuits, and entrepreneurial support
- Generating sustainable economic value for our shareholders over the long term through our strategy and capital allocation process

Scope, boundary and audience

The scope of this report comprises MultiChoice Group Limited and its subsidiaries (referred to herein as MultiChoice, MultiChoice Group or the group).

We report on how we create value for our material stakeholders, focusing on providers of financial capital. We are committed to integrated and balanced reporting on our strategic objectives, material matters and how we are governed. We strive to provide a comprehensive view of our financial and non-financial performance and the sustainability of our business.

Basis of preparation

We present our integrated annual report for the financial year from 1 April 2021 to 31 March 2022 (referred to as FY22). Comparative financial information for FY21 is included where relevant.

The content of the integrated annual report is guided by the following frameworks and regulations:

- International Integrated Reporting Council's Integrated Reporting <IR> Framework, January 2021
- King Report on Corporate Governance™ for South Africa, 2016 (King IV)[1]
- The requirements of the Companies Act of South Africa No 71 of 2008, as amended (Companies Act)
- The JSE Limited Listings Requirements (JSE Listings Requirements)

Assurance and responsibility

The information in this integrated annual report was reviewed by the audit committee and approved by the board.

Financial information

The summarised consolidated financial information in this report was extracted from the audited consolidated annual financial statements for the year ended 31 March 2022 and is accurately reflected.

PAGE

Refer to page 16 of the full annual financial statements for the unmodified auditor's report on the group's consolidated annual financial statements.

MORE ONLINE

The full annual financial statements are available for perusal on our website (www.investors.MultiChoice.com/annual-results) and at our registered office on arrangement with the company secretary.

Non-financial information

EmpowerLogic verified all broad-based black economic empowerment (BBBEE) information in this report.

[1] Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all of its rights are reserved.

About this report continued

Our reporting suite

Our 2022 integrated annual report is our key report to our stakeholders, providing a holistic view of our business, strategy, performance and value creation.

This report should be read in conjunction with our full consolidated annual financial statements, which provide a more detailed understanding of our business's financial performance.

MORE ONLINE
www.investors.multichoice.com

Further, we endeavour to engage with our stakeholders through regular reports, including our annual social report, biannual results announcements, and various updates during the year. This information can be accessed at www.investors.multichoice.com.

Our other reports

- Summary consolidated financial statements for FY22 and notice of annual general meeting (AGM) (our annual results booklet)
- King IV application report
- Social report
- Interim and annual results

Feedback

We encourage and value feedback on this report.
Feedback can be sent to **cosec@multichoice.com**.

Board responsibility

The board acknowledges its responsibility to ensure the integrity of the integrated annual report. This report was approved by the board on 9 June 2022. The board applied its collective mind and believes that the integrated annual report and financial statements fairly reflect, in its opinion, the true financial position of the group as at 31 March 2022 and that of its operations during the past financial year. Further, the board believes this report addresses all material issues and how they relate to the MultiChoice Group's ability to create and sustain value in the short and long term.

On behalf of the board

Imtiaz Patel
Chair
9 June 2022

On behalf of the audit committee

Louisa Stephens
Audit committee chair
9 June 2022

Executive confirmations

The group chief executive officer (CEO) and group chief financial officer (CFO) confirm that:

- The summarised consolidated annual financial information and the full, consolidated annual financial statements on the group's website fairly present, in all material respects, the group's financial position, financial performance and cash flows in terms of International Financial Reporting Standards
- No facts were omitted, nor untrue statements made that would make the annual financial statements false or misleading
- Internal financial controls were implemented to ensure that material information relating to the group and its consolidated subsidiaries was provided to effectively prepare its financial statements
- The internal financial controls are adequate and effective and can be relied upon to compile the annual financial statements
- We have fulfilled our role and function within the combined assurance model pursuant to principle 15 of King IV. Where we are not satisfied, we have disclosed the deficiencies in design and operational effectiveness of the internal financial controls. Any fraud involving directors was reported to the audit committee and the auditors, and we have taken the necessary remedial action. It is noted that there were no occurrences of fraud involving directors during the year.

Calvo Mawela
Group CEO
9 June 2022

Tim Jacobs
Group CFO
9 June 2022

Summarised forward-looking statements

Many assertions in this integrated annual report constitute forward-looking statements – they represent the group's judgements and future expectations. However, these statements do not guarantee our future performance. Words such as 'believe', 'anticipate', 'intend', 'seek', 'will', 'plan', 'could', 'may', 'endeavour' and similar expressions are intended to identify such forward-looking statements.

MultiChoice faces risks, challenges and uncertainties outside of its control. These challenges may lead to unforeseen outcomes for the group. This report does not give any assurance that forward-looking statements will prove to be correct, and investors are cautioned not to place undue reliance on any forward-looking statement in this report. Our auditors did not review or report on any forward-looking statements.

Our business overview

Africa's leading entertainment and services platform

Africa is our home – we provide entertainment and consumer services to 21.8m subscribers[1] across sub-Saharan Africa.

We create and license exceptional local and international content, which we deliver to our viewers anytime, anywhere and on any device through our first-class direct to home (DTH) satellite, digital terrestrial television (DTT) and over the top (OTT) video entertainment services. We offer programming in 40 languages[4] and provide access to the best in local, sports and international content. We have expanded beyond DTH and DTT video to online and mobile platforms, to offer digital, social and interactive services, including aggregated third-party services on our connected devices. More recently, we added sports betting as an entertainment service adjacent to our core video offering.

Our platform business

Video entertainment			Interactive entertainment
DStv	GOtv	Showmax	KingMakers
B2B services	**Fintech[2]**	**Edutech[3]**	**Home services**
DStv Media Sales; Irdeto (Protect. Renew. Empower.)	NMS	udemy	DStv Internet; AURA

'AFRICA'S MOST LOVED STORYTELLER'

Over 20 proprietary
dedicated local content channels across
10 markets

Produced 6 028 hours of local content this year, local content library
69 997 hours

Africa is our home – we provide entertainment and household consumer services to
21.8 million subscribers[1]
across the continent

[1] 90-day active subscribers. [2] Financial technology. [3] Educational technology. [4] Relates to all languages broadcast on our platforms, including international and free-to-air (FTA) channels.

Our business overview continued

Africa's preferred partner in the home

We are a trusted brand and a platform of choice for millions of African households.

With 21.8m customers subscribing to our video entertainment services at year-end, we reach more than 100m people[(1)] across 50 countries on a daily basis. Understanding Africa and its challenges is our strength.

We are leveraging our scale and distribution to build an ecosystem of tech-based consumer services.

We enrich the lives of our customers by delivering top-quality video entertainment and a variety of other services that address customer needs beyond entertainment.

While our focus remains on growing our core business, we see scope to leverage our installed base to create value by investing in technology driven business models that address everyday needs of African consumers.

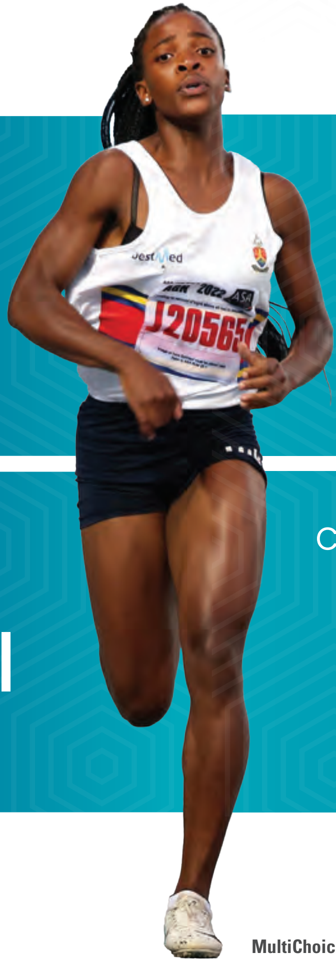
These opportunities are being pursued either organically, through partnerships, and/or through equity investments. Our objective is to create a better customer experience and an improved value proposition that is self-reinforcing through time, while delivering value for shareholders.

'WORLD OF CHAMPIONS'

Leaders in sport broadcasting, with

14 771 live events and **1 214 own productions**

broadcast this year



57

thematic and variety sports channels

'A GATEWAY TO GLOBAL ENTERTAINMENT'

Distribution partnerships with **leading international** third-party video on demand (VOD) operators

Compelling international content from multiple providers on **103** linear channels

[(1)] Based on an average of around five people per household per our internal calculations using country household surveys and census information.

Our business overview continued

We are a multinational group with a home in Africa

South Africa[1]

Established in 1985

As the **leading video entertainment platform** in South Africa, MultiChoice provides its subscribers with access to world-class local and international content through our linear video service DStv (DTH), and our OTT services, namely DStv via streaming (linear packages via streaming) and Showmax (subscription video on demand (SVOD)).

65% Group revenue (FY21: 64%)	**9.0m** Subscribers[2] (FY21: 8.9m)	**ZAR11.0bn** Trading profit (FY21: ZAR11.1bn)

Rest of Africa

Established in 1992

With a diversified presence across geographies, platforms and consumer segments, we offer **world-class local and international content** to customers across 49 markets in sub-Saharan Africa and adjacent islands through our linear video services, DStv (DTH) and GOtv (DTT)[3], and through our OTT services, notably Showmax (SVOD).

32% Group revenue (FY21: 32%)	**12.8m** Subscribers[2] (FY21: 11.9m)	**ZAR1.2bn** Trading loss (FY21: ZAR1.4bn)

Technology (Irdeto)

Established in 1969

As the **largest content protection vendor by annual shipments**, Irdeto protects platforms and applications for video entertainment, gaming, connected transport and other connected industries. It services the security and anti-piracy needs of the group, as well as some of the world's leading video entertainment, mobile and connected industry service providers.

3% Group revenue (FY21: 4%)	**392** Customers (FY21: 405)	**ZAR0.5bn** Trading profit (FY21: ZAR0.6bn)

KingMakers

Established in 2018

A **leading sports betting and digital entertainment platform** focused on sub-Saharan Africa, with online and agency sports betting operations in four markets to date, and more products and geographies in the pipeline.

KingMakers is equity accounted (not consolidated)	**USD131m** Revenues (FY21: USD78m)	**USD19m** Net trading loss (as business invests in growth)

[1] From a MultiChoice Group reporting perspective, the South Africa segment includes our Connected Video business. [2] 90-day active subscribers. [3] DTT services available in eight Rest of Africa markets, with no current plans to expand country presence.

Our group structure

Phuthuma Nathi – Share the future
Trading on EESE
BBBEE shareholders

5.7%

MultiChoice – Enriching lives
JSE listed: MCG[(1)]

100%

Publicly traded

25%[(2)]

75%[(2)]

MultiChoice South Africa

Major subsidiaries include:

- MultiChoice SA Holdings
- MultiChoice SA
- MultiChoice
- MSS[(4)]
- Electronic Media Network
- SuperSport Int. Holdings
- DStv Media Sales
- NMS Insurance

Video entertainment

Showmax

Operations housed within[(4)]:

- MSS[(3)]
- MAH B.V.[(3)]

100%

MultiChoice Africa

Major subsidiaries include[(4)]:

- MAH B.V.
- MultiChoice Nigeria
- MultiChoice Angola
- MultiChoice Uganda
- MultiChoice Zambia
- MultiChoice Kenya
- MultiChoice Tanzania

DStv | GOtv | M-Net | SuperSport World of Champions | DStv Media Sales

100%

Irdeto

Digital and cybersecurity

Major subsidiaries include:

- Irdeto B.V.
- Irdeto South Africa
- Denuvo

Investees include:

- Questar

49.2%

KingMakers

Interactive entertainment

Major operating entities include:

- BetKing

Various

Scalable technology

Investees include:

- AURA
- Trust Machines

[(1)] Foreign shareholder voting rights are capped at 20% by MCG's MOI in order to comply with the broadcasting licence requirements in South Africa under the Electronic Communications Act, 36 of 2005 (as amended). [(2)] MCG's combined direct and indirect interest in MultiChoice SA Holdings is 76.8%, comprising a 75.0% direct stake, a 1.4% indirect stake via PN, and a 0.4% indirect stake via the Enterprise Development Trust (which is consolidated) – PN shareholders own the remaining 23.2% of MultiChoice SA Holdings.
[(3)] MAH B.V. = MultiChoice Africa Holdings; MSS = MultiChoice Support Services. [(4)] Reported as part of the South Africa reporting segment in MCG's results (Note: organogram only depicts major group entities).

Our investment case

1 We have a proud history and legacy

Since launching our first traditional linear pay-TV service in 1985, we have provided a window into the world for our viewers and created, developed and shared their stories. From our first broadcast 37 years ago, MultiChoice now reaches 21.8m subscribers across multiple platforms with numerous products and services. Our technology business, Irdeto, has been around for even longer, solving security problems for its clients for the past 52 years.

2 We see significant opportunity in sub-Saharan Africa

Sub-Saharan Africa is home to over 1bn people[1], and we have an unrivalled footprint across 50 markets. As electrification, connectivity and digital banking increase, and a growing, urbanising middle class enjoys rising discretionary spend, the continent represents a compelling addressable market. In video entertainment alone, we estimate the opportunity at 58m households by 2027 and we believe that there are several other verticals that could represent equivalent or even larger addressable markets for our group.

3 We remain focused on our core entertainment businesses

We understand our subscribers and their evolving entertainment needs. We create, acquire, license, curate, aggregate and package a unique mix of programming to deliver the best in local and international general entertainment and sports content 'anywhere, anytime'.

Our next-generation connected devices allow us to offer our customers third-party SVOD services to complement our own exceptional line-up.

To accommodate broadening consumer tastes/preferences, we have moved beyond video entertainment into broader areas of interactive entertainment such as sports betting (via KingMakers).

4 We are building our broader platform to address customer needs

We are looking to expand beyond entertainment by leveraging our scale and reach, trusted brand, technology, unique consumer insights, deep local knowledge and unmatched experience on the continent. We will look to address our customers' desire for innovative solutions to their needs where we believe we have a compelling opportunity to add value.

We have identified select areas of opportunity and are exploring options to pursue them through organic initiatives, strategic partnerships and/or direct investment in underlying businesses. We have a disciplined approach to capital allocation and understand the need to drive scale, growth and value creation for our shareholders in a consistent and responsible way.

5 We have an exciting roadmap and outlook ahead

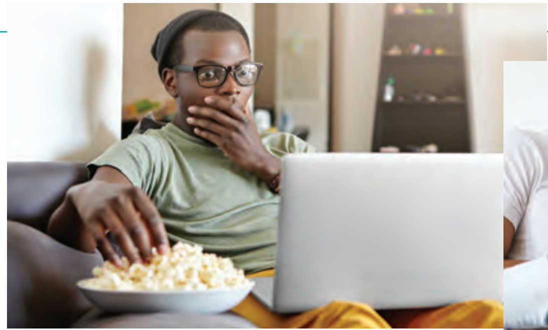
We have a management team with deep operational expertise, as well as established brands, a large and growing subscriber base, and a unique operating presence that supports our strategic ambitions.

Our capital allocation process is underpinned by a healthy balance sheet, which is the result of strong operational execution, cost discipline and robust free cash flow generation.

[1] Per the United Nations Population Division – World Population Prospects 2019 (2021 value interpolated based on 2020 and 2025 estimates).

Our vision is to be the **platform of choice** for African households, enriching their lives by **delivering entertainment** and relevant **consumer services through technology**

Our purpose
is to **enrich lives**



Our core values

We care
to do what is best for everyone – ourselves, our colleagues and most importantly, our customers

We connect
with others to build lasting relationships through collaboration, communication and clarity

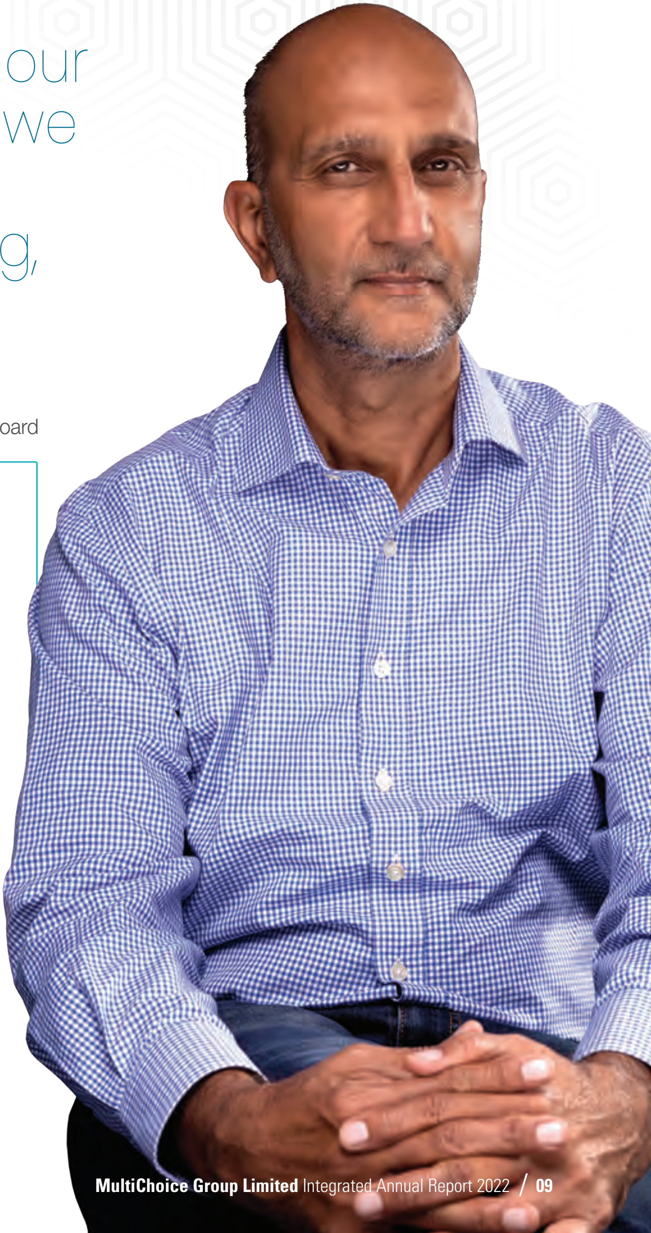
We create
stories, experiences and a brighter future through curiosity, courage and commitment

Chairman's letter

Over the past 37 years we have built one of the largest and most successful entertainment platforms on the African continent, reaching almost 22 million households in 50 markets. More recently we have been leveraging our scale and distribution as platform of choice to start building an ecosystem of scalable, tech-based consumer services.

Our strategy of enriching the lives of our customers remains unchanged, but we are expanding our value proposition beyond video to include sport betting, as well as financial, home and educational services

Imtiaz Patel Chair of the board



Dear shareholder

Last year we spoke about the significant impact that COVID-19 had on our customers, our employees, and our business. As we started to exit the pandemic in FY22, one would have been forgiven for thinking that the world would be returning to normal. Instead, we were faced with many other challenges: geopolitical conflict in Europe, regulatory upheaval in China, stock market volatility, ongoing global supply chain challenges and chipset shortages, and rising global inflation which also give rise to the prospects of normalising interest rates from historic lows. These issues all paint a picture of uncertainty and risk and navigating them requires calm temperaments.

Our global technology business, Irdeto, is often exposed to these global dynamics earlier and more directly. Currency weakness, higher fuel costs and rising food prices ultimately impact local inflation and therefore negatively affect discretionary spend of customers across our African businesses. We do not underestimate the daily challenges that Calvo and his executive team have to navigate, nor do we take for granted the strong operational and financial performance that they delivered in FY22. We are thankful for their ongoing commitment and dedication, and for the efforts of our colleagues across our various operations. Calvo provides more insight into our operational performance on page 62 of this report.

In December of last year, we said goodbye to one of the stalwarts of our organisation. Nolo Letele joined M-Net in 1990 and was closely involved in our expansion into the Rest of Africa in the 90's. In 1999 he was appointed as Chief Executive of MultiChoice South Africa, he later became the executive chair of MultiChoice South Africa Holdings in 2010, he joined the MultiChoice Group board when we listed. Nolo has been an instrumental part of our journey for just over three decades – his immense experience, tremendous warmth and unshakeable belief are already missed, and we wish him well in his hard-earned retirement.

With Steve Pacak, Don Eriksson and Nolo Letele having departed, we only have Jim Volkwyn and me left as 'pay-TV lifers' on the board.

We have good plans to adequately fill the experience gap that they have left behind. We view long-standing industry experience as exceptionally important for a board to effectively oversee its executive management team in an increasingly competitive and rapidly changing industry. However, several shareholders have expressed concerns that our experience creates at least a perceived independence problem, given that I am the board chair and Jim is the lead independent director. In reality, Jim's independence of mind and industry experience enable him to ask the hard and tough questions and demand the highest standards of our executive management team. However, in listening to our shareholders and considering their concerns, albeit perceptions, Jim has indicated that he will be stepping down from his role as lead independent director in June 2024. This advance notice will allow sufficient time for succession planning for this important role. Fortunately, he has agreed to stay on as a non-executive director thereafter.

Our board currently has 10 members, three of whom are women and two of whom are non-South African. Reality does not afford us the opportunity to cherry pick the perfect candidates for a perfectly composed board that works for all needs and satisfies all stakeholders. Our nominations committee has to balance a number of factors in arriving at what is best for the business and its stakeholders and shareholders and so looks at many critical variables such as industry knowledge, skills, experience, geographical spread, diversity and a whole set of other factors when putting candidates forward for consideration. With that in mind, we will be, inter alia, prioritising a blend of international experience, expertise in the technology sphere and female candidates in our appointments in the immediate future.

Looking forward, I am increasingly excited about the road ahead for our group. We have been building a business for almost four decades and we are actively thinking about what our markets will look like in the decades ahead. Africa shows enormous promise. It has a large, young and

Chairman's letter continued

We are well placed as a group to see our way through short-term headwinds, while positioning ourselves to capture the exciting growth opportunities ahead

resilient population with a great propensity to use technology to leapfrog legacy hurdles. Urbanisation rates will be higher than elsewhere, and middle-class growth rates will only be surpassed by Asia. More people will get access to electricity, the internet and financial services and adoption rates will accelerate when certain inflection points are reached Africa will be one of the most exciting consumer markets in the decades ahead.

We understand the secular changes that are disrupting traditional linear pay-TV markets around the globe. We are also aware that streaming technology alone does not automatically solve all the operational and business challenges of a pay-video content enterprise. As stock market valuations correct, interest rates on debt rise, and macro-economic issues shift dramatically, global streamers are coming to the same realisation. We have been adapting our video strategy for changing technology trends and evolving consumer preferences since we launched in 1985 and we remain confident that our video teams will adapt to and thrive as our markets start to see additional disruption. Our approach is to pursue a dual growth strategy in video, driving penetration of our linear services, while scaling with the nascent OTT market.

While we remain focused on the opportunities to grow our core business, we are also at a stage of our journey where we are able to look beyond paid video entertainment services. We have structured our group such that segments and business units have independent yet collaborative management structures. Our Rest of Africa segment is on the cusp of reaching breakeven – an exciting prospect which brings confidence. We have also settled into life as a standalone listed entity. Our group executives are closely involved in the strategic direction and capital allocation decisions required to grow our core segments and on broadening our horizons.

We have a window into the homes of 21.8m subscribers and touch more than 100m individuals[1]. Our platform has developed over time with a trusted brand, unrivalled distribution and payment capabilities, a strong technology foundation, and a heavy focus on localisation. This platform creates a unique opportunity for us to offer more to our customers and to create additional value for our shareholders.

We do not intend to be everything to everyone. We understand our core competencies and want to avoid a 'me too' approach as many global and regional players pursue 'platform', 'ecosystem', and/or 'Africa' strategies. We are not looking to erect a walled garden or become an investment holding company or industrial conglomerate. But we do believe that by targeting the appropriate verticals through organic investment and innovation, strategic partnerships and select M&A we have a rare chance to build something special and unique. We aim to unpack more detail around our various strategic initiatives later in the year but suffice to say that the board is seeing significant opportunity ahead and are excited to work with our executive management team in realising our share of that opportunity.

We will continue to enrich the lives of our customers by enhancing our value proposition to them, develop our employees through an innovative and forward-looking culture, support the growth of the industries we operate in, and ultimately uplift our communities through employment, value-chain support, service provision, tax contributions and our various CSI initiatives.

We cover these areas, including developmental initiatives, in detail in the sections that follow this letter. To call out a few highlights that resonate:

- In the spirit of developing our employees, our Chairman's Top Leaders Programme is successfully shaping young talent for future leadership with some three candidates already occupying CEO positions and another five having newly been promoted into various management roles.
- In the spirit of supporting and developing the entrepreneurs of the future, we have disbursed ZAR327m to date through the MultiChoice Innovation Fund, with our linked initiative seeing programme finalists secure an additional USD10m in funding from global investors through the MultiChoice Accelerator.
- In the spirit of addressing South Africa's dramatic and concerning youth unemployment issue, we invested a further ZAR37m in government's Youth Employment Services initiative, having created 700 job opportunities to date and having placed 625 learners over the two years we have been involved.
- In the spirit of developing the creative talent of the future, a further 87 interns and graduates passed through our MultiChoice Talent Factory (MTF), bringing the total since inception to 293, with our MTF Masterclasses now servicing 14 of our core markets.
- Finally, in the spirit of identifying, surfacing and developing the South African sport talent of the future, our SuperSport Schools platform has grown from strength to strength, having broadcast 5 429 live games of school sports in FY22, including Viwe Jingqi's 100m run which saw her post the fastest under-18 female time in the world this year.

While we are looking at FY23 with much anticipation, we realise that the year ahead will not be without its challenges. As a board we remain confident in the ability of our executive leadership and their teams to execute against their plans. We believe we are well placed as a group to see our way through any short-term headwinds, while positioning ourselves to capture the exciting growth opportunities we see ahead. Finally, many thanks to my colleagues on the board who are all so passionate about this company and its exciting journey.

Imtiaz Patel
Chair of the board

[1] Based on an average of slightly less than five people per household per our internal calculations using country household surveys and census.

Creating value

An inclusive approach to stakeholder engagement means we focus on continuously aligning the needs, interests and expectations of our stakeholders with those of our business

Value creation for our stakeholders and providers of capital

We believe in an inclusive approach to stakeholder engagement, which means we focus on continuously aligning the needs, interests and expectations of our stakeholders with those of our business. We build lasting and impactful relationships based on trust, which ultimately deliver stakeholder value. We recognise that our operations impact a broad range of stakeholders, who are the custodians of the capital that supports our operations.

We define the capital we use in our business in line with the International Integrated Reporting Council's framework, as follows:

Our capitals

Financial capital	The funding received and the financial resources available to and generated by the group.
Technology and platforms	Physical and virtual infrastructure that includes our satellite and transmission networks, OTT apps, user platforms and information technology systems are the backbone that enables us to deliver video entertainment and other consumer services to our customers.
Industry expertise	Our understanding of customer preferences, content curation and local content development is our key differentiator. Our expertise spans the entire value chain from regulations and signal transmission, to marketing, distribution and payment processing. Development of new business lines, notably through strategic partnerships and equity investments, builds on our expertise.
Our people	Our diverse people contribute their time, skills and expertise to make a positive impact on our operations across our markets.
Customer, partner and supplier relationships	The customer is at the centre of everything we do and we could not meet all of our customers' needs without our partners and suppliers. As such, we continue to build relationships with these critical stakeholders, without whom we cannot deliver or prosper.
Corporate citizenship	Our licences to operate in the countries we serve are premised on fostering solid stakeholder relationships through meaningful engagement. We operate in a responsible manner across all our operations, ensuring that we use our resources to make a positive contribution in these communities. While our consumption of natural resources is not material, we ensure it is minimal and complies with all existing environmental legislation.

Our stakeholders

Customers	Our customers are our largest stakeholder group. They are ultimately the reason we exist and, while our retail customers are our primary source of revenue, our business customers support the economics of our platform while ensuring that we remain at the cutting edge in our industries.
Employees	A company is only as good as its people. We are incredibly proud of our 7 204 employees across the group – their diversity, combined knowledge, expertise and passionate dedication towards our business and customers provide the foundation for our success.
Suppliers and partners	Our suppliers are critical to our operations. They provide us with exceptional content, the technology to distribute our products, and a wealth of other services that support our business. We believe in mutually beneficial, transparent partnerships with our suppliers and partners.
Shareholders	Our local and international shareholders represent a diverse range of interests as the owners of our business and trust us to generate returns in excess of our cost of capital over the long term.
Government and regulators	We are contributing, tax paying members of the societies in which we operate. We engage with governments and regulators to ensure we cooperate and collaborate in a way that supports a stable and flourishing industry in each of our key verticals.
Society and the environment	We see beyond business priorities and strive to make a lasting impact on the environment and the communities in which we operate. These communities represent future customers and employees, as well as national sport and film heroes. Our initiatives aim to enrich lives, while being mindful of our planet's sustainability.

Next: Our stakeholders and how we engage

Value creation for our stakeholders and providers of capital continued

Stakeholders	How we engage	Capitals provided
Customers	We offer our retail customers a variety of customer service channels to suit their needs. These include: • Digital channels such as Live Chat, WhatsApp, social media, self-service via our dedicated apps, online and unstructured supplementary service data (USSD), and notifications on DStv, • Face-to-face channels such as service centres and agencies, and • Traditional service channels like phone and email. We engage with our customers through our DStv and GOtv platforms, mass media, sponsorships and activations. We also reach customers through our investments in KingMakers and AURA. As we develop our platform to include additional consumer services, our customer touchpoints will grow. We engage with our business customers through formal business communication channels, trade shows, trade publications, and corporate websites and blogs.	
Employees	Our employees are the engine at the heart of our business. Our engagement with them is designed to inspire and motivate them to deliver their very best. We create opportunities for in-person interaction through company-wide townhalls and leadership forums, ad hoc employee events, and workplace forums. We also interact digitally through regular email updates, social collaboration tools, live engagement tracking and anonymous feedback.	
Suppliers and partners	We strive to have meaningful engagements with our suppliers and want to make it easy for them to do business with us. Our main interface in our video entertainment business, for example, is through our bespoke digital platforms. We further enhance our engagement through other digital channels such as chat box, and video and audio conferencing. We also use more traditional communication channels such as email, conference calls, face-to-face meetings, and attendance at industry conferences. As a responsible corporate, we have a thorough third-party risk management process in place. We gather information through questionnaires, which are then used to conduct due diligence enquiries to assess any potential risks. As we build out our aggregation strategy in video, our broader consumer services platform and our Connected Industries verticals in Irdeto, we are engaging with suppliers and partners in new and innovative ways.	
Shareholders	We aim to engage in a timely, open, consistent and transparent manner with our shareholders and we do this through a variety of channels. Formal AGMs, individual shareholder calls and meetings (in person or via video), conference calls, results announcements, virtual or in-person investor roadshows and conferences, JSE Stock Exchange News Service (SENS) announcements, reports and results, tours of our facilities, when possible, a dedicated email address for general investor queries, a dedicated email address for AGM feedback, and regular updates on our website.	
Government and regulators	Our engagement with government and regulators focuses on constructive participation to ensure the best outcome for our industry and the countries in which we operate. We always comply with the necessary requirements as defined in any process or framework. We make oral and written representations about legislative and regulatory processes and also directly engage key government departments and industry stakeholders.	
Society and the environment	Our objective is to make a lasting difference in the communities in which we operate. To achieve this, we engage with communities through our Corporate Social Investment initiatives with a view to uplifting society, strengthening our industries, and sharing our experience and expertise. We support video entertainment industry stakeholders through the MultiChoice Talent Factory and aspiring entrepreneurs through the MultiChoice Innovation Fund. Our interactions include meetings, events, workshops, training and industry forums, as well as sponsorships and grassroots development. We also engage rating agencies on sustainability matters.	

Previous: Our capitals

Next: Our inputs

A business model that drives value

Our inputs – the resources and relationships that sustain our business

Financial capital

- Robust balance sheet including strong cash balances
- Access to undrawn facilities, with capacity to increase gearing in the business
- Strong relationships with shareholders, banking partners and satellite transponder lessors

Technology and platforms

- Specialised engineering experience, supported by tight integrations with partners and suppliers
- Dedicated software programming and development capabilities notably in our Irdeto and Connected Video segments
- Broad DTH satellite footprint across sub-Saharan Africa
- A DTT network covering 122 cities in eight countries[1]
- OTT services through DStv via streaming and Showmax
- Many supporting digital technologies, e.g. in customer service, billing, playout, archiving, scheduling, advertising, and security/encryption
- A range of production capabilities from smaller-scale school sports matches to top-end professional sports events

Industry expertise

- MultiChoice has 37 years' video industry experience and a unique understanding of the African continent
- Market leadership across a footprint of 50 countries
- Deep experience in critical operational fields such as content licensing and production, satellite and terrestrial broadcasting, and online and mobile streaming, as well as in administrative fields such as taxation and regulatory environment
- Unique understanding of customers' entertainment preferences, as well as broader consumer needs
- Irdeto has 52 years of experience in digital content security solutions and is growing its range of cybersecurity services

Our people

- 7 204 permanent employees (FY21: 7 028)
- Inclusive, customer-and people-centric culture with strong employee brand ambassadorship
- Robust group and segmental management structures, with the group providing oversight and support, and segments responsible for execution
- Requisite breadth and depth of talent across creative pursuits, engineering, software development, digital enablement, operations, legal, regulatory and finance
- Supported by embedded HR teams at the group and business unit level

Customer, partner and supplier relationships

- 21.8m 90-day active subscribers (FY21: 20.9m)
- 392 business to business (B2B) security customer relationships through Irdeto (FY21: 405)
- 1 060 B2B advertising customer relationships through DStv Media sales (FY21: 1 066)
- Relationships with local and international content providers, key satellite technology providers and a network of 7 052 accredited installers and 2 912 independent service providers across Africa (FY21: 6 413 and 2 833 respectively)
- Preferential procurement initiatives in South Africa

Corporate citizenship

- Relevant licences issued by regulators across Africa, renewed as and when necessary
- Proactive and collaborative relationships with governments and regulators
- Local communities who support our business and collectively produce the future of film and sport talent in the countries in which we operate
- Local entrepreneurs supported through the MultiChoice Innovation Fund
- Beneficiaries of the Phuthuma Nathi BBBEE scheme
- Although we are resource light, we use electricity, diesel and water in our operations

Previous: Our stakeholders and how we engage

Next: Our business activities

[1] Excludes operations in South Africa where our GOtv signal is distributed via Sentech.

A business model that drives value continued

Our business activities – the group's collective undertakings

Core video entertainment platform

Curate great content through M-Net, SuperSport and Showmax

Local	Sport	International
Produced or acquired	Produced or acquired	Acquired or distributed
Package content into our own channels **38** proprietary GE channels(1) **57** sports channels	**Acquire pre-packaged content** **103** international GE channels(1) **23** local GE channels(1) **26** news channels	**Create or aggregate VOD channels** **2** proprietary OTT services **3** third-party VOD services

Aggregate channels into tiered packages

Sell advertising slots on select channels through DStv Media Sales

PREMIUM: DStv Premium, DStv Compact Plus

MID-MARKET(2): DStv Compact

MASS MARKET: DStv Family, DStv Access, DStv Lite, DStv EasyView, GOtv SUPA, GOtv MAX, GOtv PLUS, GOtv VALUE, GOtv LITE

Secure and encrypt content through irdeto(3)

Distribute content to customers across multiple platforms

- Satellite technology
- DTT technology
- OTT technology
- Connected set-top box technology

Launch new products and services

Launch new products and services via our platform to offer customers an enhanced entertainment offering, including additional content packages like ADD Movies, value added services and bundles like DStv Internet, and interactive entertainment through collaboration with KingMakers like SuperPicks.

Sales and customer experience

Marketing and awareness, subscription and decoder sales, value-added services like DStv Decoder Insurance, loyalty benefits like DStv Rewards, as well as general customer service and value management.

Broader ecosystem of scalable, tech-based consumer services

Product and service development

Organic development of new products and services

Fintech services via NMS Insurance Services

Targeted investment in equity partners

Interactive entertainment via KingMakers

On demand security and medical response services via AURA

Selective partnerships with leading third parties

Educational services via Udemy

DStv Internet services via wholesale partners

Previous: Our inputs

Next: Our outputs

(1) General entertainment content. Numbers exclude religion, specialist, FTA and audio channels. (2) Also includes our DStv business packages and our add-on packages such as our DStv Indian package, none of which are shown in the graphic above. (3) Irdeto also provides services to external customers outside of the group.

A business model that drives value continued

Our outputs – our products and services

DStv	GOtv	OTT	DStv Media Sales	irdeto	Value-added products and services
• Offers services in 50 markets • Six bouquets at price points, ranging from ZAR29 to ZAR839 in South Africa and from USD6 to USD62[1] in Rest of Africa • ~150 linear video channels on average across DStv Premium package[2] • Additional content and language packages, e.g. ADD Movies, DStv Indian • Connected devices, e.g. DStv Explora Ultra and mobile apps, e.g. DStv and MyDStv apps • Catch Up, Box Sets, Downloads and BoxOffice (movie rentals) services	• Offers services in South Africa and eight markets in Rest of Africa • Five bouquets at price points ranging from USD2 to USD15[1],[3] • ~75 linear video channels on average across GOtv Supa package[4] • MyGOtv app	• DStv via streaming service offered as a value-added service for DTH customers or as a standalone streaming service • SVOD service, Showmax, is available in 73 markets (including the diaspora) with standard, mobile and sport (Showmax Pro) offerings. • It has localised content offerings in four markets, and DStv add-to-bill options and localised payments in 11 markets	• Commercial airtime sales across 165 live linear video channels • Additional advertising options via owned and operated websites and apps, social media platforms, sponsorships and through VOD services	• Cybersecurity and anti-piracy services to the group plus external customers • Operates in 77 countries, across multiple industries including media security, gaming, connected transport, and other connected industries such as connected health and connected infrastructure	New products and services added to our ecosystem to enhance our value proposition to customers in the home include: • Four DStv Insurance products • DStv Internet • Third-party SVOD services with global partners (Netflix, Amazon Prime Video, YouTube) • Sports betting in four markets (KingMakers) • On-demand emergency services (AURA) • Education (Udemy)

Previous: Our business activities

Next: Our outcomes

[1] Certain markets have package structures and package names tailored for in-market preferences, (e.g. Nigeria, Angola and Tanzania) and therefore differ slightly from our typical package tiering. Rest of Africa pricing in US dollars varies by market due to exchange rates and in-market pricing dynamics – averages for core markets excluding Portuguese markets shown. [2] Measured across South Africa and 11 core Rest of Africa markets. [3] DStv Supa launched in FY22. [4] Measured across eight Rest of Africa GOtv markets.

A business model that drives value continued

Our outcomes – how we create, preserve or erode value in our capitals

Financial capital

- Strong free cash flow generation enabled us to grow our capital base, while also allowing us to meet our obligations to capital providers

During FY22:

- Cash decreased by ZAR2.4bn to ZAR6.2bn
- We repaid ZAR2.6bn in capital and interest to our lessors (FY21: ZAR2.6bn)
- We increased debt by ZAR2.6bn to ZAR4.0bn
- We paid our lenders ZAR160m in interest (FY21: ZAR53m)
- Shareholder equity decreased by ZAR1.4bn to ZAR8.1bn[1]
- We declared a ZAR2.5bn dividend to MCG shareholders (FY21: ZAR2.5bn)
- 0.76x leverage ratio and ZAR5.0bn in undrawn facilities at year-end

Technology and platforms

- As technology ages and fixed assets incur wear and tear, we invested in maintaining and enhancing our technology base
- We also continued to improve our customer UI and UX across our linear and streaming entertainment platforms, delivering better content discovery and personalisation

During FY22:

- We incurred ZAR2.5bn in deprecation (FY21: ZAR2.6bn)
- We invested ZAR1.1bn in capital expenditure (FY21: ZAR1.6bn)
- We invested ZAR0.3bn in our tech modernisation project and ZAR0.1bn as part of an IT hardware refresh cycle
- We derecognised ZAR287m worth of information technology assets (FY21: ZAR76m reversal of impairment of property, plant and equipment)
- Irdeto reached a peak of 4.3bn streams secured monthly

Industry expertise

- We operate a 24/7, 365 days a year service in an industry that is constantly evolving
- To remain competitive requires perpetual refinement and improvement across all our business functions.
- We also invested in our systems, processes, and areas of competitive advantage like the production of local content
- We continued to track viewing behaviour through our DStv-i technology and connected devices to refine our offering
- We continued to use surveys, including conjoint research, to inform our product and pricing decisions

During FY22:

- We invested ZAR19.5bn in our total content bill (FY21: ZAR18.0bn), of which we spent ZAR7.3bn on local general entertainment and sport content (FY21: ZAR5.9bn)

Our people

- As is typical of any large corporation, employee turnover can gradually erode our people capital
- However, our hiring, learning and development, and internal promotion processes more than offset this impact
- We continue to focus on equity and diversity, notably with regard to gender across the group and BBBEE in our South African operations

During FY22:

- We invested ZAR213m in skills development (FY21: ZAR212m)
- We formally trained 2 527 employees (FY21: 1 859)
- We took a number of steps to support and protect our employees in response to the COVID-19 pandemic (see page 49 for details)

At the end of FY22:

- 48% of our employees were women (FY21: 47%)
- 86% of our South African employees were black as defined in the BBBEE Codes of Good Practice (FY21: 85%)

Customer, partner and supplier relationships

- Our focus on delivering value for our customers on a daily basis is the key to preserving our customer relationships
- We create and preserve supplier relationships through mutually beneficial collaboration

During FY22:

- We delivered net subscriber adds of 0.9m (FY21: 1.4m)[2]
- We achieved a 78% customer satisfaction (CSAT) score in South Africa (FY21: 77%)
- In the Rest of Africa, we achieved a CSAT score for DStv of 73% (FY21: 72%) and 69% for GOtv (FY21: 70%)
- Call migration to digital self-service reached 75% for South African and 76% for Rest of Africa
- We spent ZAR13.4bn with local South African suppliers (FY21: ZAR11.5bn)
- Irdeto won four new tier-1 customers in its core Media Security segment, and 13 customers in new service lines

Corporate citizenship

- We met all regulatory, licensing, reporting and tax requirements
- From a community perspective, we supported several important CSI initiatives over and above the value we provide through our services and our industry investments
- From an environmental perspective, we have a light carbon footprint with several ongoing initiatives in place to further minimise our impact

During FY22:

- We invested ZAR298m[3] in CSI initiatives (FY21: ZAR446m)
- Our MultiChoice Innovation Fund supported 24 new businesses and disbursed ZAR75m to beneficiaries
- We paid ZAR1.5bn in dividends to Phuthuma Nathi shareholders (FY21: ZAR1.5bn)

Previous: Our outputs

Next: Our trade-offs

[1] Decrease primarily relates to negative movements on the hedging reserve and foreign exchange losses in the group [2] Relates to 90-day active subscribers. [3] Includes non-cash advertising contributions of ZAR123m in FY22 (FY21: ZAR271m) – lower year on year (YoY) due to value of airtime donated to the World Health Organization for the COVID-19 pandemic in FY21.

A business model that drives value continued

Our trade-offs – managing potentially competing outcomes across capitals and stakeholders

We manage our capitals to create and sustain long-term value for our stakeholders. In the short term, it is not always possible for all capitals (or the stakeholders who provide them) to benefit equally, and some capitals may benefit at the expense of others. When deciding how best to create, preserve or erode value we are often required to make trade-offs between capitals and stakeholders, and between short and long-term value creation.

Some areas where we made these trade-offs in FY22 are described below:

Pricing decisions

Pricing decisions create a trade-off between customer relationships and financial capital.

We need to accommodate cost increases and reinvestment in our business, while also considering shifts in consumer spending. We achieve a balance by controlling costs and investment spend, and by making research-based pricing decisions which factor in price elasticities, consumer price inflation, exchange rate movements, etc.

We aim for price increases at or around inflation, but seek to accommodate specific in-market dynamics, (e.g. pressure on affordability) when necessary. For example, in FY22 we passed low single digit price increases for the Premium, Compact Plus and Compact packages in SA that were well below inflation and delayed price increases in Nigeria to FY23.

Cost savings and efficiencies

We aim to deliver positive operating leverage (i.e. organic growth in our cost base lower than the organic growth rate in our revenues) through cost savings and efficiencies. In FY22, cost saving measures delivered ZAR1.2bn (FY21: ZAR1.5bn), which protected our financial capital but required a trade-off as some of our suppliers were impacted by these difficult decisions. We were not able to achieve positive operating leverage this year as a result of absorbing ZAR1.1bn of content costs that were deferred into FY22 from the prior year.

As part of our culture of driving efficiencies, we carefully monitor content viewership. Where content is not performing, we may remove it from our platform. This may impact some of our customer relationships, but this trade-off is typically balanced by reinvestment elsewhere in our content portfolio.

Dividends versus retained cash flows

Our shareholders have varying requirements in terms of returns, with some expressing a desire for increased dividend payments relative to annual free cash flow generation, while others are supportive of reinvestment into new business opportunities. Higher dividend payments would however require a number of trade-offs:

Sustainability: we need to operate sustainably and require a certain level of operating cash in our business to manage fluctuating working capital requirements and to be able to absorb exogenous shocks. In particular we have to fund the losses in Rest of Africa and any shortfall created by USD liquidity restrictions in Nigeria.

Customer relationships: we reinvest cash in our business to continually improve our customer value proposition.

Short versus long-term returns: we see opportunity to create additional long-term value through our relationships with and insights into the daily needs of our 21.8m customer base. We have identified a number of opportunities in adjacent market segments in this regard, like sports betting.

Gearing levels

Since our listing, we have demonstrated a propensity to use gearing to enhance long-term shareholder returns.

Technically, our leverage could be increased further from current levels, but we have adopted a cautious approach to avoid adding undue financial risk to operational risk at a time when we are in the process of returning our Rest of Africa business to profitability and positive cash generation.

We are also cognisant of the upward trend in the interest rate cycle, including the tax deductibility of interest on borrowing costs and the impact this may have on returns.

Business model evolution

In an increasingly connected world with global content giants offering broader choice through direct-to-consumer streaming options at lower average ARPUs and no upfront costs, our traditional linear pay-TV business model is impacted in a number of ways which requires us to make trade-offs between our financial capital, our customer relationships, and our supplier relationships.

The net effect of this on content (original vs licensed) is that we are:

- increasing our investment in local (original) content
- producing and licensing the best in local and global sport content
- licensing great international content
- entering into distribution agreements with global VOD platforms for content services we know our subscribers want to see (i.e. aggregation)

The net effect of this on distribution is that we are:

- Investing to evolve our linear pay-TV offering to include complimentary transactional and streaming VOD services, on-demand and library capabilities, hybrid viewing environments and/or direct streaming alternatives
- Investing behind our dedicated streaming services (content, technology and branding)
- Supporting DTH, DTT and OTT broadcasting and streaming infrastructure as the industry evolves.

Previous: Our outcomes

How our activities added value for our stakeholders

Value created by the group

ZAR45 261m Subscription revenue[1] + **ZAR9 816m** Other revenue and income[2] + **ZAR260m** Interest income = **ZAR55 337m** Total value created

Value allocated to stakeholders

	FY22 ZAR'm	FY21 ZAR'm
Subscription revenue[1]	45 261	44 683
Other revenue[2]	9 816	8 727
Interest income	260	366
Total value created	**55 337**	53 776
Employee costs	5 759	5 911
Value allocated to employees	**5 759**	5 911
Content investment	19 477	17 951
Set-top box purchases	5 750	5 165
Transponder costs	2 396	2 623
Other operating expenses	10 549	10 466
Value allocated to suppliers and partners	**38 172**	36 205
Tax expense[3]	4 210	4 827
Licence fees	257	203
Community social development spend[4]	298	446
Value allocated to governments and societies	**4 765**	5 476
Dividends paid to non-controlling shareholders	1 506	1 491
Non-controlling interests in net profit retained	1 526	1 916
Value allocated to minority partners	**3 032**	3 407
Dividends paid to group shareholders	2 418	2 411
Repurchase of treasury shares	308	–
Interest paid to debt providers	160	53
Value retained for equity holders	723	313
Value allocated to capital providers	**3 609**	2 777
Total value allocated	**55 337**	53 776

In return, our customers received value through:

24/7/365 entertainment anytime and anywhere
through packages and streaming services tailored to their needs and budgets

World-class sport viewing,
local sports talent and sports federation development through SuperSport

Unique local content
that tells African stories and local creative talent development

Extensive international content
access through licensing and distribution agreements

Leading digital and cybersecurity services
for digital platform and application protection

Dynamic media services
to access and advertise to both broadcast and online audiences

A growing platform
offering additional entertainment and consumer products and services, such as sports betting

(1) Subscription revenue in FY22 includes ZAR163m losses related to fair value movements on Nigeria futures contracts (FY21: ZAR72m gains).
(2) Other revenue includes Irdeto revenue, advertising revenue, decoder sales, installation fees, licensing and production revenue, DStv Insurance premiums and reconnection fees.
(3) Includes current and deferred tax charges. For details of corporate income taxes paid and collected during the year, refer to page 34.
(4) Includes non-cash advertising contributions of ZAR123m in FY22 (FY21: ZAR271m).

How our activities added value for our stakeholders continued

Value created for our customers

Delivering value to our customers

78%
CSAT score[1] for DStv in South Africa
(FY21: 77%)

73%
CSAT score[1] for DStv in the Rest of Africa
(FY21: 72%)

69%
CSAT score[1] for GOtv in the Rest of Africa
(FY21: 70%)

Our customers are the heartbeat of the business and customer centricity is a concept that is embedded in everything we do at MultiChoice. The organisation is committed to delivering world-class experiences across every touchpoint in the customer journey and customer satisfaction metrics are an integral aspect of our key performance indicators.

We are constantly looking for ways to meet and exceed customer expectations, and value authentic communication and feedback from our customers. We have dedicated customer experience teams in the countries where we operate which monitor and action customer feedback to ensure we prioritise our customers' needs and provide them with a superior experience.

In addition, we strive to delight and retain our customers through special offers that run throughout the year, particularly on hardware and value-added content services, which enable customers to receive even more value for their subscriptions.

I EXPLORE
"Show me a world that makes me, and the people who matter to me, happy"

I JOIN
"Make it quick, convenient and flexible for me to join your world"

I USE
"Give me something relevant, anytime and anywhere"

I PAY
"Tell me what, when and how to pay – connect me immediately and give me value for money"

I GET HELP
"Know me, empower me and help me as fast as possible"

I STAY
"Value me, make it exciting and keep it fresh"

I RETURN
"Allow me to start, stop and continue anywhere I want"

[1] The CSAT score is an internally defined customer satisfaction measure based on the aggregation of all key points on the customer journey, weighted in terms of importance to customers.

How our activities added value for our stakeholders continued

VALUE CREATED FOR OUR CUSTOMERS

Pricing and upsell

Our pricing decisions are based on a comprehensive analysis of the dynamics in each of our markets. We strive to carefully balance pricing and value perception with the reality of our input costs, most notably the cost of content and technology platforms, and the influence of fluctuating exchange rates.

Given the weak consumer environment in many of our markets, we applied active pricing measures to ensure competitiveness and add value for our customers. These include maintaining price increases broadly in line with inflation across the bulk of our markets, or passing below-inflation pricing through in specific market segments that struggle with affordability.

We also implemented contract offers and bundled savings to add incremental value for our customers, as well as dedicated upsell campaigns to encourage our subscribers to get even more from our video entertainment platforms. These initiatives benefit our customers while improving activity rates and/or revenue mix in our existing subscriber base, independent of price increases.

Content

Content is core to our business and our customers expect nothing less than world-class entertainment from us. This is delivered through a well-planned content strategy that provides the right combination of local and international general entertainment and sport, and a healthy balance of fresh and library content. We also pay careful attention to ensuring that our customers are aware of the exceptional content that is available to them, and that they can easily find the shows they want to watch. This is achieved through the efforts of our dedicated content discovery team, coupled with carefully curated channels, our digital programming guide, recommendations, on-air promos and social media activity.

This year, *SuperSport* welcomed the return of live sport post-COVID-19 interruptions and continued to deliver world-class productions with a bumper calendar of major local and international sports events. Customers enjoyed a full, action-packed football season, with headline events like Euro 2020 and AFCON, and additional major sports events like the Tokyo Olympics, the British and Irish Lions rugby tour to South Africa, and several local sports events such as the 'Rumble in Dar' boxing in Tanzania.

In addition to our world-class international line-up of shows and movies, we have doubled down on our local content strategy by showcasing the best local series, movies and reality TV shows. Several new channels were launched, including local content channels like *Maningue Magic* and *Kwenda Magic* (for the Porto markets) with soap operas, reality shows, telenovelas, comedies and more – all produced in Mozambique and Angola. *Maisha Magic Movies* was also launched, broadcasting the best Ugandan, Tanzanian and Kenyan films to our customers.

To ensure easy discovery and exposure to a broader range of content or shows on other packages, our customers experienced open windows for multiple channels, and access to preview first episodes of new shows, while themed festivals and pop-up channels were made available throughout the year. The 'Step Up' campaign is another avenue to expose and immerse customers in our amazing sports offering, movies and entertainment content on the higher tiers, as it enables customers that have upgraded to a higher package to view more content at no additional cost.

In addition, we launched new packages across markets such as GOtv Supa, to enhance customers' viewing experience with more local channels, kids' content, lifestyle channels and novellas. This package resonated very well with our GOtv customers and has reflected promising growth since its launch.

DStv POA, launched in Tanzania, combines the very best in entertainment from Tanzania with high-quality local content to provide a truly locally relevant viewing experience. The package is Tanzania's most affordable DStv package and prides itself on offering the best homegrown on-screen entertainment.

PAGES

Refer to page 16 of the full annual financial statements for the unmodified auditor's report on the group's consolidated annual financial statements.

How our activities added value for our stakeholders continued

VALUE CREATED FOR OUR CUSTOMERS

New products and services

Our ongoing ambition is to innovate and launch new products and enhanced features for our customers. We are focused on driving the uptake of our value-added services, including the DStv app and Showmax, and launching several new services and products to provide more value. We often launch new products to our South African market first, as we have done with our DStv Insurance and DStv Internet services, before assessing how best to roll them out to our Rest of Africa markets.

We also continue to improve the functionality of the DStv app and Showmax platforms to enable a superior UI and UX. The Showmax Add to Bill functionality was launched across our African markets, which allows customers to add the cost of Showmax to their DStv bill as an add-on product – simplifying the Showmax Join and Pay experience.

Following its successful launch and uptake in South Africa, we extended movie bundles via our ADD Movies package to the Rest of Africa, offering customers more flexibility and control to structure their entertainment offerings to suit their needs. Customers can bolt on additional movie channels from month to month, which gives them a wider variety of movie options at an affordable price.

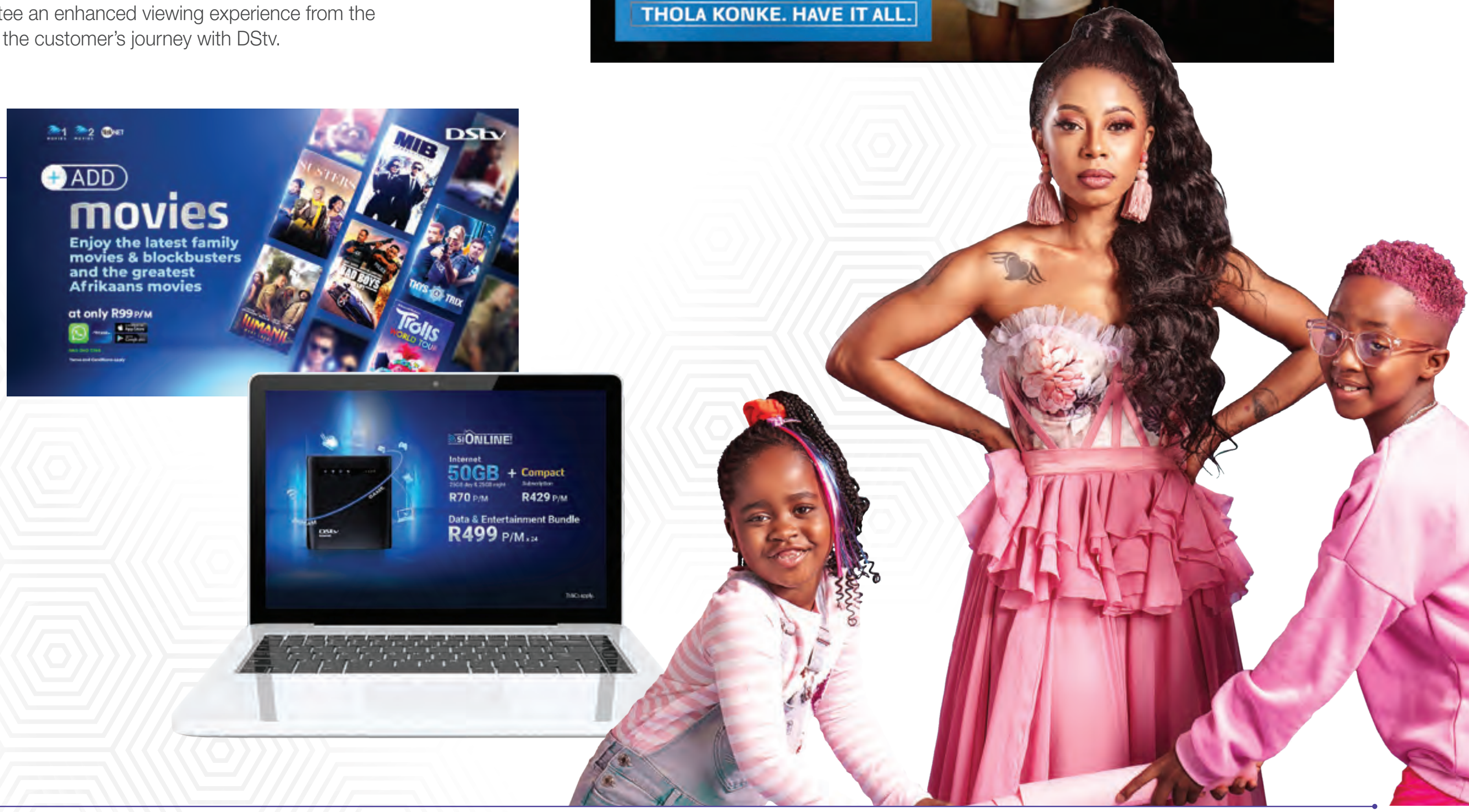
Our Rest of Africa business is working towards the launch of DStv as a standalone streaming service across our African markets, starting with Kenya. Customers will be able to subscribe to and watch all channels via the DStv app without a decoder or satellite connection.

The DStv app was launched in Mozambique and Angola, extending the online DStv streaming capability to our Porto markets.

With our ‘Thola Konke. Have it all.’ Premium package campaign running in South Africa, we took the opportunity to expand it across 12 of our Rest of Africa markets.

Our primary objective is to encourage customers to experience the full range of value-added services available to them as Premium customers, by offering a range of rewards and entertainment experiences for being ‘100% Premium’.

We also introduced added value for our new customers by offering free installation with the purchase of a new DStv bundle in some of our Rest of Africa markets. New customers will benefit from high-quality installation and onboarding, performed by our highly skilled, accredited installers, to guarantee an enhanced viewing experience from the start of the customer’s journey with DStv.



How our activities added value for our stakeholders continued

VALUE CREATED FOR OUR CUSTOMERS

Customer service

We continued to focus on enhancing customers' experiences during the year. We made significant strides in providing them with digital options to find content and manage their services with a key focus on enriching and expanding our digital enablement footprint. Digital adoption continues to grow across our sub-Saharan Africa footprint, with our revamped websites across our 50 markets, our apps available in 48 markets, and WhatsApp self-service launched in 13 markets.

We aim to engage customers on the platforms they choose and because of this, we enhanced our USSD platform in 12 markets, and launched our Telegram self-service with payment integration in Ethiopia. Customers have a self-service option through live chat, enjoy immersive and personalised app experiences related to their favourite shows, and earn additional value through DStv Rewards.

10m
active self-service users
(+37% YoY)

11.6m
monthly interactions across our digital self-service platforms
(+30% YoY)

In South Africa, we delivered a CSAT score of 78% in FY22, which was ahead of our target and prior year score of 77%. In the Rest of Africa, we achieved CSAT scores of 73% and 69% for DStv and GOtv respectively (FY21: 72% and 70%), while our digital CSAT score is 76% for both DStv and GOtv. In South Africa, we are supplementing our call centre and service centre capacity with DStv Express Containers to support customers in rural areas, and with our interactive kiosks in shopping malls to promote our full customer experience to consumers. In the Rest of Africa, our 20 in-bound call centres, 92 MultiChoice branches and 2 351 customer service representatives offer many avenues to reach and help our customers, along with our self-service MyDStv and MyGOtv apps, social media channels, and other digital assisted and self-service options. Combined, these drove an average of 12m (FY21: 7.9m) monthly customer interactions, 80% of which were through digital self-service channels (FY21: 73%).

We also continue to build our extensive third-party payment network across sub-Saharan Africa through integrations with 35 vendors in South Africa and 167 vendors in the Rest of Africa. These include many large retailers, fintech operators, mobile network operators and banks, as well as our own digital self-service payment platforms that offer customers a simple and convenient way to pay their subscriptions online. We increased our online payment capabilities outside South Africa to 41 Rest of Africa markets and saw significant growth in the adoption of our digital payment channels as a result. Total revenue collected via our digital channels amounted to ZAR3.4bn across South Africa and Rest of Africa, up 43% YoY.

How our activities added value for our stakeholders continued

VALUE CREATED FOR OUR CUSTOMERS

B2B customers

DStv Media Sales provides advertising solutions to MultiChoice's corporate customers in our video entertainment business, and we served 1 060 (FY21: 1 066) clients in FY22. Our MultiChoice linear pay-TV customer base covers 21.8m economically active subscribers and their families and we are able to reach and communicate with a broad potential customer base. Our customer insights, coupled with our understanding of our advertising clients' brands and marketing needs, enables us to assist our corporate customers in growing their businesses without impairing our customers' viewing experience.

Aside from protecting the group's content and platforms, Irdeto provides digital platform cybersecurity services to around 400 external customers across 77 (FY21: 72) countries, with 72 customers wins in Media Security in FY22, including four tier-one customers like Sky New Zealand and SKY Brazil. Irdeto's operations span video entertainment and video gaming, as well as connected industries such as transport, health and infrastructure. We typically have a long-term relationship with our corporate customers and work closely with them as partners to ensure that we provide them with the most appropriate, cutting-edge technology solutions to solve their evolving security needs.

We continued to innovate in the Media Security and Connected Industries business units:

- **Irdeto Server Side Ad Insertion,** a dynamic ad insertion solution that delivers targeted advertisements to high-quality video content in a buffer-less viewing experience thereby maximising the value of premium advertising inventory at scale.
- **Irdeto RDK Hybrid Stack,** the first solution in the market to provide a deterministic deployment approach, by offering pre-integrated, pre-tested and pre-certified security and support for linear pay-TV operators deploying an OTT or hybrid satellite RDK-V-based service.
- **Irdeto Operator Application,** an HbbTV Op app hosted on Irdeto's CI Plus conditional access modules, enabling traditional linear pay-TV operators to deliver a consistent experience over different TV brands and to retain control of the customer experience as it becomes the primary interface when the TV is switched on.
- **Irdeto Certified Secure Experience,** a deterministic certification service provided to video platform operators to access premium video apps and designed to meet all premium apps and platforms requirements.
- **Keystone Contactless Rental,** experience for construction equipment and vehicle fleets, including flexible contracting, vehicle inspections and vehicle access control and policy management.
- **Irdeto Trusted Asset for Connected Transport,** a multilayer security solution that includes anomaly detection, a next-generation firewall, device hardening and asset lifecycle management.

Issues raised by customers		How these were addressed
Worldwide chipsets shortages Worldwide chipsets shortages put significant pressure on the supply chain.	1	We strategically sourced chipsets via auction sourcing to prevent stockout and added a second chipset company to our supply chain. As a result, we can now bulk-buy chipsets from a dual supply. We have also qualified other key replacement component suppliers.
Pricing of our packages Customers expressed a desire for lower prices on packages, especially during difficult economic times.	2	Pricing is based on consumer research and local market dynamics and is balanced against input costs, especially the cost of content. We generally maintained price increases in line with inflation, but in some instances, where necessitated by specific circumstances, kept prices flat or below inflation. We provided value-added services and offers to enhance our value proposition for customers and offered savings through various products, including discounted subscription rates on contracts taken out over a fixed period.

How our activities added value for our stakeholders continued

VALUE CREATED FOR OUR CUSTOMERS

Issues raised by customers		How these were addressed
Repeats Content is repeated on the platform which erodes the customer experience	3	Both international and local sports and entertainment productions have largely recovered from the challenges experienced during COVID-19. While our focus remains on sourcing and licensing the freshest and best available content, we are prioritising the production of more local general entertainment and sports content. This was evidenced by the launch of several new local channels in FY22, as well as the broadcast of new and returning local productions/ reality shows and both marquee and novel sports events. In addition, changes made in the previous year such as the *SuperSport* thematic channel and M-Net Movies channel changes have helped to improve curation and customer perceptions. In FY21, we consolidated our six M-Net movie channels into four in order to improve movie curation by genre, aid content discovery and channel navigation, and reduce the appearance of repeats. Historically, a Premium subscriber may have felt that certain movies were repeated when in fact they had simply aired first on channels exclusive to Premium subscribers and then aired subsequently on lower-tier channels as a result of a typical content windowing strategy. What was then novel for a Compact or Access subscriber would appear as a repeat for a Premium subscriber.
Flexible packages Customers want to select their own package of channels (à la carte), or packages based on specific genres, such as a dedicated sports or movie package	4	We are constantly looking for ways to innovate our offering, supported by thorough customer research to assess the feasibility of developing new products. We launched the ADD Movies add-on in South Africa in 2021 and followed it with a rollout across other markets in the Rest of Africa this year. This offering provides Compact Plus, Compact, Family and Access customers with the ability to sign up for DStv's dedicated movie channels that were previously only available to Premium subscribers, and offers greater flexibility around the choice of additional movie channels to add to their packages. In addition, Showmax continues to enable customers to customise their viewing experience through streaming.

Key focus areas going forward

Looking ahead, we will continue prioritising the group's strategic intent to recruit the best talent, actively work to retain talent through defined programmes and maintain internal mobility opportunities. We will nurture equal opportunities, representation and diversity that mirror the communities where we operate.

As the world adapts to changing social and technology trends, we will continue driving customer-centred, digital, data-driven ways of work, leaning on diverse, talented teams partnering across our multinational operations.

Our commitment to transformation is to build diverse leadership capabilities across all levels in the business. We aim to provide effective leadership development and succession planning for critical roles, and we will prioritise transferring knowledge, specifically in the area of scarce and critical skills. We will continue fostering a high-performance culture by improving employee engagement levels, and we will evaluate ways to further enhance our employee benefits. We believe our collective efforts and focus will contribute to our purpose of enriching lives.

Value created for our employees

Delivering value to our employees

7 204[(1)]
people permanently employed
(FY21: 7 028)

ZAR7.1bn
In remuneration and benefits
(FY21: ZAR7.3bn)

1 640[(2)]
Contractors and temporary employees
(FY21: 1 327)

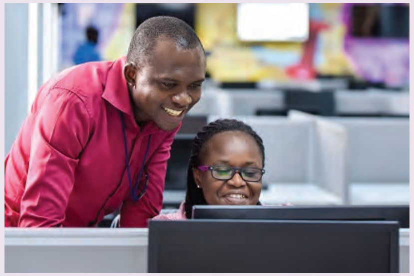
8.2
out of 10 on employee engagement
(FY21: 7.9/10)

Our employees play a pivotal role in delivering world-class entertainment to our customers across Africa. We believe in supporting our people at every stage of their career by providing an environment where they can engage, develop their skills and draw on the support they need to create, innovate and grow.

This year, we delivered direct value to our employees by paying ZAR5.8bn in remuneration and employee benefits. We proactively create a diverse working environment (physically and digitally) where people are engaged and inspired, where they can develop and refine their skills and passions, and where they can push the boundaries of innovation.

We actively work to remain a relevant and competitive employer of choice by aligning the opportunity to create ground-breaking work in front of the camera and behind the scenes, opening up impact through challenging opportunities, offering competitive incentives and holistic benefits across the markets in which we operate.

One of our critical objectives for FY22 was to ensure the safety and wellness (mentally and physically) of our employees by equipping them with technology, access to compliant workspaces, easily available onsite COVID-19 vaccination sites, wellbeing support and upskilling to navigate the challenges of working and living with COVID-19. As a digitally enabled organisation, we continue to actively support our teams to deliver great customer experience as they currently operate on a rotational basis in their respective offices, observing relevant local guidelines.



48%
of employees are women
(FY21: 47%)

ZAR213m
spent on skills development
(FY21: ZAR212m)

11.8%
employee turnover
(FY21: 9.5%)[(3)]

[(1)] Increased number of permanent employees due to growth in Rest of Africa markets. [(2)] Increased number of contractors and temporary employees due to large-scale group programmes such as implementing our Systems Applications and Products (SAP) and Coupa, and our data and analytics module as part of our tech modernisation initiative. [(3)] Employee turnover in FY21 was lower due to internal drives to promote stability during the pandemic. We anticipate workforces likely becoming more mobile again as the global economy opens post-lockdowns.

How our activities added value for our stakeholders continued

VALUE CREATED FOR OUR EMPLOYEES

Diversity and inclusion

Our purpose to enrich lives powers our values to connect, care and create experiences and stories that reflect and embrace the diversity of our customers, communities and stakeholders. Diversity is therefore crucial to engaging, educating, informing and entertaining our customers. We proudly represent 89 nationalities across our teams, the majority being African. We continue to improve our gender representation – women comprise 48% (FY21: 47%) of our talent across the business, and account for 40% (FY21: 39%) of our senior management.

We actively promote an inclusive, bias-free culture. We deliver on our commitment to transformation through our integrated policies that embrace the contribution of all people and ensure that minority groups are supported. Our management teams, which drive the transformation journey through the business operations, are supported by a dedicated diversity, equity and inclusion council, as well as our Women's Forum, composed of female executive business leaders. In enabling every manager to lead the contribution to an embracing environment, we actively drive discussions and campaigns through open forum sessions. We also provide learning interventions such as digital learning paths, dedicated resource toolkits and team support.

We actively support a network of female leaders across all levels of the organisation. We champion impactful changes to the way we work for the benefit of women across our markets. During the year, we have seen important initiatives that support our transformation efforts:

Our groupwide Women's Forum comprised cross-functional female executives has continued to advance the agenda for change. The steering council facilitates knowledge sharing webinar events, growth and development initiatives, opportunities to network, the celebration of women within the business, as well as bespoke interventions to grow the female talent pool.

The Advancing Women Mentorship Programme pairs top female senior managers in our digital teams with executive-level mentors across the business, focusing on enhancing their management skills, connecting them with female role models in the digital industry and exposing them to broader aspects of the business.

The Women in Technology Academy has benefited in excess of 200 women in technology-based roles to accelerate their career paths by providing relevant development opportunities and networking access. The programme integrates targeted mentorship, theme-driven round-table discussions, technology-relevant stretch assignments, training courses and digital learning from seasoned professionals in the field.

The technology head of department associate programme for high-performing women provides executive exposure in the Technology business by pairing them with the chief technology officer and departmental executives in navigating business improvement and transformation.

The Women on the Rise Academy promotes creating a workforce that adds value to the business. The intervention enhances personal mastery, personal branding and networking, accelerating high performance, living a holistic life, defining and tracking personal and career goals and taking accountability with action.

The Femme Palette and Plato HQ Programme driven by Showmax focuses on individual mentoring services for their female employees in the Czech Republic while also donating a portion of the costs to disadvantaged women.

The Male Ally Programme aims to create male allies for female development. A male ally is a man who will advocate for women even when there are no women in the room. It provides women with greater exposure to critical work and prepares for more women in leadership roles.

Beyond the digital business areas, key talent initiatives across our Support Services Programme continue to champion the growth of female talent. In our Finance division, critical development interventions have led to multiple high-performing women in management appointments and expanding the pool of CFO talent for the group.

Irdeto has continued to advance inclusivity and diversity through a global rollout of unconscious bias upskilling for managers. The business teams also operate an innovative diversity-focused referral programme, active management of diverse talent during the talent management cycle, bolstering the diversity and inclusion (D&I) policies and implementing a pay equity framework to drive fair labour practices.

How our activities added value for our stakeholders continued

VALUE CREATED FOR OUR EMPLOYEES

Learning and development

We believe personal/career growth emerges and evolves through structured, experiential driven training and constructive dialogues between leaders and teams, supported by continuous learning moments achieved through active coaching, mentoring, rotational programmes and on-the-job development opportunities. Our learning and development offerings support career growth for our people at all levels, including emerging talent, specialists, leadership and other workforce segments.

We invested ZAR213m in employee development in FY22. Of this amount, 45% was allocated to female talent (FY21: ZAR212m, 42%), while 62% of bursary spend was allocated to women (ZAR37m), up from 49% in FY21 (ZAR16m). We also enabled 2 527 employees to attend formal training (FY21: 1 859) and while COVID-19 restrictions continued to impact the number of employees that could be formally trained, we saw a significant increase in enrolments through our digital learning platform.

Our investment in employee development included ZAR60m (FY21: ZAR33m) in bursaries granted to internal employees, external students and employee dependants to assist them in achieving their career development and growth aspirations. The group significantly elevated its spend on bursaries as a direct intervention to grow employability of top talent in the science, engineering and mathematics fields. This broadens the pool of talent for our organisation to draw from and contribute to the capability of Africa to address opportunities represented by the fourth industrial revolution.

We are also actively developing professional black talent through several internships and graduate programmes.

During the year, we upskilled and supported 84 graduates specialising in production, digital and data science. A Digital Graduate Programme was launched with the objective of attracting and developing young and diverse talent with the potential to become future leaders, while strengthening our existing talent pipeline in the key areas of data science, behavioural science and design. We offered structured training interventions including leadership development, mentorship and coaching opportunities, and participation in key projects in the business to bring in fresh perspectives and innovative ideas. In February 2022, we launched a media and production graduate programme focused on media graduates providing practical experience in pursuing a career in this industry.

The MultiChoice Group Technology Student Programme is focused on developing and coaching student volunteers to get them ready for the world of work once they graduate. A journey designed to arm them with essential skills that a successful professional needs in order to achieve greatness. This programme has been implemented in partnership with a non-profit organisation focused on helping rural communities leverage technology for a better future. Through partnerships with various organisations, we aim to provide students with accelerated development through technical (on-the-job vacation work) training and personal guidance (mentoring and coaching), project work and upskilling for workplace readiness (learning and development). These programmes attempt to increase the availability of young talent with scarce technical, digital and entertainment skills to the business and to improve our ability to develop and retain these skills over time.

The development of leaders is vital in sustaining our generative environment built on trust and high performance to enable our vision of enriching lives for our customers and stakeholders. Across business areas and levels, leaders are grown through our development programmes and ecosystem:

- **The Management Essentials Programme** focuses on new managers, providing the basis for managing teams in The MultiChoice Way while mastering business and interpersonal skills. This programme is broken up into online learning modules and classroom workshops to embed the learning of new skills. During the year we further enhanced the content on our digital platforms. Over 500 new managers (i.e. supervisors, team leaders and specialists with direct reports are part of the talent pool for emerging leader training) completed the interpersonal online learning element, accelerating their confidence and impact ability.
- **Our Leadership Programme** co-designed with Henley Business School, seeks to solve industry challenges that our managers encounter based on their transition development path. A total of 128 junior, middle and senior managers have joined cohorts through the year to advance their effectiveness and career growth.
- **The Enriching Senior Leaders Programme** delivered in partnership with Duke Corporate Education, has accelerated 42 of our top leaders in stewarding divisions and departments. The programme focuses on developing skills required for digital disruption, a step change in the way leaders think harnessing the fourth industrial revolution and equipping them with the mindset to deliver on our strategic vision. In enhancing the impact to business, we have established through the cohorts a rapid innovation pipeline of initiatives to drive ongoing improvements to services/products/internal capabilities and disruptive technology across the group.
- **MultiChoice continues to leverage** a network of coaching capability and has established an internal digital coaching platform, with over 50 coaches having completed their coaching qualifications to accelerate next level managers' readiness, as well as supporting leaders across areas in addressing both personal and career growth goals.

In addition to our rich development interventions, we continue investing in digital learning through the MultiChoice Academy platform with access to cutting edge business content across all markets. The MultiChoice Academy hosts an ever-expanding library of curated courses developed by leading partners such as Udemy, Harvard and international content libraries. Our teams have continued to tap the opportunities of growing their skills and knowledge at any time, on any device and from any location. This year, the academy had 320 903 (FY21: 103 349) course registrations, 247 423 (FY21: 81 235) course completions.

How our activities added value for our stakeholders continued

VALUE CREATED FOR OUR EMPLOYEES

Investing in talent development

Growing our people is a critical strategic imperative. We continue to innovate various talent initiatives in supporting our business divisions to harness their teams' highest potential. These included, among others:

The Chairman's Top Leaders Programme curates the enterprise succession pipeline of talent, harnessing eminent global institutions such as Harvard and cutting edge industry content to accelerate proudly African leaders across markets into executive positions. The programme has already successfully placed proudly African leaders across markets into executive positions. High-impact female leaders emerging from the journey experience have taken charge of strategic portfolios including the positions of the Rest of Africa CEO, CEO Connected Video and General Entertainment and M-Net executive head programming, as well as the MultiChoice South Africa CEO, SuperSport CEO and some regional director positions. The programme is an intimate and tailored learning experience that equips participants with immersive learning opportunities solving real business challenges, while partnering with prestigious global learning institutions to advance truly African leadership style within a global context.

Our partnership with the University of Pretoria, through the sponsorship of the MultiChoice chief technology officer (CTO) as chair of the MultiChoice Machine Learning Initiative, to develop artificial intelligence (AI)/machine learning talent in the industry.

MultiChoice understands that technology is at the forefront of how we do business and therefore invested in upskilling all employees with a digital transformation awareness module, open forums and dialogues around the latest technology in the world and within MultiChoice. Carefully curated digital learning paths on technology, from basic to advanced levels, have been crafted for all employees.

In growing the pipeline of high-potential specialist and management talent, we have 213 individuals participating in our Ignite Programme, building critical business and interpersonal skills. The programme integrates deeply personalised insights based on cutting-edge leadership assessment framework, customised mentoring and coaching to accelerate their bespoke growth opportunities and launching talent marketplace interventions to support with experience driven assignments and placements to build capabilities in their current and targeted career role.

Ensuring our cutting-edge engineering talent is able to transition into positions of leadership, Irdeto has built targeted initiatives to accelerate the shift from deep specialists to network impact through the Lead, Grow, Accelerate, Navigate, and Thrive Programme.

Given multiple interventions to develop our pipeline of talent, we believe the business is well supported in terms of the emerging and long-term workforce requirements to support the growth of the business across multiple markets.

Engaging our employees

Employee engagement is critical to our business outcomes, and we embed continuous engagement into our leaders' performance appraisals. In FY22, the 'Relationship with Managers' rating went up in nearly all aspects, with an overall group score of 8.2 (out of 10), indicating that employees are enjoying a relationship of trust with their managers and felt supported during the year. The result is extraordinarily positive given that we largely operated as a remote workforce for the majority of FY22 and the whole of FY21.

We direct bi-weekly surveys at our employees to allow us to continue growing our internal ambassadorship, and to enable a connection between the company, our employees, our brand and our impact on society. We leverage the insights gained from our people to proactively coach, support and drive interventions to improve our product and service offering. We also drive employee engagement and wellness campaigns through our 'Thrive Tribe' engagement platform to ensure a holistic view on employee matters.

We are committed to respecting freedom of association and collective bargaining in line with local legislative requirements and employee representation levels. We take pride in our internal employee representative body, the Workplace Forum, which operates in South Africa and similar bodies across our operations, which enables internal representatives to bargain on behalf of employees, champion their interests and provide a platform for a for continuous, meaningful dialogue and joint decision-making.

Recognition to create excellence

All employees participate in ongoing performance and talent engagements throughout the year, which form the foundation for personal improvement and individual plans to support ongoing development in their roles and enable career growth.

We annually recognise employee loyalty and commitment through our long-service awards. In addition, our groupwide employee recognition programme, #WeSeeYou, acknowledges excellence in driving business results and in demonstrating behaviours aligned to the MultiChoice values. The programme encourages employees to recognise their peers, managers, direct reports and specific teams for the value they add to the business and the lives of their colleagues. This year, we registered 20 405 individual digital recognitions and paid 1 324 individual spot awards, 538 team awards and 210 'employee of the month' awards. The programme culminates each year with the selection of employees who are recognised at the highest level of the organisation.

How our activities added value for our stakeholders continued

VALUE CREATED FOR OUR EMPLOYEES

Caring for our employees' health and wellbeing

We take the wellness and safety of our employees seriously, offering various employee benefits and online wellbeing programmes as a proactive preventative approach to employees' health. Our wellness programme looks at various aspects of the employee's life, including financial advice, health and family support, as well as psychological support, through the ICAS Employee Assistance Programme, which encompasses core counselling and advisory services.

The COVID-19 pandemic and related lockdowns brought about anxieties and concerns, and we initially saw a spike in stress-related ill health. Over time, this trended down due to the positive impact of our ongoing wellness initiatives, and steps to proactively address concerns through targeted training, focusing on mental and physical health, stress, burnout, money and benefits management, as well as education around COVID-19. The programme is highly valued by our employees evidenced by increased utilisation and value-adding feedback.

We also provided MultiChoice training on emotional impact, coping tips and tools, and various sessions to support our employees through difficult situations across our operational regions.

Dooble is our lifestyle benefits offering, geared to help employees with all the little things that make their day-to-day lives easier. Contactless concierge remained available to employees at home or in office throughout the year and the service has proven to reduce pressure and save employees time away from work.

PAGES

COVID-19 presented many challenges to our employees' health and wellbeing, but we took proactive steps to help and continuously support them during this time. Read more on page 49.

Issues raised by employees		How we address them
With shortage of critical technology talent in Africa, retaining scarce and critical skills is a key talent priority. Any loss of key talent may burden existing employees and make it harder to address skills and capacity gaps.	1	The business has an integrated critical and scarce skills identification, retention and support plan to ensure continuity and coverage in the event of talent losses.
As the organisation continues to modernise its platforms, we are required to ensure that we develop the necessary skills for employees to transition and that sufficient capacity is built in critical areas of demand. Within the HR systems landscape, significant work is underway on enhancing self-service and optimising employee experience, as we embed new processes and digital workflows. The adoption of new modules is underway.	2	We ensure modernisation programmes have change and learning support to assist employees with skills to operate the new platforms and enhance their work and career management. We continue to equip line managers, HR and employees with upskilling opportunities.
The COVID-19 pandemic and related lockdowns brought about anxieties and concerns, which initially resulted in a spike in stress-related ill health.	3	We are committed to providing ongoing wellness initiatives, and take steps to proactively address concerns through targeted training, focusing on mental and physical health, stress, burnout, money and benefits management, as well as education around COVID-19, its long-term effects and the support provided through our employee benefits and robust medical programmes provided by the MultiChoice medical aid.

Key focus areas going forward

Looking ahead, we will continue prioritising the group's strategic intent to recruit the best talent, actively work to retain talent through defined programmes and maintain internal mobility opportunities. We will nurture equal opportunities, representation and diversity that mirror the communities where we operate.

As the world adapts to changing social and technology trends, we will continue driving customer-centred, digital, data-driven ways of work, leaning on diversely, talented teams partnering across our multinational operations.

Our commitment to transformation is to build diverse leadership capabilities across all levels in the business. We aim to provide effective leadership development and succession planning for critical roles, and we will prioritise transferring knowledge, specifically in the area of scarce and critical skills. We will continue fostering a high-performance culture by improving employee engagement levels, and we will evaluate ways to further enhance our employee benefits. We believe our collective efforts and focus will contribute to our purpose of enriching lives.

How our activities added value for our stakeholders continued

VALUE CREATED FOR OUR SUPPLIERS AND PARTNERS

Value created for suppliers and partners

Delivering value to our suppliers and partners

ZAR13.4bn
spent on local South African suppliers (FY21: ZAR11.5bn)

ZAR3.0bn
spent on South African small, medium and micro-enterprises (FY21: ZAR3.3bn)

ZAR2.8bn
spent on South African suppliers who are at least 30% women-owned (FY21: ZAR2.3bn)

Our core business of aggregating and delivering exceptional content and relevant value-added services to our customers relies on our execution, as well as the support of our many suppliers and partners. We provide value to them through the fees we pay and the scale we offer, and we also seek to nurture longer-term collaborative relationships to support the ongoing development of the industries and value chains in which we participate.

Given our focus on driving efficiencies and cost controls, we must ultimately ensure that the prices we pay are supported by the economics of our contractual relationships. Therefore, in the spirit of preserving mutually beneficial relationships, we adopt a firm but fair approach when engaging with our suppliers.

Our largest categories of procurement are content (ZAR19.5bn), set-top boxes (ZAR5.8bn) and transponders (ZAR2.4bn). Other critical third-party suppliers and partners include our agent and installer network, and our third-party payment partners.

We also rely on typical enterprise services and consultants across the legal, accounting, regulatory, IT and banking fields.

Within our overall procurement spend, we support local, upcoming and previously disadvantaged operators in the film, TV, media, and information and communication technology industries. In South Africa, our preferential procurement spend amounted to ZAR13.4bn in FY22, ZAR10.1bn of which was allocated to BBBEE-compliant suppliers, while ZAR3.0bn was directed to small, medium and micro-enterprises, and ZAR2.8bn went to suppliers with at least 30% black women ownership.

From a governance perspective, all our suppliers are subject to comprehensive background checks set out in our third-party risk management framework. They are expected to be aware of and adhere to our code of ethics and conduct, and related group policies. Reference to our code of ethics and conduct is also included in third-party procurement contracts for major subsidiaries.

How our activities added value for our stakeholders continued

VALUE CREATED FOR OUR SUPPLIERS AND PARTNERS

Content

Content is our key differentiator and includes locally produced content that we commission and own, co-productions with third-parties, third-party content which we package into our own channels and pre-packaged third-party channels. We also supplement direct content licensing and production through distribution partnerships with third-party content providers in the SVOD space, which is made available through our connected devices.

Our general entertainment and sports rights suppliers help us provide our customers with the best entertainment. In return, we enable them to reach millions of viewers and build their brands across sub-Saharan Africa by leveraging our platform. We typically have excellent relationships with our content partners, built on a foundation of mutual respect and trust.

We work with industry participants in our largest markets to deliver compelling local language content and channels. Our investment in these local content industries supports local production houses and creative talent and is fundamental to the prosperity of Africa's video entertainment industry as a whole. Similarly, partnerships with various local sport federations are critical to their success and the funding of sports codes across the continent. In turn, we benefit from their success, as do our customers and communities.

Set-top boxes

A large proportion of our set-top boxes is manufactured in South Africa, which supports local job creation, while the remainder are manufactured offshore to ease delivery to our regional markets. We work with international suppliers to obtain the best quality components for our set-top boxes, while supporting a sustainability agenda. As one of the few physical items that we design ourselves, procure from third parties and then on-sell directly and indirectly (through various retailers) to customers, we celebrate the fact that our set-top boxes are made largely from recyclable components. While our decoder packaging is currently recyclable, we are taking steps towards more environmentally friendly biodegradable packaging or, where feasible, plastic-free packaging.

Transponders and other transmission channels

It is imperative that we distribute content to our customers in a reliable, high-quality way, which makes third-party signal transmission via leased satellites and other supporting infrastructure a critical part of our core traditional linear pay-TV services. Our satellite lease agreements are long-standing and operate seamlessly, while other content delivery networks and telecommunications partners have become increasingly important in a growing online media environment.

Agency, installers and payment partners

The various agencies, installers and payment partners we engage with across our footprint deal with varying aspects of our business such as decoder sales, dish installations and payments processing. We provide continuous support through access to our systems and training to ensure excellent customer service. Through our partnership model, we have built an extensive third-party payment network across Africa, comprising integrations with 200 vendors across South Africa and the Rest of Africa.

Critical systems

We rely on several critical systems to run our business, covering operational aspects such as subscriber management systems, (e.g. customer relationship management, billing and payments), and corporate functions such as accounting, finance and HR. Some of these systems are developed in-house, but many are licensed from or outsourced to third-party vendors. We work closely with these suppliers to ensure the quality and continuity of service, while protecting customer information, managing costs, and ensuring system flexibility and scalability.

Irdeto

As a 100% group-owned company, Irdeto provides critical services to the MultiChoice video entertainment businesses, most notably in areas such as conditional access services, middleware for hardware, digital rights management, and anti-piracy services. Irdeto also assists MultiChoice in remaining at the forefront of technological innovation and itself relies on specialised technical service and manufacturing partnerships.

How our activities added value for our stakeholders continued

VALUE CREATED FOR OUR SUPPLIERS AND PARTNERS

Issues raised by suppliers	How we address them
How the group is adapting to OTT OTT services created disruptive changes in the traditional linear pay-TV landscape in developed markets where broadband penetration, speeds and affordability sufficiently support scale uptake. These trends impact content producers, satellite transmission systems providers and set-top box manufacturers, among others.	1 DTH and DTT are likely to remain the most cost-effective methods of distributing long-form video content to the mass market across sub-Saharan Africa for some time. We thus expect to continue collaborating with our current suppliers for the foreseeable future. However, we expect OTT to continue to grow as connectivity improves and we are embracing this change through our investment in OTT services and platforms and our recent SVOD distribution agreements. A changing landscape also broadens the scope of the partners we work with, such as the content delivery network and cloud computing service providers that support the scaling of our online services.
MultiChoice's cost-savings agenda MultiChoice has embedded an aggressive cost savings culture into its business to ensure fit-for-purpose operational efficiencies. This can create an environment of certainty for suppliers.	2 Driving cost efficiencies across our business is an important part of our commitment to deliver positive operating leverage. However, we recognise the value and importance of mutually beneficial supplier relationships. Thus, we will pay a fair price for services that add value to our business when it makes sense economically. Ultimately, we believe our approach to suppliers is firm but fair, and conducted in the spirit of collaboration and mutual sharing of risks and benefits.

Key focus areas going forward

- Looking ahead, we will continue investing in local content with local producers and sourcing world-class entertainment from our international partners.
- We will continue engaging with global and local sports bodies to deliver excellent sport to our viewers.
- We will aim to secure relevant contracts that come up for renewal, and wherever possible negotiate the sharing of foreign currency risk with our suppliers and partners.
- We will proactively pursue opportunities for new or enhanced partnerships, especially for co-productions, payments and expanding our entertainment ecosystem.
- We will continue developing our ecosystem by expanding our products and services through ongoing innovation, strategic partnerships and select investments, providing customers with a wider array of complementary entertainment options and consumer services.
- We will continue driving transformation through our supply chain responsibly and sustainably.
- Finally, we are in the process of a business-as-usual hardware refresh cycle of our IT systems, as well as implementing a Technology Modernisation Programme to futureproof our customer service, billing, data and other capabilities, and a finance system upgrade to support a consolidated and harmonised technology stack. We will continue to focus on successfully implementing these projects with the assistance of our service providers.

How our activities added value for our stakeholders continued

VALUE CREATED FOR GOVERNMENT AND REGULATORS

Value created for governments and regulators

Value created for governments

ZAR4.5bn
VAT and sales tax collected (FY21: ZAR4.3bn)

ZAR1.9bn
employee taxes paid and collected (FY21: ZAR1.9bn)

ZAR0.7bn
paid and collected in customs, excise and other operating taxes (FY21: ZAR0.3bn)

ZAR1.0bn
withholding taxes paid and collected (FY21: ZAR0.9bn)

ZAR3.2bn
paid in corporate income taxes (FY21: ZAR3.6bn)

The breakdown of our tax contribution per segment is set out below:

61% of our **total tax contribution** (taxes collected and paid to tax authorities), was paid to the **South African fiscus** (paid ZAR2.9bn; collected ZAR3.9bn)

The **Technology segment** contributed 7% (paid ZAR0.4bn; collected ZAR0.4bn)

61%

7%

Our total tax contribution was **ZAR11.3bn** (FY21: ZAR11.2bn)

32%

32% of our **total tax contribution** was collected and paid by the **Rest of Africa segment** (paid ZAR1.4bn; collected ZAR2.2bn)

The contribution comprises **taxes paid[1] of ZAR4.8bn** (FY21: ZAR4.9bn) and **taxes collected[1] (on behalf of governments) of ZAR6.6bn** (FY21: ZAR6.3bn)

[1] The total tax contribution amount reflects all cash taxes paid and collected by the group. In FY21 it included regulatory fees of ZAR203m which were excluded from FY22 onwards to reflect a cleaner tax contribution. The tax paid amount is the actual cash tax incurred and paid by the group and includes corporate income tax, property taxes, social security contributions, etc. The tax collected amount reflects taxes not incurred by the group, but taxes that were collected by the group on behalf of revenue authorities, (e.g. PAYE and VAT).

How our activities added value for our stakeholders continued

VALUE CREATED FOR GOVERNMENT AND REGULATORS

Delivering value to governments

Governments rely heavily on revenue from tax contributions made by corporate taxpayers. MultiChoice contributes meaningfully to the government fiscus in our core markets of operation through the collection of indirect taxes on behalf of governments, and through the payment of substantial amounts of tax by way of direct corporate income tax and other taxes.

Governments have a broad social mandate to fulfil, which includes social upliftment, access to services and creating and enforcing laws that protect society's various constituencies. We understand the challenges they face and always seek to play our part in supporting the development and sustainability of the countries and industries in which we operate. We comply with all our statutory obligations and seek to build good, honest and open working relationships with tax authorities founded on mutual trust.

We have robust tax risk management measures in place (as documented in our group tax policy) and place high regard on our tax and corporate reputation. We do not enter into transactions or arrangements that detract from this reputation. We endeavour to ensure that our tax objectives do not conflict with our corporate social responsibility objectives.

Delivering value to our regulators

It is important for the regulators across our footprint to try keep pace with a continuously and rapidly evolving environment and balance this with the need for continuity and stability in their regulatory frameworks. These frameworks need to support a level and competitive playing field without prejudicing certain constituencies in favour of others.

Although the group operates in a highly regulated environment, which often results in complex and onerous operating conditions, we remain supportive of balanced, evidence-based and consistently applied regulations that ultimately protect consumers and serve their interests. As such, we remain committed to working with our regulators to ensure appropriate and fair outcomes of ongoing licensing processes and regulatory reviews. In FY22, we paid ZAR257m in regulatory fees across our footprint (FY21: ZAR203m).

MORE ONLINE

Remaining compliant with all laws and regulations is of utmost importance to us. Our related corporate policies are available on our website www.investors.multichoice.com/policies-and-charters.

PAGES

Further, we aim to employ best practice when it comes to governance (details are available in our governance report on pages 83 to 96). Finally, we uphold and protect the rights of our employees, customers and partners and limit any potential negative impacts on the environment and broader society.

Critical issues for our regulators

How we address them

1

Nigerian Federal Inland Revenue Service (FIRS) tax dispute

Given historic cases in the Nigerian market involving other corporate entities and the nature and quantum of the claims made by FIRS in this matter, our shareholders and other stakeholders have naturally been concerned about the potential outcome. In addition, we always prefer our engagements with regulatory and tax authorities to be conducted cordially and in a cooperative spirit.

In February 2022, we reached an agreement with FIRS to stay the legal proceedings and for FIRS to commence an integrated tax audit in March 2022 for both the MultiChoice Nigeria and MultiChoice Africa Holdings BV tax matters. The audit process covers corporate income tax, VAT and transfer pricing, and is progressing with all parties fully cooperating in the process.

As part of the process, the group made ZAR0.6bn in tax security deposits on a 'without prejudice and good faith' basis in FY22. Based on the latest facts and circumstances available, no tax provision has been made, nor has a contingent liability been disclosed in our FY22 results. The group maintains its position as a law abiding corporate citizen and continues to engage constructively with FIRS to bring the audit to a timely and fair conclusion.

2

Independent Communications Authority of South Africa (ICASA) developments

ICASA's inquiry into South Africa's subscription TV broadcasting market, its proposed changes to 'must carry' regulations and its revised requirements around ownership and control are all issues important to our shareholders, employees, customers, suppliers and the public, which may be impacted by changes in these critical regulations

With respect to ICASA's subscription TV broadcasting market inquiry, we remain supportive of forward-looking and evidence-based regulations, applied consistently to all video entertainment market participants, including OTT operators. We do not believe the draft findings meet these criteria. As such, we have constructively engaged with the regulator and participated in the second iteration of public hearings. We remain optimistic that the outcome of the regulations will be supportive of the video entertainment industry as a whole, including content providers and customers.

ICASA's amended regulations in relation to 'must carry' obligations came into effect on 1 April 2022. We will accordingly commence negotiations with the public broadcaster for the carriage of their 'must carry' channels.

The amended ownership and control regulations were finalised by ICASA during 2021 and we are well placed to comply with the requirements when they come into effect in 2024, due to our current BBBEE scheme and shareholder base.

How our activities added value for our stakeholders continued

VALUE CREATED FOR GOVERNMENT AND REGULATORS

Critical issues for our regulators		How we address them
Competition complaints The Competition Commission has been investigating a number of complaints submitted by members of the public	3	We are pleased to note that the Competition Commission finalised its investigation of our agreements with Netflix and Amazon Prime Video without any adverse findings. We continue to cooperate with the Commission and to respond to any requests for information as and when received.
Government's draft white paper on audio and audiovisual content services policy framework The long-awaited draft white paper on audiovisual and digital content services was published in FY21 and was followed by public hearings and a colloquium in FY22, paving the way for bringing OTT services into the regulatory fold	4	We welcomed the initial publication of the draft white paper, much of which focused on the licensing framework for content services in the new environment. MultiChoice is in broad agreement with the draft white paper's view that South Africa's current licensing framework must be updated and that new audiovisual services should be brought into the licensing and regulatory framework. We have proactively participated in the subsequent public process of the review process.
Proposed amendments to the Nigerian Broadcasting Code	5	There are ongoing disputes as to the legality of purported amendments to the Nigerian Broadcasting Code, which include provisions that impact exclusivity. MultiChoice has constructively engaged with the minister and the board of the National Broadcasting Commission and will continue to engage all relevant stakeholders until such time as the matter is resolved.

Key focus areas going forward

In terms of our approach to tax:

- We will continue complying with tax laws and regulations and will collect and/or pay the correct and due amount of tax to the governments in our markets.
- We will continue building relationships of trust with governments and tax authorities. We will participate in public processes to discuss and provide input on formulating tax policy. We will proactively work with industry bodies, such as the Africa Industry Tax Association, and government associations, including the Africa Tax Administration Forum on tax policy, tax compliance and tax administration issues.

The regulatory landscape, particularly in South Africa, is characterised by constant change and posed challenges for our operations during FY22. Business risks are generally mitigated through actively participating in public consultations conducted by the relevant regulators. However, in some territories consultation is not always enough, which remains a concern, and further engagements with regulators and policy makers are often necessary to clarify the nature and scope of application of intended policy and regulation.

Looking ahead in terms of our regulatory approach:

- We will ensure ongoing compliance with the applicable regulations and best practices across the jurisdictions where we operate through consistent monitoring and evaluation of compliance levels.
- We will participate in reviewing existing legislation and regulations, or in processes where regulators intend to potentially introduce new regulations which may impact our business and industry. The introduction of new legislation and/or regulatory obligations (including laws of general application addressing consumer protection and data protection), tariff control in some territories, and sector-specific regulations are key areas of ongoing engagement with regulators.
- We will renew any requisite licences as necessary.

How our activities added value for our stakeholders continued

VALUE CREATED FOR SHAREHOLDERS

Value created for shareholders

Delivering value to shareholders

ZAR5.5bn
free cash flow

ZAR2.5bn
dividend declared

ZAR308m
in shares purchased in FY22

We continue to boast a diverse shareholder base of international and South African investors, many of whom are value investors.

We maintain open, constructive communication with our shareholders and welcome their constructive input regarding ways to enhance our approach to governance and long-term value creation. Through a disciplined approach to capital allocation that supports the execution/implementation of our strategy, our objective is to consistently generate returns that comfortably exceed our cost of capital. In this way, we aim to deliver sustainable value for our shareholders over time and seek to be responsible custodians of our owners' financial capital in order to sustain their trust and confidence in us.

Strategy

As a trusted brand and a platform of choice, we aim to further expand our ecosystem through growth opportunities that leverage our scale and reach across sub-Saharan Africa. We remain focused on our core video entertainment business, where we continue to reinvest into our customer value proposition in the maturing South African market, while pursuing growth opportunities in our Connected Video and Rest of Africa segments.

We are also expanding our service offering by leveraging our sizeable platform and highly engaged subscriber base. Our aim is to further enrich the lives of our customers by providing additional consumer services that are scalable and underpinned by technology, while diversifying our revenue streams and creating additional value for shareholders in the process.

How our activities added value for our stakeholders continued

VALUE CREATED FOR SHAREHOLDERS

Capital allocation

We have a strong balance sheet and robust free cash flow generation that supports our capital allocation process. We typically aim to fund our business through operating cash generation, lease financing and debt capital. In FY22, we borrowed ZAR4.0bn in order to fund the increased stake in KingMakers, and our current total financial debt balance of ZAR4.0bn represents a step change since listing.

With regard to allocating capital, our immediate priority is to fund the Rest of Africa segment while it returns to profitability and sustainable, standalone cash flow generation. We also need to ensure that our business retains sufficient operating cash throughout the course of the year to cover operating costs, material ad hoc working capital outlays and exogenous shocks or disruptions, with the current US dollar liquidity shortage in Nigeria being a case in point.

Although we do not have a dividend payout policy in place, we have a policy to return excess cash to shareholders. In this regard, we aim to accommodate annual dividends in our business planning, albeit with dividends subject to board approval on an annual basis. Subject to MultiChoice South Africa shareholders approving its dividend in August 2022, we will return another ZAR2.5bn in dividends to MultiChoice Group shareholders in September 2022 (FY21: ZAR2.5bn). This is in addition to the ZAR1.5bn we will pay to Phuthuma Nathi shareholders (FY21: ZAR1.5bn).

Beyond reinvesting in our business and the operational considerations described above, we carefully evaluate targeted mergers and acquisitions opportunities where strategically relevant and value accretive to shareholders, while also proactively managing our leverage profile through our lease liabilities, financial debt and credit facilities. For example, we made an early payment of an additional ZAR0.5bn of our KingMakers funding loan in FY22 as we do not get a tax deduction on the interest expense. Finally, we fund long-term incentive awards obligations with share buy-backs to offset shareholder dilution and will consider general share buy-backs and/or special dividends in the event that we have residual free cash flow. In this regard, we repurchased ZAR308m worth of shares in FY22, primarily to fund future long-term incentive obligations.

PAGES

We discuss the business's financial performance and position in FY22 in the CFO's performance review on pages 75 to 79.

Our shareholders are increasingly focusing on environmental, social and governance (ESG) issues (including executive remuneration). We are committed to driving ongoing improvements in our ESG efforts and welcome engagement with shareholders on these matters.

We aim to make sound strategic and capital allocation decisions that we believe will ultimately support our market valuation over time. However, we do not obsess over short-term movements in our share price or our 'rating'. Our average share price for FY22 was ZAR122.19, reaching a high of ZAR138.77 in June 2021 and a low of ZAR102.00 in September 2021.

PAGES

We actively engaged with shareholders on remuneration in the past year, as detailed on page 98 of the remuneration report. We specifically deal with governance matters in our governance report on pages 83 to 96 and with environmental and social issues on pages 40 to 44.

How our activities added value for our stakeholders continued

VALUE CREATED FOR SHAREHOLDERS

Critical issues for our shareholders	How we address them
1 The prospects for our Rest of Africa business Returning our Rest of Africa segment to profitability, cash flow breakeven and normalised margins remain a key point of focus.	The Rest of Africa represents a sizeable market with estimated addressable households in excess of 36m, but is a complex socio-political environment characterised by intermittent volatility of inflation rates and exchange rates, among others. When we listed in 2019, we committed to returning Rest of Africa to profitability in the medium term, subject to normal currency depreciation. This turnaround strategy was underpinned by driving scale and maintaining tight cost controls. Since then, the business has delivered a strong operational performance growing 90-day active subscribers by 2.2m in three years. It has consistently narrowed its YoY trading losses, despite having to absorb exceptional currency weakness. In the absence of significant currency depreciation, the business would have already been profitable, and we remain on track to reach trading profit breakeven in FY23 and cash flow breakeven in FY24.
2 The prospects for our South African business In a tough macro environment with greater disruption risk from OTT competitors than our Rest of Africa markets, the outlook for the South African business is to maintain profitability and cash generation.	We are seeing consumer challenges around the affordability of our Premium packages, exacerbated by the impact of COVID-19 and the current macro environment. Further, our mid-market subscribers have been more directly impacted by over-indebtedness, fuel price inflation and rising unemployment. These dynamics negatively impact our pricing power and subscriber growth and retention trends. However, we have sustained growth in the mass market and see further scope to drive penetration at the lower end over time. We are also reinvesting in our platform with enhanced entertainment offerings, value-added services, and new consumer services. At the same time, we continue to tightly manage our cost base through explicit cost savings and the pursuit of operating efficiencies throughout the business.
3 Clarity on the group's dividend policy Although shareholders have varying perspectives and mandates, dividends are often an important foundation for an investment case.	Our policy remains to return excess cash to shareholders and to do so in the most optimal way. Given that we need to return Rest of Africa to profitability and are exploring adjacent business opportunities, we do not view a formalised payout ratio as sensible at this point in our evolution.
4 Movements in our share register Per the requisite SENS announcement, Canal+ increased its stake in the group to 15.4% in September 2021 and held 18.4% at year-end, which garnered ongoing interest of other investors, particularly regarding their intentions.	While we do not comment on our shareholders or on our interactions with them, we remain committed to constructive dialogue, acting in the best interests of all our shareholders and creating sustainable long-term shareholder value. The Electronic Communications Act No 36 of 2005 (as amended) and our MOI cap foreign voting rights at 20%.
5 Our increased investment in KingMakers Investors were focused on the outlook and prospects for KingMakers given our step-up investment to take our stake to 49.23%.	Following our initial 20% investment in FY21, we increased our shareholding to 49.23% in FY22. We were able to get closer to the business and the sector which provided additional conviction around the business case. We were also able to successfully launch our first collaboration through SuperSport with the launch of SuperPicks in Nigeria. The company has continued to deliver significant growth with top-line growth of 68% in FY22. It continues to pursue its product and market rollout plan with additional resources allocated to its Ethiopian rollout and a launch in Ghana during FY22, and more to come in FY23 and beyond. KingMakers is now present in four markets.

How our activities added value for our stakeholders continued

VALUE CREATED FOR SOCIETY AND THE ENVIRONMENT

Value created for society

Value created for society

ZAR298m
spent on CSI initiatives

293
storytellers from across the African continent have been trained through the MTF over the past seven years

>1.6m
learners reached through Let's Play's physical education challenge to date

Delivering value to our society

Our purpose is to enrich lives. This means delivering shared value and going beyond simply delivering our commercial products and services. We invest in sustainable initiatives that have scalable social impact, broaden economic participation, and ensure diversity and inclusion.

Our heart and soul are African. We are proud of the positive contribution we make to the countries in which we operate. We partner with civil society groups and organisations to address social challenges. In the past year, we partnered with the South African Department of Social Development to give six social worker interns experiential training at the Uyinene Foundation, which focuses on gender-based violence.

We also leverage our broadcast platforms for social good. We provide airtime on DStv and GOtv to civil society groups and organisations to enable them to share and spread their messages around social causes. For example, we partnered with the Solidarity Fund to raise awareness around COVID-19 vaccinations and the United Nations and the South African Department of Health to address misinformation that may cause vaccine hesitancy. The campaign was broadcast extensively on our DStv platforms across the continent. We also supported other campaigns which included the Youth Employment Services (YES) campaign and our Let's Play initiative. The total value of the airtime donated to CSI campaigns was ZAR123m.

We also addressed the disruption of education as a result of COVID-19. With over 15m Ugandan learners stuck at home due to the closure of schools because of the second wave of the pandemic, MultiChoice Uganda launched *Learning Time*, a television slot dedicated to educating Ugandan students during lockdown.

We invested ZAR37m in learnerships, internships and apprenticeships across all nine South African provinces through the YES campaign to support the skills development of our youth. To date, MultiChoice has permanently placed 625 learners, with our investment having helped create 700 job opportunities.

PAGES

We discuss the additional elements of our response to COVID-19 on page 49.

How our activities added value for our stakeholders continued

Corporate social investment

Our CSI initiatives focus on creating employment opportunities, supporting start-ups and small businesses, developing up-and-coming filmmakers, nurturing future sports stars, and using our platforms to invest in a secure and thriving world for all.

SuperSport Let's Play

SuperSport Let's Play gives young people the opportunity to participate in sport.

Our Let's Play campaign was founded in 2005, and the Let's Play Physical Education Challenge has reached more than 1.6m children in thousands of schools and communities over the past six years.

Let's Play has also built multipurpose sports fields in schools across South Africa. By giving disadvantaged schools and communities in surrounding areas access to state-of-the-art sports facilities, Let's Play encourages children to participate in healthy activities. This provides much-needed social and physical stimulation, which positively impacts their overall wellness.

Over the past year, we constructed four fields in Free State, Limpopo, Eastern Cape and KwaZulu-Natal. To date, the number of schools that have received multipurpose sports fields is 34 and the number of children participating in weekly sports programmes on these sports fields is around 115 000.

DStv Diski Challenge

The DStv Diski Challenge is a multifaceted development programme offering the Premier Soccer League (PSL) reserve teams the chance to play in a competition, broadcasting internships for young people, and free broadcast rights to the football competition for regional TV stations.

The DStv Diski Challenge is an important platform for developing players for PSL teams. Since inception, more than 249 players have been promoted to PSL first teams and more than 175 players have represented South African national teams in international competitions.

In the past year, we launched the PSL Player Transition Programme to equip players with skills to find careers off the field after they retire. The programme is run by the Gordon Institute of Business Science, and saw 64 current PSL players enrol in the first intake of the six-month course.

How our activities added value for our stakeholders continued

VALUE CREATED FOR SOCIETY AND THE ENVIRONMENT

Zambia Women's National Football Team

We donated USD20 000 to the Football Association of Zambia Organising Committee to support the Zambian women's national football team in the Tokyo 2020 Olympics.

DStv Schools Netball Challenge

We launched the DStv Schools Netball Challenge tournament to develop young female athletes who play netball at secondary schools across South Africa. Over 16 000 schoolgirls across 1 456 schools participated in the debut season this year, and *SuperSport* is looking to do more good work with Netball SA as we prepare to be the host broadcaster with an all-female crew for the Netball World Cup to be held in Cape Town in 2023.

MultiChoice Talent Factory

The MTF is a 12-month filmmaking training programme offered in 14 countries across Africa. It includes an internship offered through film academies, masterclasses for training and upskilling industry professionals, and a pan-African digital networking portal for creatives. The internship programme includes producing films for broadcast on *M-Net* local channels and Showmax. The four MTF academies are in Kenya, Nigeria, Zambia and South Africa.

Over the past seven years, 293 storytellers have been trained across the continent. Sixteen production houses have been registered by MTF alumni across the West, East and Southern hub countries over the past 12 months. The class of 2022 is producing micro-documentaries on piracy. Alumni from the previous class produced a UN public service announcement around COVID-19 fatigue that was shot in Nigeria, Angola and Namibia. Interns in South Africa produced two anti-vaccination hesitancy public service announcements for the South African Department of Health. In addition, all interns spent 40 days on the Survivor SA season nine production as part of the crew. The quality of content produced by our students continues to be independently recognised across the continent, with numerous industry awards awarded over the period, including the coveted Best International Film award at the Kalasha International Film Festival.

African wildlife

Irdeto continues to protect Africa's most threatened species by using its anti-piracy and cybercrime technology in partnership with the African Wildlife Foundation. In the past year, 59 volunteers and 51 416 web crawlers helped to track down wildlife crime and online trafficking.

irdeto
Protect. Renew. Empower.

AFRICAN WILDLIFE FOUNDATION

MULTICHOICE TALENT FACTORY

How our activities added value for our stakeholders continued

VALUE CREATED FOR SOCIETY AND THE ENVIRONMENT

MultiChoice Enterprise Development Trust

In South Africa, we established the MultiChoice Enterprise Development Trust in 2012 to support and grow start-ups and small enterprises. The trust manages the Innovation Fund, which aims to fast-track entrepreneurs to leadership in the technology, film and content production industries. It provides start-up entrepreneurs and established small and medium enterprises with the necessary tools, skills and financial support to enable them to bring their business ideas to life and create much needed employment opportunities.

We recently launched the MultiChoice Accelerator to develop and connect South African small and medium enterprises with global investors to unlock business opportunities at Expo 2020 in Dubai. In total, 20 entrepreneurs participated in the programme and six were selected to participate in Expo 2020 Dubai for a week in January 2022 and pitch their business ideas to global venture capitalists. Our Accelerator Programme finalists secured more than USD10m in investment from global investors based in the United Arab Emirates.

Since inception, the fund has disbursed

ZAR327m

in loans, grants and business development expenses to assist beneficiaries in acquiring skills and assets.

The number of jobs created by the beneficiaries who received funding this year is

1 200

Essential Medical (EM) Guidance

CASE STUDY

EM Guidance is an intelligent medicines search engine, providing access to the largest up-to-date database of country-specific medicines, information and digital support tools. There are a number of competing mobile apps and digital platforms globally, but none that speak to the specific local context need that EM Guidance addresses. With over 1 million searches per month, the company has managed to onboard most of the larger multinational pharmaceutical companies that operate in South Africa, with the support of the National Department of Health.

"Following our last interaction with the MultiChoice Innovation Fund, we signed a significant multi-country contract to roll out EM Guidance systems across all sub-Saharan countries – a contract worth well over US$1 million."

Yaseen Khan, EM Guidance co-founder and CEO

Regional TV stations

Regional TV stations are the lifeline for news and stories in their communities. We support six regional TV stations in South Africa through our enterprise development. We provide the latest broadcast equipment, funding to produce local stories, and offer training in production, business education and management. We also offer free broadcasting rights (valued at ZAR240m) to the DStv Diski Challenge.

Last year, we gave Mpuma Kapa TV and 1KZN TV a grant to establish news bureaus in their respective provinces and improve their news coverage capability. The grant was used to train and upskill employees of the regional TV stations, and fund production equipment such as cameras, lighting, sound and computers.

Transformation

MultiChoice Group and MultiChoice South Africa are level 1 BBBEE companies. We are committed to transforming our broader industry and contributing to an inclusive society. We believe that transformation is a business imperative and a catalyst for economic independence.

We recognise that owning economic assets plays a critical role in reducing inequality. That is why we are very proud of Phuthuma Nathi, our BBBEE share scheme. Phuthuma Nathi is one of the most successful and longest running BBBEE share schemes in South Africa. It has close to 80 000 black shareholders from all walks of life – ranging from individuals to collectives and black-owned companies and has been in existence since 2006.

Phuthuma Nathi owns 25% of MultiChoice South Africa and through this scheme, we share the success of our business with thousands of black South Africans. To date, Phuthuma Nathi has paid ZAR14.9bn in dividends. However, some Phuthuma Nathi shareholders have not been claiming their annual dividends. Given these tough economic times, we launched a media campaign to find these shareholders to give them the money that is rightfully theirs. To date, more than ZAR79m of previously unclaimed dividends have been paid.

How our activities added value for our stakeholders continued

VALUE CREATED FOR SOCIETY AND THE ENVIRONMENT

The environment

We understand that natural resources are finite. In the countries where we have a licence to operate, we ensure our consumption of natural resources is minimal and that we comply with all existing environmental legislation.

Most of our office buildings are environmentally friendly or, where possible, retrofitted for energy and water efficiency. Our Randburg South Africa office has a five-star green rating from the Green Building Council, and our Hoofddorp Netherlands office that runs on renewable energy has an energy label A+.

MultiChoice measures its carbon footprint from scope 1 and 2 emissions according to the Greenhouse Gas Protocol. In FY22, we reviewed our carbon footprint reporting framework. The redefined organisational carbon footprint reporting boundary identified three types of sites:

- **Office buildings, with a 3% materiality level**
- **Warehouses, owned or leased (>1 000m²), excluding shared leased premises**
- **All key broadcasting sites**

Based on our redefined carbon footprint framework, our carbon footprint in FY22 was 86 080 tonnes of CO_2e, with the largest contributors being electricity, accounting for 100% of scope 2 emissions (52% of total emissions). Our primary impact arises from using coal-fired electricity, which is the primary source of energy in many of the countries where we operate. During electricity outages, we use fuel such as diesel to power generators.

SCOPE 1

Source: Diesel (37 921 tonnes CO_2e)
Petrol (2 468 tonnes CO_2e)
Fugitive gases (785 tonnes CO_2e)
Liquid petroleum gas (21 tonnes CO_2e)

Tonnes CO_2e 41 195

SCOPE 2

Source: Electricity

Tonnes CO_2e 44 885

Total CO_2e tonnes
86 080

We implement several initiatives to improve our efficiency. These include:

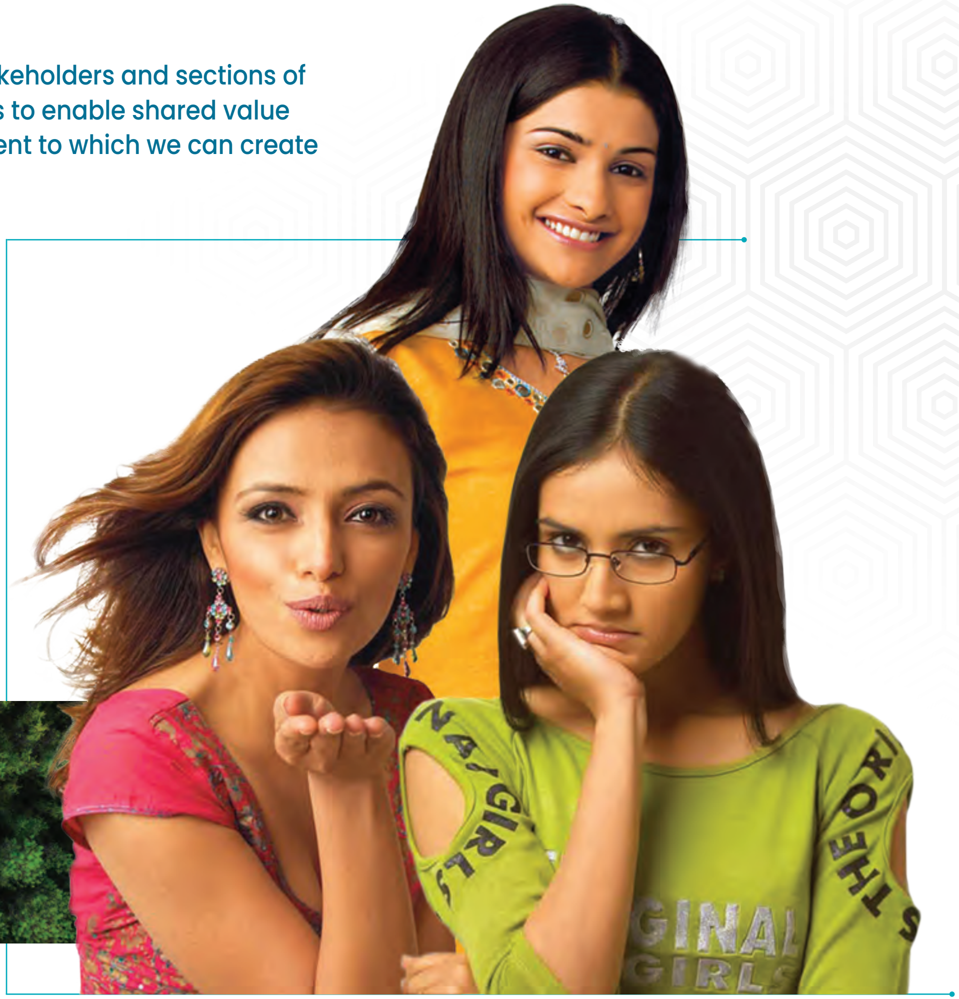
- **Energy-efficiency and energy-saving measures** for electricity, air-conditioning, data centres, heating and ventilation, and investing in green infrastructure, such as light motion sensors in buildings, LEDs with daylight harvesting, solar panels and energy-efficient invertor technology
- **Waste reduction initiatives** including recycling, e-waste management, waste separation and biobins
- **Water-efficiency measures** or our green accredited buildings, including low water use taps, dual-flush toilets and pressure reducers and educating employees and guests on water use efficiencies
- **Green initiatives** such as pairing with a free ridesharing app in Hoofddorp Netherlands and encouraging people to use video conferencing facilities instead of air travel to reduce carbon emissions

Sustaining value

We remain focused on ensuring we have the agility and foresight to adapt and maintain our competitiveness and relevance in the long term

Our approach to sustainable value creation

We understand that our businesses operate in larger communities and impact several stakeholders and sections of society. Therefore, we are committed to partnering with and supporting these stakeholders to enable shared value creation. How we manage ourselves and these partnerships ultimately determines the extent to which we can create value in our business and contribute to society sustainably.



We view value creation as a holistic process

Our external business environment is constantly evolving, and is influenced by rapid changes in consumer preferences, industry value chains, competitive dynamics and socio-economic factors. These dynamics are further exacerbated by global macro volatility and the increasing complexity of the regulatory environment.

We remain focused on ensuring we have the agility and foresight to adapt accordingly and maintain our competitiveness and relevance in the long term. To this end, we adopt a robust process of identifying and evaluating material matters that currently affect our business or could do so in future.

We complement this approach with a rigorous planning framework to ensure we pursue opportunities timeously and manage risks appropriately. Our strategic priorities are then informed by our external business environment, having regard to the material matters we have identified and their attendant opportunities and risks, and we support sustainable value creation through investment in our business, industry and people.

Our external business environment

We operate in a dynamic industry in markets that are often unpredictable. This requires us to anticipate and adapt to shifting circumstances in a way that allows us to pursue our longer-term strategic objectives without compromising consistent short-term execution.

Short-term operating context for our business (mix of headwinds and tailwinds)

Our operating environment remained challenging this year, with the tail end of the COVID-19 pandemic and associated lockdowns still impacting global economies, global stock market volatility rising, inflation starting to increase (largely on the back of elevated oil and food prices), and the world facing the prospect of rising interest rates from record lows. We talk in terms of calendar years below to align with how these statistics are generally reported.

The World Bank estimates that gross domestic product (GDP) in sub-Saharan Africa declined by 2.2% in 2020, before recovering well with growth of 3.5% in 2021[1]. It expects the region to broadly sustain that rate of growth into 2022 and 2023.

Inflation is a critical concern in many of our markets, notably food and fuel inflation which place additional pressure on discretionary consumer spending.

Currencies showed greater stability in 2021, with the average rand exchange rate strengthening against the US dollar in 2021, while both the Angolan kwanza and Zambian kwacha started to recover from their respective low points in the last 18 months from the second half of calendar year 2021 onwards (the average rates were still weaker YoY). However, markets such as Ghana continue to experience currency weakness.

Commodity prices have been rising on the back of global macro and geopolitical events, with the oil price climbing above USD100 towards the end of the year, and metals like gold and copper enjoying support as well. While commodity producing markets are enjoying some tailwinds, falling or low levels of production of oil in Nigeria and Angola have resulted in the full benefit not being realised.

Rising unemployment continued to negatively impact key markets like South Africa.

Intermittent power interruptions remain an issue in South Africa and other markets such as Nigeria.

While the tourism sector has started to show signs of recovery, it will take some time to normalise which impacts our commercial customer base.

Beyond sub-Saharan Africa, we are also impacted by global trends in varying degrees, e.g. via Irdeto or via set-top box manufacturing. India experienced a greater overhang from the pandemic, which impacted volumes and orders, while global supply chains remained constrained. Silicon chipsets remain in short supply, and it will take time for new manufacturing capacity to come online. Russia's invasion of the Ukraine has also negatively impacted global markets and supply chains.

	Real GDP growth[1]		Inflation rate[2]		Exchange rate versus USD[3]	
	2020	**2021**	2020	**2021**	2020	**2021**
South Africa	(6.4%)	**4.6%**	3.1%	**5.9%**	(15%)	**10%**
Nigeria	(1.8%)	**2.4%**	15.8%	**15.6%**	(6%)	**(7%)**
Kenya	(0.3%)	**5.0%**	5.6%	**5.7%**	(4%)	**(3%)**
Zambia	(3.0%)	**2.2%**	19.2%	**16.4%**	(43%)	**(6%)**
Angola	(5.4%)	**0.4%**	25.1%	**21.0%**	(56%)	**(7%)**

[1] GDP data from the World Bank Global Economic Prospects Report (January 2022).
[2] Inflation data represents the inflation rates in December of a given year, extracted from the Trading Economics website.
[3] Exchange rates represent the average of the month-end rates for the calendar year per our group's accounting system.

Our external business environment continued

Medium to longer-term trends impacting our business (largely tailwinds)

Broadly supportive demographic trends in terms of population growth, working age population growth, urbanisation trends and growth in disposable income and private consumption will support a growing middle class across sub-Saharan Africa over the medium to long term. These macro trends will be further supported by the trends we flag below and will enable companies with a long-term horizon and broad footprint to create and capture meaningful value.

Rising electrification supports economic activity and consumer access to services: the International Energy Agency estimates that household electrification for sub-Saharan Africa rose from 40% in 2015 to 48% in 2020 and is on track to reach 56% by 2025.

A growing traditional linear pay-TV market provides runway for our traditional video business: Digital TV Research expects traditional linear pay-TV subscriptions in sub-Saharan Africa to grow by 46% between 2021 and 2027, increasing TV household penetration from 39% to 44% over that period.

Strong growth in the nascent OTT space provides runway for our Connected Video business: Digital TV Research expects SVOD subscriptions in sub-Saharan Africa to grow by 181% between 2021 and 2027.

Improving connectivity supports economic activity and consumer reach and engagement: the GSM Association estimates that sub-Saharan Africa will continue to improve in mobile connectivity:

- Mobile subscriber penetration to rise from 46% in 2020 to 50% in 2025
- Mobile internet penetration to rise from 28% in 2020 to 39% in 2025
- Smartphone adoption to rise from 48% in 2020 to 64% in 2025
- 4G and 5G in the connectivity mix to rise from 12% in 2020 to 31% in 2025.

Increasing access to financial services supports economic activity and consumer's transactional capabilities: based on the GSM Association's estimates for mobile money 90-day active accounts, access to digital payments has grown from a 2% population penetration rate in sub-Saharan Africa in 2011 to 20% penetration in 2021.

Regulators continue cooperating more closely across the continent, with incremental scrutiny on the traditional linear pay-TV sector and competition matters somewhat offset by proposals to regulate nascent areas like OTT more consistently relative to traditional or established areas of the market.

Competitive dynamics

Our industry is in a constant state of evolution in terms of technologies, consumer behaviour and competitors. As our markets become more connected, so do they gain access to additional paid and free video services, as well as non-video entertainment services. Broadband affordability and penetration, however, remain a short to medium-term headwind. In addition, global markets have demonstrated a propensity for households to stack subscriptions and we expect growing complexity from competing services to benefit established aggregators over time.

StarTimes remains our largest traditional competitor across sub-Saharan Africa, competing largely in the mass market (notably in DTT). We also continue to compete with strong regional operators such as ZAP in Angola, Azam in Tanzania and Zuku in Kenya.

FTA remains an important competitor for viewership and advertising revenue in a number of our markets, such as South Africa, Kenya, Ghana and Ethiopia. News consumption is a critical driver of demand, and local content and mass market affordability are other important considerations.

Competition from global and local OTT players continues to increase, mainly through:

- Global SVOD such as Netflix, Amazon Prime and DAZN, niche SVOD services like AcornTV and BritBox, and local SVOD services like iRoko in Nigeria and ViuSasa in Kenya
- Traditional studios, networks or media companies going direct to consumer with SVOD (or hybrid) services, e.g. Disney+
- Transactional video on demand such as the iTunes and the Google Play stores and advertising video on demand such as Viu and YouTube
- Non-video businesses deploying their value-added services to drive user engagement in their ecosystems, such as Amazon (Amazon Prime Video) and Apple (Apple TV+)
- Linear broadcasters introducing OTT services to complement their existing traditional linear pay-TV offerings, e.g. StarTimes ON by StarTimes as well as FTA operators launching services, e.g. eVOD by e.tv

What these major trends mean in the context of our markets

We have identified the evolving video entertainment landscape as a material matter. We see the ability to adapt appropriately to changing needs as a key strategic requirement. It is important to adopt a measured approach to change that is suitable in the context of our markets.

PAGES

Refer to pages 50 to 52 of our material matters section, which presents risks and opportunities for our business.

Our external business environment continued

Our ongoing response to COVID-19 and associated lockdowns

Like most other companies, we were impacted by the COVID-19 pandemic and the associated government lockdowns through FY21 and into FY22. Many of our stakeholders, including customers, suppliers, employees and the broader societies where we operate, were negatively affected, particularly their economies, and public health and safety.

Following the initial business disruptions in FY21, our operations normalised into FY22, including subscriber behaviour (as we exited hard lockdowns and school activity started to return to normal), event timing and attendance (as lockdowns eased), local content productions (stopped during hard lockdowns in FY21), content cost timing (deferred from FY21 into FY22 due to event timing) and advertising revenues (sharp decline in FY21 and strong recovery in FY22).

Some areas like crowds at South African sports events or regional travel have not yet fully normalised, but the negative impact has diminished. Our commercial subscription revenues are recovering but are not yet at pre-pandemic levels.

Irdeto's project-based revenues and volumes in certain markets and sectors remain negatively impacted due to the softer global macro-economic environment, supply chain issues and chipset shortages that were all exacerbated by the pandemic and associate lockdowns.

We have continued to seek ways to mitigate the impact of the pandemic and associated lockdowns on our employees and in the communities where we operate:

We partnered with the Solidarity Fund to support their campaign, 'When We Come Together', to drive the vaccine rollout and combat misinformation. We supported the UN Verified project in its COVID-19 'Zwakala' campaign, aimed at driving awareness, especially among a younger audience. Our partnership with the Department of Health on its Combatting Vaccine Hesitancy campaign saw us assist with producing public service announcements that encouraged the public to register for the COVID-19 vaccine.

Over the course of FY21 and FY22, we took necessary precautions to protect our employees. This included travel bans (local and international), ongoing work-from-home processes for most of our teams, a public health expert to guide us on best practices, and employee wellness and mental health-related initiatives. We also implemented strict social distancing, screening, hygiene and testing measures at the office to protect employees working onsite. We returned to our offices in Randburg from February 2022 and operated at 50% rotational capacity to comply with government regulations and minimise risk to employees.

In FY22 we established a MultiChoice vaccination site at our head office in Randburg to provide vaccinations to employees in order to further safeguard our people against the virus and to support the national government in its Mass Vaccination Programme. We also introduced a mandatory vaccination programme for our employees once we returned to working from our head office.

Material matters

In determining our material matters, we are guided by the process below:

1 We identify matters that are potentially material

We reflect on the following:

Our business strategy	Our capital allocation process	Our risk registers	Our key identified opportunities	Stakeholder engagements	Our operating environment, notably material exogenous events	Broader societal and environmental matters that either have an impact on our business and/or on which our business has an impact
e.g. our platform strategy with our video entertainment business at our core	e.g. prioritise returning Rest of Africa to profitability	e.g. disruption risk from new competitors	e.g. strategic investment opportunities	e.g. concerns, praise or other suggestions raised	e.g. supply chain disruption or the Nigerian naira/US dollar liquidity crunch	e.g. greenhouse gas emissions

2 We interrogate the matters we have identified to prioritise the material ones

We prioritise material matters based on their ability, potential or likelihood to meaningfully affect value creation, preservation or erosion through their impact on our business, key stakeholders, capitals, and internal and external operating environments.

3 We review, address and report on our material matters

The material matters addressed in this report are also issues on our board agenda that are methodically discussed and addressed, and we consider positive and negative matters including a determination of what information to disclose to our stakeholders.

Our material matters were as follows:

1 Customer satisfaction

(perpetual material matter)

Our customers are always our primary focus

Delivering value to our customers is critical to our business success. To ensure we achieve this, we focus on developing, introducing and improving relevant products and services, while designing excellent customer service experiences to support our offerings.

Optimising the elements that support customer acquisition and retention is a key driver of our operating performance, given our largely fixed-cost business. We also need to accommodate exogenous pressure points such as tightening consumer spend and rising unemployment.

Link to risks:

- Economy
- Disruption and competition
- Securing content

Link to opportunities:

- Large and growing addressable market
- Rapidly developing OTT market
- Sizeable and engaged customer base
- Deep understanding of customers' needs
- Unique understanding of customer experience

Link to stakeholders:

Customers

Link to strategic priorities:

Growth

Content

OTT

Material matters continued

2 Regulatory environment
(perpetual material matter)

Regulations underpin market structure and protect consumers, but need to be well considered and applied to all players consistently.

The industries in which we operate are highly regulated, with regulations varying across our markets. Material changes in regulations may require us to adapt our business model and may impact our customer value proposition.

Our approach to regulation remains proactive as we engage with regulators constructively through our dedicated teams. This ensures we keep abreast of all developments, while providing input that promotes a balanced and evidence-based regulatory framework.

Link to risks:
- Regulatory and licensing

Link to opportunities:
- None

Link to stakeholders:

Governments and regulators

Link to strategic priorities:
- None

3 Evolution of our industries
(perpetual material matter)

Our video entertainment and cybersecurity industries undergo perpetual change, requiring us to adapt.

The global video entertainment industry continues to evolve as new technologies and business models provide differentiated and disruptive offerings. This presents both a risk of increased competition for subscribers and content, and an opportunity to scale or adapt our business model, e.g. through our OTT offerings.

The same principle applies to our Technology business, Irdeto, and new investees like KingMakers. This principle has also partially informed our strategy to develop our platform beyond pure video entertainment.

Link to risks:
- Disruption and competition
- Securing content
- Technology

Link to opportunities:
- Rapidly developing OTT market
- Sizeable and engaged subscriber base
- Potential to pursue meaningful strategic investments
- Ability to implement relevant strategic partnerships

Link to stakeholders:

Customers

Suppliers and partners

Link to strategic priorities:

Content

Ecosystem

OTT

Technology

Material matters continued

4 Executing our current priorities
(short to medium-term material matter)

We operate in a complex environment requiring focused strategic execution and capital allocation.

Rest of Africa: Our focus is to return this segment to free cash flow generation through scale and cost controls, while navigating macro challenges, e.g. foreign exchange.

South Africa: Our focus is to retain the top-end, drive growth in OTT and the mass market, sustain free cash flow generation, and broaden our platform.

Rest of group: Irdeto's focus is to sustain media security business and expand connected industries. The group is also expanding into new verticals organically and through partnerships and acquisitions such as our KingMakers investment.

Link to risks:
- Economy
- Securing content

Link to opportunities:
- Rest of Africa breakeven imminent
- Ability to implement relevant strategic partnerships
- Irdeto to pursue leadership across a broader spectrum of cybersecurity services

Link to stakeholders:
Shareholders

Suppliers and partners

Link to strategic priorities:
Efficiency

Technology

5 Attracting and retaining talent
(perpetual material matter)

Our people are fundamental to our ongoing success.

Attracting and retaining the right people to achieve our goals is a key aspect of our strategic thinking. We are passionate about creating a workplace where people are engaged and inspired to create the best solutions for our customers.

Key focus areas include growing diverse, representative talent in critical areas of differentiation (such as content, engineering and data science) and developing succession plans for critical areas to ensure growth and continuity.

Link to risks:
- Talent and skills scarcity

Link to opportunities:
- All

Link to stakeholders:
Employees

Link to strategic priorities:
Growth

Content

Ecosystem

OTT

Technology

Efficiency

6 Developing local entertainment industries
(short to medium-term material matter)

Supporting and uplifting the entertainment industries across our footprint benefits all our stakeholders.

Our investment in local entertainment content creates jobs across the spectrum of the creative industries and provides a platform for homegrown talent to shine. Our investment in local sports supports sports bodies, enabling them to generate sustainable income streams and continue developing their codes and talent.

As a responsible corporate citizen, we also aim to make a contribution beyond just our business.

We believe in strategic CSI and our initiatives are aimed at promoting sport and content production across sub-Saharan Africa, while positively addressing issues such as health, education and empowerment.

Link to risks:
- Economy
- Securing content
- Disruption and competition

Link to opportunities:
- Deep understanding of our customers' needs

Link to stakeholders:
Suppliers and partners

Society and the environment

Link to strategic priorities:
Content

Opportunities and risks

How we identify and pursue opportunities

As we operate in an evolving industry, we actively evaluate and cultivate a pipeline of opportunities aligned to our strategic priorities. This approach allows the group to consistently grow through organic reinvestment in our business, as well as through investment in new technologies (e.g. our digital DTH satellite business in 1995, DTT business in 2010 and OTT business in 2015) and adjacent opportunities (e.g. acquiring a stake in sports betting business, KingMakers, in 2020).

Our top 10 opportunities

1

Large and growing addressable core market

We see an opportunity to drive subscriber growth in our traditional linear pay-TV business as we target an addressable market of 51m households in sub-Saharan Africa, growing to 58m by 2027 (+14%).

- We take a long-term view and are comfortable with supporting our businesses through the economic and business cycles in our markets.
- We have focused on retaining subscribers in the premium segment, while growing penetration in the mid and mass market segments.

2

Rapidly developing OTT market

We see an opportunity to drive growth in the OTT space as developments in technology resolve access and cost barriers for connectivity and connected devices.

- We are fulfilling our subscribers' needs in an increasingly connected entertainment environment through proprietary streaming services and connected devices, and aggregated third-party streaming services.
- This creates a foundation for us to scale our OTT offerings and launch innovative products and services.

3

Deep understanding of our customers' needs

With 37 years' experience in understanding the preferences of our diverse subscriber base (nationality, language, culture, economic status, age, gender), we see an opportunity to meet their evolving needs through content aggregation.

- We aim to offer our customers a full-service content offering with appropriate tiering to suit their circumstances. Our strong licensed international general entertainment offering and SVOD relationships complement our points of differentiation, i.e. local content and sport.
- We are supporting our aggregation journey with hybrid satellite/streaming and dedicated streaming devices.

4

Unique understanding of customer experience

Given that we provide an uninterrupted 24/7, 365-days-a-year service, our numerous customer touchpoints across multiple platforms and demographics create an opportunity for us to drive innovation in customer experience to support customer engagement levels.

- We continuously improve each direct touchpoint in the customer journey, e.g. customer onboarding, billing and technical support, optimise indirect experiences through partners like our installer network or payment service providers, and then innovate in areas such as digital self-service (e.g. our Telegram self-service in Ethiopia) and value-added services (e.g. DStv Rewards).
- We leverage these improvements in customer experience to drive measurable improvements in activity rates, and upsell and cross-sell opportunities, while mitigating cost pressures.

5

Sizeable and engaged customer base

We have an 'installed' customer base of 21.8m 90-day active subscribers as at 31 March 2022 (FY21: 20.9m), which creates an opportunity for us to serve additional customer needs beyond entertainment.

- We enhance our value proposition by developing new products and services for our platform, including adjacencies in entertainment (e.g. sports betting), household services (e.g. internet, home security and education), and financial services (e.g. insurance).
- We also monitor trends in offshore markets and tailor relevant approaches to our markets.

Opportunities and risks continued

6

Nascent growth opportunity in interactive entertainment

As the continent becomes more connected, our customers' entertainment needs and preferences will likely expand to include more interactive entertainment experiences.

- Our investment in KingMakers represents our first meaningful foray into interactive entertainment, with their sports betting services directly complimentary to our video entertainment services, as demonstrated by our first successful collaboration in the form of SuperPicks.
- We see significant scope to grow in this space, in terms of geographic footprint and service offering.

7

Potential to pursue meaningful strategic investments

Our historic growth has been mainly organically-driven rather than acquisitive, however, we are increasingly looking to explore targeted value-accretive investments to further our strategic ambitions.

- Our ambition is not to become an investment holding company, but rather to source, evaluate and execute on investment opportunities that (a) add value to the customer experience and our platform, and (b) create explicit value through returns on investment that comfortably exceed our weighted average cost of capital.
- We have identified specific areas of focus, while avoiding others in particular, capital-intensive sectors.

8

Ability to implement relevant strategic partnerships

Our objective is to provide a more comprehensive consumer service offering to our customers, supported by a seamless experience which will include partnerships in areas where we will not compete directly.

- While we already partner with many service providers across our business, including working closely to optimise key cost lines like satellite transmission and set-top box manufacturing, we have an opportunity to focus on introducing new partnerships for the benefit of our customers and our broader platform offering.
- These can take the form of consumer-facing or internal support services.

9

Core focus on Rest of Africa's breakeven

A sustained turnaround to profitability in the Rest of Africa business will improve our group margins, enhance cash flow generation and capital allocation options, and alleviate market concerns.

- Scaling our subscriber base, implementing inflation-linked price increases and closely managing our largely fixed-cost base (including targeted cost reductions) have supported our path back to profitability, with free cash flow generation to follow shortly thereafter.
- In the interim, we continue to navigate a challenging economic, regulatory, tax and foreign exchange environment.

10

Irdeto to pursue leadership across a broader spectrum of cybersecurity services

Irdeto's technical pedigree, 52 years' experience and prominent market position in the media security space provide a strong foundation to pursue broader leadership in the cybersecurity space.

- We focus on gaining new customers and expanding the scope of services with existing customers in the traditional broadcasting space while expanding our presence in growing areas of the media entertainment market, such as OTT security services and online and mobile gaming.
- We are also pursuing more nascent connected industry verticals, e.g. in transport and health.

Opportunities and risks continued

How we manage and mitigate risks

At MultiChoice, decision-making is supported by a robust risk management process that identifies and seeks to address potential risks. We align our risk management processes to our strategic planning and budgeting cycles. Risk plans are compiled annually and continuously updated to consider changes in the external environment and organisational developments.

The risk profile reflects our risk appetite as determined by the board. The risk committee is responsible for monitoring risk factors and how these are managed. Results from the enterprisewide risk management process are integrated into the business's strategic, operational, compliance monitoring and reporting activities. Management is tasked with managing risk and delivering financial and operational performance aligned with our risk tolerance.

Mitigating risk

BOARD

- Ultimate accountability for risk management
- Supported by risk committee
- Delegates risk management responsibility to CEO and CFO

BOARD RISK COMMITTEE

- Monitors and has oversight of risks and opportunities
- Supports the board in meeting its risk management responsibilities

INTERNAL AUDIT

- Provides assurance on the effectiveness of the risk management practices

CEO AND CFO

- Evaluate and oversee the implementation of the risk management framework across the business
- Drive consistent risk management processes

RISK PROCESS

- Perform process reviews and risk assessments
- Monitor adequacy and effectiveness of controls
- Evaluate market information
- Alignment of risk management processes with business strategy
- Recommend controls and enhancements to be put in place to mitigate risk

RISK SPECIALISTS

- Embedded in key business areas
- Implementation of risk plans and activities
- Monitor effectiveness of risk plans

Our top 10 risks

1 Regulatory and licensing

We operate in a highly regulated industry where changes in regulatory policy and legislative frameworks can have a significant impact on our business and operating model.

RISK MITIGATION

- Our focus remains on full compliance with existing regulations.
- We continue engaging with regulators and industry bodies proactively.
- We conduct ongoing regulatory reviews and maintain contact with regulatory authorities and public industry bodies.
- Our dedicated, experienced teams (internal and external experts) assist with regulatory engagements, responses to inquiries and other projects/submissions.
- We promote active engagement with management, government and regulatory authorities about how the proposed regulations could impact the industry.

2 Economy

Macro-economic challenges, such as currency depreciation and volatility, demand for and pricing of commodities, electricity shortages and, more recently, the impact of the COVID-19 pandemic, place pressure on the economies of the countries where we operate.

Consumers are affected by the consequent pressure on disposable income, which potentially affects our addressable market, and growth and retention prospects.

RISK MITIGATION

- We understand the pressure our customers face, and we remain focused on customer centricity and affordability. This is reflected in our pricing decisions, which in most cases are below inflation.
- We continue focusing on reducing costs and improving efficiencies.
- We hedge our foreign exchange exposures for a minimum of 18 months, up to 36 months in terms of our treasury policy.
- We continue converting hard currency costs into local currency where possible.
- We offer customers various options suited to their circumstances, supporting value for money with the flexibility to adjust to their unique and changing circumstances.
- We continue investing in new products, services and businesses to diversify revenue streams into the future.

Opportunities and risks continued

3 Disruption and competition

The landscape remains increasingly competitive with strong global and local competitors and new entrants. Consumers have credible alternatives from multiple sources in terms of video entertainment. Further, there is aggressive competition for content rights when contracts are up for renewal and content providers may choose to go directly to consumers, withdrawing rights from us.

RISK MITIGATION

- We understand entertainment and technology are evolving, as are consumption habits. As such, we continuously invest in product and service innovations, and we focus on better products, value and customer service.
- Retaining attractive content rights is a priority, as is investing in our platforms and partnerships to maximise mutual benefits.
- We are diversifying our product portfolio and service offering by investing in opportunities in areas adjacent to video entertainment to provide a wider array of products and services to our customers.
- We continue exploring opportunities for relationships with telecommunications companies and other platforms to enhance our value proposition.

4 Technology

Technology is integral to our strategy and operations. For example, the availability and stability of the billing system is critical to the achievement of our strategic objectives. In addition, the stability and scalability of the DStv streaming and Showmax platforms are imperative to drive our OTT ambitions.

RISK MITIGATION

- We invest in improving our existing systems and platforms, and monitoring, innovating and collaborating to offer increased value to customers, which are all a key part of our business plan. Our IT controls framework, based on Control Objectives for Information and Technologies (COBIT) framework, continues to be implemented in new developments, changes and error corrections. The framework's robustness is regularly reviewed.
- Significant improvements to simplify billing and business rules were implemented during the year, and we have standardised our billing system across all African markets.
- Rigorous testing programmes are implemented for all software updates and rollouts for our internal systems and platforms.
- Redundancy in key equipment and platforms was built at the disaster recovery site at our Samrand and Isando operational facilities.
- We expanded our European technical facility and redundancy for the Rest of Africa business by adding a secondary business continuity technical site.

5 Cybersecurity

The security of our information assets is critical, and includes content and customer and employee information. Failure to protect these assets poses a legal and reputational risk.

RISK MITIGATION

- We continuously invest in systems and technology to identify vulnerabilities and prioritise the remediation thereof to enhance systems security and reduce business interruptions.
- We employ a chief information security officer and chief data officer to ensure appropriate management attention to this critical risk.
- Controls over information assets are continuously tested, e.g. through unauthorised access and systems penetration testing, and policies are implemented to address information security risks, e.g. around information security incident management and acceptable usage of the group's technology devices and resources. Focus is also placed on the content value chain and protection of customer and employee information. For example, we ensured full compliance with Protection of Personal Information Act (POPIA) and increased our insurance cover to mitigate against risks.
- International studios undertake security assessments from time to time in support of their agreements with us.
- We achieved international content protection certification from the Content Delivery and Security Association.

6 Securing content

Access to quality content at the right price is a major business imperative. Content rights, for both general entertainment and sport, are highly sought after. Further, currency fluctuations and renewals can lead to increased costs.

RISK MITIGATION

- Rights are regularly reviewed with due consideration for the economic value of each set of rights, and bids are tabled accordingly.
- We bid for and secure sports rights, according to rights cycles as determined by sports rights owners.
- We continue to aggressively increase our investment in local content.
- We employ a mixture of licensing and third-party streaming distribution relationships to cater for a broad range of international content preferences.

Opportunities and risks continued

7 Tax

We pay taxes to the revenue authorities in the various countries where we operate. They are increasingly looking at opportunities to increase revenue collection, which is resulting in an escalation of audits across all tax types. There are also various local and international tax policy changes, which increases the risk of double taxation. We have an ongoing tax dispute with FIRS in Nigeria.

RISK MITIGATION

- Maintain and update key documentation required by revenue authorities.
- We have a strong focus on tax compliance in-country and often appoint third-party advisors to assist.
- We regularly conduct transfer pricing benchmarking and assurance reviews.
- We actively participate in global and regional tax policy and tax administration discussions (via the Africa Industry Tax Association).
- We strive to build and maintain good relationships with the African Tax Administration Forum and other relevant bodies.
- We are keeping an open dialogue with FIRS in Nigeria to resolve the current tax dispute, while actively managing the legal process.
- We regularly review our tax resources to ensure the group has the capacity to deal with the challenges.

8 Business continuity management

The group must be able to anticipate, prepare for, respond to and recover an appropriate level of service in the event of an interruption. This includes technology failures in broadcasting/digital playout, customer service, billing/payment systems, and payroll. The business continuity management programme is focused on people, processes, systems and information.

RISK MITIGATION

- Business continuity management is well established in the group and continuously improved. All operational and functional areas in the group have documented and tested business continuity plans.
- The business continuity management programme is well governed through internal steering committees, with regular reporting to the board and its committees.

9 Piracy

The illegal retransmission and piracy of content, including illegal connections, file sharing, illegal internet streaming of sports content and the piracy of local content remain key risks to the business.

RISK MITIGATION

- We continuously invest in our platform and application security division, Irdeto, which offers cybersecurity and anti-piracy solutions in media and gaming.
- During the year, illegal entertainment services to 0.6m customers were disconnected.
- We limited the number of streams through the DStv app to one device at a time to prevent abuse of simultaneous streaming through excessive password sharing with non-subscribers and selling of passwords online.

10 Talent and skills scarcity

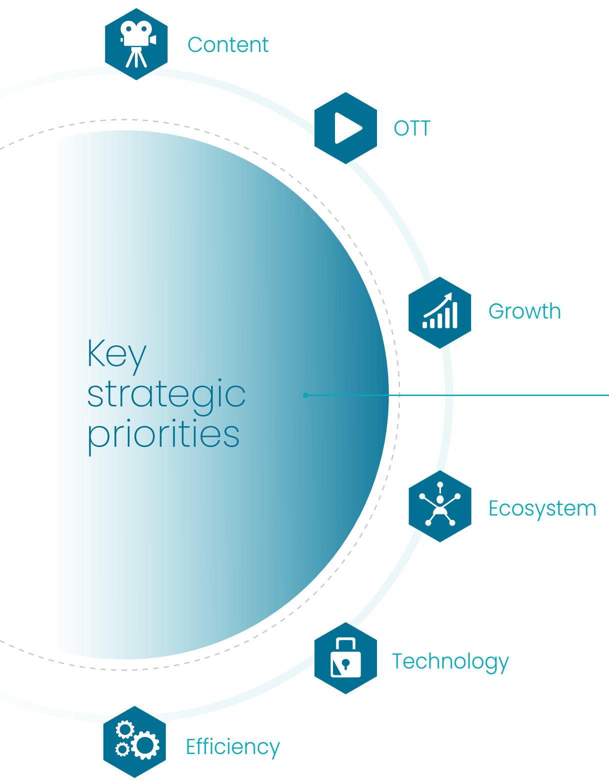
To move into the next generation of entertainment services and beyond, we require talent and competence to operate in a data-driven world of big data, machine learning and AI – all areas with skills shortages globally. However, the focus on talent and competence is not limited to these areas.

RISK MITIGATION

- The group's reward structures are aimed at retaining employees in key areas and include bonuses and share schemes.
- We identify scarce skills and the competencies required.
- Focused recruitment of scarce skills remains a priority.
- This is supported by programmes designed to develop a pipeline of talent.
- We partner with vendors for skills transfer and programmes.
- We position our company as an employer of choice.

Our strategic priorities

Our ambition is to strengthen our leadership position in video entertainment across sub-Saharan Africa, expand our consumer services platform organically, as well as through strategic partnerships and targeted investments, scale Irdeto to a leading cybersecurity business globally, and continue creating value for our stakeholders on a sustainable basis.



Lead in content and differentiate in local and sports content

In an evolving video entertainment industry, a differentiated content strategy is key to success. Our strength lies in our local content expertise and the appeal of our local and international sports offerings.

Our significant and growing investment in local content sets us apart from international competitors, especially as African viewers love content in their own languages, with local actors and stories that resonate culturally. This is reflected by higher relative demand for local content than what is currently available on our platforms. Not only is local content cheaper on average per hour than international content, but it also reduces currency risk as it is priced in local currency and therefore matched to our revenues. By owning this content, we also have greater control and flexibility in how we leverage it across our packages, services and platforms.

On the sports front, we remain committed to exciting customers with the best in local and global sport while carefully managing the cost of acquiring broadcasting rights, by carefully assessing the popularity of certain codes and leagues across subscription tiers and selectively securing exclusivity, among others. We are also the largest funder of sport on the African continent. Our local production capability is unmatched and is globally recognised by peers and sports bodies for its professional expertise and quality. Our production teams have been involved in producing global sports events, including the 2019 Rugby World Cup in Japan, and we will be the host broadcaster for the 2023 Netball World Cup.

While we emphasise the two elements of our content strategy above, we also ensure that our subscribers enjoy a compelling international general entertainment content offering through licensed series, films and channels, complemented by access to third-party streaming services through our connected devices. The video entertainment industry has undergone a fundamental shift and created new ways for us to engage with our customers as they now opt for a portfolio of entertainment options rather than one dedicated provider. An opportunity therefore exists for an aggregator like us to provide a single, seamless customer interface to an entertainment platform of choice.

How we performed in FY22

- We continued to improve our line-up of dedicated local language channels following the launch of additional local channels in Angola, Mozambique and Tanzania, as well as a local content movies channel for East Africa
- Produced 6 028 hours of local content, representing 32% growth YoY
- Local content spend accounted for 47% of total general entertainment content spend (46% in constant currency)
- Local content library increased by 13% YoY, reaching approximately 70 000 hours
- We renewed selected sports broadcasting rights available for renewal this year, including Serie A, the FA Cup and the European Football Championships, as well as the new United Rugby Championship, US golf, and all tennis majors

Looking ahead

- Further ramp up in local content production to reach the target for local content as a percentage of total general entertainment spend of 50% by FY24
- Renew relevant sports and other broadcasting rights on an ongoing basis, while reducing the cost of acquisition where possible
- Successfully broadcast the FIFA Soccer World Cup in December 2022
- Continue to invest in new product and service launches, e.g. the Streama device scheduled for release in the first half of FY23
- Leverage the opportunity as exclusive launch partner for Disney+ and add more third-party VOD partners to our connected devices

Our strategic priorities continued

Enhance OTT capabilities and accelerate adoption

Our track record reflects our ability to pursue innovation and adopt new technologies with the aim of catering for our customers' ever-evolving needs. Although there are some challenges around broadband access and affordability in our markets, customer behaviour is increasingly moving online, and it is therefore important that our content is available through any connected device at any time.

We are looking to accelerate the uptake of our OTT products by differentiating and strengthening our content line-up (particularly local content and sport), improving the UI and UX of our OTT products and platforms, supporting adoption with our connected devices, driving strategic partnerships on distribution, and continuing to find innovative ways to leverage our content assets and serve changing consumer habits.

How we performed in FY22

- 28% YoY growth in OTT active user base
- 52% YoY increase in play events
- 68% YoY growth in paying Showmax subscribers
- By our estimates, we gained 3% in market share in our markets in calendar year 2021
- We delivered 10 Showmax Originals, up from six in FY21, including our first dedicated Showmax Original for Ghana
- Made a number of improvements to our UI and UX, including search and personalisation enhancements, improved download speeds and differentiated online versus offline functionality, faster logins and shifting our services and databases to Amazon Web Services for improved scalability and dynamic performance loads

Looking ahead

- Further investment in Showmax Originals
- Ongoing UI and UX product enhancements, with a particular focus on personalisation, content curation and recommendations
- Continue to grow our paying Showmax subscriber base

Drive growth and support retention

Growing and maintaining a vibrant subscriber base remains key to our success as a group. Our South African subscriber base has different characteristics across our packaged tiers, and we need to cater for our subscribers' specific requirements and circumstances. Scaling our base is also an essential element of our turnaround strategy for the Rest of Africa segment since our video entertainment operating costs are largely fixed with subscriber growth imperative for improving margins. Our 'installed' customer base also provides the foundation on which we are building our consumer services platform, as it provides opportunities for new ways to add value to our customers' lives.

We believe that sub-Saharan Africa offers a large addressable market for our products and services and is poised for ongoing growth as the disposable income levels of African consumers improve on the back of a growing working age population, urbanisation, and improving access to services such as electricity, mobile connectivity and financial services. Our aim is to capture this opportunity through strategic innovation, partnerships and investments to sustain growth and support customer activity levels, retention and loyalty.

How we performed in FY22

- Increased 90-day active subscriber base by 0.9m YoY (+5%) to 21.8m
- YoY growth was lower than the prior year due to the challenging macro-economic and consumer environment, which remain under pressure due to the impact of the COVID-19 pandemic and associated lockdowns, increased unemployment and indebtedness, and rising inflation rates

Looking ahead

- Continue to deliver net growth in our subscriber base despite a challenging consumer environment
- Enhance our overall consumer value proposition through customer value management, and a focus on entertainment and consumer services that compliment and support our core offering

Our strategic priorities continued

Pursue global digital platform security leadership

Our Technology business, Irdeto, is one of the leading companies globally in providing digital platform security, content protection applications and cybersecurity solutions for the media and entertainment industry. Our aim is to drive growth, scale and increased market share through new customer wins and enhanced product offerings.

The world of connected industries presents endless possibilities for manufacturers, consumers and those with innovative new business ideas. While our initial focus is on providing security solutions in the connected transport sector, we see opportunities to create, incubate and grow new businesses in other segments such as connected healthcare.

How we performed in FY22

- Secured four tier-one customer wins in Media Security
- Hyundai group shipped 223 000 vehicles with Irdeto's Keystone technology during the year, despite the negative impact of the global chipset shortage

Looking ahead

- Ongoing market share gains in Media Security, including development of more nascent market segments such as OTT and gaming
- Exploring further opportunities in target connected industry verticals such as transport, health and infrastructure

Maintain operational excellence and sustain cost reduction

Our aim is to deliver positive operating leverage – keeping the organic growth in our cost base below the organic growth in revenue, thereby driving margin expansion for the group. We continuously strive for operational excellence and optimising cost efficiencies across our business units and segments. From time to time, this may require some upfront investment as we redesign certain critical systems to support our future business requirements and customer needs. Another key element of this strategy is our ongoing initiatives to embed analytics and AI in the organisation, focusing on improving customer experience, driving revenue, enhancing content discovery and reducing costs.

We also remain focused on returning our Rest of Africa business to profitability by driving subscriber growth and retention and by managing costs effectively.

How we performed in FY22

- Achieved ZAR1.2bn cost savings for the year
- Despite strong cost savings, we had slightly negative operating leverage in FY22 due to the additional content costs that were deferred from FY21 into FY22, as well as ZAR0.2bn in normalised sales and marketing costs
- Reduced losses in the Rest of Africa by ZAR195m (ZAR339m organic)
- In FY21, we entered into a hardware refresh cycle for our IT systems, while progressing with our multiyear Tech Modernisation Programme

Looking ahead

- Further cost-saving targets in place (ZAR0.8bn target for FY23)
- Deliver on key milestones for our Tech Modernisation Programme
- Deliver on our hardware system refresh programme

Enhance our ecosystem of scalable, tech-based consumer services

While our core video entertainment business continues to grow and deliver healthy cash flows, we are looking to develop future revenue streams by investing in African opportunities that are consumer-focused, which leverage our scale, and are underpinned by technology. We are well positioned to develop compelling consumer services platforms in sub-Saharan Africa given our scale and distribution capabilities, proven track record across the continent, investment in relationships with customers and suppliers, established payment collection capabilities and ability to manage in-country nuances.

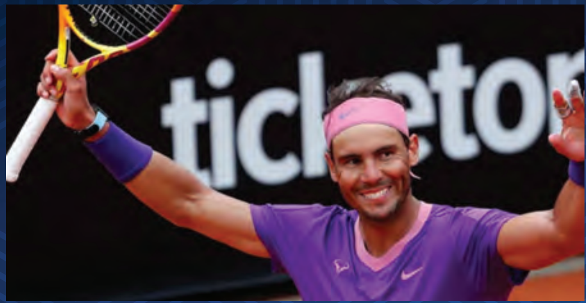
We have already concluded a number of value-enhancing partnerships (e.g. in internet service provision) and have made investments in selected areas with high growth potential (e.g. KingMakers in sports betting and AURA in on-demand security and medical services). Our strategy is to continue looking for more opportunities that fit our investment/capital allocation criteria to further expand our ecosystem, add value to our customers' lives and create shareholder value.

How we performed in FY22

- Increased our investment in KingMakers from 20.0% to 49.23%
- Successfully launched SuperPicks in Nigeria, our first collaboration with KingMakers, with strong engagement seeing us reach 0.5m users having only launched in August 2021 – as a result, we extended the platform to South Africa near year-end
- We launched our DStv Internet fixed wireless broadband offering as a wholesale service through MTN's network aimed at our mid-market in areas without fixed broadband connections
- We bought a 12.5% stake in AURA, and will collaborate more closely with them in due course
- We launched three additional insurance products for the South African market and rolled out a partnership with Udemy to provide access to Udemy's online courses to our customer base

Looking ahead

- Develop new business lines and/or pursue additional partnerships where those create a better customer experience or do not overlap with or leverage our core competencies
- Execute on targeted acquisitions



Performance

Creating an ecosystem of scalable tech-based consumer services as we look beyond our heritage as the pre-eminent video entertainment provider on the continent

From the desk of our CEO

Although we have global reach, we are a proudly Africa-centric group. M-Net is Africa's most loved storyteller. *SuperSport* provides African viewers with access to a world of champions. Our Connected Video team and its aggregation strategy provides a gateway to global entertainment. Now we are building on our platform to create an ecosystem of scalable tech-based consumer services as we look beyond our heritage as the pre-eminent video entertainment provider on the continent.

Following almost another full year of working from home in FY22, our head office employees in Johannesburg returned to our building in Randburg from February 2022 on a rotational basis to cater for government regulations. Although our employees delivered consistently and admirably over the past two years during the lockdown periods and beyond. The return of life and energy to our offices has been most welcome. For some, we are reuniting with old friends and colleagues. For others, we are meeting face to face for the first time. Either way, we are eternally grateful to our employees for sustaining productivity and execution through such a challenging period in their lives and look forward to the positive momentum that closer collaboration affords. In addition, I would like to thank the members of my executive committee and their direct reports for their unwavering support and ongoing delivery against our group's objectives.

You can read more about how we try to create value for our employees in return for their ongoing commitment to our organisation on pages 26 to 30, but a critical component for me is our focus on developing our employees into industry specialists and leaders. We invested ZAR213m in employee development in FY22, with 45% allocated to female talent and 28% invested in bursaries to employees, external students and employee dependents to assist them in achieving their career development and growth aspirations.

As we begin to exit the COVID-19 pandemic or, should I say, as we become more accustomed to living with the impact of the virus, we hope to see some sense of normalcy return to the lives of our customers and our employees. It will take some time to fully recover from the economic fallout of the pandemic and associated government lockdowns, but we are grateful for some progress. Sports schedules have returned to a more typical cadence, series and movie output have stabilised, and production and travel restrictions have started to ease.

Our FY22 performance was impacted by elevated subscriber activity in the preceding year, where our base grew by 1.4m relative to 0.9m in the current year, as well as the deferral of ZAR1.1bn in content costs which were shifted across from the prior year, but we were able to deliver a steady FY22 performance nonetheless. On the positive side, our advertising business recovered exceptionally well, growing revenues by 37% YoY. Our commercial subscriber base has partially recovered with revenues up 33% YoY, but it remains 14% below its pre-COVID-19 level.

We unpack our segmental operating performance in the sections that follow, but I want to flag a few highlights as acknowledgement of the hard work and impressive results our teams are delivering on the ground.

Our general entertainment team is, in many ways, the engine room for the group, and continues to drive our core local content strategy as a key differentiator of our offering. In FY22 we increased the number of local content hours we produced by 32% YoY, crossing the 6 000-hour mark for the first time. There is more to come in the years ahead as we seek to grow our proportion of general entertainment spend allocated to local content from 47% in the current year to 50% by FY24. One of the highlights that we are all excited about is Shaka Ilembe, a massive project which has been in our development pipeline for several years and which started production recently.

With regard to *SuperSport*, while COVID-19 challenges in FY21 saw key events delayed into FY22, the team delivered a remarkable 14 292 live event broadcasts on our linear platforms plus an additional 479 via our OTT platforms. This was up from roughly 7 500 broadcasts in FY20 and around 9 800 broadcasts in FY21. We look forward to the FIFA World Cup in Qatar later this year, where we will be bringing our customers across Africa all 64 matches live, our biggest production of this event to date. In the meantime, the team continues to execute against its mandate to secure the best global sports rights, invest in local sports federations and grassroots development, and drive efficiencies in our broadcasting processes through technology.

Calvo Mawela Chief executive officer

We are proud of the positive contribution we make to the countries where we operate

PAGES

More details of our segment operational performance can be found on pages 70 to 74.

From the desk of our CEO continued

We aim to further scale our video entertainment platform...

Our South African business operates in a mature market with a consumer base that is currently under significant duress due to a weak economy, record unemployment and a rising cost of living. Nonetheless the team was able to grow the subscriber base and cross the 9.0m threshold for the first time. At the same time, and despite price hikes of only 3% on a blended basis, they were able to maintain trading margins in the targeted 30% to 32% range through a strong focus on subscriber value management to reduce the rate of decline in our premium base, an excellent performance from our DStv Media Sales business and an ongoing focus on cost controls.

Our Rest of Africa segment continues to execute against its plans, despite regional and market-specific challenges, notably around inflation in general, but also intermittent power supply in certain markets. Having added 0.85m subscribers in FY21, we added a further 0.86m in FY22. With the additional scale, inflationary pricing in the bulk of our core markets and our embedded cost disciplines, we are seeing the business edge closer to its breakeven target. As previously indicated, we expect to reach this milestone in FY23 in terms of trading profit, with cash flow breakeven to follow roughly 12 months later.

Our Connected Video business continues to drive OTT adoption through its focus on the UI and UX and local content offering. Paying Showmax subscribers grew by 68% YoY and the segment gained market share by leveraging a strong slate of Showmax Originals such as *Devilsdorp* and *The Wife*. In FY23 we aim to further complement the momentum in our proprietary service by expanding our aggregation offering through our distribution partnership with Disney+, as well as through the launch of Streama, our dedicated connected streaming device.

Our Technology business, Irdeto, faced a really challenging FY22, mainly due to supply chain disruptions and a global chipset shortage, as well as some COVID-19 disruptions in a key market like India. It is a testament to the management team that they were able to protect their margins when their revenue base came under pressure. As a market leader in digital platform and cybersecurity solutions, they continue to protect our content and our rights holders, while helping us stay at the forefront of innovation. Outside of our group, Irdeto gained another four tier-one customers in its core Media Security business, while continuing to develop its more nascent Connected Industries growth verticals across transport, logistics, infrastructure and health.

In his letter on pages 9 to 10, Imtiaz shares his view of the opportunity on the African continent and how we are evolving our strategy to make the most of it. In this regard, we took further steps to build on our platform and grow beyond video entertainment. Having bought 20.0% of BetKing in FY20, we increased our stake in the renamed KingMakers to 49.23% in FY22 as we became increasingly comfortable with the prospects for the industry and the cultural and strategic fit between our two organisations. We are comfortable with our sizeable minority holding which we believe best balances our conviction around the opportunity set with the need for KingMakers to retain an element of entrepreneurial freedom and some protection from competitor visibility into their operations. A 68% YoY top-line growth (in US dollar) in conjunction with our successful SuperPicks integration in Nigeria and more recently in South Africa, as well as their launch in Ghana and rollout plan for additional markets in FY23, gives us confidence in the prospects for this increasingly important vertical.

...with our Rest of Africa business close to profitability, we will pursue the next stage of our evolution as we expand our portfolio of consumer services

We also made several smaller investments during the year to potentially add to the suite of consumer services on offer. We bought a 12.5% stake in AURA, a business that provides an on-demand emergency and security services marketplace. While its current offering is a white-labelled service for various corporate customers, there is also an opportunity for us to collaborate on a product to service a latent consumer need in our mid and mass markets across the continent. In addition, we also made a few small investments in financial services businesses including Trust Machines, to gain a deeper understanding of the fin-tech space.

Looking ahead, our performance is likely to be affected by the prevailing macro-economic challenges in our core markets. Nonetheless, we aim to further scale our video entertainment platform across our traditional linear pay-TV, OTT and aggregation platforms while passing through inflationary pricing in the majority of our markets and packages. We will continue to focus on tight cost management and efficiency drives to support the group's profit and cash flow momentum. At the same time, with our Rest of Africa business close to profitability, we will pursue the next stage of our evolution as we expand our portfolio of consumer services.

As a trusted household brand, we remain committed to keep enriching the lives of our customers.

Calvo Mawela
Chief executive officer

General Entertainment

Content is at the core of our business and our content offering sets us apart from our competitors. As Africa's most loved storyteller, we offer a diverse variety of channels and content to cater to our customers' multifaceted entertainment needs. From the production of shows and acquisition of channels and content, to our scheduling strategy and third-party distribution relationships – our ambition is to surprise and delight our customers with great entertainment all year round.

Demand for localised content and channels continues to grow, with audiences wanting to see more local stories. Consequently, we have increased our local production hours by 32% YoY to 6 028 and have grown the number of our owned local channels in various markets to over 20 channels. We continue to focus on personalisation of content offerings, curation of library content and showcasing our content across linear and streaming platforms.

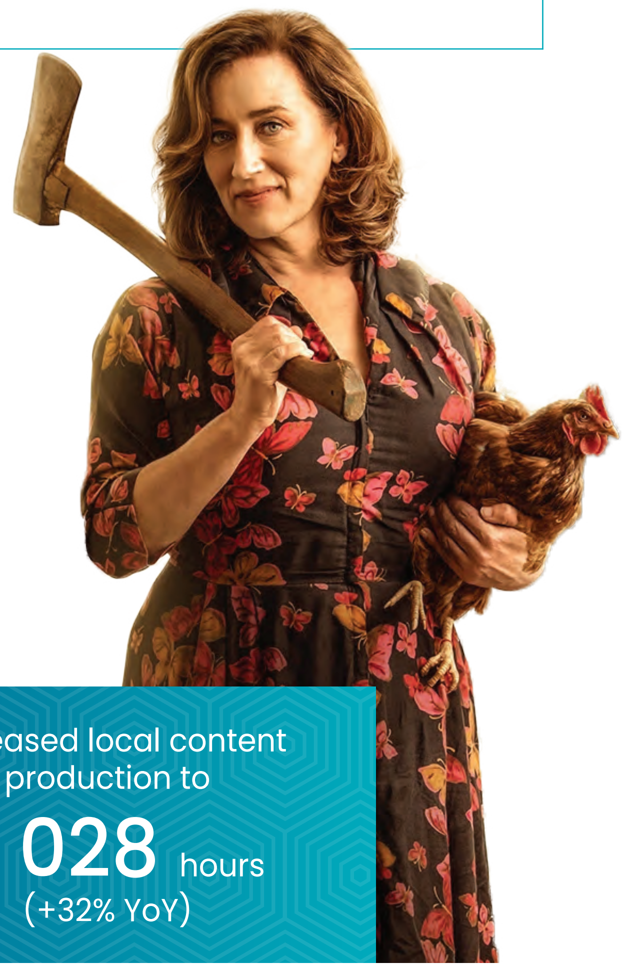
M-Net

M-Net 101 remains the flagship general entertainment channel for Premium subscribers. To keep up with evolving viewing preferences, *M-Net 101* expanded its offering by curating more seasons of popular boxsets on Catch Up and the DStv app. This gives consumers the ability to engage with content through a personalised DStv app experience that offers enhanced functionality.

M-Net's latest local scripted series, *Recipes for Love and Murder*, has been adapted from the best-selling novel by Sally Andrew co-produced with AMC Networks' Acorn TV and Both Worlds Pictures, *Recipes for Love and Murder* launched in late March 2022 to positive early audience share, and stars Maria Doyle Kennedy (*The Tudors* and *Outlander*) and Tony Kgoroge (*Invictus* and *Blood Diamond*).

Local cooking series, *My Kitchen Rules South Africa* and *MasterChef South Africa*, and reality series such as *Survivor South Africa*, were among the most watched programmes on *M-Net 101* in FY22. These series have satisfied DStv Premium subscribers' thirst for competitive skill-based game shows and remain a hit among viewers. New international series such as the reboot of the crime thriller *Dexter* and *Scenes from a Marriage* (starring Jessica Chastain) have added to the exciting line-up.

M-Net continued to package and release perennial favourite blockbuster movies via its pop-up channels. This included M-Net Movies *Fast & Furious*, *Hollywood's Sexiest* and *Lethal Legends* channels. These pop-up movie festivals proved to be popular among DStv Premium movie fanatics.



Increased local content production to
6 028 hours
(+32% YoY)

General Entertainment continued

South African local channels

Our proudly South African premier video entertainment brands, *kykNET* and *Mzansi Magic*, remain top rated channels. They have grown audience share and continued to be main drivers of the group's increased local production hours.

kykNET

kykNET, which celebrated its 23rd anniversary, achieved its strongest performance in the DStv Premium Afrikaans market to date. The daily news broadcast eNuus is popular, as are *kykNET's* selection of soap operas, such as long-running and iconic *Binnelanders*, which celebrated its 4 000th episode in March 2022. Notably, *Binnelanders* grew its linear viewing by over 30% year-on-year and was among the most watched Afrikaans series on the DStv app and Showmax.

kykNET's eight drama series anchored appointment viewing throughout FY22 by showcasing great stories and recognisable, award-winning casts. Among the top performers was the thriller *Spoorloos: Steynhof* which premiered in July 2021, and *Nêrens Noord-Kaap*, which premiered in August 2021 and follows the story of three estranged brothers as they navigate family secrets, sadness and the truth about their mother's death. Perennial crime drama favourite, *Die Byl*, returned for a fourth season and was one of the key drivers of *kykNET's* viewership numbers on linear and Catch Up.

Big format reality series such as *Boer Soek 'n Vrou* and *Wie Word 'n Miljoenêr* continued to drive viewership and social media talkability. *Wie Word 'n Miljoenêr* quickly became a reliable viewership driver across viewing platforms after launching in October 2021. Our reality formats have been well supported and complemented by our selection of Afrikaans series, including *kykNET & kie's Arendsvlei*, *Suidooster*, *Koortjies Met Jonathan Rubain* and courtroom reality series *Die Hof*.

The *kykNET* team also delivered *Woordfees* TV, a dedicated pop-up channel, in October 2021, which brought the vibrancy of one of South Africa's biggest art festivals to Afrikaans-speaking viewers on DStv. The channel's content line up consisted of lifestyle programming, panel discussions, theatre performances, a David Kramer 70th birthday special, as well as a performance by legendary musician Karen Zoid. The carriage of *Woordfees* ensured that crew and artists who would have not had work due to COVID-19 restrictions were presented with income opportunities. Around 300 artists and 200 crew members had a beacon of hope in a dark year for performing arts.

Mzansi Magic

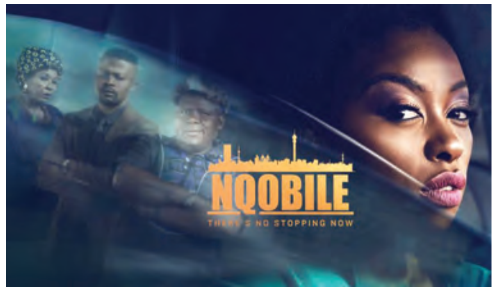
Mzansi Magic's inspiring and bold storytelling continues to reflect the real-life experiences of many South Africans. Throughout FY22, *Mzansi Magic* did not shy away from topical themes such as self-identity, inequality and gender-based violence. Emphasis on bold storytelling allowed the channel to introduce *Becoming*, a reality series which follows the lives of four transgender South Africans on their journeys of self-affirmation, and which became an excellent driver of social media conversation.

Mzansi Magic's Monday drama series *Nqobile* explored the harrowing story of an abused wife who became her own liberator and champion. Monday drama series such as *Nqobile*, *Mzali Wami* and *Grootboom & Sons* showcased strong female leads, while Sunday evenings were ignited by drama series such as *Umkhokha* and *The Republic*. *Umkhokha*, a drama about two rival families fighting for control over a church, and season two of the award-winning political thriller, *The Republic*, which follows a coup attempt amid citizen unrest.

The trio of telenovelas *Gomora*, *DiepCity* and *The Queen* remain the bedrock of appointment viewing on *Mzansi Magic*. *Gomora*, which entered its second season in FY22, continues to be one of the most watched programmes on DStv, the DStv app and Showmax. *DiepCity*, which launched at the start of FY22 and explores the struggles of four young women forced into a life of crime, has steadily increased its audience. Following a successful multiseason run, *The Queen* will be renewed for a seventh and final season ending January 2023. A suitable replacement telenovela has been identified.

Big Brother Mzansi's success was instantaneous after its January 2022 launch and long hiatus. The dedicated *Big Brother Mzansi* channel rose to the third most watched by DStv Compact viewers. The 'Sunday Eviction Show' was a notable social media conversation driver and packaged content such as the *Big Brother* 'Shower Hour' were significant performers on the DStv app.

Reality series have added tone and texture to the overall local content offering on *Mzansi Magic*. *Mnakwethu* and its spin-off *Mnakwethu: Happily Ever After?* have been among *Mzansi Magic's* top performing programmes on linear and Catch Up viewing. Both in their fifth seasons, family-based reality series *Uthando Nes'thembu* and *The Ranakas* sustained strong viewing share, and relatively newer reality formats such as *Ingane Yami* and *Izangoma Zodumo* show signs of strong engagement and healthy growth prospects for future seasons.



General Entertainment continued

Third-party channels

Our comprehensive offering of third-party local and international channels delivers on our promise to bring the best brands home. It includes a wide variety of award-winning shows across multiple genres.

We increased our local third-party offering with the launch of Moja 9.9 (sister brand to the popular *Moja Love*), exclusively to Access subscribers in June 2021. As a result of the successful windowing strategy of key brands such as *Mzansi Magic*, Access viewers are now able to watch popular *Moja Love* shows a few months after they have premiered on the original brand, *Moja Love*.

The local content offering from third-party channels also excited audiences through several new shows and innovative formats. VIA premiered a new format with a dating show, *Ram vir 'n Rus*. BET achieved a celebrity scoop in *DJ Zinhle's: The Unexpected*. *Moja Love* premiered its new reality competition format hosted by Somizi, *Lovey Dovey Millionaire*. *Honey* tapped into local nostalgia and tradition with *7 Colours*. *Zee World* launched pan-African dance competition show, *Dance Africa Dance*.

A new family favourite brand, DreamWorks, was added to our world-class selection of children's channels. Targeted at children aged six to 11, the channel brings beloved characters from DreamWorks hit movies to viewers through high-quality, family friendly series.

We added two channels to our Indian offering: *Zee Cinema* brings the best of Bollywood; and *WION* brings global news from a south-east Asian perspective. The live safari channel *Wild Earth* was added to our Rest of Africa territories, after the positive reception from our southern African subscribers.

The Mexican telenovela channel, *tlNovelas*, was added to the platform permanently after the success experienced with the pop-up channel and includes a Portuguese audio track for our Porto markets in Angola and Mozambique.

The above developments have been complemented by the wide range of content across multiple genres, including documentaries, lifestyle, general entertainment, news and commerce, music and children, which provide a mix of local and international content to cater for our audience's diverse viewing preferences.

Nigerian and West African channels

Authentic storytelling remains the heartbeat of the *Africa Magic* brand. The 11% growth YoY in viewership of *Africa Magic Showcase* can be attributed to the continued strength of the channel's sitcoms. *My Flatmates* and *The Johnsons* achieved strong audience share in their respective timeslots and contributed to the channel's genre variety.

Continued investment saw the introduction of weekday telenovelas *Dilemma* and *Venge*, in addition to the already strong duo of *Enakhe* and *Riona*. These telenovelas ensure resilient appointment viewing for *Africa Magic Showcase*.

The dedicated *Big Brother Naija* channel, which launched in July 2021, was the most watched across all DStv packages in Nigeria. An average audience of 1.3m DStv and GOtv customers tuned into the live Sunday shows that were simulcast on the *Big Brother Naija* channel, *Africa Magic Showcase*, *Africa Magic Urban* and *Africa Magic Family* channels. As an indication of the fervour viewers had for *Big Brother Naija*, approximately 13.6m social media mentions were generated, while the *Big Brother Naija* finale attracted an audience of 2m customers.

Season seven of *Nigerian Idol* has been a multiplatform usage driver since its launch in late January 2022. Over the initial four weeks of its run, *Nigerian Idol* experienced 30% higher unique views on the DStv app and generated a 1 130% increase in YouTube video views.

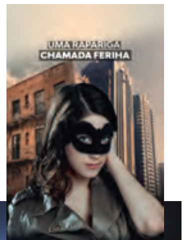
General Entertainment continued

East African channels

Maisha Magic Plus and *Maisha Magic East* remain top performing channels in Kenya's DStv Compact and Access packages, respectively. *Selina, Kina, Pete Taharuki* and *Kovu* have been key viewership drivers for *Maisha Magic Plus*, with sitcoms such as *Njoro Wa Uba* and *Varshita* driving viewership on *Maisha Magic East*.

Maisha Magic Bongo continued to be the most watched channel on DStv in Tanzania, enjoying growth in viewership of 31% YoY. High-quality telenovelas, drama series and magazine content have been an important differentiator and triggered significant viewership increases throughout FY22. The long-running telenovela *Huba* and *La Familia*, a series that explores the dynamics of a wealthy family and a contested inheritance, boosted viewership in the latter half of the fiscus.

Pearl Magic Prime, which is available to DStv Premium, Compact Plus and Compact audiences in Uganda, grew viewership by more than 90% YoY, supported by the channel's flagship telenovelas *Prestige* and *Sanyu*.



Southern African and Porto channels

The telenovela *Mpali* has been the top performing programme on *Zambezi Magic* for more than a year. Viewership was boosted in FY22 by *Mpali* and *Zuba*, which continued to drive Monday-to-Friday viewership. *Zambezi Magic* also introduced several new programmes during the year, including *Wanilata?*, the adapted version of the South African dating reality series *Uyang'thanda Na?*. *Wanilata?*, which nearly doubled *Zambezi Magic's* viewership in its Friday evening timeslot.

Kwenda Magic and *Maningue Magic* were launched on 17 January 2022 in Angola and Mozambique, respectively. The launch of these two channels complements MultiChoice's localised content strategy in these two Portuguese-speaking markets. Over the first few months, *Kwenda Magic* has achieved significant traction and growth in Angola and the third most watched channel in the country. A major part of its rise has been the strength of the telenovela *O Rio* (adapted from South Africa's success *The River*), as well as other scripted series such as *Uma Raparinga* and *Mulher*.

SuperSport

SuperSport delivered another year of world-class productions and excitement for our viewers. Notwithstanding the fact that the COVID-19 pandemic time-shifted a number of key events from FY21 into FY22, the *SuperSport* team delivered an incredible amount of sports content this year, broadcasting over 14 700 live events and over 1 200 of our own live productions in studio and via outside broadcasts (~9 800 and ~500 respectively in FY21). In all, *SuperSport* produced close to 700 productions using outside broadcast facilities.

SuperSport
World of Champions

Record viewership was achieved through the ups and downs of a number of big events and seasons this year where production, as the heart of the business, continued to set high standards:

- **The UEFA Euro 2020 tournament** saw several key matches decided on penalties, including the final between England and Italy. Our DStv and GOtv viewers across the continent were able to share in those moments through our dedicated 24/7 channels. Closer to home, we once again acquired the rights to Africa's premier national team competition, broadcasting all the African Cup of Nations games in Cameroon on DStv and GOtv.
- **Despite the time zone challenges,** we were there to bring viewers all the incredible Tokyo Olympics moments live and through highlights packages on 38 channels across our DTH and DTT platforms as part of our biggest Olympics broadcast ever. We also used all three of our OTT platforms to further supplement and support full coverage, with every gold medal event broadcast live. Athletes from sub-Saharan Africa made us all proud with eight gold medal wins, not least of which included Tatjana Schoenmaker's gold medal and new world record for South Africa, Faith Kipyegon's new Olympic record for Kenya, and Peruth Chemutia's first women's gold medal for Uganda.
- **For our South African fans,** the return of rugby did not disappoint. Despite limited playing time, the world champions were able to carry off a historic series win against the British and Irish Lions, with Morné Steyn clinching the win in the 79th minute of the final test match. The Boks were not the only ones who excelled, with our *SuperSport* team as broadcasting hosting partner carrying off a seamless production operation despite the disruptions from COVID-19 and the unfortunate riots in Gauteng.
- **We saw a notable uptick in *Formula 1* interest this year** on the back of a closely contested championship concluding with a dramatic, if not controversial, end to the season with the drivers' championship decided in the last lap of the final race.
- **More recently, the Proteas did us proud** by defeating some significant opponents to advance to the semi-finals of the ICC Women's Cricket World Cup before bowing out to England on the day. The Indian cricket tour to South Africa went off without a hitch as the Proteas won the test series and *SuperSport* introduced the first female commentators on international men's cricket.

Innovation and adaptation were *SuperSport's* watchwords during FY22. Having come to grips with the new normal, *SuperSport* went to great lengths to ensure broadcast productions continued with stringent testing and health protocols for employees. Major events like the British & Irish Lions rugby tour of South Africa, the Indian cricket tour, Euro 2020 and the Olympic Games were delivered through creative workforce planning, with strict bio-bubbles ensuring success for local events. Consequently, a recognition programme for the best talent and contributions by employees was instituted.

The business made a major leap using remote commentary from some African territories for the African Cup of Nations, Olympic Games, the English Premier League and UEFA Champions League. Research and development into AI technology solutions continued apace and the ultra-HD van design process commenced in November 2021.

SuperSport continued

Nowhere was *SuperSport's* progress more notable than in the digital arena. The *SuperSport* website was successfully migrated to a new platform, which included a complete rebuild of the site's underlying technology to make it faster and more cost effective. *SuperSport* reached 3m followers on Twitter and as many subscribers on YouTube, continuing to build its digital audiences. *SuperSport* had over 40m cumulative unique users on the website and app in FY22, compared with 25m in FY21. Part of this success was attributed to the partnership with Google for OneBox, which directs users to *SuperSport* platforms. *SuperSport* also expanded its partnership with WSC Sports to deliver automated video clips and highlights across various tournaments.

Having acquired School Sport Live in 2020, this streaming business was rebranded to *SuperSport Schools.* Broadcast rights at 75 schools and more than 100 festivals were secured and we broadcast 5 249 live games of school sports during FY22.

Among other firsts, *SuperSport* broadcast the Kasi community football tournament as well as the DStv Compact Cup which proved hugely popular.

SuperSport also proudly celebrated 15 years of Blitz, the news and information service. The launch of *Racing 240* to replace *TellyTrack* on the platform ensured continuity for loyal horse racing pundits. We also launched an Amharic language *SuperSport* channel in Ethiopia (*SuperSport Liyu*).

Rights renewals in the year included Series A, the FA Cup and the European Football Championships, as well as the new United Rugby Championship, US golf, and all tennis majors. We also announced our partnerships with Athletics South Africa and SA Netball as we further support local sports codes and talent development. We have entered into a four-year partnership with the former, while we will work with the latter to prepare for the 2023 Netball World Cup in South Africa, where *SuperSport* will be the host broadcaster and production will be delivered by an all-female production crew for the first time.

Finally, *SuperSport's* collaboration with KingMakers' BetKing Nigeria business saw the launch of online predictor game SuperPicks, which showed encouraging growth from August 2021 and included 1.3m social media engagements.

South Africa operations

MultiChoice South Africa continues to be the **largest investor in local and sports content** in South Africa and plays a meaningful role in further developing the local film and production industry.

Our contributions to South Africa

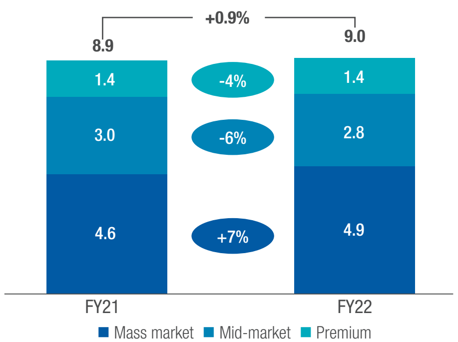
3 620

fulltime employees (FY21: 3 683)

ZAR6.9bn

total tax contribution (FY21: ZAR7.2bn)

90-day active subscribers (m)



Our operating performance

In FY22, the South Africa segment accounted for 64.7% (FY21: 64.3%) of group revenues and 41.3% (FY21: 42.8%) of our group 90-day active subscriber base at year-end. The ongoing shift in the subscriber mix, with growth driven by our mass market base, as well as better price increases at the lower end resulted in ARPU declining by 3% from ZAR277 in the prior year to ZAR269.

9.0m

90-day active subscribers

The South African segment executed well operationally and delivered a satisfactory subscriber result in a challenging environment, with several macro-economic factors impacting the affordability of our services due to rising financial pressure on our customers. Notwithstanding these challenges, we were able to grow our 90-day active subscriber base by 0.1m subscribers and continued to add encouraging levels of new subscribers to the overall base. We crossed the closing 90-day active subscriber threshold of 9.0m (FY21: 8.9m) for the first time, which is testament to the ongoing attractiveness of our products. The continued focus on cost control remains critical and has been well executed to support overall profitability.

7% growth

in mass market segment

Our mass market segment continued to grow, up 7% YoY despite an average 4.2% price increase at the beginning of the year. Growth in the mass market supported overall subscriber performance, and we see further opportunity to increase penetration of this market segment while also upgrading these customers over time as their circumstances improve.

Our mid-market segment contracted by 6% YoY, with this segment particularly hard hit economically, on the back of lockdowns and stop-start economic activity, as well as record unemployment and rising inflation. However, this segment enjoyed the return of *Big Brother Mzansi* after seven years, which was well received given high engagement numbers together with pleasing levels of digital interest. We also continue to innovate in sport, launching the DStv Compact Cup Tournament, with the innovative format that involved fans in the team selection process proving popular. We aim to take this momentum into the new year with ongoing investment behind our strong local content and sports offering in the mid-market.

The return of live sport in conjunction with a renewed focus on the perceived value proposition of our top-end offerings improved Premium subscriber trends, with the segment decreasing by 4% YoY compared to a decline of 8% in FY21. The net effect of these differing subscriber trends is that a shift in subscriber mix towards the mass market continues to dilute our blended APRUs.

ZAR269 ARPU

(FY21: ZAR277)

However, we still see potential to sustain the economics of the business, especially in the context of our largely fixed-cost base in order to support operating leverage. In addition to mass market growth, we continue to focus on upgrade strategies such as open windows and preview episodes of seasons in order to help customers discover shows that they might enjoy on higher packages. We are also focusing on retention strategies such as our price lock contracts, where uptake doubled YoY. We are introducing new value-added services such as additional streaming partnerships that may appeal more to our Premium tier initially, and connectivity and home security services targeting our mid and mass market segments specifically.

In this regard, our flagship connected device, the Explora Ultra, saw further software improvements and continues to sell, while we continue to expand our third-party services on this platform with the introduction of YouTube during FY22 and Disney+ in FY23. In September 2022 we launched DStv Internet, an internet connectivity product, to assist our customers who are not serviced by neighbourhood fibre to get connected. We have seen positive uptake of the product so far with a strong ramp into the fourth quarter (albeit off a low base).

Our insurance business grew by 11% YoY (FY21: 11%), driven by an increase in our decoder insurance and newly introduced life products (subscription waiver, funeral cover and debt waiver) launched in FY21.

75%

digital self-service interactions

We strive to create digital customer experiences supported by the clear design principles of 'easy to join', 'great to stay' and 'watch your way'. These steps allow us to design and craft our customer journey to always be simple, convenient and accessible. Our CSAT scores improved YoY on the back of ongoing improvements to our customer experience journey, with an aggregate score of 78% in FY22, up from 77% in FY21. We also doubled our loyalty scheme, DStv Rewards, opt-in user base, with tangible benefits already observed for our subscriber dormancy rates.

Our customer care ambition is to continue to move away from analogue processes to digitally transformed ones, where we can fulfil all customer requirements with a digital and preferably self-service solution. We seek to tie our product to customer care and engagement in a truly integrated product set. Our WhatsApp, web and DStv app self-service platforms continue delivering a strong uptake, steadily substituting our traditional care channels with convenient customer preferred options. As evidence of this trend, we reached a 75% digital adoption rate for our critical customer engagement fields in FY22. Finally, we continued to drive digital payment adoption, with self-service digital payments increasing by 46% YoY.

Rest of Africa operations

We operate in **49 markets across sub-Saharan Africa**, outside of South Africa. We aim to entertain and inspire with our growing local language content offering, and this year we added even more dedicated local content channels in various markets to bring the group total to over 20 channels.

Our contributions to Rest of Africa

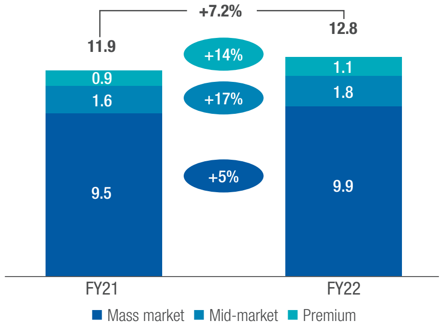
2 780

fulltime employees (FY21: 2 342)

ZAR3.7bn

total tax contribution (FY21: ZAR3.3bn)

90-day active subscribers (m)



Our operating performance

The Rest of Africa segment accounted for 32.5% (FY21: 32.3%) of group revenue, by generating reported and organic revenue growth of 4% and 14% respectively YoY (FY21: 11% and 14% respectively). The segment ended the year with 12.8m (FY21: 11.9m) 90-day active subscribers, up 7% YoY (FY21: 8%). The Rest of Africa accounted for 58.7% (FY21: 57.2%) of our group 90-day active subscriber base at year-end.

12.8m

90-day active subscribers

As was the case last year, macro-economic conditions across sub-Saharan Africa generally remained challenging this year, exacerbated by certain country-specific factors. COVID-19 continued to negatively impact economic activity, for instance, through limited tourism to the region, but we did see some stability return to currency markets relative to the prior years. Country reserves and currency markets remain an issue in certain markets, notably Nigeria and Zimbabwe. Governments continue to push for additional revenue streams through taxes and additional scrutiny on corporate taxpayers. We also saw an increase in requests from sector regulatory bodies in order to generate further revenues.

COVID-19 still affected our businesses during the year, with varying levels of lockdown imposed by governments. However, these were more sporadic and mainly mitigated by the ways of working we implemented in the prior year, such as the ability to service our customers remotely from home. We continued to focus on growing our digital assets, to use them as service channels and as a payment method. We also managed to restore our sales channels.

The end of the year saw significant inflationary pressures in many markets, driven mainly by food and fuel prices. Rising inflation developed off the back of the reduced availability of US dollar to pay for basic supplies in many markets, as well as Russia's invasion of Ukraine, which has driven oil prices to above USD100/barrel for the first time in three years. This placed increased pressure on our rate of subscriber reconnections, especially in our DTT business, which is more susceptible to economic pressure. Despite this, we added 0.9m 90-day active subscribers and set a new record festive season growth.

ZAR110 ARPU

(FY21: ZAR115)

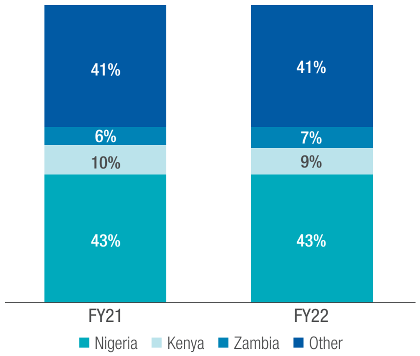
We supported ARPU rates in the current year through implementing inflation-based price increases in most of our core markets. However, we did not put through price increases in all of our markets, notably Nigeria, where we only put through price increases in April 2022, and Angola, where the regulator did not approve an increase in FY22. The net effect was that ARPU shifted slightly lower on country mix, declining from ZAR115 in FY21 to ZAR110 in FY22. We have also been building on the improvements to our payment ecosystem through an increased vendor footprint and reduced vendor, system and customer error rates. We believe that optimising our payment infrastructure will support activity rates and ARPU through time.

The underlying growth trends across our package tiers showed encouraging trends, notably with 14% YoY growth in our Premium segment, recovering well from the 22% decline we experienced in the prior year.

We continued to make significant gains in the mid-market, with growth of 17% YoY, while our mass market base was up by a more muted 5% YoY due to economic pressure at the low end.

Subscription revenue by country

(% contribution to Rest of Africa subscription revenue)



The Nigerian market continued to experience strong economic headwinds this year, with the economy in recession for most of FY22. Inflation remained at elevated levels, ending the year on 15.7%, driven by elevated food inflation at 17.1%. Nigeria has also faced fuel shortages since February 2022 after importing substandard fuel, resulting in weeks of severe scarcity and long queues at filling stations. On top of that, a US dollar shortage prompted government to put restrictions on foreign exchange for supplies of certain items, cutting supplies of goods and exerting pressure on prices.

Rest of Africa operations continued

By executing on our regionalisation strategy, we were able to activate an increased number of new subscribers in new regions, which led to Nigeria's 90-day active subscriber base growing by 11% YoY. A combination of this subscriber growth and the price increases executed in September of the prior year, resulted in subscription revenue growth of 5% YoY in ZAR terms with some offset from a stronger average rand against the US dollar and Nigerian naira.

11%

growth YoY in Nigeria's subscriber base

The liquidity situation remained strained with low oil prices for most of the year and foreign currency prioritised by government for procurement of essential products and services. Funding in the investors and exporters market remained extremely low. The increase in the oil price towards the end of the year did not rectify the situation, mainly as oil production has dipped significantly over the past 12 months due to poor maintenance of infrastructure, compounded by sabotage in certain areas, and a large backlog of foreign currency demand that has built up. Despite this, we were able to repatriate USD242m in FY22, compared with USD207m in FY21, and continue to actively manage our exposure to this market with USD155m remaining in country at year-end.

Our East Africa markets remains highly competitive, particularly at the lower end in DTT, where subscribers are feeling the most pronounced economic pressure. While our improved local language content line-up helped boost our Tanzanian 90-day subscriber base by 22% YoY, our Kenyan DTT base declined by 7% YoY, offsetting 3% growth in our DTH base. Similarly, our Uganda 90-day active base was 3% lower YoY, but we were able to pass through inflationary prices in these markets in FY22 and did see an improvement in our subscriber mix.

Our southern African markets did well from a DTH perspective, with both our Zambia and Zimbabwe 90-day subscribers steadily rebuilding. The DTT base in Zambia, however, declined by 8% this year as power generation was again under pressure, disproportionately impacting low-end consumers who were already under financial pressure. Market indicators improved significantly post-elections, though, with lower inflation, currency appreciation and an improvement in the availability of foreign currency. The net effect was a 3% YoY decline in our Zambian base. Zimbabwe's macro-economic environment remains challenging for all businesses, but we were able to deliver 16% YoY growth in our 90-day active subscriber base.

The direction of travel in our Porto markets is encouraging. The Angolan market remained under pressure for most of the year, but inflation reduced in February 2022 for the first time in 11 months. Exchange rates also significantly improved against the US dollar towards the end of the year on the back of a stronger oil price and in the lead-up to the elections scheduled to happen in August 2022. Against this backdrop, we managed to grow our 90-day active subscribers in Angola for the first time in three years. Meanwhile, the Mozambican government implemented a staggered analogue switch-off from the beginning of September 2021, starting with key cities and with some outer regions still to be completed as at year-end. This led to us gaining market share on the back of 13% YoY 90-day active subscriber growth.

Despite the regional conflict in the northern area and the subsequent state of emergency imposed on the country, we sustained momentum in Ethiopia with the 90-day active subscriber base up 48% YoY. Following our switch from US dollar-based pricing to local currency pricing, we held our product prices steady during the year in order to support growth, and launched the first full Amharic *SuperSport* channel, *SuperSport Liyu*, to further improve our localisation strategy in the market.

We continue to invest behind our local content strategy and added new local content channels in many of our core markets. These included new channels in East Africa (*Maisha Magic Movies*), Tanzania (*Maisha Magic Poa*), Angola (*Kwenda Magic*), Mozambique (*Maningue Magic*), Ethiopia (*SuperSport Liyu*) and a pan-African telenovela channel (*Novella Magic*).

The eventual staging of the Olympics and Euro was well received and *Big Brother Naija* drove record engagement as measured by voting through our MyDStv and MyGOtv apps.

76%

digital interaction (FY21: 70%)

We made significant strides in providing the African markets with world class digital self-service, live chat and content discovery. With our website live in 49 markets in Rest of Africa, apps in 47 and WhatsApp self-service across 12, we continue to see rising digital adoption of our services, including an increase in customer migration to digital self-service interactions from 70% in FY21 to 76% in FY22. We have also launched USSD in 11 markets and launched a first of its kind in Ethiopia with the Telegram self-service plus payment integration solution. Finally, we have built an extensive third-party payment network across Africa through integrations with 167 vendors including large retailers, fintech operators, mobile network operators and banks, collecting ZAR1.6bn over the period under review.

Connected Video operations

Metrics (% YoY growth)

Monthly active OTT users

+28% YoY[(1)]

Play events

+52% YoY[(2)]

Paying Showmax subscribers

+68% YoY[(3)]

Grew SVOD market share by

3% YoY[(4)]

(1) Measured as at 31 March YoY, excluding free version of Showmax.
(2) Measured as the total play events for FY22 versus FY21.
(3) Measured as at 31 March YoY, relates to all paying customers including discounted DStv Add to Bill customers, but excluding free DStv Add to Bill customers.
(4) Based on internal estimates for our region.

Our operating performance

Connected Video develops and operates our non-linear, OTT video entertainment services for the group, spanning our sub-Saharan Africa markets through our DStv streaming and Showmax products, as well as select international markets with our Showmax service enjoyed by the African diaspora.

DStv via streaming is available as a companion product for existing DStv subscribers or as a standalone service for subscribers who want to stream the full DStv offering online without the need for a satellite dish installation or a dedicated set-top box. Showmax is a paid SVOD service available as a standalone product or as a value-added service to DStv Premium subscribers and at a 50% discount to customers on certain lower-tier DStv packages. We also have a cheaper mobile version for Showmax and Showmax Pro, which includes popular sports content at a higher price point. Our connected services are available on a wide variety of platforms, such as smartphones, smart mobile devices, desktop computers, laptops, gaming consoles, smart TVs, and the DStv Explora and Explora Ultra decoders. We will be launching our dedicated streaming device, Streama, in FY23 to provide even more device and service support to our digital native customers.

While an exceptional UI and UX are largely seen as table stakes by streaming consumers, our engineering teams continued to drive improvements through our DStv via streaming and Showmax platforms, with the former enjoying a revamp of its streaming UX. We have focused on improved content discovery through a redesigned home screen with tailored banner and hero images, auto play trailers, enhanced search functionality, and improved customer personalisation. We have also made big improvements to download reliability and overall platform stability and scalability over the last year. In a world first, we delivered personalised recommendations to customers who use Zapper devices which are not connected to the internet.

As always, though, the strength of our service is based on our ability to curate an exceptional content offering that includes the best local content, first and exclusive international series and movies, and kids' shows, as well as live sport on Showmax Pro. Our products are increasingly tailored for our core markets with dedicated Showmax Originals, local pricing, low payment integrations with a range of local payment channels, low data use settings, and strategic integrations with local telecommunications companies.

During FY22, our Connected Video services continued to grow, with users and play events up 28% and 52% respectively. This growth was driven by the production of the largest number of Showmax Originals to date, where we delivered 10 titles (up from six in FY21), targeted marketing campaigns, increased local content volumes in key markets, and fresh, high-quality international movies and series.

Our local content strategy continues to yield results, with popular shows like *The Wife*, *The Real Housewives of Durban*, *Life with Kelly Khumalo*, *Temptation Island*, *Ghana Jollof*, *Single Kiasi* and *Devilsdorp* driving growth in viewership numbers and social media hype. The Showmax Originals we created for the South African, Nigerian and Kenyan markets all topped the 'most watched' charts on Showmax. *The Wife* remained the most watched show in South Africa from November 2021 to March 2022. We continue to see a strong affinity for African storytelling, with local series and movies making up 60% or above of the top 10 most viewed series and movies for FY22 in all key markets. Various Showmax Originals set viewing records, earned five-star reviews, and won Kalasha and South African Film and Television awards.

Showmax Pro successfully streamed the Beijing 2022 Winter Olympic Games and the Total Energies Africa Cup of Nations 2021 in addition to top international and local football. As we head into FY23, we are ramping up our content offering further in our key markets with titles like *The Real Housewives of Lagos*, Kenyan originals *Igiza* and *Pepeta*, and many more locally produced dramas, reality shows and documentaries on the line-up. We continue bringing bingeworthy international shows such as *Euphoria*, *Halo*, and *Succession* to subscribers.

Within the Showmax environment, we continue to improve the relevance and timeliness of communication to our customer base through various communication channels and have added web push notification and in-app content cards. We will continue to drive further product enhancements into the future. With a strategy that offers African viewers a non-linear service designed exclusively for an African audience, Showmax and DStv streaming are well positioned to drive our group's digital entertainment strategy, and we are increasingly complementing our core service lines with an aggregation strategy that leverages our connected devices and third-party streaming service distribution agreements to create additional value for our viewers.

Irdeto operations

Irdeto is the world leader in **digital platform cybersecurity**. It provides the group with **encryption, conditional access and middleware solutions**

Operations in

77

countries globally with close to

400

external clients

Our operating performance

Our Irdeto business services the MultiChoice Group's video entertainment subsidiaries and close to 400 external clients. Revenue from the MultiChoice Group accounted for 52% of Irdeto's total revenue in FY22 (FY21: 47%), which is eliminated on consolidation. Irdeto's FY22 top-line performance was impacted by a number of global headwinds which we detail below. Nevertheless, Irdeto delivered well operationally, with tight cost controls to deliver a 33% trading margin in FY22, up from 31% in FY21.

COVID-19 continued to impact sales and business development activities due to travel restrictions and customer event cancellations, as well as negatively impacting the consumer retail environment in key markets like India. Ongoing global silicon chipset shortages impacted availability and pricing of components in both our Media Security and Connected Transport markets. Global supply chain disruptions continued to impact new projects and reduced volumes for some existing customers due to lower factory capacity. Finally, the conflict in Ukraine towards the end of FY22 impacted Irdeto's regional operations and some of its European customers.

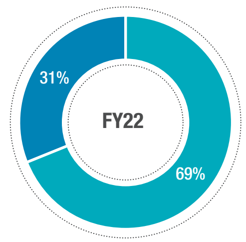
Irdeto remains a critical partner to its parent organisation and provides encryption, conditional access and middleware solutions for MultiChoice set-top boxes and OTT services. In addition, the business helps MultiChoice monitor and combat piracy across sub-Saharan Africa.

1 219

illegal operators disconnected

We broadly manage our business across two major segments, namely the Media Security and Connected Industries.

Irdeto revenue by source (%)



In our Media Security segment, the content protection market is fairly mature, typically resulting in low single-digit, industry-level growth. As a result, we aim to improve our market share over time, and won a further four tier-one customers in Latin America, New Zealand and the Middle East, including Sky New Zealand, where we will be providing conditional access and app monitoring services for their next-generation set-top box (Sky Box). These wins will help us grow further into FY23 and beyond.

The industry is also affected by traditional linear pay-TV operators coming under pressure from growing competition from OTT services as the landscape evolves. However, this provides new business opportunities as traditional operators adapt to changing circumstances and as new players enter the market. We serve customers in both camps and therefore target organic growth by supporting traditional broadcasters in rolling out hybrid and streaming services and by serving ISPs and streaming services.

25

awards received globally

We remain well positioned to maintain and grow our position in the cybersecurity market, given our differentiated offering, established brand name, long-standing market reputation and partnerships, and consistent focus on innovation. Some of our most recent innovations include: Irdeto Server Side Ad Insertion, the solution for OTT operators to monetise their addressable live advert inventories through targeted and personalised adverts inserted into the content stream; and Irdeto RDK Hybrid Stack, to support traditional linear pay-TV operators across either Android or RDK with their OTT and/or hybrid satellite platform offerings.

We are actively looking past video entertainment as we continue to grow our Denuvo business in the video gaming space and continue to win new large and smaller customers with our market-leading anti-cheat and anti-tamper services.

This is the second year in a row that we have won more than 20 awards at the Cybersecurity Excellence Awards, which speaks to our core competencies as the world's leading cybersecurity partner. In FY22, Irdeto was recognised by winning 25 awards, including Best Cybersecurity Company of the Year award.

In our Connected Industries segment, our focus on diversifying our revenue streams continued yielding positive results. Despite automotive industry wide headwinds due to silicon shortage, we grew the number of Hyundai and Kia vehicles that incorporate our Keystone product YoY. We also gained traction with a number of industry-leading companies in fleet management, logistics and construction equipment leasing segments. These engagements confirm the validity of our strategic direction and will contribute to growth in the coming years. In Connected Health, we are deepening our understanding and position in the market, having established a start-up/scale-up programme that encourages early adoption of Irdeto technology and by creating security partnerships with top-tier medical device manufacturers.

As we exit a year in which demand for video entertainment was yet again buoyed by global lockdowns, we expect to continue driving an increase in the contribution from our new service lines as the world begins to normalise.

CFO's performance review

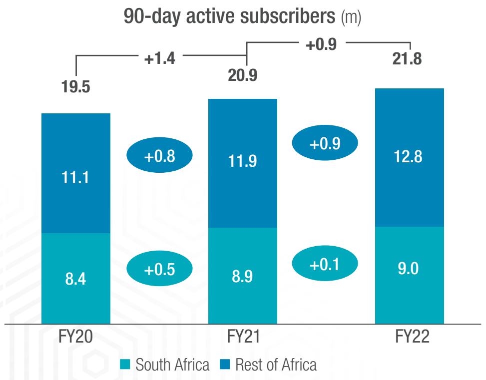
Our priority remains growing and diversifying our revenue streams in a challenging macro-economic environment while executing on the group's robust cost optimisation programme. A further ZAR1.2bn in costs were removed in FY22, offsetting the ZAR1.1bn in content costs deferred from FY21 to FY22. Trading margins were steady at 19%, while core headline earnings per share increased 6%.

Key highlights

Organic revenue growth of
7%

Maintained trading margin at
19%

Core headline earnings
+6%



Tim Jacobs Chief financial officer

Despite challenging market conditions and consumer pressure, the group recorded subscriber growth of 0.9m 90-day active subscribers

Delivered healthy free cash flow of
ZAR5.5bn
despite pre-payments

Strong balance sheet and
ZAR11.2bn
in available liquidity

Declared dividend of
ZAR2.5bn

CFO's performance review continued

Operational performance review

The group delivered subscriber growth of 5% to reach 21.8m subscribers primarily through the addition of 0.9m subscribers (i.e. 7% growth) in the Rest of Africa on the back of a strong sports calendar and successful local content productions. The South African market experienced subdued growth of 1% due to continued macro-economic challenges and increasing pressure on consumer affordability. The 90-day active subscriber base comprises 12.8m subscribers (59%) in the Rest of Africa and 9.0m (41%) in South Africa.

The Showmax paying user base grew 68% as local productions such as the *Real Housewives* series and *The Wife* resonated with customers.

1 Organic top-line growth accelerated from 4% to 7% driven by robust subscriber growth in the Rest of Africa, and a strong recovery in advertising revenues which grew 37% YoY. Irdeto's revenues were affected by the COVID-19 pandemic, silicon shortages and supply chain disruptions, which resulted in a 9% reduction on an organic basis.

2 Although the group strives to achieve positive operating leverage by keeping the growth in costs below the rate of growth in revenue, this was not achieved this year. Overall costs increased 8% YoY on an organic basis, largely due to the ZAR1.1bn of content costs deferred from FY21 to FY22. This was offset by the cost optimisation programme that delivered a further ZAR1.2bn in cost savings. Other notable cost increases included set-top box purchases due to higher sales volumes during peak periods (driven by the return of major sports events and a successful festive season), accompanied by a commensurate increase in sales and marketing activities.

3 The trading margin expanded from 16% to 19% between FY20 and FY21 and was stable YoY in FY22. South African margins have remained steady in the 30% to 32% range while in the Rest of Africa continued to narrow its losses (24% organically and 14% on a nominal basis).

Review of financial performance

	FY20 (ZAR'bn)	FY21 (ZAR'bn)	FY22 (ZAR'bn)	Organic growth FY21 (%)	Organic growth FY22 (%)	Notes
Revenue	51.4	53.4	**55.1**	4%	**7%**	1
Costs	(43.4)	(43.1)	**(44.7)**	(3)%	**8%**	2
Trading profit	8.0	10.3	**10.3**	44%	**1%**	3
Net interest paid	(0.6)	(0.7)	**(1.0)**			
Taxation	(3.4)	(4.8)	**(4.2)**			4
Non-controlling interests	(1.4)	(1.9)	**(1.5)**			4
Other gains/(losses)	(0.1)	0.4	**(0.2)**			5
Core headline earnings	2.5	3.3	**3.5**	32%	**6%**	6
Core headline earnings per share[(1)]	569	767	**814**	35%	**6%**	6
TP margin	16%	19%	**19%**			3
Effective tax rate	65%	54%	**59%**			4

4 The group's effective tax rate increased from 54% in FY21 to 59% in FY22, mainly due to increased provisions and liabilities in the Rest of Africa segment. The effective tax rate remains high as the losses in the Rest of Africa negatively impact profit before tax and distort calculations (there are withholding and other taxes paid in the Rest of Africa notwithstanding that the segment is loss making). Non-controlling interests decreased in FY22 due to lower profits in South Africa.

5 Other gains/(losses) were negative in FY22 due to a derecognition of IT assets amounting to ZAR0.3bn.

6 Core headline earnings per share recovered strongly from the 26% decrease reported at the interim stage to 6% growth YoY, as operations normalised in the second half relative to the prior year and a weaker rand reduced realised losses on foreign exchange contracts.

(1) Metric disclosed as ZAR cents per share.

CFO's performance review continued

Review of cash generation

Free cash flow reduced marginally by 3% due to ZAR1.1bn in once-off pre-payments, but remained healthy at ZAR5.5bn. Cash generated was mostly used to pay MultiChoice Group and Phuthuma Nathi dividends (ZAR4bn), fund share buy-backs (ZAR0.3bn) and make a ZAR0.5bn early repayment on the ZAR4bn KingMakers term loan.

	FY20 (ZAR'bn)	FY21 (ZAR'bn)	FY22 (ZAR'bn)	FY21 growth (%)	FY22 growth (%)	Notes
Trading profit	8.0	10.3	10.3			
Non-cash adjustments	4.6	4.2	3.4			1
Working capital investment	(0.5)	(0.6)	(1.0)			2
Cash from operations	12.1	13.9	12.7	15%	(9)%	
Capital expenditure	(0.8)	(1.6)	(1.1)			3
Lease repayments	(2.1)	(2.5)	(2.5)			3
Taxation paid	(4.0)	(4.1)	(3.6)			4
Free cash flow	5.2	5.7	5.5	10%	(3)%	
Add: Net interest received	0.2	0.2	0.0			
Less: Dividends paid by holding company	–	(2.4)	(2.4)			5
Less: PN and other NCI dividends	(1.6)	(1.5)	(1.5)			5
Less: Share buy-backs	(1.7)	–	(0.3)			6
Less: Settlement of share-based compensation awards	–	(0.5)	(0.1)			6
Add: Proceeds/(Repayment) from long and short-term loans raised	–	1.4	2.6			7
Less: Investments in associates	–	(1.4)	(4.2)			8
Less: Settlement of contingent consideration	–	–	(0.5)			9
Less: Other cash movements	–	(0.1)	(0.2)			
Retained free cash flow	2.1	1.4	(1.0)			
Add: Decrease/(Increase) in restricted cash	(0.5)	(0.1)	0.2			10
Foreign exchange translation of foreign cash balances	0.8	(1.9)	(1.6)			11
(Decrease)/Increase in cash and cash equivalents	2.4	(0.6)	(2.4)			

1 Non-cash adjustments include depreciation, amortisation, net realisable value adjustments on inventory and non-cash hedge accounting movements. The decrease of ZAR0.8bn from the prior year relates to higher non-cash hedging gains as well as a reduction in depreciation.

2 Working capital investment increased due to several once-off payments, including ZAR0.6bn in tax security deposits made in relation to the ongoing Nigerian tax audit, ZAR0.3bn in chipset pre-payments to secure the FY23 set-top box supply amid a global chipset shortage and a ZAR0.2bn pre-payment to obtain additional satellite capacity for the Rest of Africa.

3 Capital expenditure of ZAR1.1bn was lower than the prior year but remained within the normal range for the group of ZAR1bn to ZAR1.5bn. This reduction YoY was mainly due to lower investment into a multiyear programme to upgrade the group's customer service, billing and data capabilities. Lease repayments remained in line with the prior year.

4 As one of the largest taxpayers in Africa, the group paid direct cash taxes of ZAR3.6bn. This was lower than the prior year driven by a lower third top-up tax payment and reduced profitability in South Africa.

5 The second MultiChoice Group dividend was paid in FY22 at ZAR2.5bn (net outflow of ZAR2.4bn due to impact of treasury shares held) while dividends to Phuthuma Nathi were the same as the prior year at ZAR1.5bn.

6 A further 2.5m MultiChoice Group shares were purchased in the current financial year at an average price of ZAR121 per share to fund future share scheme awards. ZAR0.5bn was utilised in the prior year primarily to fund the closure of the MultiChoice 2008 SAR Scheme, which was no longer meeting its purposes as a long-term incentive scheme.

The group's buy-back programme, implemented in FY20, has now realised ZAR105m in cash savings (calculated as the difference between the average share buy-back price and the spot price at the time of transferring the shares into the share trust).

7 Proceeds/repayments of loans relates to the ZAR4bn term-loan taken out to fund the group's additional investment in KingMakers offset by repayments of ZAR1.6bn including an early ZAR0.5bn repayment of the KingMakers term loan in March to reduce the impact of non-deductible interest costs in future years. FY21 consists of the ZAR1.5bn working capital loan raised.

8 Investment in associates relates to the additional investment of USD282m (ZAR4.1bn) in KingMakers that takes the group's ownership from 20% to 49.23%.

9 The initial KingMakers transaction was structured to include an upfront investment with the potential for further payments of up to USD31m (ZAR0.5bn) should certain earn-out targets be met between December 2021 and December 2023, or the valuation on which the transaction was concluded was supported by future equity transactions. In FY22, the group increased its investment in KingMakers which triggered the full USD31m payment, which was made in November 2021.

10 Restricted cash relates to initial margin deposits on Nigerian futures (USD14m) which are used to hedge naira currency depreciation. This balance has decreased due to less futures contracts being taken out in the current year, versus an increase in the prior year.

11 The translation of foreign cash reserves, mainly held in US dollars, has decreased the cash balance in the current year compared to prior financial years, due to the appreciation of the rand against the US dollar. This also includes ZAR1.1bn (FY21: ZAR0.6bn) in foreign exchange losses on extraction of cash from Nigeria at the parallel rate.

CFO's performance review continued

Review of financial position

We continue to manage the balance sheet and improve cash generation through a disciplined approach to capital allocation.

	FY20 (ZAR'bn)	FY21 (ZAR'bn)	FY22 (ZAR'bn)	FY21 growth (%)	FY22 growth (%)	Notes
Non-current assets	25.4	23.4	**25.6**	(8)%	**9%**	1
Current assets	20.8	18.9	**17.3**	(9)%	**9%**	2
Total assets	46.3	42.3	**42.9**	(8)%	**1%**	
Non-current liabilities	18.2	14.3	**13.9**	(22)%	**3%**	3
Current liabilities	18.3	18.6	**20.9**	2%	**12%**	4
Total liabilities	36.5	32.8	**34.8**	(10)%	**6%**	
Equity	9.8	9.5	**8.1**	(3)%	**(15)%**	
Key ratios						
Liquidity	1.1	1.0	**0.8**			5
Leverage (including leases) (times)	0.9	0.5	**0.8**			6
Return on capital employed	30%	40%	**45%**			7
Interest cover (times)	34.2	25.4	**27.5**			

1. Non-current assets increased primarily due to the additional USD282m (ZAR4.1bn) investment in KingMakers. This is partially offset by the annual depreciation of property, plant and equipment.

2. Current assets decreased due to lower cash balances, as a result of the ZAR500m early repayment of the KingMakers term loan and various once-off pre-payments (ZAR1.1bn). These pre-payments included ZAR0.6bn in tax security deposits made in relation to the ongoing Nigerian tax audit, ZAR0.3bn in chipset pre-payments to secure the FY23 set-top box supply amid a global chipset shortage and ZAR0.2bn to obtain additional satellite capacity for the Rest of Africa.

3. The decrease in non-current liabilities is primarily due to a reduction in lease liabilities of ZAR1.8bn. This was due to repayments of finance leases (ZAR2.5bn), partially offset by interest capitalised (ZAR0.6bn) and additional transponder capacity for the Rest of Africa (ZAR0.1bn). Non-current liabilities also include the KingMakers term loan and the working capital loan raised in the prior year which total ZAR2.7bn, an increase of ZAR1.5bn from the prior year.

4. The increase in current liabilities is primarily due to the current portion of the KingMakers term loan (ZAR0.8bn) that was raised on the balance sheet and increased tax provisions liabilities (ZAR1.5bn), primarily relating to the Rest of Africa segment.

5. Measured as current assets divided by current liabilities. The decrease is due to the lower cash balances held at the end of the year, as well as the increase in current liabilities discussed under note 4. Based on the group's healthy cash generation, available facilities and low leverage ratio, management is comfortable with the group's liquidity.

6. Measured as net debt (lease liabilities plus working capital and Kingmakers term loans less cash) divided by earnings before interest, taxation, depreciation and amortisation. The group retains a low level of gearing, which provides financial headroom to navigate both challenges (including liquidity shortages in Nigeria) and opportunities to expand the business into the future.

7. Measured as trading profit divided by average total assets less average current liabilities. Return on capital employed improved by 5% to 45% in FY22. This was on the back of steady trading profit and a reduction in the net capital employed. The reduction in net capital employed was driven by an increase in current liabilities as discussed under note 4.

CFO's performance review continued

Investment in KingMakers

On 29 October 2021, the group increased its shareholding in KingMakers from 20% to 49.23% for USD282m. It also settled the contingent consideration of USD31m relating to the first 20% investment in the prior year. USD300m of the transaction was economically hedged at an all-in rate of ZAR1:USD14.56, with the remaining USD12m settled out of the group's US dollar cash reserves. The transaction was primarily funded by a ZAR4bn term loan concluded in November 2021. The loan has a five-year term and bears interest at the three-month Johannesburg Interbank Average Rate +1.35%. Based on additional liquidity on hand at year-end, a decision was taken to make an early ZAR500m repayment on the loan to lessen the impact of non-deductible interest in future years.

KingMakers delivered USD131m (ZAR2.0bn) in revenues, representing robust growth of 68% YoY. It recorded a loss after tax amounting to USD19m (ZAR0.3bn) as increased revenues were offset by investments in people, products and technology to further scale the business. Although revenues are still primarily generated in Nigeria, the business is now active in Kenya, Ghana and Ethiopia (markets which are still maturing).

The product and market expansion plans are fully funded through the MultiChoice Group investment and KingMakers had USD203m (ZAR3.0bn) of cash available at 31 December 2021 (KingMakers' financial year-end).

Nigeria tax audit

The group has two ongoing Nigerian tax matters, one involving MultiChoice Nigeria Limited and one involving MultiChoice Africa Holdings BV. After receiving assessments from the Nigerian FIRS, the group disputed these claims and appeared in front of the Tax Appeal Tribunal, with both matters being postponed on various occasions.

On 16 February 2022, an agreement was reached with the FIRS that legal proceedings will be stayed and that an integrated tax audit will commence during March 2022 for both the MultiChoice Nigeria and MultiChoice Africa Holdings BV matters. The audit process, which covers corporate income tax, value added tax and transfer pricing, remains ongoing with all parties fully cooperating.

As part of the process, the group has paid ZAR0.6bn in tax security deposits on a without prejudice and good faith basis. These have been recorded as current receivables pending the outcome of the audit process.

Based on the latest facts and circumstances available, no tax provision has been made, nor has a contingent liability been disclosed in the FY22 results. The group maintains its position as a law-abiding corporate citizen and continues to engage constructively with FIRS to bring the audit to a timely and fair conclusion.

Share transactions

In order to preserve cash reserves, the group transferred a further 3.8m treasury shares (valued at ZAR0.4bn on the date of transfer between two group companies), to fund the current year's awards to employees under the group's restricted stock unit share plan.

The group's buy-back programme, first implemented in FY20, has now realised ZAR105m in cash savings (calculated as the difference between the average share buy-back price and the spot price at the time of transferring the shares into the share trust). Based on the success of this approach, a further 2.5m shares were purchased in the second half of the current financial year at an average price of ZAR121 per share to fund future restricted stock unit share awards. As a result, a total of 4.6m shares at an average price of ZAR113 per share remain unallocated for future use at the end of FY22.

Dividend declared of ZAR2.5bn in line with the prior two years

Dividend number 3

The board has recommended that a gross dividend be declared at 565 cents per listed ordinary share (ZAR2.5bn).

Appreciation

I would like to thank the board for their guidance and the group executive committee for their support and leadership during the year. I also wish to express my appreciation for the dedication and hard work of our finance teams across the group. I would like to thank our shareholders for their interest and investment in MultiChoice and finally to our customers without whose support these results would not be possible.

Tim Jacobs
Chief financial officer

Corporate governance

To create a successful and sustainable business, we continue entrenching the principles of sound corporate governance

Our board of directors

MOHAMED (IMTIAZ) AHMED PATEL (58)

South African

CHAIR AND NON-EXECUTIVE DIRECTOR

HDipEdu

Appointed 6 December 2018

Imtiaz was previously the CEO of the Naspers Group Limited (Naspers) video entertainment segment, CEO of the MultiChoice South Africa Group, MultiChoice South Africa and SuperSport International. He won the prestigious Naspers Phil Weber Award in 2009. Prior to that, he was the director of professional cricket at the United Cricket Board of South Africa. He has a Higher Diploma in Education from Wits, completed the executive PMD programme offered by the University of Cape Town's Business School, and completed the senior executive programme at Harvard Business School.

ADV KGOMOTSO DITSEBE MOROKA (68)

South African

INDEPENDENT NON-EXECUTIVE DIRECTOR

BProc and LLB

Appointed 6 December 2018

Kgomotso is a senior counsel and member of the Johannesburg Bar. She holds non-executive directorships at Standard Bank Group Limited and Netcare Limited. Kgomotso serves as trustee of the Nelson Mandela Children's Fund, Hospital and the Apartheid Museum. She also served as the chair of M-Net's Phuthuma Futhi Trust. She holds a Baccalaureus Procurationis from the University of the North and an LLB from Wits.

JOHN JAMES (JIM) VOLKWYN (64)

South African

INDEPENDENT NON-EXECUTIVE DIRECTOR

CA(SA)

Appointed 6 December 2018

Jim has been a director of MultiChoice Group Limited since February 2019. He previously served as CEO of the Naspers global video entertainment segment. He holds a Bachelor of Commerce (Honours) from the University of Cape Town and is a chartered accountant (CA)(SA).

JABULANE ALBERT (JABU) MABUZA (63)

South African

INDEPENDENT NON-EXECUTIVE DIRECTOR

DCom (Honoris Causa)

Appointed 5 July 2019

Jabu served as the chair of Sun International Limited and Net 1 UEPS Technologies, Inc. He was previously the interim executive chair and acting group CEO of Eskom SOC Limited, chair of Telkom SA SOC Limited, Anheuser-Busch InBev/SABMiller – Africa, Business Leadership South Africa, and the Casino Association of South Africa. He served as the president of Business Unity South Africa until 2018. He also served on the boards of Tanzania Breweries Limited and Castle Brewing Company in Kenya, on the Corporate Council on Africa in Washington DC and on the World Travel and Tourism Council. He was chair of the Regional Business Council for the WEF, a delegate to various B20/G20 summits and was appointed to the Concordia Leadership Council based in New York. Jabu held a Doctorate in Commerce (Honoris Causa) from Wits.

Sadly, Jabu passed away on 16 June 2021.

LOUISA STEPHENS (45)

South African

INDEPENDENT NON-EXECUTIVE DIRECTOR

BBusSc (Finance), CA(SA) and CD(SA)

Appointed 6 December 2018

Louisa is the founder of Prime Select Holdings. She serves as a director of Royal Bafokeng Platinum Proprietary Limited, Tongaat Hulett Limited, Strate Proprietary Limited and the Institute of Directors in South Africa NPC. She previously served as a director of African Bank Limited, South Ocean Limited and AFGRI Limited, and held management positions as chief investment officer of Circle Capital Ventures, general manager: finance investments at Nozala Investments, and fund manager at the uMnotho Fund at the National Empowerment Fund. She holds a Bachelor of Business Science and BCom Honours (Accounting), and is a CA(SA) and chartered director (CD)(SA).

ELIAS MASILELA (58)

South African

INDEPENDENT NON-EXECUTIVE DIRECTOR

BSocSci (Economics and Statistics) and MSc (Economic Policy and Analysis)

Appointed 6 December 2018

Elias previously served as the CEO of the Public Investment Corporation Limited until June 2014, the head of policy analysis at Sanlam Limited and the deputy director general at the National Treasury. He is also chair of Sanlam, Ingagaru Investments and Capital Harvest. He is a member of several strategic boards in South Africa. Elias is a former board member of the South African Reserve Bank, Government Employees Pension Fund and United Nations Global Compact, among others. He holds a Bachelor of Social Science in Economics and Statistics from the University of Swaziland and a Master's in Economic Policy and Analysis from Addis Ababa University.

Our board of directors continued

JAMES HART DU PREEZ (63)

South African

INDEPENDENT NON-EXECUTIVE DIRECTOR

CA(SA), CD(SA)

Appointed 1 April 2021

James is a CA(SA) who was admitted as a partner of PricewaterhouseCoopers Inc (PwC) in 1996. As the clients and markets development leader for PwC Africa, he was responsible for digital marketing, advertising, sponsorships and business development. James served on the PwC – Europe, Middle East and Africa Business Development Board from 2010 to 2019. He retired from PwC in June 2019. James consults for Citadel Wealth Management in a business development and marketing capacity. He is a CD(SA) of the Institute of Directors in South Africa NPC. He is also a chartered marketer (SA) with the Marketing Association of South Africa.

CHRISTINE MIDEVA SABWA (49)

Kenyan

INDEPENDENT NON-EXECUTIVE DIRECTOR

BCom (Accounting), Certified Public Accountant of Kenya

Appointed 14 May 2019

Christine has a strong background in accounting and her experience spans numerous industries, including financial services, telecommunications (digital finance) and insurance. Over the past 26 years, she has gained experience in audit, accounting, special investigations, revenue assurance, risk management, banking, governance and digital finance. With a successful career in financial services across consulting, insurance and banking, Christine worked for Standard Bank South Africa where she served as a senior manager, overseeing the strategic finance and tax function of operations in 15 African countries. She is the managing partner at Sabwa and Associates based in Nairobi, servicing financial advisory needs of clients in Kenya.

FRANCIS LEHLOHONOLO NAPO (NOLO) LETELE (73)

South African

NON-EXECUTIVE DIRECTOR

BSc (Hons) (Electronic Engineering)

Appointed 6 December 2018

Nolo Letele is a chartered engineer, received from the University of Southampton (UK), and is a member of the Institute of Electrical and Electronics Engineers.
He pioneered MultiChoice's expansion into Africa. From 1995 Nolo led MultiChoice as CEO for 10 years, and as executive chair for another 10. He pioneered the highly successful Phuthuma Nathi scheme which has brought financial empowerment to a broad range of black people. He has won several awards, the most memorable being the Lifetime Africa Achievement Prize for Media Development in Africa, as well as the coveted Naspers Phil Webber Award.
Nolo sits on a number of boards.

Nolo retired from the board on 1 December 2021.

DR FATAI ADEGBOYEGA SANUSI (60)

British Nigerian

INDEPENDENT NON-EXECUTIVE DIRECTOR

MBBS, FRCOG

Appointed 5 July 2019

Fatai is a senior consultant in the United Kingdom National Health Service, serving in this position for 21 years at West Hertfordshire NHS Trust. He has many years of experience in governance and risk management at board level. He is active in education and training and served as a training director. He was a clinical director on many management committees including financial, future planning and nomination committee appointing consultants. He is a Fellow of the Royal College in England. Fatai holds a Bachelor of Medicine and Bachelor of Surgery from the University of Lagos.

CALVO PHEDI MAWELA (46)

South African

CEO

BSc Eng (Electrical)

Appointed 6 December 2018

Calvo was the CEO of MultiChoice South Africa after holding office as the group executive: policy and regulatory affairs for the MultiChoice Group. He previously held positions as a professional engineer at Sentech and a broadcasting spectrum manager at ICASA. He also served in several ministerial advisory task teams, including the Digital Migration Working Group, Digital Dzonga and the Information and Communications Technology Policy Review Panel. He also served as a commissioner to the Presidential Commission on Fourth Industrial Revolution. He holds a Bachelor of Science in Electrical Engineering from the University of KwaZulu-Natal, a Management Advancement Programme Postgraduate Diploma from Wits Business School, a Postgraduate Diploma in Economics for Competition Law from King's College, London and Strategic IQ: Creating Smarter Corporations from Harvard Business School.

TIMOTHY NEIL (TIM) JACOBS (53)

South African

CFO

HDipAcc and CA(SA)

Appointed 6 December 2018

Tim was previously the CEO of MultiChoice Africa and CFO of the Naspers video entertainment segment. He previously held positions as the interim CFO of Altron Group, CFO of Nampak Limited and CFO of Transaction Capital Limited. He holds a Bachelor of Commerce, a Higher Diploma in Accounting from Rhodes University and is a chartered accountant CA(SA).

Our approach to governance

The MultiChoice Group is committed to the highest standards of corporate governance, ethics and integrity, which we believe support our ability to create value for all stakeholders

We continue entrenching the principles of sound corporate governance throughout our multinational organisation, applying appropriate ethics and standards in the conduct of our business affairs. The board understands and accepts its responsibility to safeguard and represent the interests of the group's stakeholders to create a successful and sustainable business that delivers on the group's strategic objectives.

Our group governance framework

The board is the custodian of the group's corporate governance. The board and its committees, as well as the boards and committees of its subsidiaries, are responsible for ensuring the appropriate principles and practices of King IV are applied and embedded in the governance practices of group companies.

A disciplined reporting structure ensures the board is fully apprised of subsidiary activities, risks and opportunities. All controlled entities in the group are expected to demonstrate good governance as set out in King IV, taking into account proportionality considerations. This means that the practices needed to demonstrate the group's governance in terms of King IV are applied across the group as appropriate. The companies in the group are diverse and at different stages of maturity. Therefore, 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 are tailored to each unique entity. Practices are implemented as appropriate to give effect to overarching good governance principles. As part of the internal annual CEO/CFO sign-off process, businesses across the group are required to confirm that they have aligned their policies to the MultiChoice Group policies, which set out the minimum standards across all jurisdictions.

Business and governance structures have clear approval frameworks that are annually reviewed and aligned to the group levels of authority approved by the board. The board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities. In relation to assessing corporate governance services, the MultiChoice Group has an internal company secretariat function, and conducts an annual assessment of the company secretary's performance, qualifications and skills.

Our King IV journey

The board recognises the link between effective governance, sustainable performance and creating 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 applies the principles of King IV, which form the cornerstone of our approach to governance.

We support the overarching goals of King IV, being:

PAGE 87
Ethical culture

PAGE 89
Good performance

PAGE 90
Legitimacy

PAGE 91
Effective control

In accordance with the JSE Listings Requirements, the MultiChoice Group is required to report on its application of King IV principles and recommended practices. Each year, the MultiChoice Group carries out a thorough review in this regard, noting whether each principle and practice is applied and explaining how this is done. The board, to the best of its knowledge, believes the group satisfactorily applied King IV in FY22, having applied all principles and adopting all relevant recommended practices.

The group continues to develop its governance policies, practices and procedures in line with an integrated governance, risk and compliance framework. The group continues entrenching and enhancing its understanding and application of the practices and principles of King IV.

MORE ONLINE

For further details, see the King IV application report on our website **www.investors.multichoice.com/integrated-annual-reports.**

Our approach to governance continued

The board

The MultiChoice Group has a unitary board, which oversees and controls the group. The board charter sets out the board's responsibilities, providing for delegation of authority and enabling the board to retain effective control. The board delegates its authority through clearly defined mandates to established board committees and to the CEO. The majority of board members are non-executive directors, independent of management.

To ensure no single individual has unfettered powers of decision-making and authority, the roles of the chair, lead independent director and CEO are separate and well defined in the board charter.

The board's responsibilities include providing the group with clear strategic direction, ensuring there is adequate succession planning at senior levels, reviewing operational performance and management, and reviewing policies and processes that seek to ensure the integrity of the group's risk management and internal controls.

The board is the focal point and custodian of corporate governance, exercising its leadership and oversight role by annually approving the strategy and the business plan, and overseeing its implementation. Its role, responsibilities, membership requirements and procedural conduct are documented and set out in the board charter, which it regularly reviews to guide its effective functioning. In addition, it is the board's responsibility to ensure compliance with all statutory and regulatory requirements, and in particular, the Companies Act and the JSE Listings Requirements.

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For our board's detailed profiles, see pages 81 and 82.

Board appointment and meeting attendance details

Name	Designation	Initial appointment date	Attendance
Imtiaz Patel	Non-executive director and board chair	6 December 2018	7/7
Jabu Mabuza	Lead independent non-executive director	5 July 2019[1]	0/1[1]
Jim Volkwyn	Lead independent non-executive director[2]	6 December 2018	6/7[2]
James du Preez	Independent non-executive director	1 April 2021	6/7[3]
Nolo Letele	Non-executive director	6 December 2018[4]	5/5[4]
Elias Masilela	Independent non-executive director	6 December 2018	7/7
Adv Kgomotso Moroka	Independent non-executive director	6 December 2018	6/7[5]
Steve Pacak	Independent non-executive director	6 December 2018[6]	0/0[6]
Christine Sabwa	Independent non-executive director	14 May 2019	7/7
Dr Fatai Sanusi	Independent non-executive director	5 July 2019	7/7
Louisa Stephens	Independent non-executive director	6 December 2018	7/7
Calvo Mawela	Executive director	6 December 2018	7/7
Tim Jacobs	Executive director	6 December 2018	7/7

(1) **Jabu Mabuza** – sadly, Jabu passed away on 16 June 2021 shortly after the first board meeting in the reporting period and only attended one meeting in FY22.
(2) **Jim Volkwyn** – Jim was elected as the lead independent director with effect from 1 July 2021. Jim was unable to attend a special board meeting called on short notice due to prior commitments which could not be rescheduled but provided the chair of the board with his insights and views prior to the meeting.
(3) **James du Preez** – James was unable to attend a special board meeting called on short notice due to prior commitments which could not be rescheduled but provided the chair of the board with his insights and views prior to the meeting.
(4) **Nolo Letele** – retired as a director with effect from 1 December 2021. Accordingly, he was only eligible to attend five of the seven board meetings held during the reporting period.
(5) **Kgomotso Moroka** – Kgomotso was unable to attend a special board meeting called on short notice due to prior commitments which could not be rescheduled but provided the chair of the board with her insights and views prior to the meeting.
(6) **Steve Pacak** – retired as a director with effect from 1 April 2021. Accordingly, he was not eligible to attend any board or committee meetings during the reporting period.

Our approach to governance continued

Board composition and succession planning

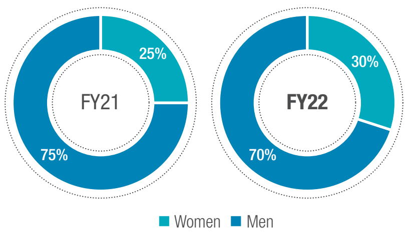
The group recognises that a balanced board supports value creation. The board, supported by the nomination committee, determines its size and composition subject to the group's MOI, applicable legislative and regulatory requirements, and King IV. Non-executive directors bring diverse perspectives and independence to the board's decision-making, and executive directors offer insight into the business's operations. The CEO and CFO (referred to as the 'financial director' by the JSE) are board members. To support the board, where necessary, subject matter experts are available for matters requiring specialised guidance.

As at year-end, the board comprised 10 directors – two executive directors (CEO and CFO) and eight non-executive directors, seven of whom are considered independent. Non-executive members of the board are categorised by the board as independent if there is no interest, position, association or relationship which is likely to influence unduly or cause bias in decision-making and which is not in the group's best interests. The board considers the aforesaid and other indicators holistically and on a substance-over-form basis when assessing the independence of a board member for purposes of categorisation.

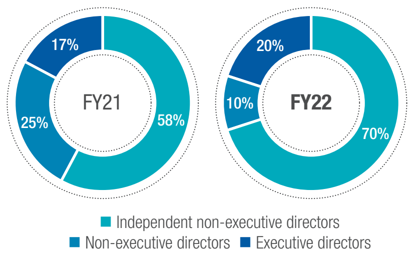
No director has served as a director of the MultiChoice Group for longer than nine years. No director has unfettered powers of decision-making.

Board demographics as at 31 March 2022

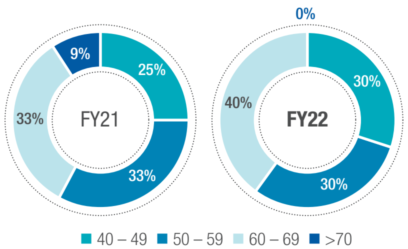
Board gender diversity



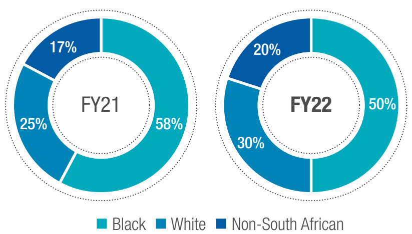
Independence



Age



Board racial diversity



None of the directors, other than the executive directors, have a fixed term of appointment. One third of the non-executive directors are subject, by rotation, to retirement and re-election by shareholders at every AGM, in accordance with the group's MOI.

The mandatory retirement age for non-executive directors is 75, at which time the director shall vacate office at the end of the financial year in which that director turns 75, unless the board, in its discretion, decides otherwise.

The nomination committee reviews the board's composition (including board member rotation) annually in accordance with the board charter and the board diversity policy. The nomination committee makes recommendations to the board. The board and committee compositions are considered holistically, taking into account all aspects of diversity (including gender and race) in terms of the board diversity policy, and capitalising on differences in the skills, geographical and industry experience of its members. The board's commitment to promote diversity is demonstrated by the fact that 80% of the board committee chairs are women and the majority of chairs, including the board chair, are considered diversity candidates.

The nomination committee assists the board with identifying and selecting new directors. Recommendations by the nomination committee are subject to the board's final approval. When considering candidates, the nomination committee and board will consider, among other things, skills, qualifications, existing directorships, fit and proper assessments and diversity. Eligible candidates and current directors are not permitted to hold more than four active directorships on companies (including the MultiChoice Group) listed on any local or foreign regulated exchange, such as the JSE. All board appointments are made on merit, in the context of the skills, experience, independence and knowledge the board as a whole requires to be effective. Further, in terms of the appointment and board diversity policy, in considering the board's composition, cognisance is taken of the gender and racial mix to represent the demographics of the markets where we operate and to promote racial and gender diversity at board level.

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Gender diversity is also a focus area for our employee group as a whole. Read more about our initiatives in this regard on page 27.

Our approach to governance continued

Performance and future focus

The board's focus during FY22 was on the executive management's short-term operational execution, the group's long-term strategic direction and appropriate capital allocation to support both.

The board and/or its established committees, considers management's operational execution in relation to the group's strategy and budget, operational focus areas, capital allocation, the operating environment, global developments, technology modernisation and enterprisewide risk management, regulatory, legislative, information and technology (I&T) governance, internal audit, stakeholder, social and governance matters at every quarterly meeting.

The board is satisfied it fulfilled its responsibilities in accordance with its charter for the year under review.

Key matters dealt with by the board or established board committees during FY22:

1Q FY22

- Strategic objectives review
- Board and committee effectiveness and director performance
- Director rotation and nomination
- Annual financial statements, results announcements and integrated annual report
- Going concern status, capital allocation and solvency and liquidity

2Q FY22

- Shareholder engagements
- AGM
- Risk registers and heat maps

3Q FY22

- Strategic objectives review
- Capital allocation
- Half year results

4Q FY22

- Strategic objectives review
- ESG and remuneration engagements and enhancement
- Review and approval of the group's strategy and budget
- Board and committee compositions and director independence assessments
- King IV and governance policy, process and control reviews
- Risk registers and heat maps
- Combine assurance, risk management and internal audit plans

Looking ahead, the board will continue to focus on:

- Providing input in relation to strategic direction and oversight of capital allocation
- Monitoring management implementation and progress of strategic objectives
- Stakeholder engagement, relationships and activities, and business impacts
- Monitoring ethical conduct
- Assessing the impact of the COVID-19 pandemic on the group and management's actions to mitigate these impacts

Entrenching an ethical culture

Ethical culture

The board is committed to entrenching an ethical culture throughout the group and sets the tone by formulating our values and ensuring ethical business standards.

The directors, overseen by the chair, 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.

It is our policy to conduct business dealings on the basis of compliance with applicable laws, rules, codes, standards and regulations, and with proper regard for ethical business practices.

The board has a code of ethics and conduct policy (the code) that sets out the standards for business conduct throughout the group and is supported by a wide range of group policies.

ONLINE

For more information, refer to www.investors.multichoice.com/governance.

Management teams across the group understand and apply the code and create and maintain awareness of the code and associated policies, such as the legal compliance, anti-bribery and anti-corruption, competition and whistleblower policies. Reference to the code is included in new employees' contracts and their induction process.

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 approach to violations. Sanctions are in place and action is taken when necessary, which includes prosecution to the fullest extent of the law when appropriate. Reference to our code is included in third-party procurement contracts of certain major subsidiaries.

Contractors, agents, suppliers and consultants who work with any group company are expected to be aware of and adhere to the code and comply with group policies.

Management focuses on implementing the code, policies and procedures addressing key ethical risks, such as conflicts of interest, gifts, entertainment, travel, political contributions, bribes, fraud, money laundering and acceptable business conduct. The code stipulates that all employees have a duty to avoid situations that give the appearance of conflict between personal interests and the group's interests. Further, all contributions to organisations and/or events linked to political parties are approved in accordance with the approval levels set out in the code. The board's social and ethics committee is responsible for overseeing and reporting on business and group-related ethics, considering specific disclosures and best practice as recommended by King IV.

As a leading multinational company that empowers people and enriches communities, MultiChoice Group does not tolerate any form of bribery or corruption and aims to prevent any and all unethical business practices.

As the group conducts business in various countries, the group and our employees are subject to the laws and regulations of those countries. Group policies are supplemented by local policies and procedures. Ensuring group companies adopt appropriate processes and establish supporting policies and procedures is an ongoing process. The board delegated responsibility to the social and ethics committee for regular review of the code and an ethics communication plan.

Our detailed group anti-bribery and anti-corruption policy stresses the importance of our commitment to combating bribery and corruption transgressions and stipulates the consequences of bribery and corruption for our business and broader society. The policy also deals with key risk areas, including facilitation payments, government officials, third parties, donations, sponsorships, gifts and entertainment. We comply with applicable anti-bribery and anti-corruption laws and regulations in the countries where we operate, as well as international anti-bribery and anti-corruption best practice.

We consider any violation of this policy to be extremely serious, and we thoroughly investigate any allegations relating to bribery or corruption. Any non-compliance with the policy results in disciplinary action, including dismissal and/or criminal proceedings. We conduct annual bribery and corruption risk assessments across our business to assess and enhance the effectiveness of our policy, procedures and controls. Employees are required to complete the anti-bribery and anti-corruption e-learning module every two years. In FY21 7 472 participants completed the ethics e-learning module. In FY22 an additional 390 participants and 148 new employees completed the ethics e-learning module. The next mandatory ethics training will be rolled out in FY23.

Entrenching an ethical culture continued

Ethical culture

The risk management function monitors the group's whistleblower facility, which is operated by Deloitte's Tip-offs Anonymous, and is available in English, Setswana, IsiZulu, Tshivenda, Sesotho or IsiXhosa. The whistleblower policy states that allegations are handled confidentially, can be made anonymously and that any whistleblowers are afforded legal protection. Where appropriate, internal audit and/or external forensic consultants investigate reported matters. Significant allegations and fraud are reported to the audit, risk and social and ethics committees.

The social and ethics committee assumes responsibility for the governance of ethics by setting the direction for how it should be approached in the group. Internal audit and risk management functions support the social and ethics committee, and the group legal compliance and ethics officer, supported by the segment CFOs who act as ethics officers, report to the committee regularly.

Ethics training is included in onboarding new employees, who are also introduced to the principles of the code and related policies, and relevant case studies are discussed. Ethics-related e-learning modules on the code and the whistleblower policy are part of the MultiChoice Academy platform, which is available to all employees. The e-learning training modules cover all employees, including part-time and contractors, and the effectiveness thereof is closely monitored. It is mandatory for employees to complete the ethics e-learning module every two years.

Communication messages on key ethical risks, such as anti-bribery and anti-corruption, conflicts of interest, health and safety (with a focus on COVID-19), fraud, data privacy, third parties, competition, anti-piracy, social media, and gifts were distributed to all employees in accordance with our annual ethics training and awareness plan.

An internal group ethics assessment was concluded across the group to identify relevant ethical opportunities and risks, evaluate the effectiveness of existing ethics control measures and review the group's ethics strategy. The outcome of the assessment is used in setting ethics priorities for a period of two to three years. Internal audit also conducts independent assessments of the group ethics performance and reports its findings to the risk committee, social and ethics committee and the board.

The group's annual legal compliance conference was held virtually with senior leaders, who were privileged to listen to subject matter experts, including Prof Wiseman Nkuhlu, among others, on topics of compliance, ethics and data security.

Performance and future focus

Our key areas of focus during the reporting period were

- Reviewing the adequacy and effectiveness of the group's monitoring activities
- Conducting an opportunity ethics risk assessment to assess the effectiveness of the ethics programme
- Implementing enhanced controls for identified areas of weakness
- Reviewing our whistleblowing and internal 'speak-out' mechanisms
- Ethics-related training and awareness campaigns

Going forward, we will focus on

- Continuously entrenching ethics throughout the business through training and awareness campaigns
- Continuously monitoring the group's ethics performance
- Revising the group gift process and related policies
- Rollout new gift e-learning module
- Continued implementation and refinement of the third-party risk management framework
- Revising the group whistleblower process, policies and training interventions
- Improving the conflict of interests process

In FY21 **7 369** participants completed the ethics e-learning module

In FY22 an additional **424** participants and **151** new employees completed the ethics e-learning module

The next mandatory ethics training will be rolled out in **FY23**

The annual competition e-learning module was also rolled out to a defined employee target group

Delivering good performance

Good performance

The board is responsible for ensuring good performance, and as such, has a clear strategy to achieve this. The board meets annually with the executive team in November to review the group's specific strategic priorities. In April 2021, the board reviewed the group's three-year strategic plans and budgets, and approved the key performance measures and targets of all executives. The board oversees the implementation of the strategic plans throughout the year.

Ongoing training

On appointment, all directors participate in a formal and comprehensive induction programme. Director training is held to refresh their skills and knowledge.

We have MultiChoice e-learning modules for directors and senior executives. These modules are available to all our directors and senior managers on the MultiChoice Academy platform and are tailored to our internal policies and processes. The modules cover topics such as the JSE Listings Requirements, corporate governance, King IV, trading in securities and directors' specific duties.

Board evaluations

The board and its committee charters include the onus of annual assessments. Assessments of the performance by the board, individual directors and its committees are conducted every second year. However, performance in general is considered every year as part of the review of the board's composition and its committees. The lead independent director leads the evaluation of the chair.

In March 2022, we evaluated the board committees' performance against their charters. All committees were found to have fulfilled their duties.

A formal board and individual director performance assessment was undertaken in May 2021. The evaluation did not identify the need for any significant areas of improvement and the board's performance was considered satisfactory. In June 2022 the board as a whole considered its performance in general. The board considered its effectiveness, competencies, participation, meeting attendance and constructive deliberation. No significant areas of concern were identified during discussions. Going forward, the board will continue focusing on improving and refining its processes.

Directors are required to attend ongoing professional development training and briefings to keep abreast of legal and regulatory risks, developments and changes that could impact the environment in which the group and its subsidiaries operate.

Maintaining our legitimacy

Legitimacy

The board, assisted by the social and ethics committee, ensures the MultiChoice Group is, and is seen to be, a responsible corporate citizen by considering not only its financial performance, but also the business's impact on the environment and the societies where it operates. The group's purpose, values and strategy are aligned with the principles of responsible corporate citizenship.

Responsible corporate citizenship

The group's businesses manage numerous corporate citizenship initiatives affecting the workplace, economy, society and environment.

These include:

- BBBEE 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 our environmental impact
- CSI initiatives
- Privacy and data protection

Ensuring compliance with laws and regulations

The group has a primary listing on the JSE and is subject to the JSE Listings Requirements, the guidelines in King IV and legislation applicable to publicly listed companies in South Africa. The board is responsible for ensuring the group complies with all its statutory requirements. The directors took steps to ensure, to the best of their knowledge, the group's compliance with all these requirements.

The group has a legal compliance programme led by the group legal compliance and ethics officer and segment legal compliance teams with support from external consultants.

The legal compliance programme includes:

- A legal compliance framework and roadmap, which sets out our 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 identified legal compliance risks.
- Groupwide policies built on the principles in the code. The revised legal compliance, anti-bribery and anti-corruption, sanctions and competition compliance policies were approved by the board. The anti-money-laundering policy and implementation strategy were updated, and all the compliance activities were performed as per the compliance plan and within the relevant statutory deadlines.

Future focus areas include continuing to raise awareness of the compliance principles, improving the framework based on emerging risks, incorporating feedback from risk assessments and/or monitoring activities and focusing on the implementation of enhanced third-party screening. The group has also acquired software which provides a complete compliance solution with electronic access to regulatory universes, legislation/regulations, compliance checklists, controls, complete audit trails, automated reporting, data analysis and the ability to upload documentary evidence for audit requirements.

Each segment is required to provide a quarterly legal compliance report to the 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 group legal compliance function uses these reports to compile a consolidated report provided to the risk and social and ethics committees.

Assurance on the effectiveness of compliance management is received through a combined assurance model.

These arrangements enable the risk committee and the board to oversee the group's legal compliance holistically in a way that supports good corporate citizenship. Internal audit conducts regular governance reviews of the group legal compliance function to assess its adequacy and effectiveness.

Directors are satisfied that the MultiChoice Group complied and operated in conformity with:

- The provisions of the Companies Act and any other applicable laws relating to its incorporation
- The group's MOI and other relevant constitutional documents

Performance and future focus

Our key areas of focus during the reporting period were

- Revising the legal compliance-related policies, management processes and compliance culture
- Managing reputational risks
- Conducting risk-based compliance assessments to identify highest risk areas
- Implementing enhanced controls to address identified areas of improvement
- Enhancing reporting and monitoring mechanisms to the social and ethics committee
- Developing a compliance roles and responsibilities matrix,
- Updating applicable compliance statutes, rules and regulations
- Coordinating training and awareness campaigns

Going forward, we will focus on

- Enhancing our compliance frameworks and controls
- Developing focused awareness campaigns and training interventions
- Revision of group social media policy
- Revision of various group policies
- Ongoing maturation of the third-party risk management framework
- Revision of the group whistleblower process, policies and training interventions

Ensuring effective control

Effective control

The board is the focal point and custodian of corporate governance in the group. To this end, the board ensures corporate governance and good practice are inherent in fulfilling its responsibilities. The board charter sets out its roles and responsibilities. The board holds its directors accountable for their integrity, competence, responsibility, fairness and transparency.

Succession planning and performance

The board is satisfied the company is appropriately resourced and its delegation to management contributes to an effective arrangement according to which authority and responsibilities are exercised. The board approves the CEO and CFO's appointments. The remuneration committee is required to consider the CEO and CFO's performance 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 annual financial statements. Succession plans for the CEO and senior executives are in place and are reviewed annually by the nomination committee.

The board determines and approves, from time to time, the levels of authority for the CEO and the various members of senior management. The audit and risk committees monitor compliance with these pre-determined levels of authority. The risk management function supports the audit and risk committees by monitoring and reporting any material non-compliance to the committees. The board meets as often as required, but at least four times annually.

Board chair, lead independent non-executive director and CEO

The board has a non-executive chair, Imtiaz Patel. The chair has valuable group, industry, regulatory and intellectual capital to contribute to the future development and progression of the business. His international network is also of great value to the group.

Jim Volkwyn was appointed as the lead independent non-executive director with effect from 1 July 2021 following the tragic passing of Jabu Mabuza on 16 June 2021. The lead independent non-executive director acts in all matters where an actual or perceived conflict could exist and where it would be inappropriate for the chair to deal with the matter. In these circumstances, the board satisfied itself that Jim acted with independence of mind and judgement, and there was no interest, position, association or relationship likely to unduly influence or cause bias in decision-making in the MultiChoice Group's best interests.

Jim Volkwyn intends on stepping down as the lead independent director in June 2024 whereafter the board plans to appoint a new lead independent non-executive director. Jim Volkwyn will, after June 2024, remain on the board as an independent non-executive director.

The CEO, Calvo Mawela, is responsible for leading the implementation and execution of the approved strategy, policy and operational planning of the group, and for ensuring the group's day-to-day affairs are appropriately supervised and controlled.

Information

Information relevant to a meeting is supplied to the board on a timely basis, which ensures directors can make informed decisions. To ensure directors can competently discharge their duties and effectively carry out their delegated responsibilities as committee members, they have access to information relating to matters associated with the MultiChoice Group, which is governed by an approved policy. The committees have unrestricted access to information that will allow them to act in accordance with their charters, with the process conducted in an orderly manner via the board chair.

Conflicts of interest

Potential conflicts are appropriately managed to ensure candidates and existing directors have no conflicting interests between their obligations to MultiChoice and their personal interests. All directors are required to declare personal interests annually. Declaration of directors' interests is a standing item on the board's agenda. Directors who believe there may be a conflict of interest on a matter must advise the company secretary and are recused from the decision-making process associated with that matter.

The Companies Act process is applied in this regard. Directors are required to adhere to the group's policy on trading in MultiChoice Group securities. The trading in securities policy is aligned to the Financial Markets Act No 19 of 2012 and JSE Listings Requirements.

Shareholder communication

The group is committed to ongoing and transparent communication with its shareholders. In all communication with shareholders, the board aims to present a balanced and understandable assessment of the group's position. This is done through adhering to principles of openness, substance-over-form reporting, and striving to address matters of material significance to shareholders.

This integrated annual report is our primary form of comprehensive communication with shareholders, in accordance with King IV and the JSE Listings Requirements. We also engage with our shareholders during interim and final results presentations, and on a periodic basis through investor roadshows and conferences. Further, the board encourages shareholders' attendance at AGMs and, where appropriate, will provide full and understandable explanations of the effects of resolutions to be proposed.

Assurance

The board, through the audit committee, oversees the group's assurance services and ensures these functions enable effective control and support the integrity of the group's information. The group follows a combined assurance model, which covers key risks through an appropriate combination of assurance service providers and functions. The assurance model includes line functions that own and manage risks, specialist internal audit, risk management support and compliance functions (for the group and significant subsidiaries), as well as external auditors and other relevant parties, such as regulatory inspectors and insurance risk assessors. This model is linked to key risks. An assessment of the effectiveness of our combined assurance model is reported on to the audit and risk committees. Internal audit reports on the internal control environment are submitted to the audit committee. The company secretary, group general counsel and external counsel guide the board on legal requirements. The audit committee appoints the head of internal audit, who has unrestricted access to and meets periodically with the committee chair.

Ensuring effective control continued

Effective control

Company secretary

The company secretary is responsible for guiding the board in discharging its regulatory responsibilities. Directors have unlimited access to the advice and services of the company secretary, who plays a pivotal role in MultiChoice's corporate governance policies and processes. She ensures that, in accordance with the pertinent laws, the proceedings and affairs of the board, MultiChoice, and where appropriate, shareholders, are properly administered. The company secretary monitors directors' dealings in securities and ensures adherence to closed periods. She attends all board and committee meetings. In accordance with King IV, the performance and independence of the company secretary are evaluated annually.

The nomination committee is responsible for recommending a suitable candidate for appointment as the company secretary. It reviews the competence, qualifications and experience of the company secretary annually and reports on whether it is satisfied therewith. Carmen Miller was appointed as group company secretary with effect from 11 June 2020. The board is satisfied with Carmen's competence, qualifications, experience, independence and suitability. Further, Carmen is not a director of MultiChoice and, after due consideration, the board is satisfied that she had an arm's length relationship with the board during the year.

Information and technology governance

MultiChoice's I&T executive (the chief information officer) oversees I&T management in the group. The board is aware of the importance of I&T relating to MultiChoice's strategy and annually reviews and approves the I&T governance charter and cybersecurity policy. I&T governance is integrated into the operations of the group's businesses.

Management of each subsidiary or business unit is responsible for ensuring effective processes for I&T governance are in place. The risk committee assists the board with overseeing I&T-related matters and I&T governance is a standing point on the risk committee agenda. I&T objectives are included in the risk committee charter. The risk committee considers the risk register, and reports on I&T from an internal audit and risk management perspective.

Compliance with relevant laws and ethical and responsible use of I&T are addressed through the group's code of ethics and conduct, legal compliance and data privacy programmes. Data privacy remains a high priority. Assurance providers, including risk management and external and internal audit, provide assurance to management, the risk committee and the board on the effectiveness of I&T governance, based on detailed controls to manage identified risks and reduce the likelihood of occurrence. These arrangements for governing and managing I&T enable the risk committee, and ultimately the board, to oversee the group's I&T governance.

The application of all approved policies and standards supporting the I&T control environment is assessed for maturity. Control self-assessments for each policy/standard are completed by the I&T governance, risk and compliance function to determine required improvements.

The group achieved international content protection certification from the Content Delivery and Security Association in 2021 for the first time. Both Samrand and Randburg production environments were accredited in terms of this international security standard. The accreditation is renewed annually and is currently underway for 2022.

Cybersecurity

The group identifies and manages cyber risks as part of its enterprise risk management framework (ERM framework) and in line with international best practices and regulations in the countries where it operates.

The group focuses on the following four areas to mitigate cyber risks:

- Data protection
- Cybersecurity
- Cyber vigilance
- Cyber resilience

The I&T governance charter describes how the business should assess, manage and report on its I&T-related risks. In accordance with the I&T governance charter, businesses in the group manage cybersecurity risks and I&T operations in line with the MultiChoice Group's direction. The MultiChoice Group provides oversight and guidance while setting a policy to ensure activities happen in the approved ERM framework that supports the achievement of strategic objectives.

The MultiChoice Group periodically checks the security fitness of the businesses and requires quarterly governance status reports from the group's executives and governance structures as an integral component of ongoing business reviews. The segment risk and compliance departments support businesses with risk management activities and an external subject expert provider performs cyber vulnerability scans and tests on an ongoing basis.

The group risk committee annually reviews and reauthorises the cybersecurity policy, and its implementation as part of its oversight and governance responsibilities. The group risk committee reports to the board in this regard.

Artificial intelligence

The past year has seen MultiChoice extend the use of AI across a number of business functions – recognising that AI presents opportunities across customer experience, improved operating efficiency and revenue management. MultiChoice continues to invest in both the application of AI, as well as targeted AI research. Some of the systems using AI that were deployed this past year have contributed to enhancing customer service using chat-bots, improving content localisation using machine translation, fine-tuning personalisation of experiences on our viewing platforms using machine learning, and using video analytics to streamline media operations.

Recognising both the opportunities as well as the risks of AI implementations, the group has implemented an AI ethics and governance policy to ensure that we conceptualise, develop and deploy AI systems responsibly and in line with our corporate values to ensure sustainable integration of AI technologies into group operations. The AI ethics and governance policy is underpinned by the MultiChoice Group responsible AI principles: fairness; reliability and safety; data privacy; security; explainable AI; and accountability. The AI ethics and governance committee governs and oversees all AI-related activities within the group, and reports from this committee are reported to the MultiChoice Group risk committee and in turn, the board.

Ensuring effective control continued

Effective control

Data governance and privacy

The group adopted a rigorous data governance approach supported by the establishment of a data governance council consisting of data information officers, data protection officers, legal and regulatory practitioners, as well as business unit data stewards.

Monthly steering committees are held where data governance adherence practices are measured, and key decisions are made regarding the management of data privacy and rights. This forum, through one of its members, reports to the group's risk committee and social and ethics committee, which in turn reports to the group's board in this regard.

Data processing

Public and employee privacy policies across the group set out which personal information is collected from employees and other users (data subjects) when using MultiChoice's systems, how the group collects personal information, why the group collects it, and how the group uses it, among other related matters.

In line with the European General Data Protection Regulation (GDPR), South African POPIA, and other country-specific regulations, data protection agreements were implemented for third-party service providers who require access to personal information to perform contracted services. A revised data protection addendum has been published for the group, including new standard contractual clauses and variations of local country legislation. All relevant service providers are required to re-sign any existing agreement using the new version. Additional compliance measures have been put in place to ensure additional due diligence on third-party data processors.

Data loss prevention

MultiChoice implemented data loss prevention on all employees' Microsoft products. This allows each employee to classify data according to the group data classification policy. Each category describes the required level of protection.

Data classification

To ensure employees do not accidentally disclose information, automatic scanning for sensitive fields in email attachments is performed. When sensitive information is found, the file is classified as strictly business confidential and automatically encrypted. At the same time, an alert notifies the data governance team when sensitive or private information leaves the organisation and when it is stored on local drives. This enables MultiChoice to proactively scan and prevent data losses.

Employee training and awareness

We conduct regular employee awareness campaigns, including the #PrivacyGuardian campaign which focuses on creating awareness using newsflashes, screensavers and corporate affairs communications. Close collaboration with cybersecurity during cybersecurity month showcased the importance and dependency of security for data privacy. Three data privacy and governance courses were implemented on the MultiChoice e-learning platform.

These courses, itemised below, are aimed at all employees and contractors who work with the personal information of our employees and customers:

- POPIA module
- GDPR and data governance module
- Africa data privacy and governance

Data privacy issues

We enable customers to log any data privacy issues via the privacy notice on the MultiChoice website and our self-service portals. Customers can log any queries regarding data privacy using these platforms. These queries are logged in an incident management system and tracked to ensure we adhere to reporting standards as supplied and required by the GDPR, POPIA and other country-specific privacy regulations.

There were no complaints received regarding breaches of customer privacy data, nor were there any complaints from any regulatory bodies. Further, no identified thefts, leaks or losses of customer data occurred or were reported.

Penalties

The MultiChoice Group operates in a highly regulated environment, making compliance a critical consideration. We participate in the regulatory processes affecting our industry through various public forums and debates, providing inputs on formulating standards and strategies for the industry.

During the year, there were no significant or repeated fines from regulatory bodies to companies across the group. Further, there were no environmental inspections by environmental regulators, no accidents, nor any environment-related fines imposed by any governments.

The MultiChoice Group recognises the following

Data subject rights:

- Right of access
- Right of accuracy
- Right to restriction of processing
- Right to be forgotten
- Right to complain
- Right to portability
- Right to object

Performance and future focus

The group highly depends on its I&T systems and processes to enable and support the implementation of its strategic objectives effectively and timeously.

The group undertakes a detailed monthly review to identify, evaluate and assess I&T risks in key I&T areas.

The results are presented and discussed at the monthly I&T operational forum (chaired by the chief information officer). Based on these reviews, the group develops mitigation plans to address material risks identified on an ongoing basis.

Board committees

As provided for in the company's MOI and the board charter, the audit, nomination, remuneration, risk, and social and ethics committees support and assist the board. These committees have clear mandates and oversight responsibilities for various aspects of the business.

The responsibilities delegated to each committee are formally documented in their terms of reference, which were approved by the board and are reviewed at least annually. All committees have clear roles and responsibilities as outlined in their committee charters.

The board delegates authority to established board committees, as indicated below:

Audit committee

Louisa Stephens
Chair: Audit committee

Membership and meeting attendance

Louisa Stephens (chair)	4/4
Elias Masilela	4/4
Christine Sabwa	4/4
James du Preez[(1)]	4/4

100% overall committee attendance rate

Roles and responsibilities

The committee's responsibilities are as follows:

- Monitoring and reviewing the adequacy and effectiveness of accounting policies, financial and other internal control systems and financial reporting processes
- Providing independent oversight of the group's combined assurance functions, including reviews of the independence and effectiveness of external audit, internal audit, approving non-audit services from auditors and compliance with the non-audit service policy
- Assessing compliance with applicable legal, regulatory and accounting standards and policies in the preparation of fairly presented financial statements and external reports

Members are Louisa Stephens (committee chair), Christine Sabwa, Elias Masilela and James du Preez.

The audit committee confirms it received and considered sufficient and relevant information to fulfil its duties.

Focus areas for the year

PAGES

For more detailed information on the committee's attendees, focus areas and future plans, please refer to the group's audit committee report on pages 3 to 9 of the annual financial statements.

[(1)] James du Preez was appointed to the committee on 1 April 2021.

Board committees continued

Nomination committee

Adv Kgomotso Moroka SC
Chair: Nomination committee

Membership and meeting attendance

Adv Kgomotso Moroka SC (chair)	4/4
Louisa Stephens	4/4
Jim Volkwyn	4/4
Jabu Mabuza[(1)]	0/1
Imtiaz Patel	4/4

94% overall committee attendance rate

Roles and responsibilities

The committee is responsible for, among other matters:

- Identifying individuals qualified to be elected as members of the board and board committees and the executive team. These individuals are recommended to the board for appointment in terms of MultiChoice Group's MOI, and the appointment and board diversity policy. The committee is also responsible for establishing procedures to ensure the transparent selection of individuals for recommendation
- Reviewing the structure, size and composition of the board and its committees and making recommendations to the board regarding necessary adjustments to ensure the required mix of skills, experience, other qualities and diversity in maintaining the effectiveness of those bodies and compliance with applicable laws and regulations.

Members are Adv Kgomotso Moroka SC (committee chair), Louisa Stephens, Jim Volkwyn and Imtiaz Patel.

The nomination committee confirms it received and considered sufficient and relevant information to fulfil its duties.

Focus areas for the year

- The composition of the boards of both MultiChoice Group and MultiChoice South Africa, considering skills, diversity and appointment processes
- Director independence
- Group policies relating to diversity, appointment and induction processes, director retirement and succession, and board restrictions
- Assessment of performance against the committee charter to evaluate whether the committee executed its duties during the reporting period

Future focus areas

- Looking ahead, the committee will continue focusing on the board composition considering skills and diversity needs.

[(1)] Sadly, Jabu Mabuza passed away in June 2021.

Remuneration committee

Jim Volkwyn
Chair: Remuneration committee

Membership and meeting attendance

Jim Volkwyn[(1)] (chair)	6/6
Adv Kgomotso Moroka SC	6/6
Jabu Mabuza[(1)]	0/1
James du Preez[(2)]	4/4

94% overall committee attendance rate

Roles and responsibilities

The remuneration committee's responsibilities include:

- Independently reviewing and monitoring the integrity of the group's remuneration policies and implementation thereof
- Ensuring MultiChoice remunerates fairly, responsibly and transparently
- Ensuring compliance with the statutory duties of the committee as contained in relevant legislation
- Annually reviewing and making recommendations to the board on the remuneration of non-executive directors, for approval by the shareholders (such approval is effective for a period of two years from the date of the AGM when remuneration is approved or until such time as non-executive directors' remuneration is amended by way of a special resolution of shareholders, whichever comes first)

Members are Jim Volkwyn (committee chair), Adv Kgomotso Moroka SC and James du Preez.

The remuneration committee confirms it received and considered sufficient and relevant information to fulfil its duties.

Focus areas for the year

PAGES

For more detailed information on the group's approach to remuneration, along with our focus areas for FY22 and future focus areas, please refer to the group's remuneration report on pages 97 to 110.

[(1)] Sadly, committee chair Jabu Mabuza passed away in June 2021. Jim Volkwyn was appointed as the remuneration committee chair with effect from 1 July 2021. [(2)] James du Preez was appointed as a member with effect from 1 July 2021.

Board committees continued

Risk committee

Louisa Stephens
Chair: Risk committee

Membership and meeting attendance

Louisa Stephens (chair)	4/4
Imtiaz Patel	4/4
Calvo Mawela	4/4
Tim Jacobs	4/4
Elias Masilela	4/4
Christine Sabwa	4/4
James du Preez[1]	4/4

100% overall committee attendance rate

Roles and responsibilities

Regular attendees include business segment risk managers, the head of internal audit, group general counsel and the head of regulatory. The risk committee was established to independently review management's recommendations on risk management.

The risk committee's functions include:

- Monitoring and providing recommendations to the board on the group's risk management including the systems, processes, methodologies and tools of risk governance and risk management, and annual operating plans for overall risk management and forensics
- 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 calculating risk exposures
- Monitoring and reviewing the regulatory compliance processes and procedures.

Members are Louisa Stephens (committee chair), Christine Sabwa, Elias Masilela, James du Preez, Imtiaz Patel, Calvo Mawela and Tim Jacobs.

The risk committee confirms it received and considered sufficient and relevant information to fulfil its duties.

Focus areas for the year

- Discharging its functions in terms of its charter
- Overseeing insurance programmes to mitigate the risk of sudden losses caused by insurable risks
- Assessing the principles of King IV, and revising the group's processes and policies to ensure implementation thereof
- Evaluating tax provisions, contingencies and risks
- Assessing I&T governance, legal compliance, litigation, treasury and regulatory risks
- Key business projects
- Group's risk tolerance and appetite
- Assessment of performance against the committee charter to evaluate whether the committee executed its duties during the reporting period

Future focus areas

- Looking ahead, the committee will continue focusing on its entrepreneurial approach to managing risks that are not easily quantifiable. Strengthening the business I&T systems, structures and processes, and monitoring the ongoing impacts of COVID-19 on the business will also be key focus areas in the year ahead.

[1] James du Preez was appointed to the committee on 1 April 2021.

Social and ethics committee

Christine Sabwa
Chair: Social and ethics committee

Membership and meeting attendance

Christine Sabwa (chair)	4/4
Adv Kgomotso Moroka SC	4/4
Nolo Letele[1]	3/3
Calvo Mawela	4/4
Tim Jacobs	4/4
Dr Fatai Sanusi	4/4

100% overall committee attendance rate

Roles and responsibilities

The social and ethics committee's primary purpose is to oversee the group's activities regarding sustainable social and economic development initiatives, including CSI, 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, and relevant codes and standards relating to BBBEE, employment equity, environmental management, health and safety, corporate social responsibility, consumer relationships and HR.

Additional responsibilities of this committee include:

- Reviewing, at least every second year, the strategies and policies of the group designed to achieve responsible corporate citizenship
- Reviewing and approving the group code of ethics and the group's stakeholder management processes
- Reporting to shareholders as required in terms of the Companies Act

Members are Christine Sabwa (committee chair), Adv Kgomotso Moroka SC, Dr Fatai Sanusi, Calvo Mawela and Tim Jacobs.

The social and ethics committee confirms it received and considered sufficient and relevant information to fulfil its duties.

Focus areas for the year

ONLINE

For more information, refer to our full social and ethics report available online at www.investors.multichoice.com/integrated-annual-reports.

[1] Nolo retired with effect from 1 December 2021.

Remuneration report

Letter from the Chair of the remuneration committee

Dear shareholder,

On behalf of the remuneration committee, I am pleased to present our FY22 remuneration report for the MultiChoice Group. I would like to thank my fellow remuneration committee members, Adv Kgomotoso Moroka and James du Preez for their valuable contributions during my first year as remuneration committee chair.

I would also like to thank our investors for the constructive engagements prior to the 2022 AGM and for their input provided. The remuneration committee conducted an extensive review of our Remuneration Policy which included numerous investor meetings, an extended benchmarking analysis and additional consultation with our advisors which aided in continuing to improve in pursuit of best practice.

Feedback from investors was combined under a number of key issues, which is where we focused our efforts this year. These are listed below together with the steps taken to address the concerns:

Issue	Remuneration committee response
No retrospective disclosure on STI and LTI targets	We have included retrospective disclosure on performance relative to STI and LTI targets (refer to pg. 107).
LTI targets not linked to external metrics	LTI targets based on internal budgets have been replaced with targets linked to objective/ external performance metrics (refer to pg. 100 – 101).
No disclosure of forward-looking performance targets	LTI metrics linked to objective/external benchmarks will allow shareholders to determine forward-looking targets (refer to pg. 100 – 101). However, we will not be introducing disclosures of forward-looking performance targets for our STIs due to the highly sensitive/competitive nature of these targets for key executives.
Lack of ESG targets	ESG performance hurdles, based on a blend of external agency ratings and company specific measures, have been included as part of LTI metrics (refer to pg. 101).
Limited disclosure of the PPS share scheme	Additional disclosure on the PPS scheme has been included (refer to pg. 102).

Further detail on these enhancements are disclosed on pg. 104. Following the 2022 AGM, we look forward to once again engaging with you, our shareholders, on our remuneration policy and voting outcomes.

Regards

Jim Volkwyn

KING IV™

In alignment with the requirements of King IV, our remuneration report is divided into three parts:

PART 1

The background statement

The background statement provides context around performance and how this influenced our remuneration decisions.

PART 2

The remuneration policy

The remuneration policy is a forward-looking section that provides an overview of our remuneration philosophy and policy.

PART 3

The implementation report

The implementation report is a backward-looking section that discloses the remuneration and performance outcomes of the executive directors based on the FY21 remuneration policy.

Remuneration report continued

PART 1 The background statement

The global video entertainment industry continues to experience disruptive shifts in technology, consumer preferences and competitive offerings. As these trends increasingly impact our markets, MultiChoice is evolving from a traditional pay-TV business to a broader consumer services platform that offers a growing ecosystem of entertainment options, and scalable, tech-based consumer products and services that address household needs. We are developing our platform and pursuing new growth opportunities through a combination of organic investment, strategic partnerships and targeted investments.

We have continued to aggressively manage costs in a challenging operating environment as most economies exit the COVID-19 pandemic but are faced with pre-existing challenges and disruptions from global macro-economic and geopolitical developments. We strive to make a positive impact in the communities and countries where we operate while, at the same time, focus on the ongoing development of all our employees.

It is critical that our remuneration policy incentivises our executives to pursue sustainable long-term value creation by incorporating the above factors while aligning with shareholder requirements and best practice.

Shareholder voting and engagement

The table below reflects the non-binding advisory votes received in support of our remuneration report over the past two years:

AGM resolutions	FY21 %	FY20 %
Remuneration policy	**35.8**	65.9
Implementation report	**35.5**	67.6

We fell well short of the 75% approval threshold and initiated an engagement process that included meetings (detailed below) and a dedicated email address for shareholders to provide feedback, suggestions and comments.

Investor	Type and date of engagement
Mergence Investment Management	Meeting on 9 March 2022
Aeon Investment Management	Meeting on 9 March 2022
Sanlam Investment Management	Meeting on 9 March 2022
STANLIB Asset Management	Meeting on 9 March 2022
Visio Capital Management	Meeting on 9 March 2022
Old Mutual Investment Group	Meeting on 10 March 2022
Abax Investments	Meeting on 10 March 2022
Ninety-One	Meeting on 10 March 2022
Allan Gray	Meeting on 10 March 2022
M&G Investments	Meeting on 11 March 2022
Argon Asset Management	Meeting on 11 March 2022
Public Investment Corporation	Meeting on 16 March 2022
Coronation Fund Managers	Meeting on 17 March 2022
Groupe Canal+ S.A.	Meeting on 28 March 2022

LTI performance measure changes

We have moved away from LTI performance targets linked to internal budgets and implemented objectives linked to objective and/or external measures for PSU awards. These will be effective from FY23 awards going forward. All previous PSU awards will be grandfathered based on the performance targets set on the date of award:

FY22 LTI performance measures based on budgets	Weight (%)
Core HEPS growth	**25**
Free cash flow	**50**
Return on capital employed	**25**

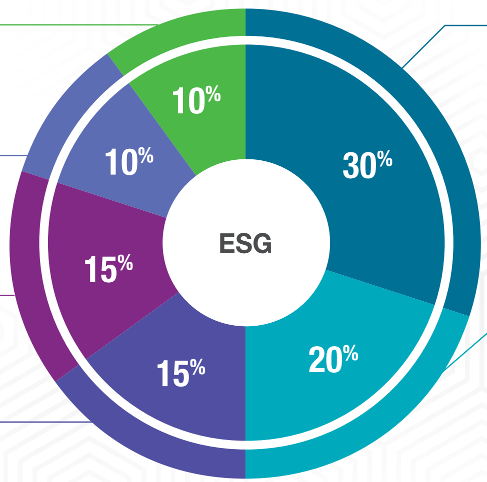
LTI FY23 performance measures	Weight (%)	Comments
Core HEPS growth	**40**	Move from delivery against budget to year-on-year growth
Free cash flow conversion ratio	**15**	Move from absolute free cash flow generated per budget to conversion of reported Trading Profit
Nigeria cash extraction	**10**	An important focus area for management
Total shareholder return (TSR)	**25**	Added as new targets to align with shareholder interests
ESG	**10**	

Remuneration report continued

Further detail on each measure is disclosed below:

	Weight (%)	Threshold	Target	Stretch	Details
Core HEPS growth	40	Weighted Average Cost of Capital – Dividend Yield	Weighted Average Cost of Capital – Dividend Yield + 2%	Weighted Average Cost of Capital – Dividend Yield + 4%	• Growth to be measured over a three-year rolling average basis on the vesting date in year three • Based on a WACC of 12% and a dividend yield of 4%, a 12% cumulative annual growth rate would be required to be achieved to meet the stretch target, resulting in a 16% total shareholder return per annum (12% HEPS growth plus 4% dividend yield)
FCF (pre-tax) conversion ratio	15	95%	98%	102%	• Conversion ratio is calculated using the formula below and measured on the vesting date in year three: *Free Cash Flow (pre-tax)/Trading Profit on a 3-year cumulative rolling basis*
Nigeria cash extraction	10	70%	75%	80%	• Measured based on the extraction of net cash generated in the 3 year period in Nigeria plus 50% of opening cash balance • Balance of opening balance cash is for working capital required in country
Total shareholder return (TSR)	25	Median of comparator group	Average of Median and Upper Quartile of comparator group	Upper Quartile of comparator group	• The TSR measure is based on share price growth and dividend yield • Measured based on three-year compound annual growth rate on the vesting date in year three • Measured relative to the following comparator group[1]: Vodacom, MTN, Telkom, Shoprite, Clicks, Bidvest, Discovery, Mr Price, Foschini
ESG	10	Based on a blend of external agency ratings and company specific measures (detailed below)			

ESG metrics



ESG metric	Key result	Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)
Investment in family community – coverage of school sports				
	Number of schools whose sport matches we will broadcast on the SuperSport Schools App	52 schools by year 3	67 schools by year 3	77 schools by year 3
Enhancement of gender diversity in sports coverage				
	Increased hours of female sport coverage, both live (competitions) and non-live (documentaries)	8% increase	16.7% increase	25% increase
Development of black talent				
	% of total available spend on skills development spent on developing black (BBBEE) talent	75%	80%	85%
Investment in local content				
	Increased local content spend as a % of total GE spend	48%	50%	50% within 2 years

ESG metric	Key result	Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)
ESG rating				
	Rating by external rating agencies MSCI and Sustainalytics	Achieve the second highest rating available from both MSCI (AA rating) and Sustainalytics (low risk)	One rating in the second highest category, and one rating in the highest category	Achieve the top-level rating available from both MSCI (AAA rating) and Sustainalytics (negligible risk)
Contribution to sustainable environment				
	Funding of media and broadcast aspects of *Earthshot* prize	ZAR55m (cumulative)	ZAR58m (cumulative)	ZAR60m (cumulative)

[1] The peer group has been selected based a basket of telecommunications companies and consumer stocks with similar market cap.

Remuneration report continued

PART 1 THE BACKGROUND STATEMENT

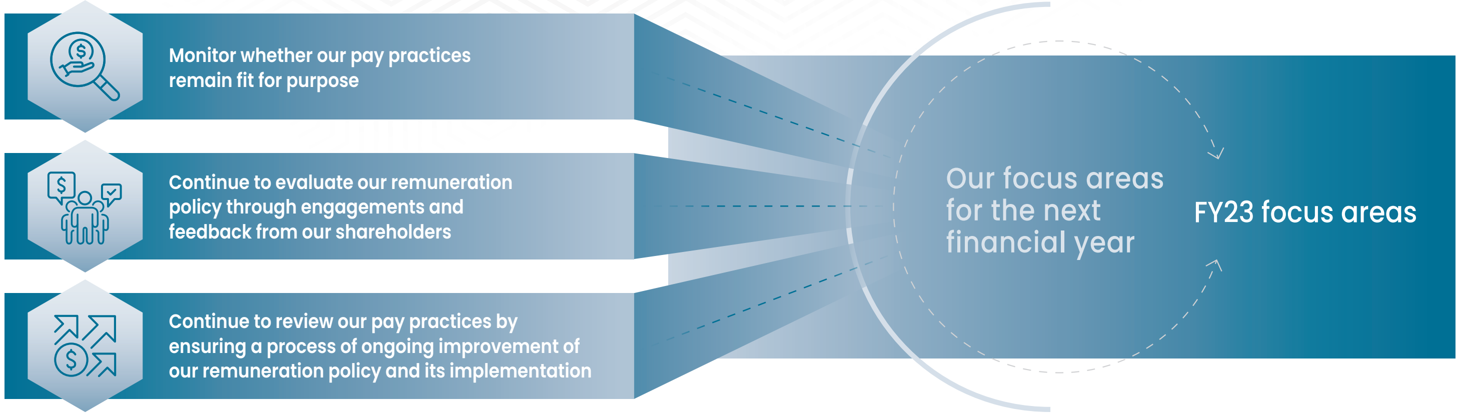
Phantom performance share (PPS) plan

The world is changing rapidly, and the rate of change is accelerating as various technologies grow and intersect. Given the importance of successful new investments in driving sustainable long-term growth and to facilitate a fundamental shift in our approach, the group has implemented a PPS plan to complement our performance share unit (PSU) LTI plan. This plan, which is linked to aggressive performance hurdles for new strategic investments, replaced the 25% RSUs that previously did not have any performance conditions attached to them.

The PPS plan provides select executives involved in driving strategy, with exposure to the growth of a portfolio of strategic investments, which are intended to have a transformational impact on the nature and value of the group over time. Participation in the scheme is limited to executives who play a crucial role in the closing and oversight of the relevant investments. Awards vest over a period of five years, in two equal tranches in years four and five. The PPS allocation is capped at a maximum of 25% of the individual's annual share allocation, with the remainder of the allocation being PSUs. This weighting ensures executives are focused on both the core business and on driving new growth opportunities.

A key feature of the PPS plan is the particularly stretching performance conditions that are applied. There is no vesting if portfolio returns are at or below 12.5% per annum (our approximate group weighted average cost of capital), and full vesting only occurs at superior returns of 25% per annum (double our approximate group weighted average cost of capital).

The portfolio returns for each award and the unit value of each award will be based on the 'like for like' measurement of the portfolio of assets in place on the award date when measured, four or five years later. For example, if assets A, B and C are in place on the 2022 PSS award date, then the aggregate opening and closing values of these assets, and any dividends and distributions received from these assets will be considered when measuring the portfolio return from the award date in 2022, until the measurement date in 2026 and 2027. If asset D is acquired after the 2022 award, but before the 2023 award, then the aggregate value and dividends from assets A, B, C and D will be used for the determination of the value and performance of the 2023 award units.



The returns for the PPS scheme are measured on the growth in portfolio value using external valuation inputs where possible. The valuations are conducted annually and are based on the following methods (in order of priority):

1) The latest arm's length share transaction, which has occurred not longer than 24 months preceding the measurement date, for a minimum of 5% of the asset valuation.
2) 100% current year core headline earnings x earnings multiple plus net cash/less net debt. The earnings metric and multiple are approved by the committee when a relevant portfolio asset is added.
3) An independent third-party valuation, where no clear transaction value exists, for example in a start-up scenario. This valuation will only be valid for three years, after which methods 1 and 2 would become applicable.

The valuations are performed by an independent third-party (currently Deloitte), while the scheme outputs are also verified by our external auditors.

STI Performance measure changes

Core headline earnings will be replaced by Core headline earnings per share in the company multiplier to better align with the LTI measure and because it reflects a better alignment with shareholders who are exposed to earnings growth on a per share basis i.e. incorporating changes in the number of shares in issue.

Independent remuneration adviser

Bowman Gilfillan are appointed as independent adviser to the remuneration committee, and we are satisfied that their advice is objective and independent.

Key focus areas and decisions taken during the reporting period

The remuneration committee met four times before the financial year-end and is satisfied that it achieved its objectives and complied with its statutory duties. A key focus of this year's activity was to address shareholder concerns around the remuneration policy and the implementation thereof. In addition, the following key decisions were made:

- Approved the change to the STI company multiplier metric (core headline earnings per share)
- Approved the executive committee goals and targets for FY23
- Approved the executive committee FY21 bonus, FY22 salary increases and share awards
- Approved the non-executive director fees
- Approved the salary increases, bonuses and share awards for all employees
- Approved the new PSU measures and targets
- Approved the Irdeto RSU plan awards

Non-binding advisory vote on remuneration policy and implementation report

The remuneration policy and implementation report, as set out in Parts 2 and 3 of this remuneration report, will be tabled for separate non-binding advisory votes at the AGM on 25 August 2022. If 25% or more of the voting rights exercised vote against either the remuneration policy or implementation report or both, the board will take steps, in good faith and with best reasonable effort, to do the following as a minimum:

- Implement an engagement process to ascertain the reasons for the dissenting votes
- Aim to address legitimate and reasonable objections and concerns raised appropriately, which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes
- Report on the above in next year's remuneration report

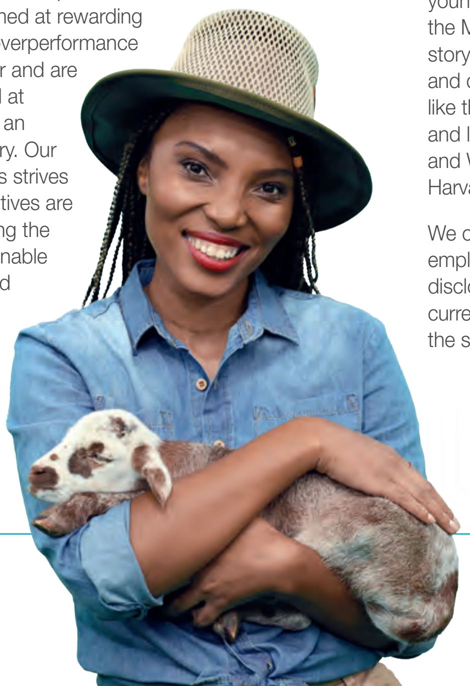
Remuneration report continued

PART 2 The remuneration policy

Remuneration philosophy

Our remuneration philosophy is informed by the group's strategy and capital allocation process and enables us to achieve our business objectives. Our commitment to pay for performance aligns with the principle of creating long-term value for our shareholders – it drives our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world. As far as possible, our pay structure is similar across the business and it exceeds the minimum legal requirements in all the jurisdictions in which we operate. We endeavour at all times to balance the need to compete globally for the best talent with the need to pay fairly and responsibly.

When making executive pay decisions, we consider the individual's performance, the business's performance, the complexity of executives' responsibilities, as well as the growth trajectory and lifecycle of the business unit for which he/she is responsible. Our STIs are aimed at rewarding employees for overperformance in a specific year and are typically capped at a percentage of an employee's salary. Our approach to LTIs strives to ensure executives are invested in driving the business' sustainable performance and shareholder value creation over the long term.



Talent and fairness

We aim to be the preferred employer for candidates and current employees in the entertainment and digital platform security sectors and to be recognised as a leading employer in the markets where we operate.

We focus on recruiting experienced talent for critical areas of product development and service delivery, such as technology, data, digital and content. We also provide opportunities for new, young talent to learn and develop. These, combined with our other internal disciplines, are important to scale our business and deliver our strategic and operational imperatives.

We strive to recruit and retain the best calibre of executive talent to lead the organisation and create value for our stakeholders. Balancing the levels of executive remuneration with the demand to remain competitive in attracting global talent in the video entertainment industry has become challenging. In particular, we are seeing increasing competition for talent from our OTT competitors across all our markets.

Our investments and collaboration with leading educational institutions, industry bodies, partners and subject matter experts enable us to recruit and build young talent to drive our business forward. We grow local talent through the MultiChoice Talent Factory which seeds, incubates and nurtures African storytellers. We further develop deep technical TV, film, technology, engineering and data science expertise in partnership with prestigious global institutions like the New York Film Academy, Duke University, Henley Business School and leading local institutions in each country such as the University of Pretoria and Wits in South Africa. The Chairman's Top Leaders Programme partners with Harvard Business School and aims to build executive capability and capacity.

We continuously monitor the level of fair and responsible pay for all our employees and we are aware of pending legislation on required pay gap disclosures. Our minimum salary in South Africa is more than three times the current minimum wage requirements set by the government. We are proud of the suite of benefits offered to our employees (detailed on pages 102 to 103).

Remuneration structure

The policy table on page 102 sets out the group's remuneration structure which also applies to the executive directors and key senior executives. To provide a more comprehensive view, policies applicable either to different levels of employee and/or different geographic areas are included where appropriate.

Remuneration report continued

Guaranteed pay

	Purpose and description	Calculation	Eligibility	Performance measures	On target and stretch outcomes	Malus and clawback
Salary	Fixed remuneration with consideration given to specific requirements of the role. In South Africa, we follow the local market practice of total cost to company (TCTC) remuneration, which comprises a basic salary plus cash and non-cash benefits. Outside of South Africa, we follow the market practice of base salary plus cash and non-cash benefits. Guaranteed pay is reviewed annually and any increases are typically effective from June each year.	Market conditions, group performance, internal comparability, individual performance and level of responsibility within the organisation are taken into consideration and reviewed annually.	All employees	Individual performance	None	Not applicable
Benefits	Benefits and allowances appropriate to the market and contributing to the wellbeing of employees. Comprises a suite of competitive employee benefits that vary across countries as per market practice. Examples include: • Bursaries for employees and families • Wellness benefits such as onsite healthcare and counselling, a gym and a concierge service • Work-life balance leave • A closed medical aid scheme and retirement scheme with highly competitive benefits • An early childhood development allowance and an onsite crèche • Discounts on DStv subscriptions for employees and up to three family members • Discounts on DStv Internet		All employees	None	None	Not applicable

STI

Bonus/short-term incentive

Purpose and description

Annual performance-related incentives motivate executives to achieve short-term strategic, financial and non-financial objectives over a one-year performance period. This ensures remuneration is aligned with the annual business performance to drive long-term shareholder value creation.

Targets are set at a MultiChoice Group level and at segment/business unit/country level and applied to employees within these respective areas. The individual performance measures for each executive director are tailored to their roles and responsibilities, which filter down to the employees in those reporting lines. The incentive plan is agreed annually in advance and based on targets that are verifiable and aligned with the specific business unit's annual business plan. The discrete objectives for individuals are specific to their business units.

Calculation

All executive directors have an on-target bonus percentage which is used to calculate the bonus. The on-target bonus percentage will differ for employees according to their roles and responsibilities. The calculation to determine the performance outcome is detailed below:

TCTC/base salary

×

On-target bonus % | **80%**

×

Individual performance % | **0% to 110%**

×

Company performance % | **0% to 120%**

Eligibility

All employees subject to performance criteria

Performance measures

From FY23, the company performance measures and weightings are set out below:

Performance measure	Weighting
Revenue	25%
Core headline earnings per share	25%
Free cash flow	25%
Subscriber growth*	25%

* Weighted equally between South Africa, Rest of Africa and Showmax.

Performance below threshold results in a 0% payment for the specific measure. Between threshold and stretch, we apply linear progression of the payment from 80% to 120%. The outcome of each measure is capped at 120% of the weighting.

On target and stretch outcomes

The on-target and maximum STI as a percentage of salary are set out in the table below:

	On target	Stretch
CEO	80%	106%
CFO	80%	106%

Malus and clawback

Malus and clawback provisions are applicable to the MultiChoice executive committee. Refer to page 104 for more detail

Remuneration report continued

LTI

MultiChoice RSUs and PSUs

Purpose and description

An award of MultiChoice Group shares registered to the participants subject to an employment condition (continued tenure). For the executive committee, achievement of performance conditions applies.

Calculation

- RSUs vest over four years in two equal tranches in years three and four. RSUs with performance conditions (PSUs) vest 100% after three years
- Executives' awards are 100% PSUs
- Quantum of PSU vesting is dependent on the achievement of performance conditions. Settlement of the awards will take place on the respective vesting date of the awards and at the board's discretion
- Dividends are not payable on unvested shares

Executive director awards are split between the following LTI performance plans:

	PSU	PPS
CEO	75%	25%
CFO	75%	25%

Eligibility

Executives, senior management, scarce and critical skills. A once-off RSU allocation was made to all levels of employees in 2019 when MultiChoice listed and the scheme was registered

Performance measures

From FY23, the group performance measures for PSU awards and weightings are set out below:

Performance measure	Weighting
Core headline earnings per share	40%
FCF (pre-tax) conversion ratio	15%
Nigeria cash extraction	10%
Total shareholder return	25%
ESG	10%

Performance below threshold results in a 0% vesting for the specific measure. Between threshold and stretch, we apply linear progression of the vesting from 50% to 100%. The maximum vesting that can take place is 100% of the shares awarded.

On target and stretch outcomes

The annual LTI awards are capped at percentages as set out in the table below:

	LTI maximum as a % of salary
CEO	215%
CFO	185%
Rest of executive committee and select executives	165%

These are determined based on market comparisons as provided by our independent adviser. The cap excludes any movement in the share price.

Malus and clawback

Malus and clawback provisions are applicable to the MultiChoice executive committee. Refer to page 104 for more detail.

PPS plan

Purpose and description

A phantom award of value to the participants subject to an employment condition (continued tenure), where the value of the units awarded, at grant and settlement is based on the value of the underlying portfolio of new investments and performance conditions on a like-for-like basis.

Calculation

- PPS units vest over five years in two equal tranches in years four and five
- Vested units are settled on exercise by delivery of MCG shares, up to the tenth anniversary of the award date
- 100% of awards are linked to performance conditions. The returns are measured based on the growth in the portfolio valuation on a like-for-like basis
- The portfolio performance is calculated at the date of vesting in year four and in year five

Eligibility

Select executives involved with strategic investments

Performance measures

The value is linked to the value of the portfolio of new investments and will vest 50% in years four and five respectively. The returns are measured based on the growth in portfolio valuations. The minimum vesting performance threshold is 12.5% per annum, and 100% vesting is achieved at a growth in the portfolio value of 25% per annum, with linear interpolation between these levels.

Malus and clawback

Malus and clawback provisions are applicable to the MultiChoice executive committee. Refer to page 104 for more detail.

Irdeto RSUs and PSUs

Purpose and description

A phantom award of value to the participants is subject to an employment condition (continued tenure). For the Irdeto executive committee, achievement of performance conditions applies. No awards are made to MultiChoice Group executive directors.

Calculation

- RSUs vest over four years – awards vest in two equal tranches in years three and four
- PSUs vest 100% after three years
- Irdeto executives' awards are split 25:75 between RSUs and RSUs with performance conditions (PSUs)
- The quantum of PSU vesting is dependent on achievement of performance conditions. Settlement of the awards will take place on the respective vesting date of the awards and at the board's discretion

Eligibility

Irdeto employees

Performance measures

Performance measures and weightings are set out below:

Performance measure	Weighting
Revenue	15%
EBITDA	30%
Free cash flow	25%
Revenue share of external business	30%

Malus and clawback

Malus and clawback provisions are applicable to the MultiChoice executive committee. Refer to page 104 for more detail.

Remuneration report continued

Benchmarking

We strive to be consistent, offering remuneration packages that help attract and retain the best talent in our market. We consider market practices, business requirements and the calibre of the individual in our recruitment processes.

We benchmark our remuneration using the Old Mutual Remchannel Survey in South Africa and the Mercer Total Remuneration Surveys in the Rest of Africa. For executives, who we sometimes recruit globally, we use the LMO Executive Survey and the Willis Towers Watson Executive Survey. In addition, we use bespoke benchmarking using input from our remuneration adviser when appropriate.

We target our guaranteed salary at the median of the market with exceptions based on performance and critical skills.

For the executive committee, we benchmark remuneration against the same peer group of companies used for the TSR measure, i.e. Vodacom, MTN, Telkom, Shoprite, Clicks, Bidvest, Discovery, Mr Price, Foschini. Our approach to performance incentives is to award STIs below the average of our peer group and a higher LTI component as we believe this will ensure alignment to shareholder interests. This approach ensures that our blended outcome for our executive committee on both STI and LTI aligns with the market.

Malus and clawback

We believe inappropriate conduct should not be rewarded. To protect stakeholders against inappropriate conduct by executives, malus and clawback provisions apply to all variable pay (STI and LTI) for the MultiChoice executive committee. These provisions enable us to recover variable remuneration awards made, based on the occurrence of a trigger event caused by the participant, which led to loss or damage incurred by the group.

Trigger events include, but are not limited to:

- The group or any subsidiary's financial statements having been materially restated
- The executive having deliberately misled the group or any subsidiary, the market and/or the group's shareholders regarding the financial performance or position of the group
- The executive's actions brought the group, subsidiary and/or the executive's business unit into significant disrepute
- The executive's actions amounted to gross misconduct or a material error
- The subsidiary or the business unit in which the executive works having suffered a material failure of risk management
- Any other matter which, in the reasonable opinion of the remuneration committee, is required to be taken into account to comply with prevailing legal and/or regulatory requirements

Malus will be applied prior to the vesting and/or payment of any STI or LTI. Clawback will be applicable for up to three years after the vesting and/or payment of any STI or LTI.

Service contracts

Executives' service contracts comply with terms and conditions of employment in the jurisdiction where they are employed. Executives' contracts do not contain guaranteed payments on termination. Details of the date of appointment and relevant notice period for executive directors and prescribed officers are set out in the table below:

	CP Mawela	TN Jacobs
Date of appointment in the current role	1/11/2018	1/11/2018
Notice period	6 months	6 months
Restraint period	12 months	6 months

Recruitment policy

On the appointment of a new executive, his/her package will typically be in line with the principles as outlined on pages 102 to 103. To facilitate recruitment, it may be necessary to compensate for remuneration forfeited on exiting the previous employer. This will be considered on a case-by-case basis and may comprise cash or shares.

Remuneration report continued

Termination policy

Payments in lieu of notice may be made to executives for the unexpired portion of the notice period. On cessation, there is no automatic entitlement to an annual performance-related incentive (bonus). However, the committee retains the discretion to award a bonus to a leaver during the financial year considering the circumstances of his/her departure.

Termination provisions related to LTI plans are as follows:

LTI termination provisions	
Death, ill health, disability or other event approved at the board's discretion	• All unvested awards will be accelerated and fully vest on the date of termination of employment. If applicable, the outcomes of PSUs and PPS thresholds will be reviewed by the remuneration committee on a case-by-case basis.
Redundancy or termination as a result of a business disposal or change of control/jurisdictional issue or retirement	• Vesting of the awards will be accelerated on a pro rata basis. However, the pro rata portion will only be applicable to the next upcoming vesting portion. If applicable, the outcomes of PSUs and PPSs thresholds will be reviewed by the remuneration committee on a case-by-case basis.
For other causes	• All unvested awards will lapse.

Minimum shareholding required (MSR)

To encourage individual shareholding in the group and to align with shareholders' interests, the following minimum shareholding is required for all members of the executive committee. To allow time for the executives to build up a shareholding in the MultiChoice Group, these MSR requirements are to be met by July 2024 for current executives. The timeframe for new executive committee members to reach the MSR is five years from the date of appointment.

	MSR as % of salary
CEO	300%
CFO	200%
Executive committee	100%

Remuneration policy applicable to non-executive directors

Terms of appointment

The board has clear procedures for the appointment and orientation of directors, and annual self-evaluations are completed by the board and its committees. The nomination committee periodically assesses the skills and diversity represented on the board and determines whether these meet the group's needs. Directors are invited to give their input in identifying potential candidates. Members of the nominations committee propose suitable candidates for consideration by the board and a fit-and-proper evaluation is performed for each candidate before they are considered/appointed.

Retirement and re-election of non-executive directors

All non-executive directors are subject to retirement and re-election by shareholders every three years. Additionally, non-executive directors are subject to election by shareholders at the first suitable opportunity for interim appointments. The names of non-executive directors submitted for election or re-election are accompanied by brief biographical details to enable shareholders to make an informed decision on their election. The reappointment of non-executive directors is not automatic.

Setting non-executive directors' fees

The fee structure for non-executive directors was designed to ensure we attract, retain and appropriately compensate a diverse and experienced board of non-executive directors. Non-executive directors receive an annual fee as opposed to a fee per meeting, which recognises their ongoing responsibility to ensure effective governance of the group. Remuneration is reviewed annually and is not linked to the group's share price or performance. Non-executive directors do not qualify for share allocations under the group's incentive schemes. A comprehensive benchmarking exercise is performed using PwC's non-executive director surveys and this is tabled annually for consideration by the remuneration committee and the board to determine what the proposed directors and committees' fees should be.

Directors on the MultiChoice Group board have cross-membership on the South African major subsidiary boards: MultiChoice South Africa Holdings Proprietary Limited and MultiChoice South Africa Proprietary Limited. Non-executive directors with such cross-memberships receive a single fee at a MultiChoice Group level.

Non-binding advisory vote on remuneration policy

The remuneration policy, as set out in Part 2, will be subject to a non-binding advisory vote by shareholders at the AGM on 25 August 2022.

Remuneration report continued

PART 3 The implementation report

This section explains how the remuneration policy was implemented in the reporting year and reflects the resulting payments each executive director received (backward looking). All decisions in relation to executive remuneration were made in line with our remuneration policy for this financial year.

FY22 Salary adjustments

The committee approved a 3.8% salary increase in FY22 for all employees in South Africa. Increases in other countries vary based on economic conditions, inflation, market trends and internal comparability.

FY22 STI outcomes

Financial/group goals

In the following tables we outline the actual STI outcomes for each financial performance measure relative to the target set at the beginning of the financial year:

FY22 STI	Weight (%)	Threshold (80%)	Target (100%)	Stretch (120%)	On-target outcome (%)	% of target achieved	FY22 outcome (%)
Revenue	25	2% below target	On-target	2% above target	25	102%[1]	30
Core headline earnings	25	10% below target	On-target	10% above target	25	208%[2]	30
Free cash flow	25	10% below target	On-target	10% above target	25	242%[3]	30
Subscriber growth South Africa	8.3	5% below target	On-target	5% above target	8.3	28%[4]	0
Subscriber growth Rest of Africa	8.3	5% below target	On-target	5% above target	8.3	152%[4]	10
Online user base growth	8.3	5% below target	On-target	5% above target	8.3	160%[5]	10
Total	**100**				**100**		**110**

FY22 LTI vesting outcomes

In FY22, the outcome of the 2020 PSU awards vested as detailed in the table below (executives received 50% PSUs and 50% RSUs for their 2020 LTI awards, with vesting in four equal tranches from June 2022 to June 2025).

FY22 LTI	Weight (%)	Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)	On-target vesting (%)	% of target achieved	FY22 vesting (%)
Core HEPS	25	5% below target	On-target	5% above target	18.75	199%[6]	25
Free cash flow	50	5% below target	On-target	5% above target	37.5	247%[7]	50
Return on capital employed	25	5% below target	On-target	5% above target	18.75	142%[8]	25
Total	**100**				**75**		**100**

(1) Revenue achieved the stretch target. This was driven by healthy subscriber growth in the RoA segment, despite significant consumer pressure in South Africa. The group also saw a stronger than expected recovery in the advertising business which grew by 37% YoY growing market share in a challenging macro environment and significant competition for ad revenue from global competitors. In addition, foreign exchange rates in the RoA held up better than our budget assumptions, which are mainly based on inflation rate differentials, consensus views from our banking partners and near-term market developments.

(2) Core headline earnings delivered materially above the stretch target due to the strong revenue growth and the success of the group's cost optimisation programme that delivered an incremental ZAR1.2bn in savings.

(3) Free cash flow was materially above the stretch target due to the significantly better earnings delivered over the period, tight management of capital expenditure and working capital management, especially around sports rights prepayments, customer collections and inventory management, all of which delivered better than target outcomes.

(4) Based on the challenging consumer climate and higher than expected subscriber closing base in the prior year thanks to COVID restrictions, SA missed the subscriber target for FY22. The RoA business delivered better than stretch target 90-day subscriber growth based on the success of major sporting events and local content. Targets were set based on the prevailing economic circumstances at the time of business plans being set, taking into account budgeted price increases and the impact this has on churn, together with various data analytics performed based on historic and projected subscriber behaviour. In addition, the growth targets set for the RoA supported the business reaching profitability in FY23. The business performed incredibly well to outperform the targets.

(5) Online user growth over-achieved the stretch target as the popularity of local content such as The Wife exceeded growth expectations. This change in strategy to focus more on local programming had a positive impact on the monthly active online user base, which saw a 68% growth YoY in paying subscribers, resulting in this segment growing faster than the market.

(6) The stretch target was achieved on an organic basis excluding the impact of foreign exchange rates in the RoA. Operational performance was strong throughout the period, with subscriber numbers growing by 2.3m 90-day active subscribers, notwithstanding increasing competition from OTT. This was supplemented by strong cost discipline resulting of cumulative savings of ZAR2.7bn. This strong operational performance resulted in the group significantly exceeding the target.

(7) Free cash flow was above the stretch target primarily due to the better than stretch target earnings growth. Significant savings were achieved over the three-year period through the acceleration of the group's cost optimisation programme at the onset of COVID-19. Over the three year period, the group achieved ZAR2.7bn in cost savings, well above the budgeted ZAR2bn savings over the same period. Capital expenditure was managed within target levels throughout the three year period and a focus on working capital management, especially around sports prepayments, customer collections and inventory management, delivered better than target outcomes.

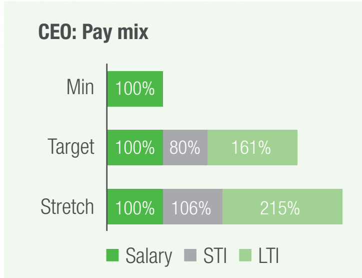
(8) ROCE was 45% at 31 March 2022 (increased from 30% in 2020) due to the higher earnings performance and an efficient use of the asset base in the group, assisted in part by the declaration of a stable ZAR2.5bn dividend.

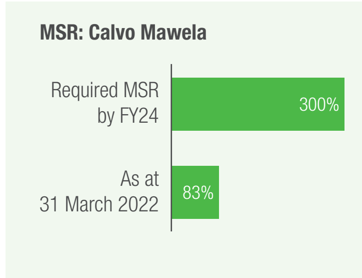
Remuneration report continued

Executive directors' remuneration

Executive director single figure remuneration

Element	FY22 (USD'000)	FY21 (USD'000)
Base salary	**663**	646
Pension	**80**	78
Benefits[1]	**255**	181
Short and medium-term incentive[2]	**566**	993
LTI – PSU/RSU[3]	**1 015**	534
LTI – SAR[4]	**–**	197
Total single figure	**2 578**	2 628





[1] Benefits exclude pension and include all benefits not included in base salary such as medical benefits, fringe benefits, family benefits, travel, long-service and disability benefits. The increase in FY22 is mainly due to the annual housing lease increase in Dubai, a 15-year long-service award received and increased travel as COVID restrictions were lifted.

[2] The STI reflects the bonus paid based on the performance of the relevant financial year. During 2017 the MCSA Remco approved a medium-term incentive scheme. The scheme was designed to incentivise the delivery of key business results in FY18 and FY19, with payments taking place in FY20 and FY21 with no more payments to take place under this legacy scheme.

[3] The LTI RSU and PSU values reflected are for the June 2019 and June 2020 awards with performance period ending in FY22 (FY21: June 2019 awards). Calvo's RSU and PSU awards were converted to USD using the year-end (March 2022) exchange rate.

[4] The LTI – SAR reflects the value of SARs that were exercised in FY21 and converted to USD using the November 2020 exchange rate. The SAR scheme was closed in FY21.

Salary increase and STI award:

	A			B	C	D	E = C x D	F = A x B x E	G = F/A
Executive director	**FY22 salary as at 31 March 2022 ('000)**	**FY23 salary ('000)**	**FY23 increase (%)**	**On-target bonus (%)**	**Group/financial goals achieved outcome (%)**	**Personal goals achieved outcome (%)**	**Total outcome (%)**	**FY22 bonus ('000)**	**FY22 bonus as % of salary**
C P Mawela (US$)	665	685	3	80	110	97	106	566	85

LTI shareholding:

Share Plan	Offer date	Number of shares	Offer price (ZAR)	Release date	Share/unit price as at 31 March 2022 (ZAR)	Value of awards settled during the financial year ending 31 March 2022 (ZAR)	Intrinsic value per award of unvested awards as at 31 March 2022 (ZAR)
MultiChoice Group RSU and PSU[1]	18 Jun 2019	61 162	0.00	18 Jun 2021	–	7 408 553	
	18 Jun 2019	61 162	0.00	18 Jun 2022	131.73		8 056 870
	18 Jun 2019	61 162	0.00	18 Jun 2023	131.73		8 056 870
	18 Jun 2019	61 162	0.00	18 Jun 2024	131.73		8 056 870
MultiChoice Group RSU and PSU[1]	10 Jun 2020	51 147	0.00	10 Jun 2022	131.73		6 737 594
	10 Jun 2020	51 147	0.00	10 Jun 2023	131.73		6 737 594
	10 Jun 2020	51 147	0.00	10 Jun 2024	131.73		6 737 594
	10 Jun 2020	51 149	0.00	10 Jun 2025	131.73		6 737 858
MultiChoice Group RSU and PSU[2]	17 Nov 2020	70 717	0.00	17 Nov 2023	131.73		6 940 085
MultiChoice Group RSU	17 Nov 2020	10 102	0.00	17 Nov 2024	131.73		1 330 736
MultiChoice Group PSU[3]	31 Mar 2021	120 809	0.00	31 Mar 2024	131.73		10 503 352
Phantom Performance Share Plan 2021[4]	31 Mar 2021	42 767	0.00	31 Mar 2025	121.42		1 869 397
	31 Mar 2021	42 767	0.00	31 Mar 2026	121.42		1 869 397

[1] 50% of RSUs issued are subject to performance conditions.

[2] 75% of RSUs issued are subject to performance conditions.

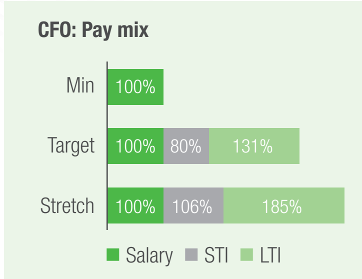
[3] 100% of RSUs issued are subject to performance conditions.

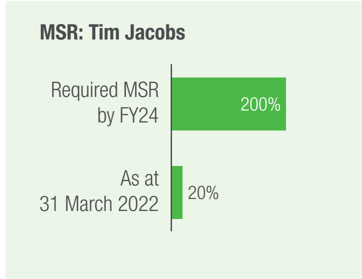
[4] 100% of PPSs issued are subject to performance conditions. The calculation of the PPS unit price is detailed on page 100.

Remuneration report continued

PART 3 THE IMPLEMENTATION REPORT

Element	FY22 (ZAR'000)	FY21 (ZAR'000)
TCTC[1]	7 447	6 241
Pension	640	979
Benefits[2]	671	72
Short and medium-term incentive[3]	6 294	6 825
LTI – PSU/RSU[4]	4 871	2 033
LTI – SAR[5]	–	14 877
Total single figure	**19 923**	31 026





[1] Tim moved to a dual employment contract (ZAR and EUR) during FY22 as he is required to spend a significant amount of time offshore. His EUR portion has been converted to ZAR using the March 2022 exchange rate.

[2] Benefits exclude pension and includes all benefits not included in TCTC such as medical benefits, fringe benefits, family benefits, travel, long-service and disability benefits. The increase in FY22 is mainly due to Tim's benefits for his European contract (which has been converted to ZAR using the March 2022 exchange rate) and increased travel as COVID restrictions were lifted.

[3] The STI reflects the bonus paid based on the performance of the relevant financial year.

[4] The LTI RSU and PSU values reflected are for the June 2019 and June 2020 awards with the performance period ending in FY22 (FY21: June 2019 awards).

[5] The LTI – SAR reflects the value of SARs that were exercised in FY21. The SAR scheme was closed in FY21.

Salary increase and STI award:	A			B	C	D	E = C x D	F = A x B x E	G = F/A
Executive director	FY22 salary as at 31 March 2022 ('000)	FY23 salary ('000)	FY23 increase (%)	On-target bonus (%)	Group/financial goals achieved outcome (%)	Personal goals achieved outcome (%)	Total outcome (%)	FY22 bonus ('000)	FY22 bonus as % of salary
T N Jacobs (ZAR)	7 608	7 874	3.5	80	110	94	103.4	6 294	83

* Tim's EUR portion has been converted to ZAR using the March 2022 exchange rate.

LTI shareholding:

Share Plan	Offer date	Number of shares	Offer price (ZAR)	Release date	Share/unit price as at 31 March 2022 (ZAR)	Value of awards settled during the financial year ending 31 March 2022 (ZAR)	Intrinsic value per award of unvested awards as at 31 March 2022 (ZAR)
MultiChoice Group RSU and PSU[1]	18 Jun 2019	15 768	0.00	18 Jun 2021	–	1 897 841	
	18 Jun 2019	15 768	0.00	18 Jun 2022	131.73		2 077 119
	18 Jun 2019	15 768	0.00	18 Jun 2023	131.73		2 077 119
	18 Jun 2019	15 769	0.00	18 Jun 2024	131.73		2 077 250
MultiChoice Group RSU and PSU[1]	10 Jun 2020	21 207	0.00	10 Jun 2022	131.73		2 793 598
	10 Jun 2020	21 207	0.00	10 Jun 2023	131.73		2 793 598
	10 Jun 2020	21 207	0.00	10 Jun 2024	131.73		2 793 598
	10 Jun 2020	21 207	0.00	10 Jun 2025	131.73		2 793 598
MultiChoice Group RSU and PSU[2]	17 Nov 2020	52 195	0.00	17 Nov 2023	131.73		5 122 357
MultiChoice Group RSU	17 Nov 2020	7 457	0.00	17 Nov 2024	131.73		982 311
MultiChoice Group PSU[3]	31 Mar 2021	80 732	0.00	31 Mar 2024	131.73		7 018 985
Phantom Performance Share Plan 2021[4]	31 Mar 2021	28 579	0.00	31 Mar 2025	121.42		1 249 222
	31 Mar 2021	28 580	0.00	31 Mar 2026	121.42		1 249 266

[1] 50% of RSUs issued are subject to performance conditions.

[2] 75% of RSUs issued are subject to performance conditions.

[3] 100% of RSUs issued are subject to performance conditions.

[4] 100% of PPSs issued are subject to performance conditions. The calculation of the PPS unit price is detailed on page 100.

Remuneration report continued

Non-executive directors' fees

The fees paid to non-executive directors by the group are set out below:

2022 Non-executive directors	Directors' remuneration Paid for services to the company ZAR	Directors' remuneration Paid for services to other group companies ZAR	Directors' fees Paid for services to the company ZAR	Directors' fees Paid for services to other group companies ZAR	Committee and trustees' fees and other fees Paid for services to the company ZAR	Committee and trustees' fees and other fees Paid for services to other group companies ZAR	Total ZAR
James du Preez (appointed 1 April 2021)	–	–	745 663	–	459 376	–	1 205 039
Francis Lehlohonolo Napo Letele (resigned 1 December 2021)	–	–	557 525	–	88 435	141 564	787 524
Elias Masilela	–	–	745 663	–	344 548	–	1 090 210
Kgomotso Moroka	1 500 000	–	745 663	–	475 681	283 128	3 004 471
Louisa Stephens	–	–	745 663	–	791 945	349 425	1 887 033
John James Volkwyn	5 151 753	–	–	–	–	–	5 151 753
Christine Sabwa	–	–	745 663	–	581 102	–	1 326 765
Jabulani Mabuza**	–	–	271 875	–	98 750	–	370 625
Fatai Sanusi	–	–	745 663	–	118 278	–	863 940
Stephan Joseph Zbigniew Pacak (resigned 1 April 2021)*	–	–	–	–	–	–	–
	6 651 753	**–**	**5 303 375**	**–**	**2 958 115**	**774 116**	**15 687 360**

* Resigned on the 1st April 2021 and received no fees.
** Jabu Mabuza passed away 16 June 2021.

Non-executive directors	Directors' remuneration Paid for services to the company USD	Directors' remuneration Paid for services to other group companies USD	Directors' fees Paid for services to the company USD	Directors' fees Paid for services to other group companies USD	Committee and trustees' fees and other fees Paid for services to the company USD	Committee and trustees' fees and other fees Paid for services to other group companies USD	Total USD
Mohamed Imtiaz Patel – Chair*	1 124 614	–	–	–	–	–	1 124 614
	1 124 614	**–**	**–**	**–**	**–**	**–**	**1 124 614**

* Payments relate to the service and restraint agreement entered into between the group and Imtiaz.

Termination payments

No termination payments were made to executive and non-executive directors on termination of employment or office in FY21.

Remuneration report continued

Contractual arrangements

Adv Kgomotso Moroka

The consultancy agreement entered into between the group and Kgomotso for professional advisory services to the group and its subsidiaries. Kgomotso is a Senior Counsel and seasoned legal professional. Given the sensitive nature of some matters and Adv Moroka's understanding of our business and the political, social and legal landscape, she is often consulted to formulate an approach and strategy. For this service we need to compensate her outside of her normal board fees, hence the need for a separate consulting agreement. is considered immaterial to the wealth of Kgomotso and the board has, after consideration on a balanced and substance-over-form basis, determined that the agreement does not affect her categorisation as an independent non-executive director. The consultancy services agreement was renewed for 12 months effective April 2021.

Jim Volkwyn

The consultancy agreement, entered into between the group and Jim for professional advisory services to the group CEO. During FY22 the scope of Jim's consultancy services was reviewed and expanded to cover more strategic advisory services. The services are global in nature and involve key global strategies. The consultancy agreement is complimentary to his director role, involves an annual fee for Jim's additional time and effort to provide global strategic input at an early stage. The group believes that the benefit of leveraging his local and international industry insights and skills is superior to paying external consultants with limited insight into our operations and provides us with a significant strategic advantage as we evaluate many opportunities to grow our business over the longer term. The contract is considered immaterial to Jim's wealth. The board has, after external legal advice and consideration on a balanced and substance-over-form basis, determined that the agreement does not affect his categorisation as an independent non-executive director. Jim has waived any entitlement to director and committee fees paid to non-executive directors.

Imtiaz Patel

The service and restraint agreement entered into between the group and Imtiaz is for the provision of various strategic and advisory support services to the group at a global level. The essence of the agreement is a restraint of trade to ensure that Imtiaz's valuable and sought-after knowledge, experience, contacts and company/global industry insights are retained within the group as he is fundamental in pivoting the group's strategic re-positioning and platform expansion plans. Imtiaz has waived any entitlement to director and committee fees paid to non-executive directors.

Compliance

There were no deviations from the remuneration policy in FY22.

Directors' interest in the MultiChoice Group shares

The directors of the MultiChoice Group (and their associates) had the following beneficial interest in the MultiChoice Group ordinary shares at 31 March 2022:

MultiChoice Group ordinary shares	Direct	Indirect	Total
MI Patel	27 186	–	27 186
C Mawela	61 162	–	61 162
TN Jacobs	11 338	–	11 338
FLN Letele	88 836	–	88 836
JJ Volkwyn	5 000	–	5 000
Total	**193 522**	**–**	**193 522**

Non-binding advisory vote on implementation report

The implementation report, as set out in Part 3, will be subject to a non-binding advisory vote by shareholders at the AGM on 25 August 2022.

Share register analysis

as at 31 March 2022

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000	44 942	90.92	6 429 761	1.45
1 001 – 10 000	3 514	7.11	9 320 308	2.11
10 001 – 100 000	698	1.41	23 624 372	5.34
100 001 – 1 000 000	234	0.47	67 050 306	15.15
Over 1 000 000	40	0.08	336 087 931	75.95
Total	**49 428**	**100.00**	**442 512 678**	**100.00**

Shareholders by type	Number of shares FY21	% of issued capital FY21	Number of shares FY22	% of issued capital FY22
Domestic institutions	190 357 405	43.02	**188 896 742**	**42.69**
Foreign institutions	138 166 552	31.22	**113 056 884**	**25.55**
Corporate stakeholders	53 207 312	12.02	**81 709 290**	**18.46**
Other institutions	9 974 997	2.25	**1 387 304**	**0.31**
Private investors	27 515 204	6.22	**28 793 135**	**6.51**
Domestic brokers	7 154 888	1.62	**10 336 790**	**2.34**
Employees	15 600 388	3.53	**17 064 765**	**3.86**
Foreign brokers	535 932	0.12	**1 267 768**	**0.29**
Total	**442 512 678**	**100.00**	**442 512 678**	**100.00**

Public shareholders vs non-public shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-public shareholders	8	0.02	162 243 117	36.66
Directors and associates (direct and indirect beneficial holdings)	4	0.01	104 686	0.02
Major subsidiary directors (direct and indirect holdings)	0	0.00	0	0.00
Material beneficial holders >10%	2	0.00	145 185 526	32.81
Treasury shares	1	0.00	4 556 467	1.03
Share schemes	1	0.01	12 396 438	2.80
Public shareholders	49 420	99.98	280 269 561	63.34
Total	**49 428**	**100.00**	**442 512 678**	**100.00**

Non-public shareholders	Holdings: Number of shares	Holdings: % holding
Groupe Canal+	81 604 353	18.44
Public Investment Corporation	63 581 173	14.37
Material beneficial shareholders (>10%)	145 185 526	32.81
The MultiChoice Group Restricted Share Plan	12 396 438	2.80
MultiChoice Group Treasury Services	4 556 467	1.03
	162 138 431	**100.00**

Shareholders with >5% interest	Number of shares	% of issued capital
Groupe Canal+	81 604 353	18.44
Government Employees Pension Fund	61 001 913	13.79
M&G Investments	41 113 700	9.29
Allan Gray	32 723 626	7.40

Directors' holdings	Direct	Indirect	Total	%
Imtiaz Patel	27 186	–	27 186	0.0061
Jim Volkwyn	5 000	–	5 000	0.0011
Tim Jacobs	11 338	–	11 338	0.0026
Calvo Mawela	61 162	–	61 162	0.0138
Kgomotso Moroka	–	–	–	–
Elias Masilela	–	–	–	–
Christine Sabwa	–	–	–	–
Fatai Sanusi	–	–	–	–
James Hart du Preez	–	–	–	–
Louisa Stephens	–	–	–	–
	104 686	**0**	**104 686**	**0.0236**

Trading data	
Closing price 1 April 2021 (ZAR)	128.77
Closing price 31 March 2022 (ZAR)	131.73
Closing high for period (ZAR)	138.77
Closing low for period (ZAR)	102.00
Number of shares in issue	442 512 678
Volume traded during period	349 685 134
Ratio of volume traded to shares issued (%)	79.02%
Rand value traded during the period (ZAR)	42 505 606 984
Price:earnings ratio as at 31 March 2022	16.22
Earnings yield as at 31 March 2022	6.16
Dividend yield as at 31 March 2022	4.29
Market capitalisation at 31 March 2022 (ZAR)	**58 292 195 073**

Shareholders' diary

General	
Financial year-end	**31 March 2022**
Year-end results announcement on SENS	**9 June 2022**
Shareholders eligible to receive AGM notice	**17 June 2022**
Distribution of annual results booklet enclosing AGM notice	**30 June 2022**
Integrated annual report publication	**28 July 2022**
Last day to trade to be entitled to vote at AGM	**16 August 2022**
Voting record date	**19 August 2022**
AGM attendance registration deadline, for administrative purposes	**19 August 2022**
Electronic participation request deadline	**19 August 2022**
Proxy submission deadline, for administrative purposes	**23 August 2022**
AGM	**25 August 2022**
Interim results announcement	**10 November 2022**

Cash dividend	
Cash dividend declaration date	**9 June 2022**
Finalisation date (as the dividend is subject to MultiChoice South Africa Holdings Proprietary Limited's dividend being approved by its shareholders)	**25 August 2022**
Last day to trade cum dividend	**6 September 2022**
Ex-dividend date	**7 September 2022**
Record date	**9 September 2022**
Payment date	**12 September 2022**

Glossary

AGM	annual general meeting
AI	artificial intelligence
ARPU	average revenue per user
B2B	business to business
BBBEE	broad-based black economic empowerment
CEO	chief executive officer
CFO	chief financial officer
Companies Act	Companies Act of South Africa No 71 of 2008, as amended
CSAT	customer satisfaction score
CSI	corporate social investment
DTH	direct to home
DTT	digital terrestrial television
ESG	environmental, social and governance
FIRS	Federal Inland Revenue Service
FTA	free to air
FY21	the financial year from 1 April 2020 to 31 March 2021
FY22	the financial year from 1 April 2021 to 31 March 2022
GDP	gross domestic product
GDPR	General Data Protection Regulation
ICASA	Independent Communications Authority of South Africa
ICT	information and communications technology
IT	information technology
I&T	Information and technology
JSE	Johannesburg Stock Exchange (as distinct from the JSE Limited)
King IV	King Report on Corporate Governance™ for South Africa, 2016
LED	light-emitting diode
MOI	memorandum of incorporation
MTF	MultiChoice Talent Factory
MultiChoice South Africa	MultiChoice South Africa Holdings Proprietary Limited and its subsidiaries
MultiChoice, the MultiChoice Group or the group	MultiChoice Group Limited and its subsidiaries
Naspers	Naspers Group Limited
OTT	over the top (media services in this context)
Phuthuma Nathi	Phuthuma Nathi Investments (RF) Limited (MultiChoice SA's BBBEE share scheme)
POPIA	Protection of Personal Information Act No 4 of 2013
PwC	PricewaterhouseCoopers Inc
SENS	Stock Exchange News Service
SVOD	subscription video on demand
TV	television
Ultra-HD	ultra-high definition (technically different from, but conflated with 4K)
UI and UX	user interface and user experience
US	United States
USSD	unstructured supplementary service data
USD	United States dollar
VAT	Value Added Tax
VOD	video on demand
YES	Youth Employment Services
YoY	year on year
ZAR	South African rand

Administration and corporate information

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Registration number
2018/473845/06
Incorporated in South Africa

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Forward-looking statements

This report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as 'believe', 'anticipate', 'intend', 'seek', 'will', 'plan', 'could', 'may', 'endeavour' and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

The key factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; future acquisitions, changes to domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political conditions (including the potential impact of COVID-19); the occurrence of labour disruptions and industrial action; and the effects of both current and future litigation.

We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise. We cannot give any assurance that forward-looking statements will prove to be correct and investors are cautioned not to place undue reliance on any forward-looking statements contained herein.