MULTICHOICE

ENRICHING LIVES

INTEGRATED ANNUAL REPORT 2021

Africa's most loved storyteller

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

Navigating this report

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

PAGE WEB

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

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

About this report

We seek to create and enhance long-term sustainable value for our stakeholders

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. We consider the capitals we use and impact, namely financial, technology and platforms, industry expertise, our people, customer and supplier relationships, and corporate citizenship in our strategic decision-making at group and board levels.

What value means to MultiChoice

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

- Aggregating and distributing the content valued by our customers in a way that is convenient, easily accessible and cost-effective
- Providing an environment that rewards growth and provides development for our people
- Nurturing long-standing and mutually beneficial relationships with our partners and suppliers
- Meaningfully contributing to the industry and communities where we operate
- Generating sustainable economic value for our shareholders over the long term

Scope, boundary and audience

The scope of this report comprises MultiChoice Group Limited and its subsidiaries (together 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 2020 to 31 March 2021 (referred to as FY21). Comparative financial information for FY20 is included where relevant.

The content of this report was guided by the following frameworks and regulations:

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

Assurance and responsibility

The information in this 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 2021 and is accurately reflected.

Refer to page 14 of the full annual financial statements for the auditor's report on the group's unmodified consolidated annual financial statements.

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.

About this report continued

Board responsibility

The board acknowledges its responsibility to ensure the integrity of the integrated annual report. This report was approved by the board on 10 June 2021. The board applied its collective mind and believes the integrated annual report and financial statements fairly reflect, in its opinion, the true financial position of the group as at 31 March 2021 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

10 June 2021

On behalf of the audit committee

Louisa Stephens
Audit committee chair

10 June 2021

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 IFRS
- 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 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 took the necessary remedial action.

Calvo Mawela
Group CEO

10 June 2021

Tim Jacobs
Group CFO

10 June 2021

Our reporting suite

Our 2021 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.

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 FY21 and notice of annual general meeting (AGM) (our annual results booklet)
- King IV application report
- Social report
- Interim and annual results

Feedback

We welcome our stakeholders to connect with us on

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

Summarised forward-looking statements

Many proclamations 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

Our entertainment platforms

DStv GOtv showmax Other digital properties

We provide video entertainment to **20.9 million** subscribers[1]

We are Africa's leading video entertainment platform.

We create our own local content and secure the rights to extraordinary global content which we deliver anytime, anywhere and on any device through our first-class satellite, terrestrial and online video entertainment services.

We offer programming in **41 languages**[2]

4 567 hours of local content produced this year

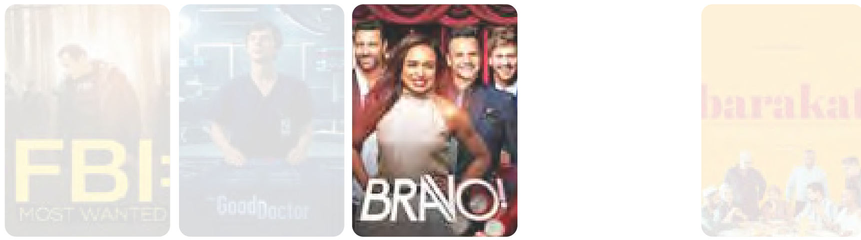
Dedicated local content channels in **10 markets**

[1] 90-day active subscribers.
[2] Relates to all languages broadcast on our platforms, including international and free-to-air (FTA) channels. Prior year disclosure of 17 languages related to proprietary channels only.

Our business overview continued

An evolving video entertainment industry is creating new options for us to enrich lives by expanding our entertainment ecosystem and catering for changing consumer preferences.

We selectively consider pursuing new growth opportunities, either organically or through investments, where they create a better customer experience, drive new revenues and/or leverage existing assets. We are well positioned in this regard given our scale (i.e. 20.9m households on four platforms across 50 countries), and our reach (i.e. an estimated average of five people per household means that we reach around 100m people on the continent).



Top-quality local productions amounting to **42% of our total general entertainment** spend

Leaders in sport broadcasting, with **~9 800 live events** and **500 own productions** broadcast this year

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

A **leading digital platform security** division with offices in **14 countries**

irdeto

Building a Secure Future.™

We are inextricably connected to our customers and the countries they live in. This is why we invest in Africa's film and television (TV) industry and adjacent businesses, contributing to the economies of the countries where we operate, and creating thousands of jobs across the continent. At the same time, we focus on the ongoing development of our employees and we continue to make a meaningful impact on the communities where we operate.

Our business overview continued

We are Africa's most loved storyteller

South Africa

Established in 1985

As the **leading video entertainment provider** in South Africa, our subscribers have access to world-class local and international content through our DStv direct to home (DTH), DStv streaming and Showmax over the top (OTT) services.

64% of group revenue

ZAR11.1bn trading profit

8.9m subscribers[1]

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 across sub-Saharan Africa through our DStv DTH, DStv streaming and Showmax OTT services, as well as our GOtv digital terrestrial television (DTT) service in eight key markets.

32% of group revenue

ZAR1.4bn trading loss

11.9m subscribers[1]

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 not only the group's security and anti-piracy needs, but also some of the world's best video entertainment, mobile and connected industry service providers.

4% of group revenue

ZAR0.6bn trading profit

>400 customers spanning 72 countries

[1] *90-day active subscribers.*

Our group structure

[1] Foreign voting rights are capped at 20% due to section 64 of the Electronic Communications Act No 36 of 2005 in South Africa and the group's memorandum of incorporation (MOI).
[2] Listed on Equity Express Securities Exchange (EESE) and owns 25% of MultiChoice South Africa.
[3] The MultiChoice Group's combined direct and indirect effective interest in MultiChoice South Africa is 76.8%, comprising a 75.0% direct stake, a 1.4% indirect stake via Phuthuma Nathi, and a 0.4% indirect stake via the consolidated Enterprise Development Trust. Phuthuma Nathi shareholders own the remaining 23.2%.
[4] Post-year-end, we announced our intention to increase our stake in BetKing from 20% to 49% subject to conditions precedent.

Our investment case

1 We know our subscribers and their **entertainment** needs

We know how to curate and **deliver the best local and international general entertainment and sport content** to our 20.9m subscribers in 50 countries across sub-Saharan Africa.

We create, acquire, license and package an exciting and unique mix of programming. **We provide video entertainment 'anywhere, anytime'** by beaming a signal and/or streaming content to customers on their preferred devices 24/7.

Our unique insights allow us to create comprehensive and compelling video entertainment services that resonate with our subscribers and cater for their evolving video entertainment needs. We aim to offer them even more as we continue expanding our entertainment ecosystem.

Leveraging our scale and reach, we are also broadening our value proposition and entertainment ecosystem through organic initiatives, strategic partnerships and select investment opportunities. Our new product launches, third-party OTT distribution agreements and investment in BetKing demonstrate our evolving strategic intent.

2 We have a **solid foundation** to drive shareholder returns

We have an **experienced management team with deep operational expertise**, established brands, a scaled subscriber base, and largely invested or leased infrastructure. We have also ensured that we **sustain a sound balance sheet, deliver excellence** in execution, maintain cost discipline and generate robust cash flows to support our capital allocation process and ultimately shareholder returns.

3 We draw on global perspectives to **drive local excellence**

Our long-standing connections to worldwide video entertainment industry participants, content suppliers and satellite providers allow us to implement best practices for content and technology.

Our deep local knowledge allows us to operate in diverse markets across vast urban and rural territories, and varied demographics, while managing complex regulatory environments and solving unique local challenges involving our business activities such as sales, distribution and payments.

4 We have a **dynamic approach** to growth

We understand the need to drive scale and growth in a flexible and responsive way. We achieve this through:

- **Investing in content** and production processes, subsidising set-top boxes and incurring capital expenditure (capex), among other areas, to support organic growth
- Targeted and value-accretive **mergers and acquisitions**
- **Mutually beneficial commercial partnerships** with best-in-class operators

5 We have a **proud legacy** and an even more exciting future

The African continent, with its 1.3bn people, is our home. Since launching our first service in 1985, we have provided a window into the world for our viewers and created, developed and shared their stories. A growing, increasingly urban middle class, with rising discretionary spend, represents an addressable market estimated at **56m paying video entertainment subscribers by 2025** and offers an attractive long-term opportunity for us.

Irdeto has a 51-year history of solving security problems. Its expertise in software security means it is uniquely positioned to help the world's best video entertainment and connected industry service providers navigate their digital platform security challenges in an increasingly connected world.

Our purpose and the values we stand for

Our vision

To be Africa's

#1

video entertainment platform

Our values

Our purpose

To **enrich lives** through video entertainment

We care

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

We connect

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

We create

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

Chairman's letter

By leveraging our scale and reach, **our strategy is to broaden our value proposition** and expand our entertainment ecosystem through organic initiatives, strategic partnerships, and select investment opportunities in areas adjacent to video entertainment.

Imtiaz Patel
Chair of the board

Dear shareholder

It has been more than a year since the start of COVID-19, the global pandemic that substantially changed the world as we once knew it. Not only has it impacted our customers, our employees and our business in multiple ways, but it forced us to adapt our behaviour, from interacting with each other to the way we think about the future.

As a board, we are truly grateful for the way our management team and our workforce pulled together. Despite various challenges, they did not waver from our corporate mission to keep our customers entertained and informed. Our top management focused on ensuring the well-being of our employees and colleagues. Our dedicated and talented employees, most of whom are working from home, have done an excellent job in growing our business, servicing our customers and delivering strong financial results.

Their efforts were supported by a board that provided invaluable guidance during these trying times. Their balanced views, wisdom, commitment and constructive input allowed the group to navigate many uncertainties with great success.

At the end of this financial year, Steve Pacak stepped down as a director. On behalf of the board and management, I extend our heartfelt appreciation to Steve for his steady leadership and valuable insights during the early part of our journey as a separately listed company. We welcome our newest independent non-executive director, James du Preez, who was appointed with effect from 1 April 2021. We are also deeply saddened by the sudden passing of our lead independent director, Jabu Mabuza, in June 2021 due to COVID-19-related complications. His invaluable insights and experience will be sorely missed and will remain a lasting part of the MultiChoice story.

Our evolving industry is creating opportunities while also increasing the complexity of strategic and operational decision-making. In an increasingly globalised competitive environment, we continue to support evidence-based regulations that are consistently applied to the industry to allow local businesses to grow and flourish on an equal playing field, especially as maintaining local job creation and supporting local industries are imperative in the countries where we operate.

We provide entertainment services to 20.9m households and, with an average of about five people per household, we reach around 100m people across 50 countries on the African continent.

By leveraging this scale and reach, our strategy is to broaden our value proposition and expand our entertainment ecosystem through organic initiatives, strategic partnerships, and select investment opportunities in areas adjacent to video entertainment. We believe this approach supports our ambition to provide a wider array of entertainment options and value-added services to our customers, while creating value for all our stakeholders.

Our group remains well positioned, **offering great content** and a product geared towards people spending more time at home.

Our investment in BetKing, a leading digital sports entertainment platform focused on the African continent, is a key example of this approach. Africa currently comprises only around 2% of the estimated US$130bn global sports betting industry and is poised for significant momentum as it begins to play catch up. BetKing is particularly well positioned to capture a large share of this growth opportunity – its proprietary technology allows it to operate at scale and speed, while enabling a customised approach for new markets and adjacent segments. Benefiting from SuperSport's strong brand and reach across the continent, as well as MCG's regional presence and acumen, BetKing is expected to expand rapidly across Africa in the coming years, while broadening its digital entertainment portfolio. We are excited to be part of their journey.

We enrich lives through our ecosystem by bringing people together around a shared passion for entertainment, but the impact of our operations extends beyond our direct relationships with our customers. Africa is our heart and soul and we are proud of the positive contribution we make to the countries where we operate. Our various programmes actively address and manage social and economic development, creating much needed employment, contributing to the fiscus and enabling small businesses to grow.

We enrich lives through our ecosystem by **bringing people together around a shared passion** for entertainment.

In the past year we provided more than ZAR80m to support our industry at the start of the COVID-19 outbreak. This ensured that productions could pay full salaries for impacted cast, crew and creatives across sub-Saharan Africa in the early months of lockdown. We guaranteed the income of freelancers in our SuperSport productions and broadcast technology environment, who could not work due to the suspension of organised sport during this time, and we supported the salaries of travel staff servicing our account for a period of six months.

More recently, we started broadcasting school sport events on a broader scale on our DStv channels and through a dedicated mobile application using new-age technology. The offering provides our younger customers, their parents and other interested parties with the ability to watch our up-and-coming sport talent, especially at a time when spectators are not allowed at matches. This initiative not only speaks to our commitment to society, but also our commitment as Africa's leading video entertainment platform to keep increasing our investment in local entertainment and sport content.

Through our Innovation Fund, we create opportunities for innovators in the technology, media and film industries, to bring to life ideas that will lead to breakthrough moments for their businesses. As part of this initiative we provide funding as well as mentorship and skills development for start-ups and established small, medium and micro-sized entities (SMMEs) that are majority-owned by black people.

We cannot achieve our goals without the wonderful people who "create the magic" and deliver world-class entertainment products and services to our customers. We continue to proactively create a diverse working environment 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. Our Chairman's Top Leaders Programme is successfully shaping young talent for future leadership positions and our partnership with YES has created 400 job opportunities in addition to the 100 Let's Play learnerships that we created for young people.

As a board we remain confident in the ability of our executive leadership and our teams across our footprint to deliver. Our group remains well positioned, offering great content and a product geared towards people spending more time at home. Our robust business model, diversified footprint, scale and reach, combined with our strong balance sheet, provides the financial flexibility to navigate the future and pursue our ambitions.

As we continue grappling with the effect of COVID-19 on our daily lives and the many uncertainties that it has triggered, we reiterate our unchanged commitment to bringing our customers the joy of quality entertainment, 'anytime, anywhere'.

Imtiaz Patel
Chair of the board

Africa is our heart and soul and **we are proud of the positive contribution we make** to the countries where we operate.

Creating value

Value creation for our stakeholders and providers of capital

The capitals provided by our stakeholders

We believe in an inclusive approach to stakeholder engagement, which means we focus on continuously aligning our stakeholders' needs, interests and expectations 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 capitals that support our operations.

We define the capitals we use in line with the <IR> Framework as follows:

Financial capital
The funding received and the financial resources available to us.

Technology and platforms
Technology and platforms are the backbone that enables us to deliver video entertainment services to our customers. These comprise physical and virtual infrastructure, including our satellite and terrestrial networks, proprietary distribution platforms, internal information technology (IT) systems, as well as third-party mobile and fixed-line networks, cloud services and content delivery networks.

Industry expertise
Our understanding of customer preferences, content curation and local content development is what differentiates us. Our expertise spans the entire value chain, from regulations and signal transmission, to marketing, distribution and payment processing.

People
Our people contribute their skills and expertise to positively impact our operations across our markets.

Customer and supplier relationships
We continue building mutually beneficial relationships with customers and suppliers, without whom we cannot deliver or prosper.

Corporate citizenship
Our licence to operate in the countries we serve includes stakeholder relationships and engagement – using our resources to make a positive contribution. Our consumption of natural resources is not material, but we ensure it is minimal and complies with existing environmental legislation.

Stakeholders | How we engage our stakeholders | Capital provided

Customers

Our customers are our largest stakeholder group. They are the reason we exist and our primary source of revenue.

We offer our customers various service channels to suit their needs. These include digital channels such as live chat, WhatsApp, social media, notifications on DStv and self-service via apps. In addition, we offer online and unstructured supplementary service data (USSD), face-to-face channels such as service centres and agencies, as well as traditional service channels like phone and email. We also engage with our customers through our DStv platform, mass media, sponsorships and activations.

Employees

Our employees are at the heart of our business. We are incredibly proud of our employees – their knowledge, expertise and passionate dedication to our business and customers provide the foundation for our success.

We design our engagement with employees to inspire and motivate them to deliver their best. We create opportunities for in-person interaction through company-wide townhalls and leadership forums, ad hoc employee events and workplace forums. We also digitally interact through regular email updates, social collaboration tools, live engagement tracking and anonymous feedback. In addition, we offer training and mentorship programmes and help them develop their careers through ongoing performance dialogues.

Suppliers and partners

Our suppliers and partners are critical to our operations. They provide exceptional content, the technology to distribute our products and a wealth of other services that support or complement our business. We believe in maintaining mutually beneficial, transparent relationships with them.

We strive to have meaningful engagements with our suppliers and partners and aim to make it easy for them to do business with us. Our main interface is through a tailored digital platform. We further enhance our engagement through other digital channels such as chat box, as well as video and audio conferencing. We also use more traditional communication channels such as emails, conference calls, face-to-face meetings and attendance of industry conferences.

We have a thorough third-party risk management process. We gather information through questionnaires which are then used to conduct due diligence investigations to assess any potential risks.

Shareholders

Our diverse local and international shareholders own our business and trust us to generate returns exceeding our cost of capital over the long term.

We aim to timeously, openly, consistently and transparently engage with our shareholders (in person or virtually) through various initiatives. These include formal AGMs, individual shareholder calls and meetings, conference calls, results announcements and presentations, investor roadshows and conferences, JSE Stock Exchange News Service (SENS) announcements, tours of our facilities when feasible, a dedicated email address for general investor queries, a dedicated email address for AGM feedback and regular updates on our website.

Government and regulators

We are contributing, taxpaying members of the communities 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.

We comply with country-specific legislation and regulations. We make oral and written representations about legislative and regulatory processes and directly engage key government departments and industry stakeholders. Our engagement with governments and regulators focuses on constructive participation to ensure the best outcome for our industry and the countries in which we operate.

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 both current and future customers, employees, and national sport and film heroes. Our initiatives aim to enrich lives, while being mindful of our planet's sustainability.

We aim to make a lasting impact on the communities in which we operate. To achieve this, we engage through our corporate social investment (CSI) initiatives to uplift communities, strengthen our industry and share our experience and expertise. We support industry stakeholders through the MultiChoice Talent Factory (MTF) and aspiring entrepreneurs through the MultiChoice Innovation Fund. Our interactions include meetings, events, workshops, training and industry forums, sponsorships and grass roots development. We also engage with rating agencies on sustainability matters.

A business model that drives value

Inputs

The resources and relationships we rely on

Financial capital

- ZAR9.5bn equity (FY20: ZAR9.8bn)
- ZAR1.4bn financial debt (FY20: ZAR0.1bn)
- 51 969 shareholders (FY20: 55 059)

Technology and platforms

- Widespread DTH satellite footprint covered by four different satellites (two through Intelsat and two through Eutelsat)
- A DTT network covering 117 cities over eight countries, serviced by an Intelsat satellite
- OTT services: DStv streaming and Showmax delivered via online or mobile platforms
- Numerous support technologies (including artificial intelligence (AI)) for customer service, billing, playout, archiving, scheduling and Irdeto security encryption
- A range of production capabilities that can support both top-end professional sport productions and smaller-scale productions like school sport

Industry expertise

- 36 years' industry experience
- Market leadership across 50 countries
- Deep understanding of customers' entertainment needs
- Irdeto has 51 years of experience in security solutions

Business activities

Curate great content

LOCAL produced or acquired

SPORT produced or acquired

INTERNATIONAL acquired or distributed

Package content into our own channels

- **37** proprietary GE channels[1]
- **56** sports channels
- **2** OTT services

Acquire pre-packaged channels

- **103** international GE channels[1]
- **22** local GE channels[1]
- **26** news channels

Aggregate channels into tiered packages

Sell advertising slots on select channels through DStv Media Sales

DStv Premium | DStv Compact Plus | DStv Compact | DStv Family | DStv Access | DStv EasyView | GOtv MAX | GOtv PLUS | GOtv VALUE | GOtv LITE

Premium | Mid market | Mass market

Secure and encrypt content irdeto Also services external clients

Distribute to customers across multiple platforms

Satellite technology | DTT technology | Set-top box technology | OTT technology

Launch new products and services

Launch new products and services into the ecosystem to offer customers an expanded entertainment offering

Sales and customer experience

Marketing and awareness, subscription and decoder sales, value-added services, customer service, loyalty

Outputs

Our products and services

Outcomes

How we enhance our capitals

(these continue in detail on the next page)

Inputs

The resources and relationships we rely on

Our people

- 7 028 permanent employees (FY20: 6 894)
- Inclusive, customer and people-centric culture with strong employee brand ambassadorship

Customer and supplier relationships

- 20.9m 90-day active subscribers (FY20: 19.5m)
- >400 business to business (B2B) customer relationships through Irdeto (FY20: >400)
- Relationships with local and international content providers, key satellite technology providers and a network of 6 413 accredited installers and 2 833 independent service providers across Africa (FY20: 5 604 and 1 747)
- Preferential procurement initiatives

Corporate citizenship

- Relevant licences issued by regulators across Africa
- Local communities who 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
- Electricity, diesel and water usage at our operations

[1] General entertainment content. Numbers exclude religion, specialist, free to air (FTA) and audio channels.

A business model that drives value continued

These are our inputs and business activities from the previous page

Outputs

Our products and services

DStv

- Offers services in 50 markets
- Six core bouquets at varying price points
- >150 linear video channels
- Catch Up and movie rental (BoxOffice) services

GOtv

- Offers services in eight markets
- 70 linear video channels on average
- Four core bouquets at varying price points

Showmax DStv

- DStv streaming service offered as a value-added service for DTH customers, and offered as a standalone streaming service
- Subscription video on demand (SVOD) service, Showmax, is available in 50 markets with standard, mobile and sport (Showmax Pro) offerings. It has localised versions in four markets, and DStv add-to-bill options in 11 markets

DStv Media Sales

- Commercial airtime sales across 178 linear video channels

Irdeto

- Cybersecurity and anti-piracy services to the group plus external customers in 72 countries, across multiple industries including media security, gaming, connected transport and other connected industries

New products and services

New products and services added to our ecosystem to enhance the entertainment offering available to customers include:

- DStv Explora Ultra
- Movie bundles (Add Movies)
- Insurance products
- Third-party SVOD services
- Sports betting through an initial 20% investment in BetKing

Outcomes

How we enhance our capitals

Financial capital

- ZAR3.3bn core headline earnings (FY20: ZAR2.5bn)
- 40% return on capital employed (FY20: 30%)
- ZAR2.5bn dividend declared (FY20: ZAR2.5bn)

Technology and platforms

- ZAR0.2bn investment in technology assets (FY20: ZAR0.2bn)
- ZAR2.6bn transponder costs (FY20: ZAR2.6bn)
- Investment in OTT platforms: content discovery and platform stability
- ZAR0.6bn investment in capex to better service our customers through enhanced billing and data capabilities and ZAR0.1bn as part of an IT hardware refresh cycle
- ZAR0.1bn building and infrastructure spend (FY20: ZAR0.1bn)

Industry expertise

- ZAR5.9bn invested in local general entertainment and sport content (FY20: ZAR6.2bn)
- 4 567 hours of local content produced (FY20: 3 850)
- Local content library exceeds 62 000 hours (FY20: 56 800)
- 42% of total general entertainment content spend was on local content (43% in constant currency) (FY20: 40%)

Our people

- ZAR212m invested in skills development (FY20: ZAR191bn)
- 1 859 employees formally trained (FY20: 3 018)
- 47% of our employees are women (FY20: 47%) and 53% are men (FY20: 53%)
- Robust compliance and governance structures

Customer and supplier relationships

- 1.4m net additions[1] (FY20: 0.9m)
- Irdeto increased market share with six tier-one customer wins
- 77% customer satisfaction (CSAT) score in South Africa (FY20: 75%)
- 72% CSAT score for DStv (FY20: 71%) and 70% CSAT score for GOtv (FY20: 70%) in the Rest of Africa
- ZAR11.5bn preferential procurement spend with local South African suppliers (FY20: ZAR10.4bn) including ZAR3.3bn on South African SMMEs (FY20: ZAR4.9bn)

Corporate citizenship

- ZAR11.2bn total tax contribution (FY20: ZAR12.0bn)
- Invested ZAR446m[2] in CSI initiatives (FY20: ZAR247bn)
- MultiChoice Innovation Fund supported 10 new beneficiaries
- ZAR1.5bn in dividends paid to Phuthuma Nathi shareholders (FY20: ZAR1.5bn)
- Light carbon footprint with several initiatives applied to minimise impact

Managing trade-offs

(1) *Relates to 90-day active subscribers.*
(2) *Includes non-cash advertising contributions of ZAR271m in FY21 (FY20: ZAR79m).*

A business model that drives value continued

These are our outputs and outcomes from the previous page

Managing trade-offs

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 allocate our scarce capital, 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 FY21 are described below:

Keeping our people safe while maintaining customer service

The outbreak of COVID-19 and nationwide lockdowns implemented across our markets caused anxiety and uncertainty. As an essential service provider, we had to act swiftly to ensure our customers received uninterrupted service. With millions of people confined to and working from home, we had a critical role to play in keeping families informed, educated and entertained. This required heavy reliance on our essential employees to continue with business as usual at our broadcast premises and service centres.

While it was important to meet our customers' needs, we also took every step possible to ensure our people's safety. These steps included arranging private transportation for our South African onsite employees so that they could avoid using high-density public transport.

We also swiftly migrated entire functions such as our call centre to a work-from-home environment, which enabled us to limit the number of essential employees who were required to be onsite.

Pricing decisions

There is often a trade-off between customer relationships and financial capital when it comes to pricing. We are responsible for balancing these and achieve this by ensuring our pricing decisions are research-based and consider several factors, including local market dynamics like consumer price inflation. In FY20, we decided to keep pricing flat for the Premium bouquet in South Africa at the expense of top-line growth. This year, we made a similar decision for our Compact subscribers, considering indications that this segment of the population was experiencing high levels of indebtedness and significant financial pressure. This decision was well received by our customers and served to stimulate growth in the middle segment of our customer base. We increased the price of our Access bouquet, our second annual increase after keeping pricing unchanged for the first eight years after launch. We increased Premium pricing marginally this year.

Pricing in the Rest of Africa is based on several country-specific factors that carefully balance customer relationships with the financial implications of local currency revenue erosion due to weakening exchange rates and the impact of significant hard currency input costs. Consequently, we processed price increases this year across all of our major markets to combat rising input costs due to currency depreciation and local cost inflation.

The onset of the COVID-19 pandemic and worldwide cancellation/postponement of live sport triggered some of our customers to lobby for Premium prices to be reduced given the absence of live sport on the platform. While we value our customers' views, we could not accommodate this request given that a broad range of core and alternative programming was available, and the fixed costs associated with the platform remained unchanged. We had to make a trade-off between temporary customer satisfaction and prudent management of financial capital in an uncertain time.

We did, however, provide sizeable discounts to our commercial customers who could not operate for a significant period due to various lockdown restrictions across Africa.

Ongoing drive for cost savings

Cost reduction and efficiencies are an important part of our strategy and enable us to deliver positive operating leverage by keeping the growth of our cost base below the growth of our revenue base. At the onset of the COVID-19 pandemic, we accelerated our cost-saving initiatives to contend with sharply weakening currencies and deteriorating macro-economic outlooks. This included taking a deeper look at our cost structures across the organisation and renegotiating content and other supply contracts where feasible. These cost-cutting measures served to enhance our financial capital but required a trade-off as some of our suppliers were directly impacted by these decisions. We realised cost savings of ZAR1.5bn during the year.

As part of our ongoing culture of driving efficiencies, we carefully monitor content viewership and returns. Where content is not performing relative to expectations and other channels, a decision may be taken to remove it from the platform. This impacts some of our customers. However, because we respect our customers' unique viewing choices, this trade-off is typically balanced by the fact that the exiting of limited value-adding content creates an opportunity for us to reinvest savings in a better overall content portfolio. We achieve this through increased investment in local content, for example.

How our activities added value for our stakeholders

Value created

ZAR44 683m subscription revenue[1] + **ZAR8 727m** other revenue[2] + **ZAR366m** investment income = **ZAR53 776m** total value created

In return, our customers received value through:

Access to **24/7 entertainment anytime and anywhere** through packages and streaming services tailored to their needs and budget

Local content that tells African stories

World-class sport content

Funding and development of **local sport**

Extensive access to international content

A **broader ecosystem** of entertainment options, brought to life by new products and services

Supported by our customer service platforms

Our **B2B customers received value** through:

Dynamic media services to access and advertise to both broadcast and online audiences through DStv Media Sales

Software security and cyber services for digital platform and application protection through Irdeto

Value allocated to stakeholders

Cash flows	FY21 ZAR'm	FY20 ZAR'm
Subscription revenue[1]	**44 683**	42 752
Other revenue[2]	**8 727**	8 635
Investment income	**366**	435
Total value created	**53 776**	51 822
Employee costs	**5 911**	5 912
Value allocated to employees	**5 911**	5 912
Content investment	**17 951**	18 764
Set-top box purchases	**5 165**	4 855
Transponder costs	**2 623**	2 649
Other operating costs	**10 466**	10 254
Value allocated to suppliers and partners	**36 205**	36 513
Tax expense[3]	**4 827**	3 444
Licence fees	**203**	212
Community social development spend[4]	**446**	247
Value allocated to governments and societies	**5 476**	3 903
Dividends paid to non-controlling shareholders	**1 491**	1 615
Non-controlling interest net profit retained	**1 916**	1 363
Value allocated to minority partners	**3 407**	2 978
Dividends paid	**2 411**	–
Repurchase of treasury shares	**–**	1 682
Interest paid to debt providers	**53**	
Value retained for equity holders	**313**	834
Value allocated to capital providers	**2 777**	2 516
Total value allocated	**53 776**	51 882

[1] Subscription revenue in FY21 includes ZAR72m gains related to fair value movements on Nigeria futures contracts.
[2] Other revenue includes Irdeto revenue, advertising revenue, decoder sales, installation fees, licensing and production revenue, 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 33.
[4] Includes non-cash advertising contributions of ZAR271m in FY21 (FY20: ZAR79m).

How our activities added value for our stakeholders continued

Value created for our customers

77% CSAT score[1] in South Africa

72% CSAT score[1] for DStv in the Rest of Africa

70% CSAT score[1] for GOtv in the Rest of Africa

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

Delivering value to our customers

Delivering exceptional experiences around video entertainment to our customers is at the heart of what we do. We have dedicated teams across the countries in which we operate to ensure we prioritise and meet our customers' needs. In addition, customer satisfaction metrics are an integral aspect of our key performance indicators (KPIs). Our customer-centric model, #CustomerFirst, is designed to deliver on our brand promise at every touchpoint in the customer journey, from exploring our products, to using, paying and ultimately staying on our platform.

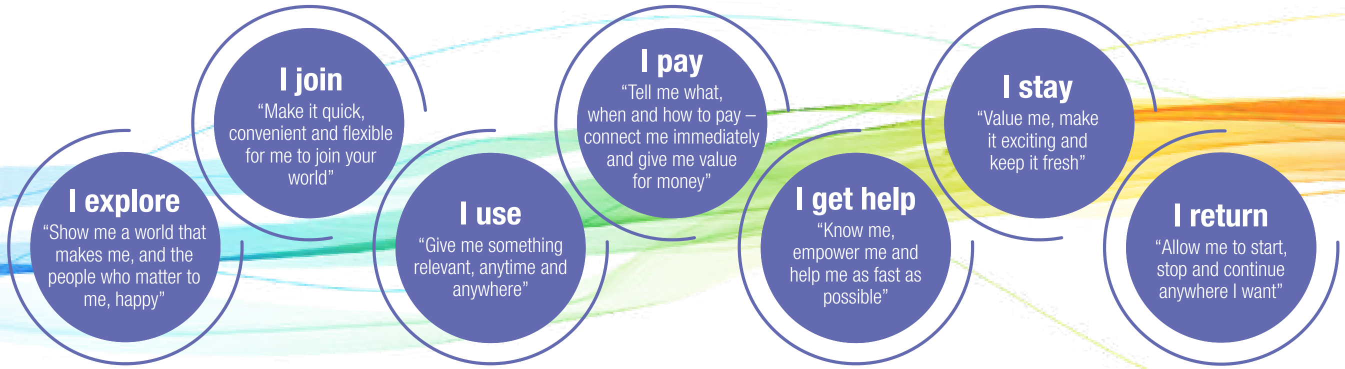
During FY21, we enhanced value for our traditional linear pay-TV and OTT subscribers, as well as B2B customers who are serviced by our cybersecurity business, Irdeto, and our advertising business, DStv Media Sales, by launching new products and improving existing services.

Pricing

Our pricing decisions are based on comprehensive analysis 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 took active pricing measures to ensure competitiveness and value for our customers. These include maintaining price increases at or below inflation across our markets, and in some cases keeping prices flat.

Content

Our customers expect exceptional content. We deliver this to them through a well-planned content strategy that provides the right mix of local and international general entertainment and sport, and a healthy balance of fresh content. Equally important is ensuring that our customers are aware of the great content available to them, and that they can 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, on-air promos and social media activity.



How our activities added value for our stakeholders continued

Value created for our **customers**

Our **SuperSport** channels dropped their numbering system and evolved to dedicated thematic channels for individual sport genres.

In the drive to make content discovery more seamless and allow customers to find their favourite sport more easily, our SuperSport channels dropped their numbering system and evolved to dedicated thematic channels for individual sport genres. With this change, we also introduced local and international sporting channels and provided more variety of content like magazine shows and sport documentaries related to these various themes. We also started broadcasting school sport on a broader scale, using new-age technology and a dedicated mobile app, offering our younger customers, their parents and other interested parties the ability to watch our up-and-coming sport talent while further entrenching our localised content strategy.

This year, we also enhanced our M-Net movie channels offering to further improve and simplify content discovery. M-Net consolidated its six movie channels to four curated movie channels (integrating genres and subgenres) that feature fresher movie content and fewer movie repeats allowing for a streamlined navigation and enhanced movie experience.

We introduced several new channels, including local content channels in markets such as Uganda, Ghana and Ethiopia, bringing our customers fresh content across assorted genres from around the world. Honey, the first pan-African lifestyle channel, was launched to showcase the diverse food, fashion and other aspirations of our audiences. To ensure easy discovery of broader 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 available throughout the year. This provided extra content value and exposed customers to favourites and related content that may interest them.

We also increased the number of movies available to rent on BoxOffice on Explora devices, which gives our customers more choice. In addition, we broadened the movie genres on BoxOffice, introducing the best of Bollywood and local, giving our customers a wider variety and fresher content.

Refer to page 68 for full details of our content highlights for the year.

During the COVID-19 pandemic, we supported our customers by adding more news, kids and educational content onto lower-tiered packages, as well as various pop-up channels to the higher-tiered packages. In addition, we gave Premium customers in South Africa complementary BoxOffice credits every week for a month. In the Rest of Africa we ran a value campaign when there was no live sport on the platform. The campaign provided an upgrade to all paying subscribers.

More information can be found under our response to COVID-19 on page 52.

New products and services

Our ongoing ambition is to innovate and launch new products for our customers. We focus 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.

During the year, we improved our Catch Up experience by adding more box sets and movies for viewers to enjoy and we extended the Catch Up option to more packages. We also enhanced the functionality of the DStv app and Showmax platforms to enable an improved user experience.

One of the Showmax enhancements was the launch of Showmax Pro, which offers customers additional content alongside the original Showmax content, such as selected live sport streaming, music channels and news.

We launched the Explora Ultra, allowing our customers an even better viewing experience. The Explora Ultra boasts built-in Wi-Fi and allows customers to seamlessly shift between satellite and online platforms, with all content aggregation occurring centrally via one billing platform.

In keeping with customers' evolving viewing habits and approach to content selection, DStv launched a standalone streaming service in South Africa where customers can subscribe and watch all channels via the DStv app without a decoder or satellite connection.

This year, we also enhanced our **M-Net movie channels** offering to further improve and simplify content discovery.

How our activities added value for our stakeholders continued

Customers can sign up and manage their services online, which furthers our dedication to providing our customers with convenience and choice with a fully digital experience.

In response to customer feedback, ADD Movies launched in South Africa, and is launching imminently in the Rest of Africa. This option provides customers with more flexibility and control to structure their entertainment offering 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.

In keeping with creating value and understanding the markets in which we operate, we introduced DStv Communities in South Africa – a product catering for savings groups like stokvels to sign up as a group, save money and earn benefits. Each customer still has their choice of packages, while the group makes one collective payment and can qualify for rebates every six months.

DStv Rewards launched in South Africa to recognise customers' loyalty. The primary objective is to provide value to and unique entertainment experiences for the customer, by rewarding them for tenure, product and service usage, as well as payment behaviour. Customers are rewarded with more content (discounts, upgrades, BoxOffice movies, Showmax and ADD Movies), discounts, and vouchers for other providers to enhance their viewing experience. A key highlight of the programme is that it is free to join and provides customers with unique experiences to immerse themselves in our entertainment by meeting our stars and participating in our shows.

We introduced several new channels, including local content channels in markets such as **Uganda, Ghana and Ethiopia**.

We also increased the number of movies available to rent on **BoxOffice on Explora devices**.

How our activities added value for our stakeholders continued

Value created for our **customers**

Customer service

We continued our 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. We aim to engage customers on the platforms they choose and because of this, we relaunched the MyDStv app and our website, and enhanced our WhatsApp self-service experience. Customers can manage their services themselves or through live chat, enjoy immersive and personalised app experiences related to their favourite shows, and earn additional value through DStv Rewards.

In South Africa, we achieved a rating of 77% for customer satisfaction. Our multiple customer service channels ensure customer needs are met in a manner convenient for them. We communicate with customers through our contact centre agents, five service centres, 110 independent service providers and more than 3.3m monthly interactions on self-service, live chat, email and social media. Call volumes continue decreasing over time as customers adopt our digital service options. In the Rest of Africa, we achieved customer satisfaction ratings of 72% and 70% for DStv and GOtv respectively. Our 20 inbound call centres, 91 service centres and 2 723 independent service providers offer many avenues to reach and help our customers, along with our self-service MyDStv and MyGOtv apps, social media channels and other digital service options, which drove an average of 7.9m monthly interactions. In addition, we built an extensive third-party payment network across Africa through integrations with 39 vendors in South Africa and 161 vendors in the Rest of Africa, including many large retailers. These vendors include our digital payment platforms that offer customers a simple and convenient way to pay their accounts online.

This year, we rolled out online payment capabilities to 36 markets and saw significant growth in the adoption of our digital payment channels in South Africa and the Rest of Africa. Total revenue collected via digital means increased year on year (YoY) by 2.1 times and 2.6 times respectively.

B2B customers

DStv Media Sales, our B2B business that provides advertising solutions, served 1 066 clients this year. Our knowledge of clients' brands and our close relationships with advertisers and broadcast sponsors put us in a good position to assist customers in growing their business. We created more value for customers by launching new advertising platforms (e.g. pause screen), allowing them more opportunity to be seen by DStv subscribers. We embarked on initiatives to educate the industry on key challenges around TV planning in a future world.

Our Technology business, Irdeto, services more than 400 external customers across 72 countries, including the world's best video entertainment, gaming, mobile and connected industry service providers. We typically have a long-term relationship with our customers; we see them as partners and work with them to ensure they receive the best technology solutions as their security needs evolve.

We innovated in both our media security and connected industries businesses through Irdeto. Several new products were launched and implemented this year, namely:

- Control on the Go, which brings digital rights management protection and streaming optimisation to internet challenged spaces
- Anomaly Detection System, which identifies intrusion and secures rail vehicle systems as part of a Threat Detection Solution
- Trusted Home, which provides advanced Wi-Fi router security through Wi-Fi management, parental control, security against malicious websites, and seamless integration with any Wi-Fi router
- App Watch, which enables a video entertainment operator to monitor and manage apps that are used on Android set-top boxes in their network – offering comprehensive market analytics and ensuring the health of the network by removing malicious apps downloaded onto operator-controlled Android TV set-top boxes

Case study

Bringing the stars home

Traditional content consumption is a passive experience for most viewers. With our introduction of DStv Rewards, we are changing that relationship to a more active experience. Customers can engage with various show-related content through games, competitions and more, but most exciting is the unique opportunity to meet their favourite stars or be part of events related to their favourite shows. Selected customers spent quality time with local and international sport and TV characters, and had once-in-a-lifetime experiences in studio, on reality sets and wildlife adventures, bringing customers closer to the entertainment they love.

How our activities added value for our stakeholders continued

Value created for our **customers**

Issues raised by customers	How these were addressed
1 **Pricing** Customers expressed a desire for lower prices on packages, especially during difficult economic times.	Pricing is based on consumer research and local market dynamics, and is balanced with the cost of input and content in particular. Where possible, we maintained price increases at lower-than-inflation rates and, in some instances, we kept prices flat. We provided value-added services and DStv Rewards to enhance the value proposition for customers. Customers had options to save through various products, including: • Subscription contracts that provide lower rates for a contract period • DStv Communities that allows group saving through rebates and other benefits
2 **Loss of live sport** The onset of the COVID-19 pandemic and the consequent worldwide cancellation or postponement of live sport events triggered some of our customers to lobby for a reduction in Premium pricing given the absence of live sport on our platform.	Our teams worked to fill the gap in our sport content line-up with proprietary and partner library footage, and made content discovery easier by introducing thematic channels. Our offering included broadcasting some of the greatest sporting events in history, live in-studio discussions with celebrated guests, and screening well-loved sporting movies.
3 **Repeats** Content is repeated on the platform which erodes the customer experience.	Both international and local sport and entertainment productions have experienced challenges during COVID-19. Our customers started spending more time viewing video content, so we prioritised managing and sourcing the freshest available content. Both the SuperSport thematic channel and M-Net movie channel changes aim to improve curation and provide more fresh content to customers. The condensed selection of M-Net movie channels, for example, mitigate the scenario where movies repeat for higher-tier customers when they air on Premium channels first, and are windowed down through lower-tier channels over time.

Key focus areas going forward

Customer satisfaction and retention are an important part of the long-term sustainability of our business:

- We will strive to continue meeting our customers' needs for great entertainment and service, available anytime and anywhere.
- We will secure excellent sport and general entertainment content and drive new product innovation that will enhance our customers' experiences and provide additional value.
- We will continuously improve and optimise the processes and practices that deliver and enhance customer experiences.

How our activities added value for our stakeholders continued

Value created for our **employees**

Value created for our employees

7 028 people permanently employed

81 nationalities represented by employees

47% of employees are women

ZAR5.9bn spent on remuneration and benefits

ZAR212m spent on skills development

9.5% employee turnover

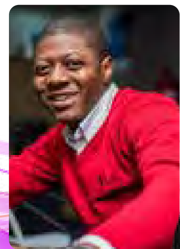
Delivering value to our employees

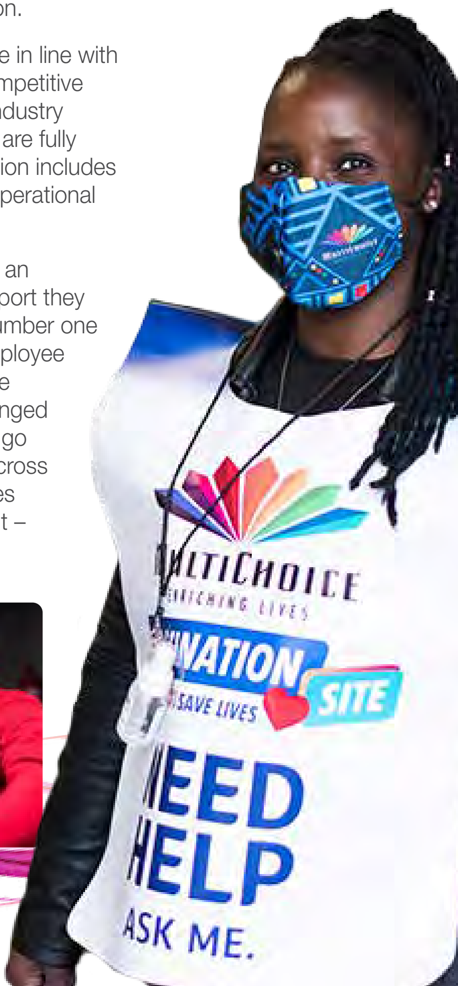
Our employees play a pivotal role in delivering world-class entertainment to our customers across Africa. Throughout the year, as working from home and home schooling became the norm, our employees worked devotedly to ensure news, edutainment and entertainment were digitally accessible to our customers. We were committed to ensuring that our teams could work in safe, productive and COVID-19-compliant spaces, while being able to deliver to our customers.

This year, we delivered direct value to our employees by paying ZAR5.9bn 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.

Our journey with employees starts with attracting and retaining talented people in line with our business growth objectives. We actively work to remain a relevant and competitive employer of choice by aligning our roles, salaries and compelling benefits to industry benchmarks across markets. We ensure that the employees we hire remotely are fully immersed into our business through a digital induction experience. The induction includes our pioneering history, vision, values, an immersive campus tour, insight into operational activities, and showcases our commitment to information rights.

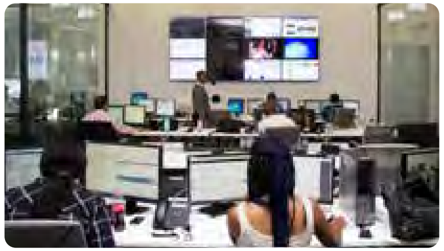
We believe in supporting our people at every stage of their career. We provide an environment where they can engage, develop their skills and draw on the support they need to create and innovate to deliver on MultiChoice's vision to be Africa's number one video entertainment platform. In FY21, we launched a campaign to further employee adoption of the MultiChoice Way; the set of behavioural values that provide the foundation to MultiChoice's corporate culture and ways of work. This multipronged initiative reinvigorated our shared DNA culture, with clear prompts on how we go about living these behaviours. It received widespread support and adoption across the organisation. The MultiChoice Way nurtures a sense of belonging, improves collaboration between peers and teams, and increases employee engagement – which ultimately lead to better customer value and satisfaction.





How our activities added value for our stakeholders continued

Value created for our **employees**



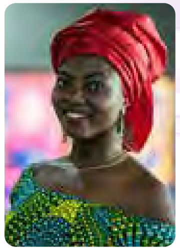
Diversity and inclusion

We believe diversity gives us a competitive advantage and aids in decision-making and problem-solving to provide the best solutions for our customers. We promote an inclusive, bias-free culture and deliver on our commitment to transformation and equal opportunity through our employment equity policy for MultiChoice South Africa, our human rights and group ethics policies, as well as other compliance policies that embrace good governance principles.

Our employees represent 81 nationalities, with the majority from Africa. 47% of our employees are women (FY20: 47%) and 53% men (FY20: 53%), and 39% of our leadership team are women (FY20: 37%) and 61% are men (FY20: 63%).

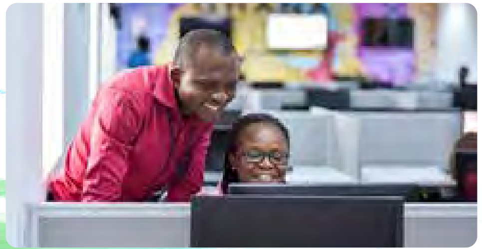
We actively drive inclusivity and support a network of female leaders across all levels of the organisation to champion impactful changes to ways of working for the benefit of our female talent across our markets. By expanding our inclusivity programmes to all business areas, we can develop and accelerate high-performing female talent. The following initiatives demonstrate our transformation efforts:

- Our group-wide women's forum has grown from strength to strength, armed with a clearly defined mandate and governance measures to ensure the forum functions optimally. The steering council facilitates knowledge sharing webinars and opportunities to network, as well as partnerships with businesses on programme design. It also actively raises the visibility of women in the business.
- 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.
- MultiChoice gave over 200 women in technology-based careers a platform to accelerate their succession plans and career paths by providing relevant development opportunities and motivating individuals to own their development paths. We extended our support to these women through mentorship programmes, roundtable discussions, stretch assignments, training courses and webinars.
- The Technology Head of Department Associate Programme for selected women provides executive exposure to female employees in the Technology business by pairing them with the chief technology officer and departmental executives.




How our activities added value for our stakeholders continued

Value created for our **employees**



Learning and development

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

We invested ZAR212m in employee development, of which 42% was allocated to female talent (FY20: ZAR191m; 49%). We also enabled 1 859 employees to attend formal training (FY20: 3 018). Although COVID-19 placed restrictions on the number of employees who could be formally trained, we saw a significant increase in enrolments through our digital learning platform.

Our investment in employee development included ZAR33m in bursaries granted to internal employees, external students and employee dependants, to help them fulfil their career development aspirations and opportunities for growth (FY20: ZAR21m).

This year, we introduced a partnership between our group and Youth Employment Services (YES), a business-led collaboration with government, labour and civil society aimed at addressing high levels of youth unemployment. The ZAR31m investment resulted in creating new opportunities and improving work readiness for 400 young, unemployed South Africans. Our Let's Play learnership programme focused on sport coaching and leadership development for 100 unemployed youth. Despite COVID-19 restrictions, learners were innovative in carrying out practical exercises and testing skills in safe family 'bubbles'. We believe our ZAR10m investment in the Let's Play learnerships will yield many more sporting positives in the future.

We are also actively developing professional black talent through several internships and graduate programmes, specialising in production, digital and data science to be integrated into our business. We are passionate about cultivating skills that are fundamental to the success and sustainability of African storytelling. In February 2021, we launched a pilot scriptwriter internship programme focused on supporting writers and providing practical experience in pursuing a career in this industry. The DStv Media Sales team set out to develop six digitally savvy commercial graduates through an 18-month structured graduate programme. The programme, launched in 2020, is coming to an end, with 13 graduates who excelled in science, technology, english and maths.

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** who live up to our MultiChoice leadership principles and who build trust with employees has become critical in **supporting successful leadership performance**.

By the end of March 2021, leaders across the business had completed one of our flagship leadership development programmes that enhance their abilities to deliver through diverse teams and embody our ethos to enrich lives:

- The **Management Essentials Programme** focuses on new managers, providing the basis for managing teams in line with the MultiChoice Way while mastering business and interpersonal skills. This year, 530 managers attended this programme.
- The **Leadership Programme** codesigned with Henley Business School, seeks to solve industry challenges that our managers encounter. A total of 101 junior, middle and senior managers are on the industry recognised programme.
- The **Senior Leadership Programme**, delivered in partnership with Duke International, targeted 77 of our top leaders, the majority of whom are African women. The programme focuses on developing skills required for digital disruption, a step change in the way leaders think in the fourth industrial revolution (4IR) and equipping them with the mindset to deliver on our strategic vision.

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 Vado Business. Employees can access and complete courses at any time, on any device and from any location. This year, the academy had 103 349 course registrations, 81 235 course completions and recorded 194 203 hours of learning on the platform.

How our activities added value for our stakeholders continued

Value created for our **employees**

Investing in talent development

We established various talent-focused initiatives across different divisions to address their unique challenges. These included, among others:

To prioritise the future executive talent pipeline, the chair of the board launched the **Chairman's Top Leaders Programme** in FY20, with an additional cohort 2021 intake.

The current programme, which consists of 50% female executive talent, has already delivered high-impact results through the successful placement of homegrown talent into critical leadership positions such as the MultiChoice South Africa CEO, the CEO for general entertainment and connected video, the southern region CEO, the managing director for Kenya and the managing director for Botswana.

The learning experience immerses participants in learning opportunities that solve real business challenges, while partnering with prestigious global learning institutions to advance a truly African leadership style in an international and 4IR context.

- In growing AI and machine learning talent for the industry, we continue advancing the partnership with the University of Pretoria through sponsoring the MultiChoice Machine Learning Initiative.
- The Showmax team redirected a portion of the training budget to support employees during COVID-19 lockdowns. This included helping employees make lifestyle adjustments to accommodate new ways of working under COVID-19 restrictions, and increasing their access to mental health resources. The team also focused on charity activities that improved morale and engagement, and shared valuable insights with managers through comprehensive feedback.
- The Irdeto team implemented innovative initiatives such as lead, grow and accelerate programmes, a learn-a-thon and compliance risk management plans for locational teams, and rolled out a global Flexwork guide. Additionally, the team completed organisation-wide job evaluations, executed benefits renewals and introduced weighted objective goals for employees.
- Our general entertainment division launched an external scriptwriter incubator programme in partnership with the University of the Witwatersrand and selected production houses. This programme encourages individuals to not just think about internal development, but also consider how their talent and expertise can be extended to benefit the external industry and community.
- We implemented digital foundational and specialist training for our DStv Media Sales team to allow rapid innovation and problem-solving in a digital era.
- Our finance division championed internal talent mobility through placements, promotions and transformation opportunities. Through careful and considered optimisation of business operations, the team introduced new communication methods that ultimately resulted in a greatly improved employee engagement.
- The human resources (HR) team introduced focused initiatives to further equip teams to support businesses through remote working and creating a safe environment for essential employees who are physically present at offices and customer centres.

As leadership continuity planning evolves, we remain focused on developing and strengthening the talent pipeline for senior roles. Our pool of emerging talent is diverse and representative of our communities and customers.

How our activities added value for our stakeholders continued

Value created for our **employees**

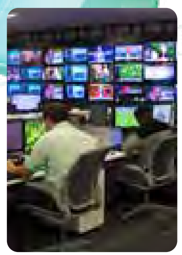
Engaging our employees

Employee engagement is critical to business outcomes and driving customer experience. We embed continuous engagement into our leaders' performance appraisals. Given that we have largely operated as a remote workforce this year, the results are extraordinarily positive. Employee satisfaction went up in nearly all aspects, with an overall group score of 7.9 out of 10, which shows that employees felt supported during the year.

We direct bi-weekly surveys to our employees, which allow us to continue growing our ambassadorship, and enable a connection between us and our employees, brand and impact on society. We leverage the insights gained from our people to proactively coach, support and drive interventions relevant for our teams using the voice of our people.

Additionally, we ensure that our employees have appropriate platforms and objective support through continuous engagement and collaboration. We respect 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. There are similar bodies across our other regional operations such as Irdeto, which enables internal representatives to bargain on behalf of employees and to champion their interests. These platforms advance our collaborative opportunities to improve the experience of people through continuous, meaningful dialogue and joint decision-making.





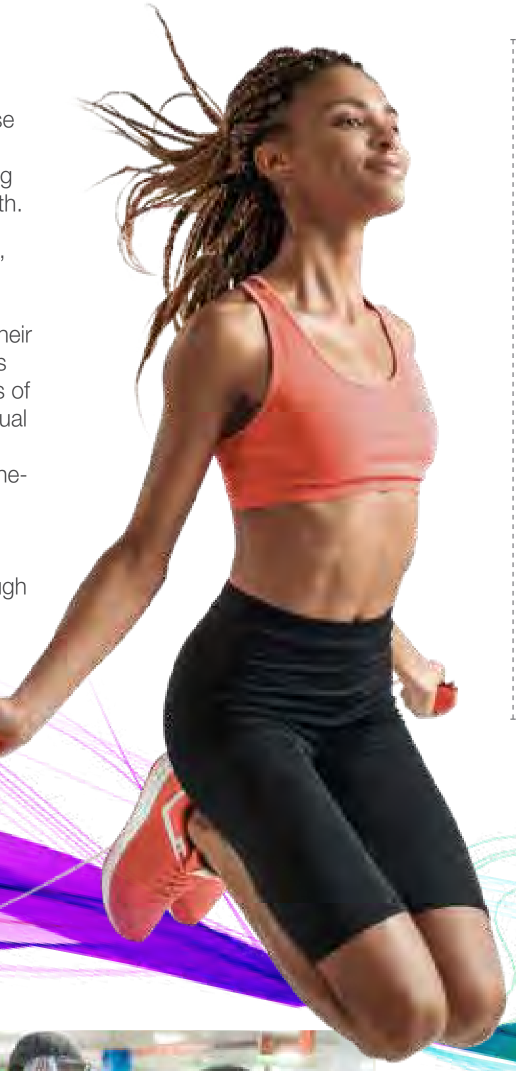
How our activities added value for our stakeholders continued

Value created for our **employees**

Recognition to create excellence

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

Our group-wide employee recognition programme, #WeSeeYou, acknowledges excellence in driving business results and embracing our 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 peers. This year, we registered 19 404 individual digital recognitions and paid 1 363 individual spot awards, 943 team awards and 210 employee-of-the-month awards. Each year, this culminates in the selection of employees who are recognised at the highest level of the organisation. We annually recognise employee loyalty and commitment through our long-service awards.



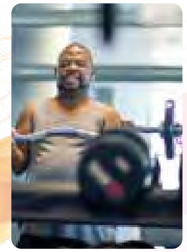
Caring for our employees' health and wellbeing

We take the wellness and safety of our employees seriously. Our wellness programme looks at every aspect of the employee's life cycle, including financial advice, health and family support, and psychological aspects.

The past year was challenging for our employees as they adjusted to working from home. Through our various employee benefits and online wellbeing programmes, we took a proactive, preventive approach to employees' health.

The ICAS Employee Assistance Programme (EAP), encompassing core counselling and advisory services, reached a 63.6% engagement rate for FY21. We achieved this engagement score because we actively advocated for and created awareness about the programme during the pandemic. Employees reported increased stress, mental health and parenting challenges, and financial strain brought about by the COVID-19 pandemic and the effects of the lockdown. We took strides to proactively address some of these concerns through targeted training, focusing on mental health, stress and burnout, as well as education about COVID-19.

Dooble is our lifestyle benefits offering geared to help employees with all the little things that make their day-to-day lives easier. During the pandemic, Dooble assisted its members by delivering laptops to their homes to minimise the number of employees at the office. In South Africa, the programme provided contactless concierge services under strict lockdown to assist with collecting medication and delivering goods to friends, families and colleagues. Members with children had access to dial-a-teacher services and kids entertainment programmes to give parents the opportunity to structure their workdays. Employees were also offered affordable work-from-home furniture and pop-up desks at discounted rates.



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 53.

How our activities added value for our stakeholders continued

Value created for our **employees**

Issues raised by employees

How we addressed them

1

Employee leave benefit

Employees with long-service sabbatical awards were at risk of losing this benefit. Typically, employee sabbaticals are spent travelling or as time with family and friends, but this was not possible due to COVID-19 restrictions.

Without the ability to enjoy everyday freedoms and travel, COVID-19 diminished employees' desire to submit leave requests, resulting in high volumes of leave accumulating across the business.

Through multiple engagements with various stakeholders such as employees, workplace forums and leaders, a decision to offer leniency on this benefit was reached. Long-service sabbatical award access was extended by two years. As such, employees are not pressured to take advantage of this benefit during a global pandemic and can instead postpone the opportunity.

Managers encouraged employees to see the benefits of taking time off to recharge, realign and re-energise given the stress brought about by living through the COVID-19 pandemic. By taking time off, employees avoid burnout, spend time with family and take care of themselves.

2

Safe and stable working conditions

As the pandemic spread across the world, we took active measures to move to a work-from-home solution for employees, with only essential employees working onsite.

Throughout the year, many employees raised concerns related to the complications of working, parenting, self-schooling and living arrangements; and requested a return to work as it offered a stable and neutral space. In South Africa and elsewhere, employees were also faced with business interruptions brought upon by numerous electricity cuts and connectivity issues.

Employee safety is of utmost importance to us. We listened closely to concerns raised through company-wide surveys and manager engagements. We conducted a feasibility study on improved ways of work and investigated creating a safe workspace for returning employees. Given ongoing uncertainty about bringing the pandemic under control, these plans are under review.

To ensure employees could confidently work from home, we increased data packages and co-funded internet access. In addition, we provided uninterrupted power supplies to critical resources to avoid disruption and customer delivery during national electricity cuts.

For essential employees working onsite at respective offices, we implemented COVID-19 checks administered daily through our CoronaFighter app. Employees also had access to additional support through the ICAS service, offering stress, psychological and financial advice.

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 in which we operate.
- We will further embed the MultiChoice Way, our shared company culture and behaviours, to ensure that it is our daily reality.
- 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 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 skills.
- We will continue to foster 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

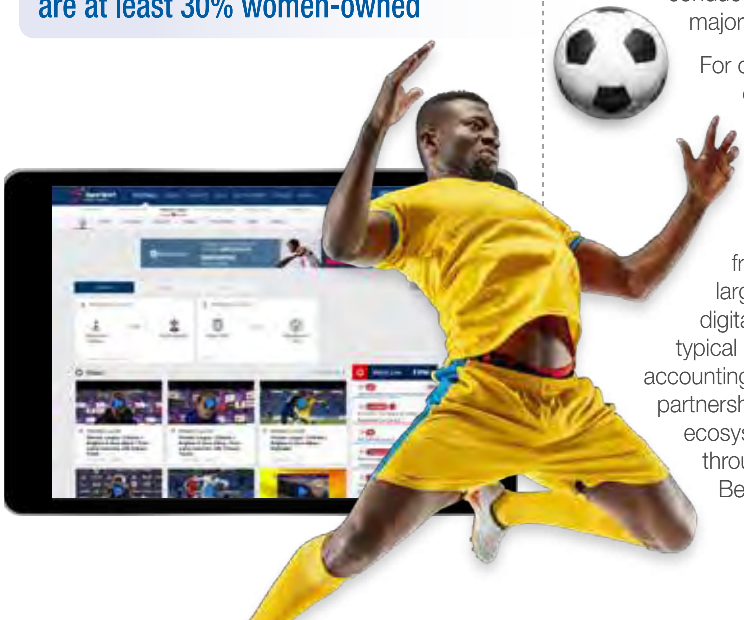
Value created for our **suppliers and partners**

Value created for our suppliers and partners

ZAR11.5bn
spent on local South African suppliers

ZAR3.3bn
spent on South African SMMEs

ZAR2.3bn
spent on South African suppliers who are at least 30% women-owned



Delivering value to our suppliers and partners

Our core business of delivering great content to our customers is not something that can happen in isolation. We rely on our suppliers and partners who provide critical input into our value creation process. In return, we provide value through the fees we pay and the scale we offer. We prefer to adopt a partnership mindset with our suppliers, seeking to support them as far as possible while balancing other competing stakeholder needs.

However, given our focus on driving efficiencies and cost controls, we must ultimately ensure the economics of our contractual relationships support the prices we pay. Therefore, we adopt a firm but fair approach when engaging with our suppliers, considering our mutually beneficial relationships with them.

Our suppliers range from large international studios and sports rights holders to the family-owned store that sells our set-top boxes and the individual who installs them. The common thread in these relationships is a commitment to work together to achieve our objectives, and to do so responsibly and ethically. 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.

For our largest categories of procurement, we spent ZAR18.0bn on content, ZAR2.6bn on transponders and ZAR5.2bn on set-top box purchases in FY21. Other critical third-party suppliers and partners include our agent and installer network that helps us sell and install our set-top boxes and satellite dishes, and our third-party payment partners with whom we solve the challenges of accepting payments from a diverse customer base in markets that are currently largely cash-based and also showing a propensity to adopt digital and mobile self-service options. We also rely on more typical enterprise services and consultants across the legal, accounting, regulatory and IT fields. This year, we saw new partnerships emerge as we took steps to expand our entertainment ecosystem by including access to third-party SVOD services through our set-top boxes and acquiring a minority stake in BetKing, a pan-African sports betting company.

Content

Content is the most important input of our value chain and includes packaged third-party channels, the third-party content we package in our own channels and locally produced content that we commission and own. More recently, we partnered with select content creators to co-produce series or movies, for which we typically obtain distribution rights for our markets in sub-Saharan Africa. Our partners then obtain distribution rights for their target markets. This innovative model enables all parties to benefit from a better quality production at a shared cost.

Our general entertainment and sporting rights suppliers help us provide the best entertainment to our customers and, in return, we enable them to reach millions of viewers and build their brands across Africa. We experienced the value of our content partnerships this year in particular, as we all had to navigate the effects of COVID-19 on our businesses. With production halts impacting some of our international general entertainment schedules, and the cancellation and postponement of live sport, we worked with our suppliers to roll out replacement content and, for sport, some library footage to fill the consequent gaps in our line-ups. Given the significant rand volatility experienced during the year, we also successfully appealed to some of our general entertainment suppliers to adopt a shared approach to currency risk, either through negotiating contracts into local currency (as two major suppliers did) or through sharing hedging costs.

Regarding local content, we work with industry participants in our largest markets to deliver compelling local language content and channels, notably South Africa, Nigeria, Kenya, Zambia, Tanzania, Uganda, Angola, Mozambique and, more recently, Ghana and Ethiopia. Our investment in local content industries in these markets supports several production houses and is fundamental to the prosperity of the industry as a whole. Similarly, partnerships with various local sport leagues such as the Premier Soccer League (PSL) in South Africa, the Super League in Zambia and the Ethiopian Premier League, are important to the success of these leagues and funding sport in general. Our production partners' wellbeing is important to our business. At the onset of COVID-19, MultiChoice created a ZAR80m fund to safeguard the income of impacted cast, crew and creatives, which in turn ensured the sustainability of our business.

How our activities added value for our stakeholders continued

Value created for our **suppliers and partners**

Transforming our supply chain

We have procurement programmes across our footprint, aimed at fostering and supporting local, new and previously disadvantaged business owners in the film, TV, media, and information and communication technology (ICT) industries. In South Africa, for example, our preferential procurement programme supports the development of SMMEs who play a critical role in creating jobs. Our preferential procurement spend was ZAR11.5bn in FY21, 81% of which was with BBBEE compliant suppliers. Of this spend, ZAR3.3bn was directed at SMMEs, and ZAR2.3bn went to suppliers with at least 30% black women ownership. In South Africa, we established the MultiChoice Enterprise Development Trust in 2012 to support and grow start-ups and small enterprises.

More details on the Enterprise Development Trust, can be found on page 43.

Set-top boxes

Most of our set-top boxes are locally manufactured, which supports job creation, and the remainder are manufactured offshore to ensure quality and timely delivery to our regional markets. We work with international suppliers to obtain the best quality components for our set-top boxes, while driving a sustainability agenda. As one of the few physical items that we design, procure from third parties and sell, 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. This year, the launch of the Explora Ultra, despite the impact of COVID-19 and associated lockdowns, is testament to our strong supplier partnerships. We spent close to two years collaborating with our suppliers to build the new state-of-the-art set-top box and are pleased to announce that it was awarded the TV Gadget of the Year by *Stuff* magazine, beating offerings from other global technology giants.

Transmission and transponders

It is imperative that we distribute content to our customers, 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. We continue establishing and developing relationships and partnerships in this area.

Agency, installers and payment partners

The various agencies, installers and payment partners, who are spread across our footprint, deal with varying aspects of our business, such as decoder sales, dish installations and processing payments. 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 39 vendors in South Africa and 161 vendors in the Rest of Africa, including many large retail chains.

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. There is a naturally close working relationship between MultiChoice and Irdeto, with the latter assisting the former to remain at the forefront of technological innovation. In turn, Irdeto relies on specialised technical service and manufacturing partnerships to deliver its highly specialised products and services to both MultiChoice and Irdeto's external client base.

How our activities added value for our stakeholders continued

Value created for our **suppliers and partners**

Issues raised by suppliers

How we address them

1

How the group is adapting to the rise of OTT

OTT services created disruptive changes in the traditional linear pay-TV landscape, notably in developed markets where broadband penetration, speeds and affordability sufficiently support the scale take-up of these services. This impacts traditional suppliers, including content producers, satellite transmission systems providers and set-top box manufacturers, among others.

Satellite and DTT are likely to remain the most cost-efficient methods of distributing long-form video content to the mass market across Africa for some time to come. We expect to continue collaborating with our current suppliers for the foreseeable future. However, we see OTT as an area of continued growth as connectivity across the continent improves, bringing with it scope for new partnerships to emerge. We are embracing this change, as evidenced by our continued investment in our own OTT services and platforms, and recent transactions with two major SVOD providers.

2

MultiChoice's cost savings agenda and the impact on suppliers

MultiChoice has embedded an aggressive cost savings culture into its business to ensure fit-for-purpose operational efficiencies. This can create an environment of uncertainty for some suppliers who fear that their services may be reduced or terminated.

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. Where content or services are not performing in line with expectations, we hold conversations with suppliers to decide if these services may require termination or revision. 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 and sourcing world-class entertainment from our international partners.
- We will continue engaging with sporting 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 to provide customers with a wider array of complementary entertainment options and value-added services.
- We will continue driving transformation through our supply chain responsibly and sustainably.
- Finally, we are in the process of a hardware refresh cycle for our IT systems, as well as implementing a new system to futureproof our customer service, billing and data capabilities. We will 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 our government and regulators

ZAR4.3bn
VAT and sales tax collected

ZAR1.9bn
employee taxes paid and collected

ZAR0.3bn
paid in customs, excise and other operating taxes

ZAR0.9bn
withholding taxes paid and collected

ZAR3.6bn
paid in corporate income taxes

ZAR0.2bn
paid in regulatory fees

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

29% of our total tax contribution was collected and paid by the **Rest of Africa** segment **(paid ZAR1.2bn; collected ZAR2.1bn)** (FY20: 31%, paid ZAR1.5bn; collected ZAR2.3bn)

The **Technology** segment contributed **7%** **(paid ZAR0.3bn; collected ZAR0.4bn)** (FY20: 7%, paid ZAR0.2bn; collected ZAR0.6bn)

Of our total tax contribution (taxes collected and paid to tax authorities), **64%** was paid to the **South African** fiscus **(paid ZAR3.4bn; collected ZAR3.8bn)** (FY20: 62%, paid ZAR3.4bn; collected ZAR4.0bn)

The contribution comprises taxes paid[(1)] of ZAR4.9bn (FY20: ZAR5.1bn) and taxes collected[(1)] (on behalf of governments) of ZAR6.3bn (FY20: ZAR6.9bn).

[(1)] The total tax contribution amount reflects all cash taxes paid and collected by the group and includes regulatory fees. The tax paid amount is the actual cash tax incurred and paid by the group in FY21 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 arising from tax contributions made by corporate taxpayers. Our contribution to their revenue is through collecting and paying indirect taxes on their behalf, and by paying a substantial amount through direct corporate income 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 build good, honest and open working relationships with tax authorities founded on 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 that detract from this reputation. We endeavour to ensure 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 to 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. As such, we remain committed to working with our regulators to ensure appropriate and fair outcomes of ongoing licensing processes and regulatory reviews. In FY21, we paid ZAR203m in regulatory fees across our footprint (FY20: ZAR212m).

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

Further, we aim to employ best practice when it comes to governance (details are available in our governance report on pages 86 to 98). 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

Critical issue	How we address them
1 **Independent Communications Authority of South Africa's (ICASA) inquiry into South Africa's subscription TV broadcasting market, its proposed changes to regulations on sport of national interest, must-carry and ownership and control** Not only are these processes important to the regulator in our largest market, they are also important to our shareholders, employees, customers, suppliers and the public. These stakeholders would be impacted by changes in these critical regulations.	On 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. 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.

How our activities added value for our stakeholders continued

Value created for **government and regulators**

Critical issues for our regulators

How we address them

Critical issues for our regulators	How we address them
2 **Competition complaints** The Competition Commission is investigating whether certain of our contractual arrangements, including our recent agreements with SVOD providers, constitute a merger or negatively impact competition.	Complaints on the deals with Netflix and Amazon Prime Video are being dealt with and we are cooperating with the Competition Commission's investigation. We believe that these non-exclusive agreements fully comply with competition law and are not unique given similar arrangements in other markets.
3 **Government's draft white paper on audio and audiovisual content services policy framework** The long-awaited draft white paper policy on audiovisual and digital content services was published, paving the way for bringing OTT services into the regulatory fold.	We welcomed the publication of the draft white paper, much of which focuses 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.
4 **Proposed amendments to the Nigerian Broadcasting Code**	There are ongoing disputes as to the legality of purported amendments to the Nigerian Broadcasting Code. These amendments include provisions that impact exclusivity. MultiChoice has constructively engaged with the board of the regulator 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.

In terms of our **regulatory** approach, the regulatory landscape particularly in South Africa is characterised by constant change and posed challenges for our operations during FY21. 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:

- 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

ZAR5.7bn
free cash flow

ZAR2.5bn
dividend declared

40%
return on capital employed

Delivering value to shareholders

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 input in enhancing long-term value. Our objective is to generate returns that exceed our cost of capital, as this is the only way a business creates sustainable value for its shareholders over time. We believe that our investment thesis is sound. We are pursuing a dual approach to subscriber growth, as we still see significant opportunity in our traditional linear broadcasting business and realise the growing OTT opportunity.

We also have a sizeable and highly engaged subscriber base on our platform. This represents an opportunity for us to offer new products and services as we continue evolving and expanding the business, and diversifying our revenue streams. We have a strong balance sheet that provides financial flexibility to pursue growth opportunities and allows for optimal capital allocation for shareholders. We believe we are well positioned to deliver value to our shareholders, and that each of our three operating segments plays a unique and important role in doing so.

Efficient capital allocation is important for long-term shareholder value creation. Our first priority in this regard is to manage the business responsibly in terms of its cash flow needs. This takes into account the requirement to fund the Rest of Africa while it returns to profitability, as well as a need to manage illiquid cash scenarios that can develop in some of our markets from time to time, as is the case in Nigeria at the moment. We also aim to retain a degree of flexibility on our balance sheet to pursue growth opportunities that support the business's long-term sustainability and prosperity, such as the initial BetKing investment concluded this year, which is the first material investment that MultiChoice has made in several years.

How our activities added value for our stakeholders continued

Value created for **shareholders**

Given our strategy to expand our ecosystem, we intend to carefully evaluate potential acquisition opportunities where strategically relevant and value accretive to shareholders.

We have a principled approach of returning excess cash to shareholders in the most optimal way. This was demonstrated when we delivered on our commitment to pay a dividend of ZAR 2.5bn to shareholders in September 2020, despite the ongoing uncertainty surrounding the impact of COVID-19 on our business, and the fact that several South African corporates elected to adjust their dividends during the year (i.e. did not pay dividends, paid a reduced dividend or postponed the payment of their dividend). Our dividend payment was in addition to ZAR1.7bn in share buy-backs executed during FY20.

Subject to MCSA shareholders approving its dividend in August 2021, we will return another ZAR2.5bn in dividends to MultiChoice Group shareholders in September 2021. This is in addition to the ZAR1.5bn we will pay to Phuthuma Nathi shareholders (FY20: ZAR1.5bn).

We discuss the business's financial performance and position in FY21 in the CFO's performance review on page 79.

We focus on critical shareholder issues such as generating acceptable returns, driving growth and implementing cost management. We believe our process served shareholders well, as evidenced by an increase in core headline earnings of 32% YoY and a return on capital employed of 40% despite a challenging operating environment.

We typically aim to fund our business through operating cash generation, lease financing and debt capital. In FY21, we concluded a three-year amortising loan of ZAR1.5bn to assist with funding our working capital requirements.

Equity funding is expensive (unless our share price is significantly overvalued) and will typically be a last resort. Nonetheless, opportunities and/or circumstances may warrant this in future. We seek to be responsible custodians of our owners' financial capital and sustain their trust and confidence in us.

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

We actively engaged with shareholders on remuneration in the past year, as detailed on page 101 of the remuneration report. We specifically deal with governance matters in our governance report on page 86 and with environmental and social issues on pages 40 to 45.

We aim to make decisions that we believe will support our market valuation over time. However, we do not obsess over short-term movements in our share price, particularly during a volatile year in the markets, as FY21 reflected. Our average share price for FY21 was ZAR113.01, reaching a high of ZAR139.87 and a low of ZAR83.08.

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

For many investors, returning our Rest of Africa segment to profitability (and the time horizon to achieve this objective) represents a critical aspect of our investment case.

The Rest of Africa represents a sizeable market with an estimated addressable market of more than 35m subscribers. It represents a complex socio-political environment that experiences intermittent volatility on the back of exogenous or endogenous shocks (commodity prices, currencies, droughts, etc). These challenges, combined with the fact that we mostly charge our customers in local currencies but have a substantial portion of input costs denominated in hard currency, require agility and flexibility from us to succeed.

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, and has consistently narrowed its YoY trading losses, despite having to absorb some exceptional currency weaknesses in the Angolan kwanza, the Zambian kwacha and the Nigerian naira. Had it not been for this significant currency weakness, the business would have likely reached breakeven already. Nonetheless, it remains broadly on track to reach our breakeven target timeline.

While liquidity challenges remain in some markets, notably Nigeria, we have a dedicated local team working with our group treasury, which is successfully driving cash extraction efforts. As a result, although additional capital is required to fund these markets, we do not see the current liquidity challenges as a significant impediment to reaching profitability.

2

Sustainability of margins in our South African business

Investors are typically focused on how effectively we can manage the South African margin and cash flow profile over time, especially as the subscriber mix shifts to the mass market. This is because the South African business is important to the group's funding and capital allocation requirements.

We remain committed to delivering broadly stable margins and cash flows in our South African business over time, subject to the challenges brought about by COVID-19, ongoing economic pressures and increasing saturation in this market. Consumer challenges around the affordability of our Premium package contributed to the decline in our Premium subscriber base in recent years and was exacerbated by the current economic climate. To maintain a stable margin profile, declines in Premium subscribers need to be offset by subscriber growth in the mass market, price increases, additional revenue generated from new products and services and disciplined cost focus.

From time to time, we may need to incur costs to update our internal operating systems and invest in new products or services, while our ongoing investment in our Connected Video services could also impact profitability.

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 basic philosophy to return excess cash to shareholders in the most optimal way remains unchanged. However, given that we are yet to see the full impact of the COVID-19 pandemic and associated lockdowns on our subscriber base and business, and considering that the Rest of Africa business segment is yet to return to profitability, we do not believe it is prudent to adopt a specific dividend pay-out ratio at this stage.

How our activities added value for our stakeholders continued

Value created for **shareholders**

Critical issues for our shareholders

How we address them

4

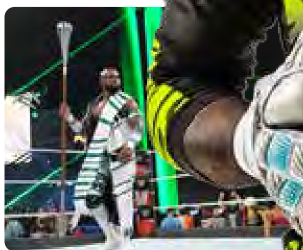
Movements in the share register
Canal+ purchased a 12% stake in the MultiChoice Group in FY21, which garnered the interest of our other investors, particularly regarding industry and potential market overlap, and its status as a foreign shareholder.

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

The MultiChoice Group's investment in sports betting business, BetKing
Given that the MultiChoice Group operations were previously owned by Naspers, investment activity outside of the core business focus was limited. Therefore, investors were interested in the rationale for our minority investment in BetKing, as well as the outlook for this asset and the implications in terms of further investment activity by the group.

We selectively consider new business lines where they create a better customer experience, drive new revenues and/or leverage existing assets. The investment in BetKing is a consequence of this approach and our strategy to leverage our scale and invest in adjacencies to enhance our ecosystem. Sports betting in particular is an attractive market for us, given its natural fit with pay-TV. Research has shown that viewers are more likely to watch and engage with sport when they bet on a game, which should improve activity and retention of our pay-TV customers. Unlike many of its peers, BetKing is a unique platform business that owns and operates its proprietary technology and product portfolio. This scalable capability enables the business to take a customised approach to expanding its footprint, which we are assisting with given our established presence across Africa. BetKing only recently entered the African betting market and is already a major player in its original and largest market, Nigeria. We see a promising outlook for the sports betting industry as a whole and for BetKing and its entrepreneurial management team.



How our activities added value for our stakeholders continued

Value created for **society and the environment**

Value created for society

ZAR446m
spent on CSI initiatives

206
students trained through MultiChoice Talent Factory over the past six years

30
young people trained as broadcasters through the DStv Diski Challenge

More than
1.5m
learners reached through Let's Play to date

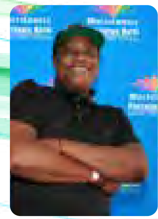
Delivering value to society

Our heart and soul is Africa. We are proud of the positive contribution we make to the countries where we operate. Our operations create much needed employment, contribute to the fiscus and enable small businesses to grow. Our impact extends further than our core business – we drive a range of CSI initiatives aimed at making a lasting impact.

We play our part to address social challenges in partnership with civil society and organisations. For example, providing free access to advertise on our DStv platform, which raises awareness of their work and mobilises resources to address these challenges.

In the past year, we partnered with People Opposing Women Abuse, the Department of Social Development and the Uyinene Mrwetyana Foundation in South Africa to raise awareness about gender-based violence. This campaign highlights the impact on communities and was broadcast extensively on our DStv platform.

In partnership with the United Nations' #PledgetoPause campaign, we raised awareness about fake news on COVID-19. Young people from around Africa, who are part of our the MultiChoice Talent Factory, created seven public service announcements (PSAs) that were broadcast on our DStv, digital and social media platforms across the continent. We also worked with the World Health Organization to create an educational campaign on COVID-19 in vernacular languages with a further seven PSAs created and broadcast across Africa. The total value of promoting this campaign on air is approximately ZAR138m and we are proud to have contributed to this good cause.



How our activities added value for our stakeholders continued

Value created for **society and the environment**

Corporate Social Investment

Our CSI initiatives focus on creating employment opportunities, developing up-and-coming filmmakers and nurturing future sport stars.

SuperSport Let's Play

SuperSport Let's Play gives young people the opportunity to participate in sport activities. This provides much needed social and physical stimulation, which positively impacts their overall wellness.

In the past year, we built multipurpose sport fields at four schools in Mpumalanga, Eastern Cape and Northern Cape. These fields provide access to state-of-the-art sporting facilities for disadvantaged schools and communities. As a result, 3 360 learners now have access to play five different sports: hockey, five-a-side soccer, tennis, volleyball and netball.

We also launched My First Swing, an exciting outreach programme to develop an interest in golf. Youngsters from rural and township communities, between seven and 12 years old, participate in golf clinics hosted by Let's Play ambassador, Nobuhle Dlamini.

Over the past 12 years, Let's Play has reached more than 1.5m children in thousands of schools and communities.

DStv Diski Challenge

The DStv Diski Challenge is a multifaceted development programme offering the 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.

Due to COVID-19, the 2020/21 tournament was suspended at the beginning of the season. A revised competition in a knock-out format was later introduced with 59 games played.

The DStv Diski Challenge is an important platform for player development for PSL teams. In total, 31 players were promoted to the PSL first teams at the beginning of this season, and 199 new players joined the DStv Diski Challenge.

Since inception, more than 230 players have been promoted to PSL first teams. Today, almost every one of the 32 teams in the PSL has a Diski Challenge graduate in their squad. To date, more than 160 players have represented South African national teams in international competitions.

These initiatives are just a few of our CSI highlights. The MultiChoice Group supports several other initiatives in communities and details can be found in our social report and on our website:

https://www.investors.multichoice.com/social-investment.

How our activities added value for our stakeholders continued

Value created for **society and the environment**

MultiChoice Talent Factory

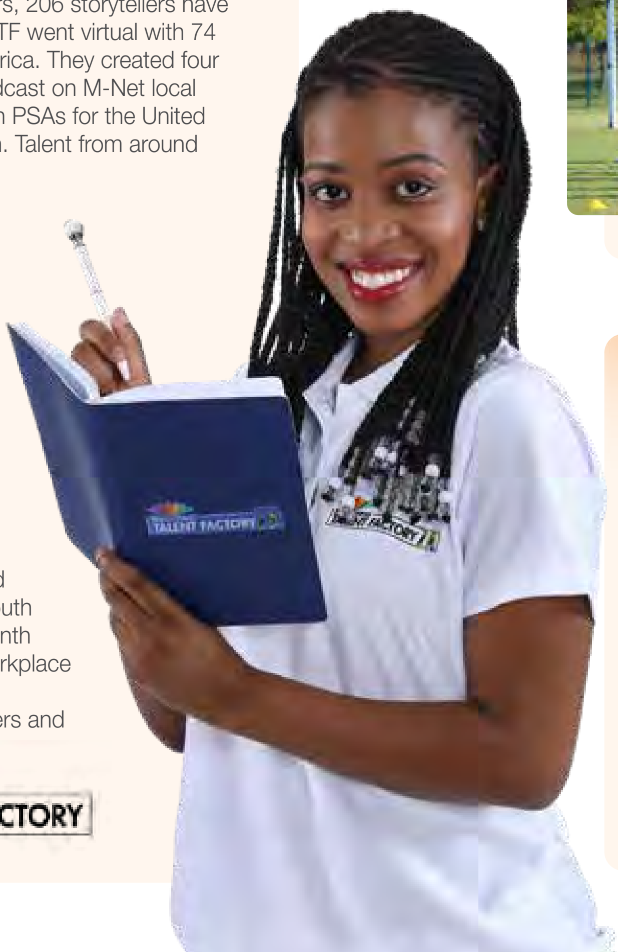
The MultiChoice Talent Factory (MTF) invests in the creative industry in 14 countries across Africa to grow a pipeline of African storytellers. It includes a 12-month filmmaking internship programme offered through film academies, masterclasses for training and upskilling industry professionals and a 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 six years, 206 storytellers have been trained. This past year, the MTF went virtual with 74 interns from 14 countries across Africa. They created four movies and 16 short films for broadcast on M-Net local channels and Showmax, and seven PSAs for the United Nations #PledgetoPause campaign. Talent from around Africa was involved in creating the PSAs, including West Africa, East Africa, southern Africa and South Africa.

In total, 60 interns from 13 countries across Africa went through an intensive three-week online course offered by the New York Film Academy.

The MTF in South Africa also launched a scriptwriting incubator programme – a first for Africa. This is run in partnership with the University of the Witwatersrand's Film and Television Department and Tshedza Pictures. Twelve young South Africans were selected for a 12-month programme that offers practical workplace experience and mentorship from experienced South African producers and scriptwriters.

MultiChoice TALENT FACTORY



SuperSport United Academy

The academy is a soccer development programme for young people. It aims to fast track future professional football stars and support players.

This year, 25 fulltime players received support through payment of full boarding and lodging, world-class coaching and medical attention. Players also receive life skills and media training, as well as educational and sport scientific support. The focus is on developing the players holistically.

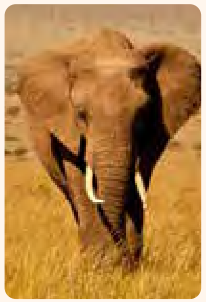


SUPERSPORT UNITED FC

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, 62 volunteers and 27 000 crawlers helped to track down wildlife crime and online trafficking.

AFRICAN WILDLIFE FOUNDATION




How our activities added value for our stakeholders continued

Value created for **society and the environment**

Case study

Swypa Delivery

Born in Tembisa, Gauteng, with a vision to become a national, free, on-demand delivery service that supports township businesses, Swypa Delivery could well become South Africa's Uber. Swypa delivers a wide range of products from food, liquor and laundry to automotive parts and lifestyle brands from more than 40 township-based businesses, and food from big-name takeaway restaurants.

"The MultiChoice Innovation Fund partnership has given us access to develop our systems and increase the size of our fleet. We want to scale up and reach townships all over South Africa."

– Boitumelo Monageng, Swypa founder.

MultiChoice Enterprise Development Trust

In South Africa, we established the MultiChoice Enterprise Development Trust (the trust) in 2012 to support and grow start-ups and small enterprises. The trust relaunched its fund as the MultiChoice Innovation Fund.

The fund gives black majority-owned start-ups and small businesses with ground-breaking ideas in the technology, e-commerce, digital content, and the film and media space, a boost to create their future today. The support fast tracks these entrepreneurs to industry leaders and creates much needed employment opportunities. The fund has a strong focus on SMMEs owned by young and female entrepreneurs. Since inception, the fund has disbursed ZAR252m in loans, grants and business development expenses to assist beneficiaries in acquiring skills and assets.

This past year, the fund partnered with 10 businesses to enable them to accelerate their future plans, adding to the existing fund beneficiaries. These businesses operate in food delivery, online payments, digital marketing and innovative content creation in the publishing and film production industries. In total, 47 new jobs were created.

The fund focuses on more than just funding – the businesses receive support throughout their journey to hone their skills in management, legal and compliance, finance and business development. The aim is to create self-sustaining, successful businesses owned by empowered entrepreneurs. More than ZAR37m was distributed to small businesses in FY21.

Regional TV stations

We support six regional TV stations in South Africa through our enterprise development. We provide the latest broadcast equipment. We also offer training in production and business education and management. We provide funding to produce local stories. Further, we offer free broadcasting rights (valued at ZAR360m) to the DStv Rugby Challenge and DStv Diski Challenge.

Transformation

MCG and MCSA 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 boasts more than 80 000 black shareholders from all walks of life, 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 South Africans. To date, Phuthuma Nathi shareholders have been paid ZAR13.4bn in dividends.

Important to note: various Phuthuma Nathi shareholders have not yet claimed their annual dividends, which were paid out since the share scheme started in 2006. Given 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 ZAR48m of previously unclaimed dividends have been paid.

How our activities added value for our stakeholders continued

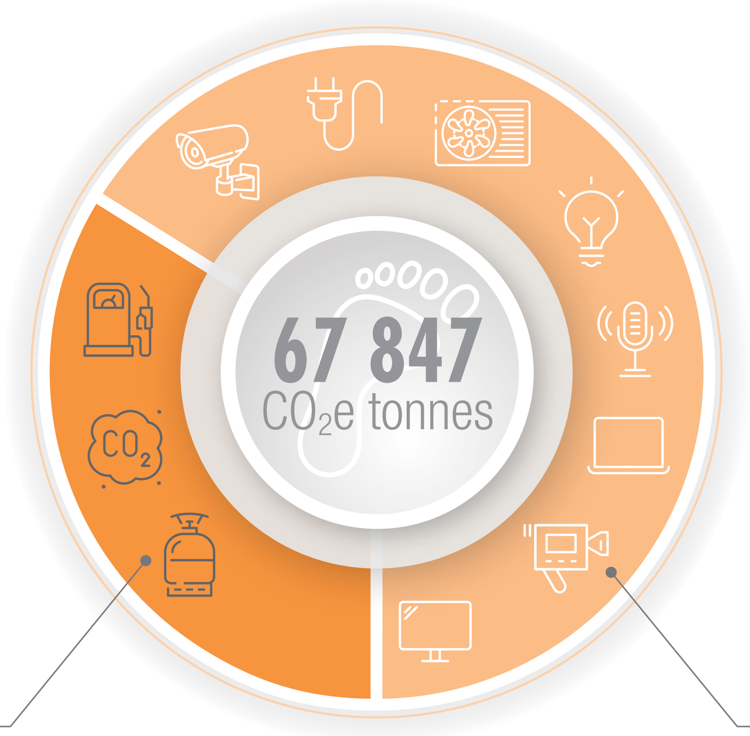
Value created for **society and the environment**

The environment

We understand that the natural resources are finite, including 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+.

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. We measure our carbon footprint from scope 1 and 2 emissions according to the Greenhouse Gas Protocol. Our carbon footprint in FY21 was 67 847 tonnes CO_2e (FY20: 76 721 tonnes of CO_2e), with the largest contributor being electricity, accounting for 100% of scope 2 emissions (76.66% of total emissions).



Scope 1

15 836
tonnes CO_2e

Diesel, petrol, fugitive gases and liquid petroleum gas

(23.34% of total emissions)

Scope 2

52 010
tonnes CO_2e

Electricity

(76.66% of total emissions)

Natural resources are finite and, therefore, we implemented 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 for 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

How our activities added value for our stakeholders continued

Value created for **society and the environment**

Critical issues

How we address them

1

Contribution to unemployment
The need for job creation is a serious concern and a potential opportunity in many of the communities where we operate.

The Youth Employment Service (YES) is an initiative that calls on businesses to help government create critical work experience for young people in South Africa.

To encourage businesses to participate, Showmax showcased the experiences of five partner companies, who were the force behind thousands of youth work opportunities across South Africa. These documentaries delve into the impact this had on young lives and society. We teamed up with YES, Investec, Nedbank, Volkswagen and Telesure Investment Holdings to share these inspiring stories.

This Showmax series, The Great Reset, consisted of six 15-minute short documentary films. It premiered on Showmax on 28 January 2021.

Our partnership with the YES initiative resulted in 400 opportunities for unemployed learners. This partnership has enabled secure and sustained employment for a large number of our learners, despite the impact of COVID-19.

The Let's Play sport coaching learnership empowered 100 previously unemployed youth, who received an intensive 12-month sport coaching course to prepare them for various roles in the sport industry. These learners will be placed to gain valuable on-the-job experience.

Key focus areas going forward

Our CSI initiatives play an important role in strengthening our brand, developing talent pipelines in TV, film and sport, and sustaining relationships with our stakeholders, including regulators, partners and customers.

- We plan to launch SuperSport Schools and the DStv Netball Schools Challenge in the next year.
- We will continue to focus on our flagship programmes, the DStv Diski Challenge and the MultiChoice Talent Factory, which remain an important part of our initiatives.
- We will establish news bureaus for regional community TV and include new elements in our accelerator programme for our SMMEs.
- We will also continue partnering with the United Nations on COVID-19 awareness campaigns, as well as with civil society to highlight gender-based violence.

Sustaining value

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, which is influenced by rapid changes in consumer preferences, industry value chains, competitive dynamics and socio-economic factors. Further, the complexity of the regulatory environment is increasing as countries adapt to emerging trends and innovation in content businesses and delivery technologies.

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 informed by our external business environment, having regard to the material matters we have identified and their attendant opportunities and risks, and 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 consistently pursue our longer-term strategic objectives of providing the best video entertainment products and services to customers across sub-Saharan Africa and the best media and cybersecurity products globally.

Operating context

As the summary below will convey, the operating environment was particularly challenging this year, exacerbated by the effects of the COVID-19 pandemic and associated lockdowns. While ongoing macro-pressure brings certain short-term setbacks to our business, we continued operating with excellence, and focused on areas of the business we can control. We remain positive about the long-term prospects for the African continent, which is well positioned for future growth as the prosperity of its people improves.

Overview

- COVID-19 and the associated lockdowns affected the global economy, with sub-Saharan Africa particularly hard hit. Due to budgetary constraints, the fiscal response to COVID-19 was more limited in sub-Saharan Africa relative to emerging market peers and developed markets, while vaccine rollouts generally lagged. Markets that heavily depended on oil exports, tourism and agricultural commodity exports (to a lesser degree) were particularly hard hit.
- Although there is reason for optimism, the shape of the nascent recovery in the global economy remains uncertain due to the emergence of new COVID-19 variants, varying vaccine rollout and take-up rates, debates around transmission and immunity, different government responses with regard to lockdowns and economic stimulus, rising government indebtedness and default risks, and increased money supply generating inflationary concerns.
- The World Bank estimates that gross domestic product (GDP) in sub-Saharan Africa declined by 3.7% in 2020[1], which represents the region's worst performance on record. This follows two years of less than 3% growth per annum (considered anaemic in an emerging market context), which is forecast to recover to 2.7% in 2021.
- In this context, currency volatility (notably depreciation against hard currencies), commodity price volatility (notably oil), inflation in certain markets (driven by weaker exchange rates and food inflation), and unemployment (notably youth unemployment) continued to negatively impact our markets in the short term. Longer term, though, the continent continues to benefit from positive demographic trends (population growth, urbanisation and disposable income growth).
- 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.

[1] The World Bank Global Economic Prospects Report from January 2021 is the source for all GDP and GDP per capita figures shown here.

Our external business environment continued

South Africa

- The South African economy was already on a weak footing heading into the COVID-19 pandemic. Economic activity was severely curtailed by one of the most severe outbreaks and strictest set of lockdowns in sub-Saharan Africa, with GDP estimated to have declined by 7.8% in 2020 as a result (and forecast growth of 3.3% for 2021).
- On the back of soft demand, exacerbated by bouts of load shedding and rising unemployment, the inflationary environment remained benign. With growing concerns around the trajectory of South Africa's public debt balance and limited appetite for the necessary public sector fiscal consolidation, the South African rand weakened by 9% YoY on average against the US dollar (although it began to strengthen towards year-end).
- A weaker advertising market due to the COVID-19 pandemic impacted our operations and those in the FTA space.
- Competition is increasing in a rapidly evolving OTT space and includes players like Netflix, Amazon Prime Video, Apple TV+, Viu and Vodacom's Video Play.

Rest of Africa

- As always, different markets in our Rest of Africa segment experienced varying impacts from the broad trends summarised in the overview above. This spreading of risk across our footprint is a principal benefit of operating across a broad number of geographies.
- Nigeria remains our largest market in the Rest of Africa segment by subscription revenues. In addition to COVID-19, it was negatively impacted by oil price volatility and food price-led inflation. Although the oil price recovered to around US$60 per barrel in March 2021 from a low point of around US$20 in March 2020, the economy contracted by an estimated 4.1%, the Nigerian naira depreciated on average by 7% YoY against the US dollar and limited foreign exchange liquidity created challenges in extracting cash from the country.
- Despite a relatively large COVID-19 outbreak, partial lockdowns and the negative impact on tourism, Kenya fared relatively better than many other markets, with an estimated GDP decline of 1%, limited inflationary pressures, and the Kenyan shilling being 6% weaker YoY when compared to the US dollar.
- Zambia initially continued to suffer from droughts and power outages, with relief from rains towards the latter part of the year. The economy and currency remained under pressure, with GDP estimated to have fallen by 4.5% in 2020. Zambia also encountered challenges in managing its sovereign debt, including defaulting on its euro-denominated loans and seeking a debt restructuring. The result of these factors was that the Zambian kwacha depreciated 43% on average YoY against the US dollar.
- The Angolan economy experienced ongoing pressure and was severely affected by the low oil price, with GDP down an estimated 4% YoY. On average, the Angolan kwanza depreciated by 47% YoY against the US dollar. Angola successfully restructured its sovereign debt with private creditors.
- StarTimes remains our largest competitor across sub-Saharan Africa, competing largely in the mass market (notably in DTT). We also compete with regional operators such as ZAP in Angola, Azam in Tanzania and Zuku in Kenya. FTA remains an important competitor for viewership in a number of our markets, such as Kenya, Ghana and Ethiopia. News consumption, which notably picked up during the COVID-19 pandemic, is a critical driver of demand, and local content and mass market affordability are other important considerations.
- Global platforms like Netflix and YouTube, and local platforms like iRoko in Nigeria and ViuSasa in Kenya compete with Showmax. These markets offer relatively better connectivity and are attracting more interest from OTT competitors.

Technology

- The COVID-19 pandemic initially impacted supply chains, notably through manufacturing delays in China, but this was relatively short-lived and ultimately had a limited overall impact. However, the pandemic resulted in a general slowdown in new project-based workflows due to its impact on broader economic activity.
- A more pressing industry development is the global shortage in supply of silicon chips, which is primarily driven by: soaring worldwide demand and exacerbated by the trade war between the US and China; the long lead time in building new chip fabrication plants; droughts impacting manufacturing in Taiwan; a cold spell which shut down plants in Texas; a fire that impacted a factory in Japan; and new 5G phones requiring more computer chips than previous generations.
- This led to a combination of rising chip prices and manufacturing interruptions for those industries worst affected (e.g. auto manufacturers). This may have an impact on the group for the next 18 to 24 months in terms of managing chip supply for set-top box inventories for MultiChoice and Irdeto's external video entertainment client base.

Our external business environment continued

Major trends impacting our industry

The state of play

- In our top 14 markets in sub-Saharan Africa, we estimate that household electricity supply is approaching 55%. This acts as a short to medium-term cap on both traditional linear pay-TV and OTT penetration, but represents a long-term growth opportunity.
- In this context, we estimate that TV household penetration is closer to 45%. Considering factors such as household income levels, we estimate that the addressable market for traditional linear pay-TV services in our top 14 markets in sub-Saharan Africa is approaching 50m. This suggests that traditional linear pay-TV penetration is around 32%.

The structure of the new competitive landscape is taking shape

- In a connected environment, an OTT operator does not need to solve (extensively) for distribution via physical infrastructure (which is done by telecommunications, cable and cloud hosting companies). Therefore, the operator can scale a platform and reach a larger audience at lower relative price points compared with traditional linear pay-TV operators who own and lease their dedicated distribution infrastructure.
- Competition from global and local OTT players continues to increase, mainly through:
  - Dedicated OTT specialist services across SVOD such as Netflix and DAZN, transactional video on demand such as the iTunes and Google Play stores and advertising video on demand (AVOD) such as Viu and YouTube
  - Non-video businesses deploying their value-added services to drive user engagement in their ecosystems, notably in the retail sector such as Amazon (Amazon Prime Video), original equipment manufacturers such as Apple (Apple TV+) and telecommunications companies (telcos) such as Vodacom (Video Play)
  - Linear broadcasters introducing OTT services to complement their existing traditional linear pay-TV offerings, e.g. Sling TV by Dish or Now by Sky, StarTimes ON by StarTimes as well as FTA operators launching services, e.g. ITV and BBC's BritBox app joint venture, and traditional studios, networks or media companies going direct to consumer, e.g. Disney+, HBO Max
- Most major US studios and media houses have launched their direct to consumer platforms and are at various stages of a global rollout. This rollout typically prioritises developed markets in North America and Europe before moving into emerging markets like Latin America and Southeast Asia. The rollout into Africa seems to have been deprioritised due to connectivity, payment collection and affordability constraints. However, this dynamic is changing, partially enabled by partnerships with established providers such as traditional linear broadcasters and telcos. Platforms include SVOD, AVOD and hybrid models (US or global subscriber base shown in brackets as relevant):
  - Disney: Disney+ (104m), Hulu (38m SVOD and 4m with Live TV), ESPN+ (14m)
  - ViacomCBS: Pluto TV (50m), global streaming with Paramount+ etc. (36m)
  - Comcast: Peacock (42m sign-ups) and Xumo (24m)
  - AT&T: HBO Max (41m)
  - Discovery: Discovery+ (13m)
  - Others: Tubi TV by Fox (33m), Starz by Lionsgate (17m) and AMC Networks (6m)
- Evolving competitive dynamics impact the traditional video entertainment value chain, from formats and release schedules (such as box sets and full series release for binge viewing), to windowing and exclusivity (such as simultaneous cinema and SVOD release or bypassing of cinema release and studios erecting walled gardens).
- OTT services are typically competing on a low-price, large-scale model which impacts consumer value perceptions across the market, especially where connectivity costs are not associated with the cost of an OTT service.
- In certain markets such as the US, which historically enjoyed high linear pay-TV penetration and high average revenue per user (ARPU) levels, increasing competition is driving a rebalancing in their industry. It is not clear where this will settle but, so far, there appears to be scope for multiple service providers to coexist with aggregators continuing to operate in the in-home video entertainment environment

Our external business environment continued

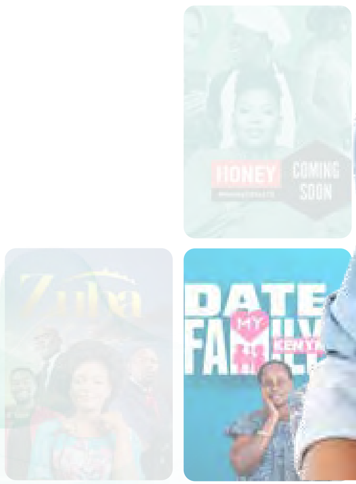
Connectivity underpins the rate of change

- The proliferation of smart, connected devices, the rise in fixed and mobile broadband penetration and speeds (notably through innovations such as 5G), and a steady decline in the cost of these products and services, are supporting shifts in consumer behaviour. Nascent initiatives like Starlink's network of low Earth orbit (LEO) satellites to provide high-speed, low-latency broadband services are likely to complement connectivity improvements in the terrestrial telecommunications networking infrastructure.
- Consumer attention is fragmenting across an increasing array of services, products and applications demanding their time and attention. This is impacting all traditional industries including finance, retail and media. In media, in addition to dedicated video services as outlined in the preceding section, consumers also have increased access to other media formats such as social media, music streaming, podcasting, educational content, audiobooks and e-books.
- In the video entertainment environment, access to broadband at an acceptable speed, latency and cost typically results in a change in consumer behaviour as it leads to increased viewing with the benefits of on-demand consumption that is more personalised, often cheaper and offers location and device independence.
- For the US market, Nielsen estimates that between 2018 and 2020, total media usage (including simultaneous usage) increased by 1 hour and 15 minutes per day, driven by increases in smartphone usage, while TV usage decreased by 30 minutes to 4 hours and 16 minutes per day. Media consumption is thus shifting away from traditional TV platforms to mobile devices.
- Although the promises of 5G are compelling in terms of speeds, latency and number of connected devices, 5G networks will typically need significant investment in upgrades and densification (depending on spectrum allocations). 5G networks will likely also have a footprint that initially services a segment of the population that already has access to fixed broadband. In addition, services from LEO satellites will likely be impacted by issues such as the upfront cost of the devices required to access the signal, spectrum allocation issues and rain fade on the signal.

What these major trends mean in the context of our markets

We identified the evolving video entertainment industry 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.

Refer to page 55 of our material matters section that presents both 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 over the full course of FY21. Many of our stakeholders, including customers, suppliers, employees and the broader societies where we operate, were negatively affected, particularly in terms of the economy, and public health and safety. It is unclear what the longer-term repercussions of the pandemic will be for the continent and the world.

While potential macro-economic implications such as sharply weaker currencies, a decline in consumer demand and the impact of job losses are largely uncontrollable, we are taking steps wherever we can to counter potential future headwinds related to COVID-19. This includes taking a closer look at our cost structures and implementing further cost-saving initiatives.

Despite facing some challenges, the business remains well positioned with a sought-after product offering geared towards people spending more time at home, a large and diverse footprint across Africa, a robust business model that has a low reliance on advertising revenue, and strong balance sheet.

Impact on our business

The impact of the pandemic and associated lockdowns on our business varied:

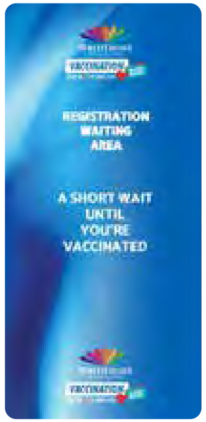
- We initially experienced significant business disruption due to the nationwide lockdowns implemented across our markets in March and April 2020, but acted swiftly to ensure that, as an essential service provider, we could provide uninterrupted service to our customers.
- At the onset of the outbreak, we observed an increased demand for our traditional linear pay-TV and OTT products as people began to self-isolate, schools closed and lockdowns were implemented. We recognised this as an opportunity to ensure our audiences were entertained and delighted during times of isolation and quarantine, and largely retained the bulk of those subscribers through FY21.
- The disruption to typical school holiday calendars from subsequent lockdown activity did have some impact in the seasonal trends we observe in a normal year, e.g. in South Africa, children returned to school in mid-February after an extended two-month holiday, which pushed out our normal drop-off in subscriber activity in January by one month.
- The initial lockdowns resulted in a temporary freeze in live sport broadcasting and coverage, followed by the return of sport leagues with compacted fixture lists and no live crowds. Our SuperSport team worked to fill the consequent gap in the sport content line-up with proprietary and partner library footage, as well as thematic channels. Our offering included broadcasting some of the greatest sporting events in history, live in-studio discussions with celebrated guests and screening well-loved sporting movies. In addition, select SuperSport channels were made available to a wider audience.
- The initial hard lockdowns in markets like South Africa and travel bans in our Rest of Africa markets created disruptions in our local content production process. Local productions in South Africa were slowed by health compliance requirements but normalised over time, while local productions in the Rest of Africa suffered from our inability to move essential employees to the requisite locations to kick off or participate in key projects.
- Our international content schedules were also impacted by delays in the release of certain Hollywood movies and postponement of series production. To ensure continuity, we leveraged our extensive content library and our established relationships with content owners to deliver quality replacement entertainment and keep our offering fresh.
- The first half of FY21 (1H FY21) saw severe pressure exerted on our advertising business as companies cut back on costs in a weak economic environment where many businesses were prevented from operating and live sport disappeared or resumed with more limited formats. Encouragingly, our DStv Media Sales team was able to make up much lost ground in the second half of FY21 (2H FY21), reverting to normalised monthly run rates in the process.
- Our commercial business was also negatively affected and is taking longer to normalise due to the ongoing impact of curfews, alcohol bans, and tourism and travel restrictions on the travel, hospitality and leisure sectors through much of FY21.
- We lost some sublicensing revenues due to the lack of live sport, notably in 1H FY21.
- We accelerated digital migration, resulting in a 28% and 23% reduction in call volumes in South Africa and Rest of Africa respectively, and growth in the overall self-service user base by 77% in South Africa and 107% in Rest of Africa.
- Irdeto's project-based revenues were somewhat negatively impacted due to the softer global macro-economic environment.
- Given that we had early line-of-sight on the pandemic ahead of the start of FY21, we were able to accelerate cost-saving initiatives with ZAR1.5bn in costs saved during the year. We also benefited from ZAR0.4bn in temporary COVID-19-related cost savings in areas like travel expenditure.

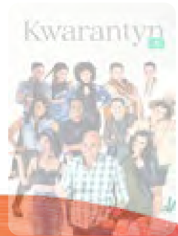
Our external business environment continued

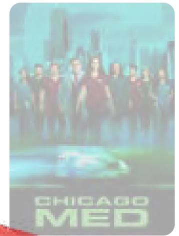
Impact on key stakeholder groups

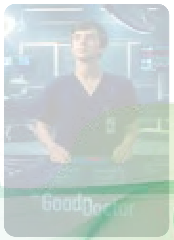
We sought to mitigate the impact of the pandemic and associated lockdowns on our employees and the communities where we operate:

- Over the course of FY21, we continued to take the necessary precautions to protect our employees. This included ongoing travel bans (local and international) and ongoing work-from-home processes for most of our teams, including our sizeable call centre operations. A public health expert guided us on best practices, and we implemented strict social distancing, screening, hygiene and testing measures at the office to protect employees working on site. We also ensured that our work-from-home employees were fully supported in terms of capacity to do their jobs, and through employee wellness and mental health-related initiatives.
- The worldwide entertainment industry was particularly susceptible to the effects of the lockdowns and COVID-19, which resulted in devastating job losses for freelance actors, producers, directors and camera operators. We leveraged our partnerships and network to implement several measures aimed at safeguarding the income of creative industries because we acknowledge the critical need to protect income stability for the sector. We made an industry support commitment of ZAR80m at the beginning of the outbreak in South Africa to ensure productions could pay full salaries in March and April 2020 for impacted cast, crew and creatives across sub-Saharan Africa.
- We committed to guaranteeing the income of freelancers in our SuperSport productions and our broadcast technology environment. The commitment was made to freelancers who could not work due to the suspension of sport and the national lockdown. We supported the salaries of travel employees servicing our account for six months.
- MultiChoice South Africa teamed up with two local PSL teams, Orlando Pirates and Kaizer Chiefs, in partnership with the Ministry of Health and the Ministry of Sport, to help government in the fight against COVID-19 with the contribution of personal protective equipment to the value of ZAR28m for frontline responders (nurses, doctors, etc.).
- In Rest of Africa, we worked with governments and health authorities in countries where we operate to help distribute test kits and personal protective equipment to safeguard medical workers. The overall COVID-19 public health support for Rest of Africa was valued at US$2.1m. In addition, we provided financial support to our network of installers and independent service providers to assist with paying salaries.
- More recently, we established our first MultiChoice vaccination site at our head office in Randburg to provide vaccinations to consenting and eligible employees in order to further safeguard our people against the virus and to support the national government in its Mass Vaccination Programme.









Material matters

In determining our material matters, we are guided by our business strategy, our opportunities and risks, our operating environment, and the concerns of our stakeholders. The material matters addressed in this report are issues on the board agenda that are methodically discussed and addressed.

1 Customer satisfaction

The customer is always our primary focus.

Delivering value to our customers is critical to our business success. To ensure we achieve this, we focus on developing and introducing relevant products, selecting and creating the best content, and designing excellent customer service experiences with the customer journey at the centre of this.

We operate a largely fixed-cost business. As a result, optimising the various elements that support customer growth momentum and retention is a critical driver of our operating performance. We also manage exogenous pressure points such as tightening consumer spending, unemployment and electricity shortages, all with a view to expanding our base through traditional and new service lines.

Link to risks:

- Economy
- Disruption and competition
- Securing content

Link to strategic priorities:

Growth Content

Link to opportunities:

- Large and growing addressable market
- Fast growing OTT market
- Sizeable and engaged subscriber base
- Deep understanding of customer video entertainment needs
- Deep understanding of the customer journey

Link to stakeholders:

Customers

2 Regulatory environment

We believe regulations are important to underpin markets and protect consumers, but need to be well considered and applied to all players consistently.

The industries in which we operate are highly regulated and our various group entities are subject to legislative and regulatory oversight in the countries where they operate. Material changes in regulations could require us to adapt our current business model and may impact our value proposition to customers.

As the regulatory environment becomes more complex, the impact and importance of managing this risk increases. Our approach to regulation remains positive as we proactively and frequently engage with regulators through our dedicated teams. This ensures we keep abreast of all developments and provide input that promotes a well-considered regulatory framework, which allows for a thriving industry.

Link to risks:

- Regulatory and licensing

Link to strategic priorities:

Efficiency

Link to opportunities:

- None

Link to stakeholders:

Governments and regulators

Material matters continued

3 Evolution of video entertainment industry

Media formats undergo perpetual change and our experience has taught us that video entertainment is no different.

The global video entertainment industry continues to evolve as new technologies and business models provide opportunities to differentiate service offerings. A key trend is the ongoing impact of streaming services (OTT) in disrupting traditional linear pay-TV operators.

This presents both a risk of increased competition for subscribers and content, and an opportunity to scale our OTT services and adapt our business model. As the industry evolves, our investment in local content remains a key differentiator and strategic advantage.

Link to risks:

- Disruption and competition
- Securing content

Link to strategic priorities:

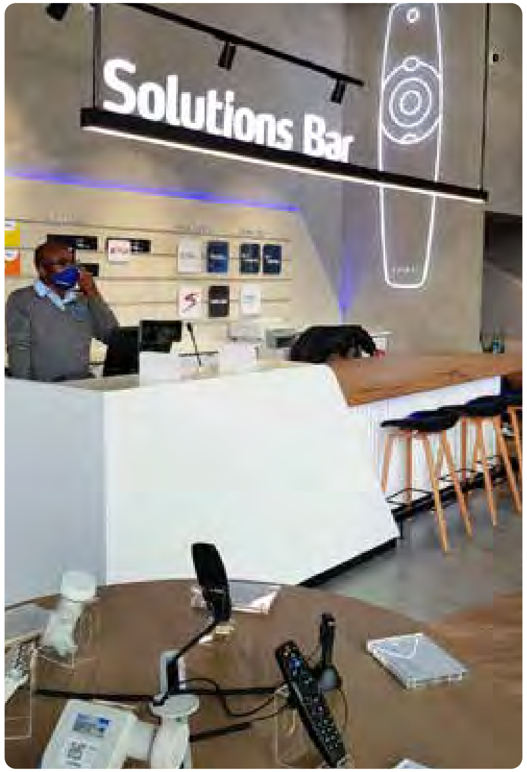
Content | Ecosystem | OTT

Link to opportunities:

- Fast growing OTT market
- Sizeable and engaged subscriber base
- Ability to make strategic investments
- Ability and willingness to partner

Link to stakeholders:

Customers | Suppliers and partners



4 Executing our business plans

Conceptually, our business is fairly easy to understand, but we operate in a complex environment with shifting conditions and practical challenges in executing our strategy.

Each of our business segments contributes in different ways to value creation. We set ourselves challenging operational and financial targets, and our leadership teams are incentivised to implement our specific segmental business plans.

South Africa
As a more mature operation, the South African business is focused on retaining existing customers, while driving OTT adoption and growth in the mass market. At the same time, its ambition is to deliver broadly stable profits and cash flows, and to broaden our entertainment ecosystem through new services and partnerships.

Rest of Africa
In the Rest of Africa segment, which is currently loss making, the focus is to continue narrowing the losses every year and return the business to profitability over the medium term. A fundamental aspect of this turnaround is our ability to navigate the macro-economic challenges that we face in many of our markets. While our diversified footprint across the continent allows us to absorb some currency weakness, significant exchange rate deterioration outside of historical trends and ongoing pressure on consumer discretionary spend is likely to slow our turnaround time.

Technology
Piracy could negatively impact our video entertainment services if it is unaddressed, and our Technology business is thus focused on delivering critical digital security solutions and media security to our group companies, as well as to external customers globally. At the same time, we are investing in new revenue-generating opportunities in connected industries to drive ongoing future growth.

Link to risks:

- Economy
- Securing content

Link to strategic priorities:

Efficiency | Technology

Link to opportunities:

- Clear path to returning Rest of Africa to profitability
- Robust balance sheet and cash flow generation
- Ability and willingness to partner
- Entrenched position in media security
- Nascent but growing set of markets in connected industries

Link to stakeholders:

Shareholders

Material matters continued

5 Attracting and retaining talent

Our people are fundamental to our success

We seek to delight our customers by providing access to compelling content and entertainment. Attracting and retaining the right people to achieve this goal is a key aspect of our strategy. We are passionate about creating a workplace where people are engaged and inspired.

Key focus areas for us include growing diverse, representative talent in critical areas of differentiation (such as content, engineering and data science) and developing succession plans for critical workforce segments to ensure growth and continuity. Leading organisations start with winning cultures. Therefore, we consistently strive to nurture an enabling environment so that our people can create the best solutions for our customers.

Link to risks:

- Talent and skills scarcity

Link to strategic priorities:

Efficiency

Link to opportunities:

- Ability to make strategic investments
- Deep understanding of customer entertainment needs
- Deep understanding of customer journey

Link to stakeholders:

Employees

6 Upholding the local entertainment industry

Supporting and uplifting the local entertainment industry

As a responsible corporate citizen, we aim to make a contribution beyond just our business. Our investment in local content generates jobs and provides a platform for homegrown talent to shine.

In addition, the local sport we produce and broadcast (including some broadcasts on community TV stations) supports sport bodies. It enables them to generate income and continue developing sport.

We believe in strategic CSI and majority of our initiatives are aimed at promoting sport and content production (filmmaking) across sub-Saharan Africa. They also positively address the issues of health, education and empowerment.

Link to risks:

- Economy
- Securing content

Link to strategic priorities:

Content

Link to opportunities:

- Deep understanding of customer entertainment needs

Link to stakeholders:

Suppliers and partners

Society and the environment

Opportunities and risks

How we identify and pursue opportunities

We actively evaluate and cultivate a pipeline of opportunities aligned to our purpose and broad strategic priorities and that serve to enhance our customer experience. This approach has allowed our group to grow through organic reinvestment in our businesses and periodic shifts in focus through greenfield projects such as the launch of various new services in the past (e.g. our digital DTH satellite business in 1995, DTT business in 2010 and OTT business in 2015). Going forward, we will also consider targeted investments and other strategic partnerships as illustrated by our minority investment in BetKing.

OUR TOP 10 OPPORTUNITIES

1 Large and growing addressable market

We see an opportunity to drive subscriber growth in our core business as we target an addressable market of 49m households in sub-Saharan Africa, growing to 56m by 2025 (+12%).

- We take a long-term view and are comfortable with supporting our businesses through the cycle.
- We have increasingly focused on growing penetration in the mid and mass market segments, e.g. through our value strategy in the Rest of Africa where we lowered pricing, increased upfront set-top box subsidies, and improved the content value proposition across packages to reposition the business for longer-term sustainable growth.

2 Fast growing OTT market

We see an ongoing OTT growth opportunity as technology resolves access and cost barriers.

- We are accompanying our subscribers on their journey into an increasingly online environment. Our connected Explora Ultra device and DStv streaming and Showmax services, are aimed at either extending our traditional linear service online or introducing new user experiences such as our third-party SVOD partnerships.
- This creates a foundation for us to scale our OTT offerings and launch innovative services.

3 Sizeable and engaged subscriber base

We had a base of 20.9m 90-day active subscribers as at 31 March 2021 (2020: 19.5m). This creates an opportunity to roll out complementary services.

- Our subscriber base provides economies of scale that allow us to continuously enhance our customer value proposition by developing a broader ecosystem of video entertainment and related products and services. Our scale and reach also allow us to invest in adjacent industries (e.g. sports betting) to provide an even wider array of entertainment options.
- We monitor trends in offshore markets regarding vertical integration, converged service offerings and aggregator distribution partnerships. While our markets require a nuanced and often different approach, we selectively apply these principles if and when relevant.

4 Deep understanding of customer entertainment needs

With 36 years' experience in understanding the needs and preferences of our subscribers across an extremely diverse base (nationality, language, culture, economic status, age and gender), we are well placed to meet their evolving entertainment needs.

- We aim to offer our customers a full service content mix with appropriate tiering to suit their circumstances. Our strong international entertainment offering and SVOD relationships complement our points of differentiation, i.e. local content and sport.
- Our increasing investment in local content enables us to tell great stories that our customers love and develop proprietary intellectual property and formats. Our ongoing focus on sport enables us to maintain a best-in-class offering by global standards.

5 Deep understanding of the customer journey

Given that we provide an uninterrupted 24/7, 365-days-a-year service, we have numerous touchpoints with our customers beyond our broadcast and streaming signals. This creates an opportunity for us to seek continual improvements in customer satisfaction.

- We aim to continuously improve each touchpoint in the customer journey, including direct experiences such as customer onboarding, billing and technical support, as well as indirect experiences through partners like our installer network or payment service providers.
- The benefits that accrue from such an approach are reflected in retention/churn rates, upgrade/downgrade pathways, customer satisfaction scores and customer acquisition costs (word of mouth).

Opportunities and risks continued

6 Clear path to returning Rest of Africa to profitability

A sustained turnaround in the Rest of Africa business will alleviate market concerns. It will also improve our overall group margins and enhance cash flows, which can then be reinvested in the business and/or returned to shareholders.

- Scaling our subscriber base while managing our largely fixed-cost base (including targeted cost reductions) supports our path back to profitability.
- In the interim, we have to navigate a challenging economic and foreign exchange environment using hedging programmes (where available and cost-effective) and close liquidity management to help manage our cash flow risks.

7 Ability to make strategic investments

Our historic growth has been mainly organic rather than acquisitive, but with the unbundling from our previous parent, the Naspers Group, a robust balance sheet, capacity for prudent gearing as and when circumstances warrant, and strong free cash flow generation, we have an opportunity to explore value-accretive investments to further our strategic ambitions.

- Our ambition is not to become an investment holding company, but rather to source, evaluate and potentially execute on investment opportunities that (a) add value to our ecosystem and customer experience, and (b) create explicit value through expected returns that exceed our cost of capital.

8 Ability and willingness to partner

Our ultimate objective is to provide a comprehensive entertainment offering to our subscribers, supported by a seamless experience. Given our scaled base, we have an opportunity to pursue partnerships that are mutually beneficial and customer friendly.

- While we already partner with many service providers across our business, we have an opportunity to focus on optimising current or introducing new partnerships for the benefit of the customer or business.
- These can take the form of explicit add-on services, as with our recent SVOD partnerships; implicit service points, as with payment service providers; or background partnerships, as with content co-productions.

9 Entrenched position in media security

Irdeto's technical pedigree, 51 years' experience and prominent market position in the media security space enable us to sustain our momentum in gaining market share.

- We focus on gaining new customers and expanding the scope of services with existing customers in our traditional linear broadcasting security business.
- At the same time, we are expanding our presence in less developed but growing areas of the media entertainment market, such as OTT security services, as well as online and mobile gaming security.

10 Growing set of markets in connected industries

The internet of things (IoT) continues expanding at an exponential pace. A generally limited focus on digital security on an industrywide basis presents an opportunity for us to underpin these innovations.

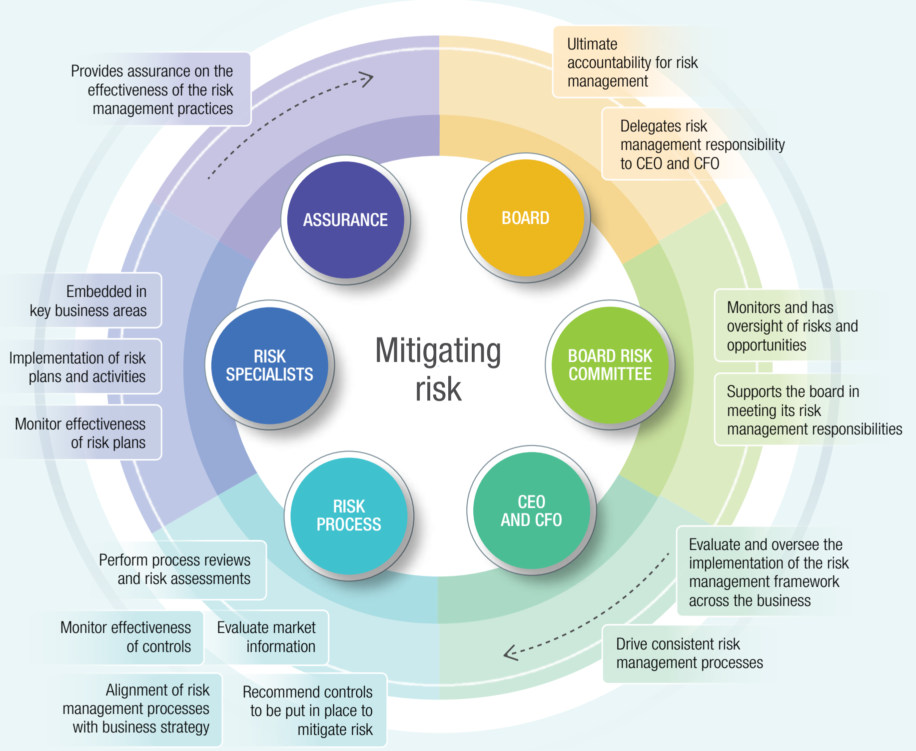
- Focusing on industries where security meets safety and the stakes are high (loss of life, sensitive data, extreme brand damage, critical financial impact, etc.), Irdeto sees opportunities for growth in areas such as connected transport, connected home and healthcare, as well as data protection.
- Cybersecurity regulations also open up new areas for growth where we can provide compliance solutions for our customers.

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 enterprise-wide 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.



OUR TOP 10 RISKS

1 Regulatory and licensing

Description	Risk mitigation
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.	• 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

Description	Risk mitigation
Macro-economic challenges, such as currency depreciation and volatility, the commodity slowdown, 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.**	• 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 many 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 moving more costs into local currency. • 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

Description	Risk mitigation
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.	• 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 telcos and other platforms to enhance our value proposition.

4 Cybersecurity

Description	Risk mitigation
The security of our information assets, including content, and customer and employee information, is critical. Failure to protect these assets poses a legal and reputational risk.	• 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, and focus on the content value chain and protection of customer and employee information. • 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 (CDSA) certification during the year.

5 Securing content

Description	Risk mitigation
Access to quality content at the right price is a major business consideration. Content rights, for both general entertainment and sport, are highly sought after. Further, currency fluctuations and renewals can lead to increased costs.	• 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 sporting rights, according to rights cycles as determined by sport rights owners. • We continue to aggressively increase our investment in local content. • We maintain our relationships with rights owners to maximise mutual benefits. • We offer customers various options suited to their circumstances, and support value for money with the flexibility to adjust to their unique and changing circumstances.

Opportunities and risks continued

6 Technology

Description	Risk mitigation
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 initiatives.	• 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 was developed and is being implemented throughout the group. 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.

7 Third-party risk management

Description	Risk mitigation
We work with many third parties, and weaknesses and inadequacies in their management could potentially expose our business to a wide range of risks, such as reputational, information security, legal compliance, business interruption and other operational risks.	• Significant progress is being made regarding the management of third parties. A detailed third-party risk management (TPRM) framework was approved in FY20 and has been implemented. • All third parties with whom we do business are subject to this risk management framework, which results in a firm foundation for their effective management. • Annual ongoing monitoring of all third parties with which we do business is a key part of the TPRM framework. • In addition, standard anti-bribery and anti-corruption clauses are added into third-party contracts wherever possible.

Opportunities and risks continued

8 Business continuity management

Description	Risk mitigation
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.	• 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 executive committees, with regular reporting to the board and its committees.

9 Piracy

Description	Risk mitigation
The illegal retransmission and piracy of content, including illegal connections, file sharing, illegal internet streaming of sporting content and the piracy of local content remain key risks to the business.	• 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 0.7m households were disconnected.

10 Talent and skills scarcity

Description	Risk mitigation
To move into the next generation of media services, 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.	• The group's reward structures are aimed at retaining employees in key areas and include bonuses and share schemes. • We identify the scarce skills and 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.

Our strategic priorities

Our ambition is to strengthen our leadership position in video entertainment across sub-Saharan Africa, expand our product ecosystem both organically and through strategic partnerships and select investments, scale Irdeto to a leading media and cybersecurity business globally, and continue building a sustainable business that delivers value for our stakeholders.

Lead in content and differentiate in local and sport

In an evolving video entertainment industry, a differentiated content strategy is key to remaining relevant. Our strength lies in our local content expertise and the appeal of our local and international sport offerings. We continue driving these two elements of our content strategy while maintaining a compelling international general entertainment content portfolio to complete our comprehensive product offering.

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. In addition, local content is often cheaper than international general entertainment content, which helps us reduce our exposure to US dollar input costs. Owning this content also provides greater control over how we manage and leverage it across our products and services. On the sports front, we remain committed to exciting customers with the best local and international sport while carefully managing the cost of acquiring broadcasting rights. Our production capability is unmatched on the African continent and is globally recognised by peers and sports bodies for its professional expertise and quality.

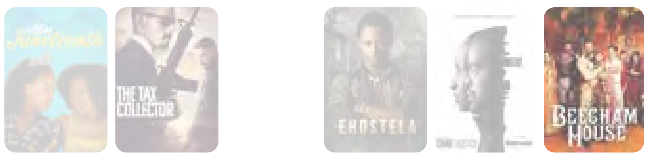
Drive growth and retention

Growing and maintaining a healthy subscriber base remains key to our success and is a critical factor in driving returns. It is also an essential element of our turnaround strategy for the Rest of Africa segment. Our costs are largely fixed with growth and scale imperative for supporting margins. Leveraging a sizeable subscriber base also brings meaningful opportunities through new product innovation.

We believe sub-Saharan Africa offers a large addressable market for our products and is poised for future growth as the prosperity and income levels of African consumers improve. Our aim is to continue capturing this opportunity with a specific focus on markets where we have identified the most significant growth potential. At the same time, we remain focused on driving improvements in customer activity levels, retention and loyalty, which are all critical to sustaining growth.

Leverage scale and enhance ecosystem

The digital world brought with it fundamental shifts in the video entertainment industry and created new ways for us to engage with our customers who are no longer looking for a single video entertainment service, and who often opt for a portfolio of entertainment options instead. Therefore, an opportunity exists for an aggregator like us to provide a single, seamless customer interface into an entertainment ecosystem. Given our scale, distribution capabilities and core competencies, our proven track record in content curation, our investment in our relationships with content suppliers, our established payment collection capabilities and our ability to manage in-country nuances, we are well positioned to fulfil such an aggregator role in sub-Saharan Africa. Our recent third-party SVOD distribution relationships are a first step in implementing this strategy. We intend to set ourselves up for future success in this regard, and we will continue looking for new opportunities to further expand our existing ecosystem, offering new products to enhance our customers' experiences and increase our revenues.



Accelerate OTT capabilities

A significant aspect of our track record is the pursuit of innovation in our product and service offerings, with the aim of catering for our customers' ever-evolving needs. Although there are some challenges around broadband access and affordability, customer behaviour is increasingly moving online. Therefore, it is important that our content is available online on 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), driving strategic partnerships, improving the user experience of our OTT products and platforms, and launching new business models that leverage content assets and serve changing consumer habits.

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.

Maintain operational excellence and sustain cost reduction

Our aim is to deliver positive operating leverage, which will keep the organic growth in our cost base below the organic growth in revenue, thereby driving margin expansion for the group. We continuously strive for operating excellence and optimising cost efficiencies across our businesses. 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.

Our strategic priorities continued

Lead in content and differentiate in local and sport

Pursue a differentiated content strategy by increasing investment in local content, securing the best of local and international sport, and maintaining a compelling international general entertainment offering.

How we performed

- Increased the number of countries with dedicated local language channels to 10 following the launch of additional channels in Ghana and Ethiopia
- Produced 4 567 hours of local content, reflecting a 19% growth YoY
- Local content spend accounted for 42% of total general entertainment content spend (43% in constant currency)
- Local content library increased by 9% YoY (exceeding 62 000 hours)
- Renewed selected sport broadcasting rights available for renewal this year, including the FIFA World Cup 2022 in Qatar, and rights for the English Premier League (EPL) and UEFA Champions League
- DStv became the official sponsor for the PSL's Premiership in South Africa, and we acquired the rights to the Ethiopian Premier League

Looking ahead

- Further ramp up in local content production
- We remain on track with our FY22 goal for local content to comprise 45% of total general entertainment spend
- Ongoing renewal of sport broadcasting rights
- Successful broadcast of numerous events in FY22, including the Olympics, Euro 2020, and the British and Irish Lions rugby tour

Leverage scale and enhance ecosystem

Leverage our large customer base of ~21m households and reach of ~100m people (given an average of five people per household) to develop a multidimensional entertainment ecosystem for our customers. This includes seeking out organic and acquisitive opportunities to expand our product and service offering as well as enhancing aggregation capabilities and building partnerships that will support our position as a leading sub-Saharan African entertainment platform.

How we performed

- Thorough research and development conducted on set-top boxes to enhance functionality, culminating in the launch of the award-winning DStv Explora Ultra
- Launched an aggregated streaming platform via the Explora Ultra enabling convenient access to two global SVOD services
- Rolled out a slate of new products and services including DStv Rewards to encourage retention and the ADD Movies bundle to support revenue growth and customer satisfaction

Looking ahead

- Continue investing in new product launches, with our Streama device launching in FY22
- Build new business lines and partnerships where those create a better customer experience

Drive growth and retention

Continue driving increased penetration of a large and growing addressable market, leveraging subscriber growth to support margins and drive ongoing progress towards returning the Rest of Africa business to profitability.

How we performed

- Increased 90-day active subscriber base by 1.4m YoY (7%) to 20.9m
- YoY growth was impacted by the COVID-19 pandemic and associated lockdowns, which increased our opening base in March 2020 but also supported activity through FY21, while impacting our subscriber mix

Looking ahead

- Maintain and grow subscriber base in the context of a challenging consumer environment, uncertainty about the macro-economic outlook and an unknown trajectory for the ongoing pandemic and global vaccination drive

Pursue global digital platform security leadership

Become the global leader in content protection/cybersecurity for media and entertainment services and a leader in the fast growing connected industries sector.

How we performed

- Secured six tier-one customer wins in media security
- Hyundai group shipped >200 000 vehicles with Irdeto technology
- Irdeto solutions now used by five of the six largest global OTT players

Looking ahead

- Ongoing new customer acquisition in media security
- Exploring further connected industry opportunities

Accelerate OTT capabilities

Capitalise on increased online penetration of our markets by deepening investment in OTT products and platforms to the extent feasible, and driving growth, adoption and engagement of streaming services in key territories.

How we performed

- 39% YoY increase in OTT active user base
- 65% YoY increase in play events
- 14% YoY increase in average time spent on platforms
- Successfully rolled out our DStv streaming service via a soft launch in South Africa, offering customers an end-to-end digital experience
- Launched Showmax Pro sports offering across the continent
- Rolled out DStv add-to-bill functionality for Showmax products in 10 countries in the Rest of Africa

Looking ahead

- Launch of DStv streaming service in our Rest of Africa markets, including the Portuguese territories
- Ongoing product enhancements
- Targets to grow our paying Showmax subscriber base and increase average time spent on our platforms

Maintain operational excellence and sustain cost reduction

Drive ongoing reductions in our cost base and reinvest some savings in critical systems and data capabilities to support customer experience and future operational efficiencies, with a target of consistently generating positive operating leverage.

How we performed

- Achieved ZAR1.5bn cost savings for the year
- Reduced losses in the Rest of Africa by ZAR1.5bn (ZAR2.7bn organic)
- Achieved 7% positive operating leverage (amount by which growth in revenue exceeds growth in costs), which drove margin expansion of 3.6% for the group
- Entered into a hardware refresh cycle for our IT systems, while progressing with our multiyear investment programme to replace our customer service, billing and data systems

Looking ahead

- Further cost-saving targets in place (R1bn target for FY22)
- Deliver on key milestones for our strategic system implementation programme
- Complete our hardware, customer care and billing system refresh

Performance

From the desk of our CEO

This has certainly been a year like no other, and it is quite remarkable to reflect on how much our business has continued to evolve in the face of so many challenges and disruptions. A few years ago, it would have been hard to believe a scenario where thousands of our employees could effectively and productively work from home, with our call centres fully functional offsite. Yet here we are, living out a new normal, while continuing to deliver exceptional results.

The COVID-19 pandemic, while bringing many challenges to all and great loss to many, taught us more about the art of the possible. Our teams rallied not only to keep the lights on, but to excel, drive innovation and delight our customers: from a SuperSport team who managed to fill its channels with compelling sport programming in the middle of a global halt to live sport, to the filming of whole TV series in COVID-19 production bubbles, to our Rest of Africa business having its strongest festive season growth of all time, to our team in South Africa who launched multiple new products and services, despite several challenges.

We started the year confronted with severe disruptions to our programming schedules, bleak macro-economic forecasts for many of our markets and sharply weaker currencies. In the face of these challenges, we have delivered. We produced a significant 4 567 hours of local content despite production disruptions and travel restrictions across the continent, and grew our subscriber base by 1.4m despite significant consumer pressure. Underpinned by operational excellence and tight cost control and some benefit from deferred sport events costs into the next financial year, we delivered strong financial results despite ongoing currency weakness which had the dual effect of eroding revenue and increasing costs.

Each business unit contributed to the group in different ways. Our South African business, while mature, enjoyed solid mass market growth

We are an African business, **telling uniquely African stories for the people of Africa**. Having surpassed a landmark 20m subscribers this year, we are also one of the **top-10 linear pay-TV companies globally**, outside of China. We are putting Africa on the map, and we are deeply invested in the continent, its future, stories and people.

Calvo Mawela
Chief executive officer

of 14% this year, which contributed to an overall subscriber base of 8.9m. The segment continues to drive OTT adoption and other innovation, as evidenced by ongoing growth in our Showmax paying subscriber base and the recent slate of new products and services launched.

Although the operating environment in sub-Saharan Africa is not without its challenges, our Rest of Africa business continued to excel operationally, growing its customer base by 8% YoY to reach 11.9m subscribers. It remains core to our long-term growth strategy and is making great progress towards returning to profitability.

Irdeto, a market leader in video entertainment security solutions, provides critical support to our operations and those of many other customers around the world. This year, it gained six new tier-one customers in the media security space, while in connected transport, it expanded its deployment of connected vehicles, with the Hyundai group shipping more than 200 000 vehicles fitted with Irdeto's Keystone digital security solution. Irdeto is making progress in the growing set of markets in connected industries and is an important source of diversified US dollar-based revenue for us.

More details of our segment operational performance can be found on pages 74 to 78.

When it comes to our content strategy, we continue focusing on stepping up our investment in local content as a key differentiator. In so doing, we support the broader video entertainment industry through job creation, backing new producers and honing skills through initiatives like the MultiChoice Talent Factory (MTF). The uniquely African stories that we tell resonate with our audiences and demand continues to grow.

From the desk of our CEO continued

We remain the **largest funder of sport in Africa** and now broadcast the **Ethiopian Premier League** and **sponsor** the **PSL Premiership** in South Africa.

This year, we increased the number of hours of local content produced by 19%, including 43 local dramas, 29 telenovelas and 18 comedy series. We also completed five co-productions with esteemed global partners and launched dedicated local language channels in two further markets, as well as a pan-African lifestyle channel.

We remain the largest funder of sport in Africa and now broadcast the Ethiopian Premier League and sponsor the PSL Premiership in South Africa, which was rebranded as the DStv Premiership. SuperSport's programming is truly world-class, and in keeping to our promise of offering the world's greatest football, we were able to secure the rights to the EPL and UEFA Champions League for another three years after the current agreements expire, as well as the rights to broadcast the FIFA World Cup 2022 in Qatar.

More details of our local and international content and sporting highlights can be found on pages 68 to 73.

Looking at our broader strategy, I am incredibly pleased with the progress we have made this year in delivering against our strategic priorities. In addition to growing our traditional linear pay-TV, OTT and Irdeto businesses, we announced an array of new technologies, products and services to further expand our world of value and choice for customers. These included a rewards scheme, movie bundle, community or stokvel scheme, sport offering on Showmax, the integration of third-party SVOD services onto our platform and the launch of the Explora Ultra set-top box. The latter won the *Stuff* magazine TV Gadget of the Year award beating numerous offerings from global technology giants.

These products enable us to build an entertainment ecosystem, to which we intend to continuously add more products and services to expand our offering and keep our customers engaged.

We took another bold step in expanding our ecosystem by acquiring an initial 20% investment in the pan-African sport betting business, BetKing. We expect this investment to bring numerous benefits to our video entertainment business, including improvements in viewer engagement and retention, as well as growth and revenue diversification for the group. We will continue seeking new and innovative opportunities to further our strategic ambitions through partnerships and targeted investment activity.

Our talent remains vital for our success, and we strive to create a workplace where our people feel nurtured, challenged, inspired and valued. I am proud of what we were able to achieve in trying times, and the resilience and flexibility that our employees have shown. We are especially grateful to our essential employees who are displaying loyalty and courage in coming to work daily to serve our business and our customers and have been doing so throughout the pandemic. I am personally grateful to my team of highly capable CEOs, and their executive teams for their strong leadership and valuable contributions to the group.

Our employees and many of our other stakeholders, including suppliers and customers, were severely impacted by the outbreak. Read about our initiatives to assist them during this time on page 53.

Going forward, subject to a stable regulatory environment and the unknown impact of the COVID-19 pandemic, we will continue scaling our video entertainment services across the continent, focusing on both traditional linear broadcasting and streaming services. In addition, we plan to further increase our investment in local content and pursue new growth opportunities that will enhance customer experiences and revenue prospects.

We are enjoying good momentum – we are seeing our advertising business recover, we have plans to further enhance our entertainment ecosystem and we look forward to an exceptional slate of local content and a meaningful return of sport as we catch up on the events missed in the past year. We are, however, cognisant of ongoing consumer pressure in what remains an uncertain COVID-19 environment, potential macro-economic volatility as well as the need to generate revenues to successfully absorb content costs related to deferred sport events in the next financial year. We will look to counter any headwinds through tight cost control and by driving operational excellence.

We believe we are well positioned for the future and remain excited about the long-term prospects of the business. We celebrate our 36-year legacy and the many stories we have told and look forward to our future as we continue to enrich the lives of our customers, people and communities.

Calvo Mawela
Chief executive officer

Content

Content is at the core of our business and our content offering sets us apart from our competitors. From the shows we produce and the channels we acquire, to our scheduling strategy – our key ambition is to ensure our customers are delighted with great entertainment all year round. We offer a diverse set of channels to cater to our customers' diverse needs. Demand for local content and channels continues to grow, with audiences wanting to see more local stories.

M-Net

M-Net 101 emerged out of lockdown having retained its status as the most watched channel on DStv Premium and continues to provide the best of the best in both local and international entertainment. *M-Net 101* provided both a compelling live and on-demand viewer experience, with its prime time line-up of much-loved returning series, and new big-ticket international series, blockbuster films and high-quality local stories. *M-Net 101* integrated its linear proposition into a multiplatform world, with previews and boxsets curated on Catch Up and the DStv app. These exciting changes give consumers the ability to engage with content on the platform of their choice with access to enhanced content discovery and a personalised app experience.

Despite the challenges the film and TV industry faced during the initial phases of the COVID-19 pandemic, *M-Net 101* launched several prominent productions such as *Legacy*, the channel's English telenovela that premiered in September 2020. *M-Net 101* also successfully executed two big format reality shows, *The Bachelorette SA* season one and *Survivor SA* season eight, in the safety of a production bubble and, more importantly, without one COVID-19 incident. *The Bachelorette SA* season one went on to achieve an audience reach of above 200 000 on DStv Premium. *Survivor SA* season eight is scheduled for June 2021. Notably, seasons six and seven of *Survivor SA* were sold internationally to an Australian SVOD service, and a deal is in negotiation for season eight.

Reyka, M-Net 101's next big, scripted co-production with international producer Fremantle, completed production in February 2021 and is set to launch on Sunday nights in July 2021. The series stars one of South Africa's most formidable stars and TV exports, Kim Engelbrecht, alongside *Game of Thrones* alumnus Iain Glen.

M-Net 101 launched three scripted English series during lockdown, building its local Thursday line-ups. The family melodrama, *Still Breathing*, the suspense drama, *Inconceivable*, and the high-octane action drama, *Lioness*, launched to stellar reviews. Lioness was the most popular *M-Net 101* local drama, regularly attracting just under a quarter-million DStv Premium viewers.

All three shows have international distribution offers and aided in growing the English local catalogue for the group.

Content continued

South African local channels

Our proudly South African premier video entertainment brands, *kykNET* and *Mzansi Magic*, had a prolific year showcasing authentic local productions and honing local talent.

Over the past year, *kykNET* celebrated 21 years on air with an exciting birthday campaign that amplified the channel's role as a key cultural touchstone. *Mzansi Magic* celebrated its 10th birthday with the Dankie Mzansi campaign, which provided a nostalgic mix of the channel's era-defining programmes on Catch Up in July 2020.

The proactive planning of the local channel teams proved to be a crucial asset during lockdown, resulting in minimal impact on production schedules, budgets and viewer experience. In adhering to the national lockdown, most productions came to a halt. MultiChoice decided to implement measures to safeguard the sustainability of production houses, and the income of cast and crew members. We set aside an initial ZAR80m towards a COVID-19 relief fund. The fund was created for productions that could not deliver due to lockdown regulations, and enabled production houses to apply for funding to continue paying the cast and crew's salaries. In total, 16 local productions benefited from this; 11 in South Africa and five in the Rest of Africa.

kykNET

kykNET maintained its strong performance in the DStv Premium Afrikaans market through a mix of successful, long-running programming and the infusion of exciting new content that strengthened linear viewing. The lockdown period ensured that *eNuus* remained the biggest linear viewing driver, as *kykNET's* viewers sought up-to-date reporting in Afrikaans of fast-moving news events.

The reality series, *Boer Soek 'n Vrou*, once again emerged as the most viewed programme, attracting approximately a third of the Afrikaans viewer base per episode. *Binnelanders* was the top performing soapie on *kykNET* and achieved 24% growth YoY. *Suidooster* and *Getroud Met Rugby* also saw significant YoY growth of 37% and 20% respectively. *kykNET* also produced a staggering eight dramas over the year, with *Spoorloos* securing slightly over a quarter of the Premium Afrikaans market during its run.

Content like *Arendsvlei*, *Suidooster* and *Koortjies Met Jonathan Rubain* ensured that *kykNET & kie* further extended its reach into the Afrikaans market. Since October 2020, an additional *Arendsvlei* episode was broadcast per week, helping to significantly entrench viewership. *kykNET & kie's* ability to deliver captivating stories was evident as *Suidooster* explored the issue of polygamy and generated over 17m mentions on social media (a record in the history of the *kykNET* channels).

fliekNET! launched in September 2020 and quickly became a top performing movie channel. Notably, the 50-minute *Storiefilms* commissioned for *fliekNET!* were welcomed by the industry as they provided much needed job opportunities for artists. *kykNET* received positive media exposure for being an enabling partner to the industry, underscoring the quality of Afrikaans filmmaking. *Racheltjie de Beer* and *Poppie Nongena* competed at multiple festivals such as the San Diego Film Festival and secured distribution deals in North and Latin America, as well as Europe.

Content continued

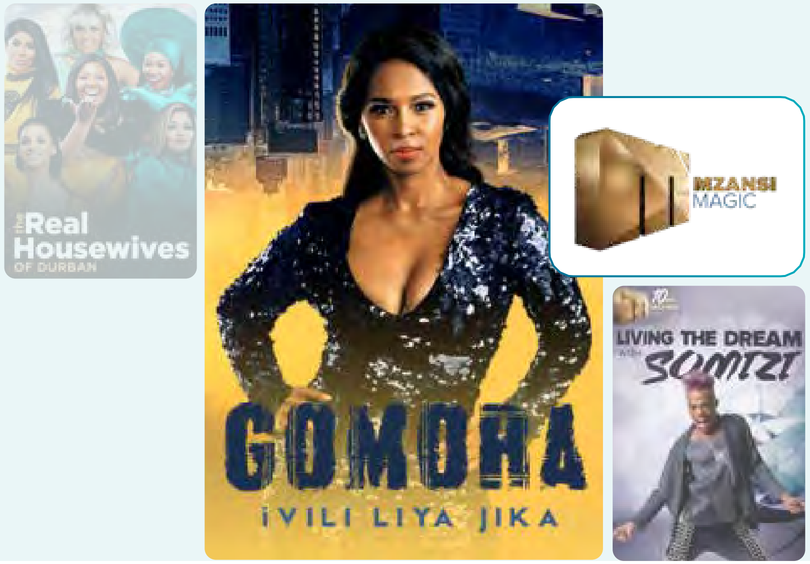
Mzansi Magic

Throughout the tumultuous COVID-19 pandemic period, *Mzansi Magic* continued to champion homegrown storytelling through an abundance of experiences in contemporary South Africa. Our agility and collaboration with industry players were demonstrated when *Mzansi Magic* hosted the 27th edition of the South African Music Awards in August 2020. Unlike previous editions of the South African Music Awards, the ceremony was broken into five episodes that aired between 3 and 7 August 2020. In partnership with Vodacom, the first four episodes were streamed to music fans, and the finale was broadcast live on *Mzansi Magic* on the fifth evening.

Evergreen favourite, *The Queen*, continued its strong performance in late prime time as it held onto just under half of the DStv Compact market. *The River* and *Date My Family* continued to drive ratings and social media engagement on *Mzansi Magic* – with each show regularly attracting over 1m viewers per episode and featuring among the top 10 most tweeted *Mzansi Magic* programmes.

The new telenovela, *Gomora*, broke viewership records as it increased viewership in its timeslot by over 140% YoY and emerged as the most watched programme on the channel. Despite going on a month-long production break at the height of the national lockdown, *Gomora* walked away with four wins at the Royalty Soapie Awards – including most popular soapie of the year, outstanding directing team, outstanding supporting actress (Sannah Mchunu) and outstanding newcomer (Sicelo Buthelezi).

One of the new reality series, *Mnakwethu*, showcased *Mzansi Magic's* expertise in developing content that fuses traditional African rites and beliefs with evolving urban lifestyles. *Mnakwethu* also birthed a highly successful spin-off, *Mnakwethu: Happily Ever After?*, that excelled across linear, Catch Up, OTT and social media platforms. As the sun sets on *Isibaya* after almost a decade, the new telenovela, *Diep City*, paves the way for further growth on *Mzansi Magic*.



Boosting South African films

Supporting local filmmakers and the South African film industry remains a priority for us.

Over the past year, M-Net invested in developing and producing nearly 40 local pre-sales and high-end made-for-TV films. Despite the near shutdown of the local industry due to the COVID-19 pandemic and subsequent lockdown, M-Net was able to assist in breathing life back into an industry that was adversely affected. Notable films included:

- *Barakat*, a family comedy focused on the Muslim community and directed by rising talent, Amy Japhta. The movie made waves internationally, winning 12 nominations at the Idyllwild International Festival of Cinema, and awards at three other international film festivals.
- *Gaia*, an unsettling horror film, won numerous awards, including a prestigious featured premiere at SXSW, and received international distribution into North America by Decal (which is responsible for the distribution of Oscar-winning Parasite).
- Our second Dalene Matthee feature film, *Toorbos*, was selected as this past year's foreign film entry to the Academy Awards by the National Film and Video Foundation for South Africa.

Content continued

Third-party channels

Our comprehensive slate 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 genres.

This year, we added a wider variety of international foreign content to our offering, in line with the global audience demand and appetite for non-American-based content. In addition to the best of British content, we introduced Mexican and Turkish novellas and the award-winning Korean drama channel, *TVN*. We also added *KIX*, a new martial arts movie channel from Hong Kong.

During lockdown, we continued to delight with our best of brand kids offering and the addition of the *Toonami* and *ZooMoo* pop-up channels. We enhanced the *Mindset* curriculum proposition with the launch of *Mindset Pop*, a pop-up channel offering primary school curriculum content, and we made matric curriculum content available on Catch Up via *Woza Matrics*.

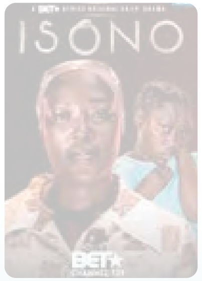
FY21 was a big year for news, as local news viewing dominated with COVID-19 updates. To address this critical audience demand, we ensured that each presidential address during lockdown was available on Catch Up. In extending our local and international news offering, *Africanews* was added to our line-up in FY21. Increased interest in political news further elevated the importance of news viewing this past year, with all news channels offering extensive coverage of the American and other presidential elections.

Our best-in-class documentary channels offered a wide range of features and blue-chip docuseries to our platform, including topical content such as *Discovery Channel's Pandemic: COVID-19* and *COVID-19: Battling the Virus, Curiosity's Breakthrough: Combating the Outbreak*, the *History Channel's America's Great Divide: From Obama To Trump* and *The Trump Dynasty*, and *BBC's The Trump Effect: How He Changed America.* In addition, viewers were treated twice to BAFTA award-winning narrator David Attenborough with *Seven Worlds, One Planet* and *A Perfect Planet*, produced by the BBC Studios Natural History Unit.

On the international reality front, we saw the end of one era and the beginning of another. *E! Entertainment* aired the final season of the reality series that spawned an industry, *Keeping Up with the Kardashians*, while the *TLC* reality franchise *90-day Fiancé* and its accompanying spin-off shows generated cult-like fandom and enjoyed an unprecedented surge in viewing.

We extended the local third-party channel slate this fiscal, adding the first pan-African lifestyle channel, *Honey*, to our platform and local documentary channel, *Wild Earth*, which features two live daily game drives. We expanded the channel offering in Ethiopia with two dubbed channels catering to the local market, namely *Zee Alem* and *Nick Jnr Ahmaric*. *Trace Muziki* was also added to showcase East African music.

We continued to see an increase in third-party local content from international channels. During the year, *BET* added the local telenovela, *Isono*, the celebrity-driven reality series *Mbau Reloaded* and *Her Majesty Busiswa*. *MTV* sustained popularity with local reality series *Moonchild*, *Lasizwe* and *Have Faith*. *E! Entertainment* launched a successful second season of SAFTA award-winning *Celebrity Game Night* with host Anele Mdoda, and *BBC Lifestyle* continued with the sixth season of the ever-popular *Come Dine with Me SA*.



Our existing local third-party channels also continued to enjoy success on our platform. *Moja Love's* popularity continued with the introduction of new emotive, resolution-based realities, including top-rated Dlozi' Lami and Uthando Noxolo. *VIA* enjoyed continued success with many new local shows and popular favourites such as local crime series *Huisgenoot: Ware Lewensdramas* and the popular weekly talk show, *Minki*.

MultiChoice Studios

With the likes of *Lioness* being selected as a hot pick by Television Business International and *Dam* scoring a 9/10 rating on IMDb, demand for our content from global buyers is at an all-time high and gaining momentum, albeit off a low base. This was demonstrated with various international distribution offers that we received for these two properties. *Trackers*, our co-production with *HBO*, was licensed to Canal Plus and will be dubbed into French.

Not only are our new titles driving global demand, our more established library titles, including *The Queen*, *The River* and *Gomora* perform well with local audience, and remain firm favourites for international buyers licensing follow-up seasons. The Mzansi catalogue in particular has been a significant contributor to our deals.

FTA channels in Africa experienced content shortages due to the COVID-19 pandemic. This enabled the conclusion of several new licensing deals for shows including *Jacob's Cross, Maza, Chasing the Light, Collateral, Living the Dream with Somizi, The Ranakas, Tali's Wedding Diaries, Date My Family*, and *Griekwastad*, among others. This demonstrates the longevity of our library content, which still proves to be popular after it has been fully utilised on our platform.

Content continued

Nigerian and West African channels

The *Africa Magic* brand remains a forerunner in Nigerian and West African general entertainment. In keeping with our commitment of consistently delivering the best local content to our highly engaged audience, we returned with yet another set of gripping telenovelas, *Enakhe* and *Riona*. Their unique combination of hyperlocal elements and authentic storytelling saw the continued domination of our original local content during prime time on our DStv Premium lead channel, *Africa Magic Showcase*.

Despite the COVID-19 pandemic, which was at its peak in July 2020, we launched the ground-breaking fifth season of *Big Brother Naija*. This lockdown edition of the massively popular reality format drove a record 950m votes over the duration of the season, and attracted viewers across Nigeria, South Africa, Kenya, Tanzania and Zambia.

Big Brother Naija was able to attract consistent audience engagement not only across linear viewing, but also on Showmax and the DStv app, and served to promote the adoption of our digital properties.

We consolidated our bid to diversify our content offering by introducing more local reality formats such as *Judging Matters, Love Come Back, Mercy & Ike, Shoot Your Shot*, as well as the *Turn Up* and *Owambe Lockdown* parties. These formats provided much needed entertainment to viewers across West Africa during lockdown and brought in fresh, engaged audiences that drove increased channel appreciation. Of all these new reality series, *Mercy & Ike* was the best performing. An example of how we are able to build on the successes of other pieces of local content, *Mercy & Ike* took audiences into the life of Mercy Eke (winner of the 2019 *Big Brother Naija* edition) and her fellow popular housemate, Ike Onyema, and dealt with their newfound fame, love and life.

East African channels

The East African channels continued to perform very well, with *Maisha Magic Plus* and *Maisha Magic East* being top-performing channels in the Kenyan DStv Compact and Access packages, respectively. Firm favourites such as *Selina* and *Pete* continued to drive viewership, and the reality series, *Sol Family*, gave audiences a peek into the lives of one of East Africa's biggest boy bands, Sauti Sol. *Sol Family* was a key driver of talkability on social media platforms. The launch of *Date My Family Kenya* bolstered viewership in Kenya, and we subsequently extended the love to Uganda and Tanzania with their versions of the dating reality format.

Huba, the long-running telenovela in Tanzania, is *Maisha Magic Bongo's* main anchor programme. *Huba* was the best performing telenovela in Tanzania, as it achieved 48% share across all DStv packages in the country. Huba also served as a strong lead into *Maisha Magic Bongo's* new slate of late prime drama and comedy series that were introduced in the year. *Slay Queen* (45% share), *Karma* (35% share), *Pazia* (32% share) and *Nyavu* (21% share) all had an instant positive impact across DStv packages in Tanzania. This slate is emblematic of our continued commitment to ensuring we entertain audiences with authentic stories that resonate with viewers' lives and interests.

In Uganda, we launched *Pearl Magic Prime*, a new channel for our DStv Premium, Compact Plus and Compact audiences. The channel launched to positive audience feedback as its pair of telenovelas, *Sanyu* and *Prestige*, quickly gained a following and drove viewership. These *Pearl Magic Prime* shows will later window down to *Pearl Magic* – which will create a pipeline to the lower-tier channel.

Additionally, the East African cluster experienced further growth with the launch of dedicated local content channels *Akwaaba Magic* in Ghana and *Abol TV* in Ethiopia.

Various events were held in the respective countries to usher in a new dawn of great local entertainment. The channel launches received media coverage and engagement on social media. We are confident that these channels will soon be top performers in their respective markets.

Southern African channels

The powerful duo of telenovelas, *Zuba* and *Mpali*, continued to drive Zambezi Magic over the past year. These telenovelas ensured that the channel continued to be the top-performing channel in Zambia. The introduction of a new drama, *Makofi*, and the second season of *Ubuntu*, helped increase viewership on *Zambezi Magic*.

On our DStv Access and DTT packages, *OneZed* continued to feature our great selection of library content that resonated well with audiences. The addition of the first season of *Mpali* on *OneZed* entrenched viewing, boosted performance and lifted the channel to become the top performer in this segment.

Content continued

SuperSport

Notwithstanding the immense challenges of the year under review, SuperSport celebrated many amazing wins over the past 12 months. Perhaps the greatest of these was the SuperSport's production teams' ability to continue producing outstanding content during the pandemic, aided by SuperSport instituting strict protocols that employees embraced.

By operating in bubbles and often being away for long periods, employees embodied SuperSport's can-do spirit.

Given the absence of live sport for several months, SuperSport created the on-air Relive campaign. The energy and creativity behind this ensured it was a success and piqued interest in documentary content.

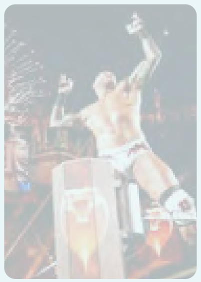
In a seismic shift, SuperSport launched thematic channels to much acclaim last September, ensuring improved content discovery and a better user experience. This drove a 24% increase in the average time spent watching sport.

SuperSport maintained its compelling offering with acquisitions that include the EPL, the UEFA Champions League, the FIFA World Cup, WTA Tour and the *ESPN* channels, together with a growing commitment to women's sport. It also extended its local sporting footprint through the acquisition of broadcast rights to the Ethiopian Premier League and kicked off an exciting new sponsorship agreement with the PSL in South Africa, with the league now branded as the DStv Premiership.

SuperSport's new app hit the market and reflected a brand in tune with modern trends, its intuitive, customisable interface is packed with features. It boasted over 1.4m downloads and 730 000 average monthly users at year-end.

Storytelling was also given prominence, chiefly with the production and broadcast of *Chasing the Sun*, a sweeping documentary about the Springboks' Rugby World Cup triumph that set new standards for excellence.

However, against this successful backdrop, SuperSport mourned the passing of much-loved rugby presenter and commentator, Kaunda Ntunja, whose death from illness shook South Africa.



South Africa operations

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

Our contributions to South Africa

3 683 full-time employees (FY20: 3 521)

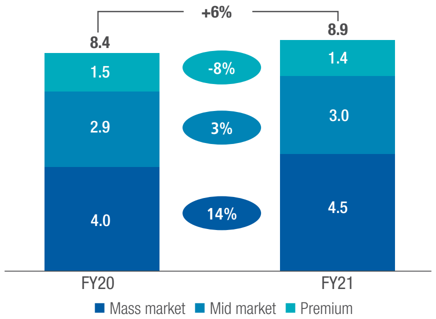
ZAR7.2bn total tax contribution (FY20: ZAR7.4bn), with ZAR3.4bn paid and ZAR3.8bn collected

ZAR420m spent on CSI initiatives[1] (FY20: ZAR211m)

ZAR11.5bn contribution to preferential procurement (FY20: ZAR10.4bn)

[1] Includes non-cash advertising contributions of ZAR260m in FY21 (FY20: ZAR79m).

90-day active subscribers (m)



Our operating performance

In FY21, the South Africa segment accounted for 64.3% (FY20: 66.5%) of group revenues and 42.8% (FY20: 43.2%) of our group 90-day active subscriber base at year-end.

8.9m

90-day active subscribers

The South Africa segment demonstrated a resilient performance, despite having to contend with heightened consumer pressure, content production and live event disruptions in 1H FY21, and the devastating impact of the COVID-19 lockdowns on the hospitality industry. Notwithstanding these challenges, we were able to grow our 90-day active subscriber base by 0.5m subscribers and recorded the second highest growth in new subscribers in history. This is testament to the ongoing attractiveness of our products, especially as consumers spend more time at home.

14%

Growth in mass market segment

Our mass market segment in particular sustained strong growth of 14% YoY despite an average 4.2% price increase at the beginning of the year. We remain excited about the mass market opportunity and regard our Access base as a springboard for future revenue growth and ARPU uplift as income levels of consumers improve over time. We are already seeing some of this materialise through upgrades within the mass segment, driven by intentional campaigns and upgrade strategies.

Our mid market segment increased by 3% YoY, with growth invigorated by our decision to keep DStv Compact prices flat this year, given the heightened level of indebtedness and consumer pressure that we witnessed. In addition, our sponsorship of the PSL Premiership, renamed the DStv Premiership, is having a positive impact on driving awareness of our DStv brand.

The Premium segment was impacted by a combination of factors including affordability, disruptions to our general entertainment line-up and a lack of live sport, ultimately impacting revenue generation negatively. While there is still a healthy base of Premium subscribers, we are seeing a gradual shift in revenue contribution, as the mid market and mass market segments continue growing and becoming more prominent in our revenue mix. Nevertheless, we still see potential for the mid market segment to upgrade to Premium tiers as economic circumstances improve in time. We have focused upgrade strategies such as open periods and preview episodes to help customers discover shows that they might enjoy on higher packages.

ZAR277

ARPU

The ongoing shift in subscriber mix, combined with the impact of content line-up disruptions including limited live sport and the inability of our commercial subscribers to trade, resulted in ARPU declining by 4% from ZAR290 to ZAR277.

The introduction of several new products and services this year such as DStv Rewards, ADD Movies and DStv Communities, as well as the introduction of 12 and 24-month subscriptions, are important tools to improve retention and ARPU.

293

Active days

A substantial portion of our market has sporadic income and is not continuously active. Therefore, we have a large base of dormant customers who own a decoder but are not always active. In this context, activating and retaining dormant customers is critical to our success.

Active days, a measure of the proportion of the year that our customers are actively connected to our services, finished on 293 days. This was nine days higher than the prior year and, although the lockdowns had some positive impact, this was a significant achievement considering the challenges faced this year.

The COVID-19 pandemic had a negative impact on advertising spend across all mediums. TV spend in South Africa declined by around 18%. DStv Media Sales managed to grow market share over this period due to various initiatives, including flexible pricing, active trade marketing and the development of new products. DStv Media Sales also worked on a business transformation project involving training for its employees around launching the business into the digital future.

70%

Customer interaction on self-service channels

We continue driving operational efficiencies and digital agility, with COVID-19 accelerating the pace of digital adoption in the business. We strive to create digital customer experiences supported by clear design principles of Easy to Join, Great to Stay and Watch your Way. Our customer ecosystem is now fully digitalised such that a customer can join, watch, pay, get help and be rewarded entirely online. In digital customer service, our efforts continue yielding results. Our WhatsApp, web and DStv app self-service platforms continue delivering a strong uptake with user growth of 77% overall. Digital payments more than doubled, and our self-service channels overall account for 70% of all customer interactions, reducing the need for in-person contact. In addition, our call centre is now fully operational offsite, with employees working from home while improving customer satisfaction levels.

Rest of Africa operations

We operate in 49 markets across Africa. **We aim to entertain and inspire with our growing slate of local language content** and this year we added dedicated local content channels in two new markets to bring the group total to 10. We also supported local football across the continent, including our partnership with the Ethiopian Premier League this year.

Our contributions to Rest of Africa

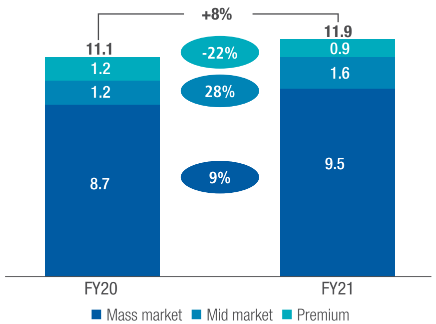
2 342 full-time employees (FY20: 2 460)

ZAR3.3bn total tax contribution (FY20: ZAR3.8bn), with ZAR1.2bn paid and ZAR2.1bn collected

ZAR26m spent on CSI initiatives[(1)] (FY20: ZAR34m)

(1) Includes non-cash advertising contributions of ZAR11m in FY21 (FY20: ZARnil).

90-day active subscribers (m)



Our operating performance

In FY21, the Rest of Africa segment accounted for 32.3% (FY20: 30.1%) of group revenue, by generating reported and organic revenue growth of 11% and 14% respectively YoY. The segment ended the year with 11.9m (FY20: 11.1m) 90-day active subscribers, up 8% YoY (FY20: 4%). The Rest of Africa accounted for 57.2% (FY19: 56.8%) of our group 90-day active subscriber base at year-end.

11.9m

90-day active subscribers

Macro-economic conditions across sub-Saharan Africa generally remained challenging this year, with numerous country-specific factors impacting our major markets. COVID-19 negatively affected most countries' GDP, while country reserves and currency markets faltered. In certain markets, we saw governments pursue additional revenue streams by raising existing taxes (e.g. increasing VAT rates) or introducing additional taxes which negatively affected disposable income.

COVID-19 affected our business in many ways during the year, with varying levels of lockdown imposed by governments. This impacted our ability to come to work, keep our branches open, sell and take payments through our dealer and direct sales force networks, and serve our customers from our call centres. Despite increased demand for our products from home-bound families, these lockdowns also caused economic hardships which resulted in increased disconnections at the start of the year, and a lack of live sport led to some customers downgrading their subscription packages.

However, we were able to respond to these effects by enabling working from home and employee rotation for the majority of our employees. It was critical for us to continue serving our customers and we enabled our inbound and outbound call centre employees to work from home through our technical solutions. We focused heavily on growing our digital assets, to use them as service channels and, as a payment method. We also managed to restore our sales channels and, as a result of strong execution, we added 0.8m 90-day active subscribers during FY21 and delivered our strongest festive season growth ever.

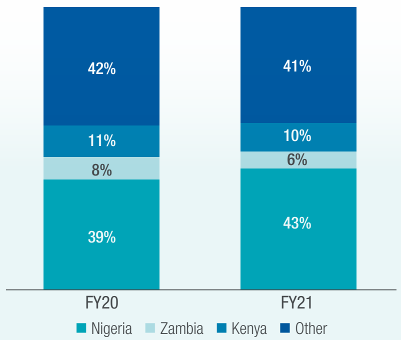
ZAR115

ARPU

We experienced significant pressure on ARPU at the start of the year due to package downgrades and currency depreciation. We managed to counteract this through a combination of customer value management campaigns which allowed us to keep subscribers on our base and increase their YoY activity by three active days; implementing inflation-based price increases in most of our markets; and making significant improvements to our payment ecosystem through an increased vendor footprint and reduced vendor, system and customer error rates. Ultimately, ARPU for FY21 increased by 5% to ZAR115 (FY20: ZAR110).

The underlying growth trends per package were somewhat distorted by prior year initiatives to incentivise subscribers to upgrade, with the 23% growth we experienced in our Premium segment last year reverting to normal levels (-22%). We saw significant growth in the mid market and mass market segments of 28% and 9% respectively.

Subscription revenue by country
(% contribution to Rest of Africa subscription revenue)



The Nigerian market experienced even more severe economic pressures this year. Inflation increased for the 19th straight month to 18.17% in March 2021 and the economy was in recession for most of the year. Food inflation hit a nearly 16-year peak at 22.95%, which placed pressure on our subscribers' disposable income. The country also experienced mass protests against police brutality occurring throughout major cities in Nigeria, which affected our ability to operate freely.

By executing our regionalisation strategy, we were able to activate new subscribers at a similar rate to the prior year, despite restrictions on our ability to sell. This led to Nigeria's 90-day active subscriber base growing by 9%. A combination of subscriber growth, the introduction of more tailored packages at the beginning of the year and some price increases later on, resulted in subscription revenue growth of 20% YoY.

We continue **driving our local content strategy**, reducing non-performing international spend and adding local content channels in most of our markets.

Rest of Africa operations continued

The liquidity situation worsened mainly due to the drop in the oil price that accompanied the COVID-19 pandemic. The Central Bank of Nigeria no longer funded the investors and exporters market, which had been the main source of liquidity over the past two years. Despite this, we were able to repatriate US$207m in FY21, compared to US$209m in FY20, with US$156m remaining trapped at year-end. We continue to actively manage our exposure to this market.

Our Porto region continued to experience significant competition, with a new entrant in the Mozambican market impacting subscriber numbers. The Angolan economy continued contracting, with lower oil prices and exports that resulted in ongoing currency depreciation and high inflation. We implemented cumulative price increases of 23% with the necessary regulatory approval. Against this backdrop, our 90-day active subscribers in Angola declined by 5% YoY. Further to this, we were able to renegotiate the majority of our Portuguese content contracts to obtain either price reductions or contract clauses to share in local currency devaluation with suppliers going forward.

Our southern markets partially recovered; Zambia and Zimbabwe are still more than 180 000 90-day active subscribers behind their peaks and we continue steadily rebuilding those bases. This was off the back of good rains over the past year, which led to increased power generation. The Zambian market also experienced significant inflation, currency depreciation and hard currency liquidity shortages during FY21. The general economic collapse and hyperinflationary environment in Zimbabwe remains. However, we were able to win back subscribers on the lower end. Our Zambian and Zimbabwean 90-day active subscriber bases grew by 4% and 52% YoY respectively.

In September 2020, we refocused our Ethiopian business. This included investing in upscaling our teams on the ground, bolstering our call centres, and significantly expanding our distribution footprint. We relaunched our package offering with local currency pricing and new content, including an Amharic local content channel, onboarding 11 local FTAs, as well as acquiring the rights to and producing the Ethiopian Premier League. The Ethiopian 90-day active subscriber base grew by 143% YoY.

Overall, the COVID-19 pandemic affected our DTT base more than DTH, as eroding disposable income significantly affects subscribers with lower incomes. This was especially true in East Africa, which also remains a highly competitive region particularly for DTT, and where our DTT 90-day active subscriber base remained flat for the year. In Kenya, we saw DTH growth of 10% YoY off the back of our price level rebasing in the prior year.

We continue driving our local content strategy by reducing non-performing international spend and adding local content channels in most of our markets. This included new channels in Ethiopia (*Abol TV*), Ghana (*Akwaaba Magic*), Uganda (*Pearl Magic Plus*), Kenya (*Maisha Magic Plus*) and a pan-African lifestyle channel (*Honey*). The return of football was very well received and *Big Brother Naija* drove record engagement as measured by voting through the MyDStv and MyGOtv apps.

During FY21, our CSAT score improved slightly, and we achieved a score of 72% for DStv and 70% for GOtv (FY20: 71% and 70% respectively). Our ability to move our call centre agents to work remotely improved the sustainability and flexibility of our customer service function. We also improved our DStv and GOtv websites and dedicated applications, and successfully rolled them out to almost all our markets.

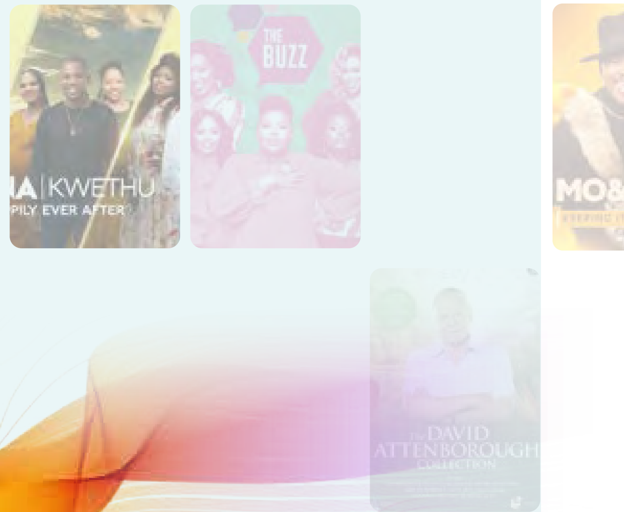
Our monthly digital help interactions more than doubled YoY – digital interactions make up 73% of all interactions in the business.

73%

Digital interactions

We added the ability to make online payments directly through our websites, WhatsApp platform, MyDStv and MyGOtv applications, and our improved USSD service, with revenue collected digitally increasing by 2.6 times YoY. We performed a deep review of all our payment providers across the continent and renegotiated more favourable rates and service levels. This process was one of many undertaken to drive efficiencies in our business and bring the Rest of Africa segment back to profitability. We remain on track to do so in the medium term.

We **relaunched our package offering in Ethiopia** with local currency pricing and new content, including an Amharic local content channel, onboarding 11 local FTAs.



Connected Video operations

Usage metrics (% YoY growth)

Monthly active users[1]

+39%

Play events[2]

+65%

Average viewing time[3]

+14%

[1] Measured as at 31 March YoY, relates to Showmax and DStv streaming.
[2] Measured as the total play events (Showmax and DStv streaming) for FY21 versus FY20.
[3] Measured as the three-month moving average at 31 March YoY, relates to Showmax viewership only.

Our operating performance

Our Connected Video division is responsible for building and operating OTT video services for the group, primarily through our DStv streaming and Showmax products.

DStv streaming is available as a companion product for existing DStv subscribers or as a standalone product for subscribers who want access to the full DStv experience online. Showmax is a paid SVOD service available across 50 markets in Africa. Showmax is offered as a value-added service to DStv Premium subscribers and at a 50% discount to DStv Compact Plus and Compact subscribers. Both connected services are available on a wide variety of platforms, such as smartphones and smart mobile devices, desktop computers and laptops, gaming consoles, smart TVs and the DStv Explora and Explora Ultra decoders.

What sets us apart in the OTT market is our strong content offering that features the best local African content, first and exclusive international series, the best kids' shows, and live sport from SuperSport. Our products are designed for the markets where we operate, featuring customised technology platforms (such as content recommendations, local payment integrations and product features for our markets), local pricing, and strategic integration with local partners such as telcos and banks. We prioritise data privacy as a matter of material concern and monitor our compliance with data privacy legislation such as the General Data Protection (GDPR) legislation and Protection of Personal Information Act (POPIA) in how we handle customer data.

During FY21, our Connected Video services continued to grow across three major metrics, namely monthly active users, play events and average viewing time. We achieved solid growth in subscribers paying for Showmax, benefiting from targeted marketing campaigns, an increased volume of local content with a focus on fresher titles, and first and exclusive releases created for specific geographies. The local content offering continues to be a strategic differentiator for Showmax in the OTT market, and this is reflected in the percentage of local content viewership on the platform, which grew by as much as 16% YoY. Four of the five most viewed titles on the platform were local productions, and 50% of the top 10 titles overall. Local soaps such as *The River, Gomora* and *The Queen* outperformed the international titles on total views by more than double. In FY21, we launched more Showmax originals than in previous years, including our first Kenyan and Nigerian original series. In South Africa, local Showmax originals such as *Real Housewives of Durban, Life with Kelly Khumalo, Lebo M Coming Home, Tali's Baby Diary* and *Dam* were some of the hit shows.

The rollout of Showmax beyond South Africa was a key focus area this past year. The launch into Ghana with relevant local content and local payment delivered promising growth. Ghana joins Nigeria and Kenya as the first Rest of Africa markets to have specific localised versions of the product. The launch of Showmax Pro in July 2020 brought the entire live broadcast of EPL football onto our SVOD service. The MultiChoice Group is one of only a few broadcasters globally offering this service to its customers. Two new payment methods were introduced in Nigeria, and promotional partnerships with major telco MTN and credit card networks Visa and Mastercard were launched. Similarly, the Kenyan market saw promotional partnership launches with telco Telkom Kenya and credit card networks Visa and Mastercard.

Two major focus areas for Connected Video for FY21 included the successful delivery of DStv streaming in South Africa, enabling customers to subscribe for DStv as an online-only service, and the launch of Showmax Pro across Africa. Connected Video was integral to developing and launching the DStv Explora Ultra, available in the South African market, and the yet to be released DStv Streama, both of which allow users to add streaming apps like Showmax, Netflix and Amazon Prime to the devices in addition to DStv.

We also have an ongoing focus on enhancing our OTT platforms. This year we took steps to improve content discovery, reduce buffering time, introduce "data saving" streaming quality and improve download reliability. We will continue to drive further product enhancements into the future.

We continue experimenting with live linear channels on the Showmax platform, including FTA channels and MultiChoice channels in selected markets, and additional features for DStv streaming including Early Access, which grants DStv subscribers access to exclusive content online ahead of its linear broadcast.

With a strategy to offer African viewers an SVOD service differentiated by local programming, quality sport, and a good spread of international content, Showmax and DStv streaming are well positioned to transition the group for the digital future.

What sets us apart in the OTT market is our **strong content offering** that features the best local African content.

Irdeto operations

Our operating performance

Our Irdeto business services the MultiChoice Group's video entertainment subsidiaries and more than 400 external clients. Revenue from the MultiChoice Group accounted for 47% of Irdeto's total revenue in FY21 (FY20: 50%), which is eliminated on consolidation. FY21 was a challenging year, during which our Irdeto team had to navigate various supply chain disruptions from the COVID-19 pandemic and associated lockdowns, and the global silicon chip supply shortage, as well as the impact of more subdued economic activity on their customers' project pipelines. Nonetheless, strong execution saw organic revenues down only 1% YoY.

Irdeto 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.

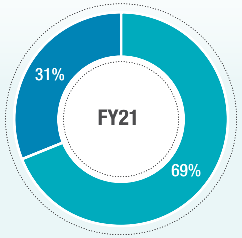
1 537

Illegal operators disconnected

This year, for example, 1 537 illegal rebroadcasting and streaming operators were disconnected, resulting in the elimination of pirated video entertainment services to 0.7m households.

We broadly manage our business across two major segments, namely a media security segment and a connected industries business.

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. The industry is also affected by traditional linear pay-TV operators coming under pressure due to shifting industry dynamics resulting from growing competition from OTT services. However, this provides new business opportunities, either through traditional operators adapting to the circumstances or with new market entrants. This year, we expanded our customer base, including six tier-one customer gains such as United Group, Sony Pictures and DAZN, and further diversified our offering for existing customers. These customer wins were principally in digital rights management, online piracy detection, cyber services and set-top box keys and credentials.

We also operate in the fast growing gaming segment through our subsidiary Denuvo. In the past year, we successfully launched two new product lines; an anti-cheat solution and mobile game protection. Denuvo's Anti-Cheat integration is now available for developers and publishers through Steamworks and PlayStation®5.

24

Awards received globally

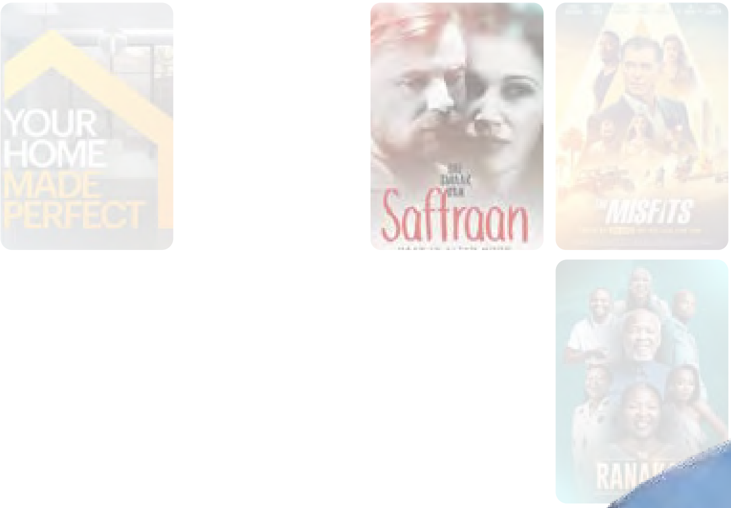
We remain well positioned to maintain and grow our position in the cybersecurity market, given our differentiated offering, established brand name, long-standing market reputation and partnerships, and consistent focus on innovation. Some of our most recent innovations include advanced Wi-Fi router security (Trusted Home) and Android TV app monitoring (App Watch). These products, among others, were recognised through one or more of the 24 awards we received globally over the past year at the Cybersecurity Excellence Awards, Cyber Security Awards, VideoTech Innovation Awards and the NAB 2020 Show.

In our connected industries segment, our focus on diversifying our revenue streams continued yielding positive results. Beijing Hyundai began to roll out our Keystone product to select models in-market and is expanding coverage to its remaining models (including Kia models through Dongfeng Yueda Kia). Incremental to already validated market segments like automotive manufacturing, fleet management and construction equipment leasing, we won our first deal with a leading customer in the connected trains segment, offering intrusion detection capability (Anomaly Detection System) to Selectron for its Threat Detection System. The healthcare segment is looking increasingly promising as a consequence of cybersecurity regulations gradually coming into effect.

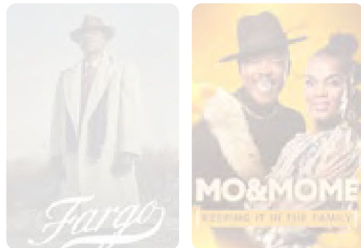
As we exit a year in which demand for video entertainment was buoyed by global lockdowns, we expect to continue driving an increase in the contribution from our new service lines. As we pursue revenue growth, we remain focused on tight cost management which helped us deliver a 31% trading margin in FY21, having normalised from 39% in FY20, which included non-recurring, high-margin project revenues.

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.

CFO's performance review



In a year that required careful navigation of COVID-19 and other macro-economic challenges, **the group delivered pleasing operational results** with an acceleration in the subscriber growth rate to 7%.



32% growth in core headline earnings

10% growth in free cash flow

ZAR12.5bn in available liquidity

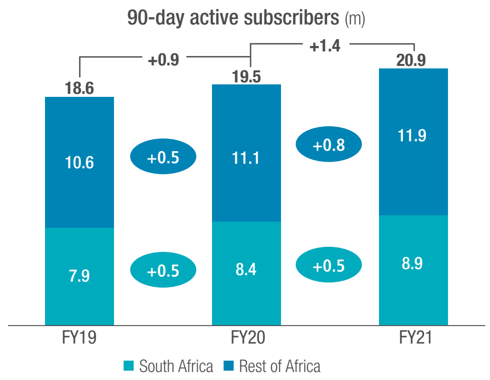
ZAR2.5bn second dividend declared

Tim Jacobs
Chief financial officer

Strong financials were also reported including an increase in core headline earnings per share of 35% and free cash flow of 10%. However, we remain cautious in our outlook given the deferral of costs to FY22 and the uncertain economic landscape that lies ahead.

Operational performance review

Despite challenging market conditions and consumer pressure, the group recorded subscriber growth of 1.4m 90-day active subscribers.



The group delivered subscriber growth of 7% to reach 20.9m subscribers as at 31 March 2021. This rate of growth is somewhat higher compared to the prior year due to:

- Increased consumer demand for video entertainment services
- Easing of electricity shortages in southern Africa
- Continued improvement in content and complementary product offerings

The 90-day active subscriber base comprises 11.9m subscribers (57%) in the Rest of Africa and 8.9m (43%) in South Africa.

CFO's performance review continued

Financial performance review

Our priority remains growing the top line in a challenging macro-economic environment while executing on the group's robust cost optimisation programme. A further ZAR1.5bn in costs was removed in FY21, with positive operating leverage improving versus the prior year. This freed up capital to expand the group's ecosystem by investing in BetKing. Trading margins expanded to 19% from 16% in the prior year.

	FY19 (ZAR'bn)	FY20 (ZAR'bn)	FY21 (ZAR'bn)	Organic growth FY20 (%)	Organic growth FY21 (%)	Ref
Revenue[1]	50.1	51.4	**53.4**	2	**4**	1
Costs	(43.1)	(43.4)	**(43.1)**	(3)	**(3)**	2
Trading profit[1]	7.0	8.0	**10.3**	29	**44**	3
Net interest paid	(0.5)	(0.6)	**(0.7)**			
Taxation	(3.8)	(3.4)	**(4.8)**			4
Non-controlling interests[2]	(1.0)	(1.4)	**(1.9)**			4
Other gains/(losses)	0.1	(0.1)	**0.4**			5
Core headline earnings	1.8	2.5	**3.3**	38	**32**	6
Core headline earnings per share	410	569	**767**	39	**35**	6
TP margin	14.0%	15.6%	**19.3%**			3
Effective tax rate[2]	75%	65%	**54%**			4

[1] FY21 includes R72m gains related to fair value movements on Nigeria futures contracts.
[2] FY19 excludes the impact of the once-off empowerment transaction.

1 Top-line growth increased to 4% from 2% in the prior year. This increase was driven by strong subscriber growth across the continent and annual price increases, despite headwinds in the advertising and commercial subscriber business due to COVID-19. The Technology segment, Irdeto, increased revenues by 5%, a good performance given the impact of US$8m in once-off revenues earned in the prior year.

2 A strong focus on cost containment allowed for a further ZAR1.5bn to be eliminated from the base during the year. Overall costs reduced 3% YoY on an organic basis, in line with the prior year reduction, and resulted in an improvement in operating leverage.

3 Trading margins expanded from 14% to 19% between FY19 and FY21, with stable margins in South Africa and reduced losses in the Rest of Africa being the main contributors. Organic trading profit growth of 44% represented an acceleration from the prior year, but was assisted by ZAR1.1bn in costs which were deferred to FY22.

4 The group's effective tax rate continues to reduce as losses in the Rest of Africa decrease. This is due to these losses negatively impacting profit before tax and distorting calculations (there are withholding and other taxes paid in the Rest of Africa notwithstanding that the segment is loss making). Non-controlling interests increased in FY21 due to higher profits in South Africa and reduced losses in Nigeria.

5 Other gains/(losses) increased in FY21 due to higher realised foreign exchange gains being recorded in the year.

6 Strong trading performance drove core headline earnings per share up 35% versus the prior year.

Cash generation review

The group delivered growth in free cash flow of 10%, which was mostly reinvested into the group, used to pay MultiChoice Group and Phuthuma Nathi dividends and used to fund the initial investment in BetKing.

	FY19 (ZAR'bn)	FY20 (ZAR'bn)	FY21 (ZAR'bn)	FY20 growth (%)	FY21 growth (%)	Ref
Trading profit	7.0	8.0	**10.3**			
Non-cash adjustments	4.2	4.6	**4.2**			1
Working capital investment	(1.7)	(0.5)	**(0.6)**			2
Cash from operations	9.5	12.1	**13.9**	28	**15**	
Capex	(1.0)	(0.8)	**(1.6)**			3
Lease repayments	(1.5)	(2.1)	**(2.5)**			3
Taxation paid	(3.7)	(4.0)	**(4.1)**			4
Other operational cash movements	–	–	**–**			
Free cash flow	3.3	5.2	**5.7**	59	**10**	
Add: Net interest received	0.2	0.2	**0.2**			
Less: Phuthuma Nathi and other non-controlling interest dividends	(1.5)	(1.6)	**(1.5)**			5
Less: Dividends paid by holding company	–	–	**(2.4)**			5
Less: Share buy-backs	–	(1.7)	**–**			
Add: Loans raised			**1.4**			6
Less: Investment in associate			**(1.4)**			7
Less: Settlement of share-based compensation awards	–	–	**(0.5)**			8
Less: Other cash movements	(0.2)	(0.1)	**(0.1)**			
Retained free cash flow	1.9	2.1	**1.4**			
Less: Increase in restricted cash	–	(0.5)	**(0.1)**			9
Foreign exchange translation of foreign cash balances	0.7	0.8	**(1.9)**			10
(Decrease)/increase in cash and cash equivalents	2.7	2.4	**(0.6)**			

1 Non-cash adjustments remain in line with prior years and include depreciation, amortisation, net realisable value adjustments on inventory and non-cash hedge accounting movements.

2 Working capital investment increased due to higher sports rights prepayments being made in the current year.

3 Capex of ZAR1.6bn was higher than the prior year, mainly due to investment into a multiyear programme to upgrade the group's customer service, billing and data capabilities. The increase in lease repayments was due to the end of a contractual arrangement where lower satellite lease payments were made in southern Africa for the first 36 months of the lease period, and ended midway through FY20.

4 As one of the largest taxpayers in Africa, the group paid direct cash taxes of ZAR4.1bn, slightly higher than the prior year driven by improved profitability.

5 The maiden MultiChoice Group dividend was paid in FY21 at ZAR2.4bn, and dividends to Phuthuma Nathi were the same as the prior year at ZAR1.5bn.

6 Refer to the working capital loan section below.

7 Refer to the investment in BetKing section below.

8 ZAR0.5bn was utilised in the current year primarily to fund the closure of the MCA 2008 share appreciation right (SAR) scheme, which was no longer meeting its purpose as a long-term incentive scheme in the group.

9 Restricted cash relates to initial margin deposits on Nigerian futures which are used to hedge naira currency depreciation. This balance has increased due to higher revenues being earned in Nigeria YoY.

10 The translation of foreign cash reserves, mainly held in US dollar, has decreased the cash balance in the current year compared to prior financial years, due to the appreciation of the South African rand against the US dollar.

CFO's performance review continued

Financial position review

We continue focusing on managing the balance sheet and improving cash generation through a disciplined capital allocation approach.

	FY19 (ZAR'bn)	FY20 (ZAR'bn)	FY21 (ZAR'bn)	FY20 growth (%)	FY21 growth (%)	Ref
Non-current assets	23.7	25.4	**23.4**	7	**(8)**	1
Current assets	17.3	20.8	**18.9**	20	**(9)**	2
Total assets	41.0	46.3	**42.3**	13	**(8)**	
Non-current liabilities	15.2	18.2	**14.3**	20	**(22)**	3
Current liabilities	16.0	18.3	**18.6**	14	**2**	4
Total liabilities	31.2	36.5	**32.8**	17	**(10)**	
Equity	9.8	9.8	**9.5**	–	**(3)**	
Key ratios						
Liquidity	1.08	1.14	**1.02**			
Leverage (including leases)	0.88	0.85	**0.54**			5
Return of capital employed	29.5%	30.3%	**39.8%**			6
Interest cover (times)	33.7	34.2	**25.4**			7

1. Non-current assets decreased from the prior year primarily due to the impact of foreign currency translation on property, plant and equipment due to the South African rand appreciating against the US dollar from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21. The group recognised no deferred tax assets on unutilised tax losses. Non-current assets also include the investment in BetKing disclosed later in this report.

2. Current assets decreased due to lower cash balances and the current portion of a less favourable derivative mark-to-market position against the stronger South African rand.

3. The decrease in non-current liabilities is primarily due to repayments of finance leases and the impact of foreign currency translation on leases due to the South African rand appreciating against the US dollar from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21. Non-current liabilities also include the working capital loan raised in FY21 disclosed later in this report.

4. The increase in current liabilities is primarily due to a higher derivative liability position due to the South African rand appreciating against the US dollar in FY21, as well as an increase in provisions. Taxation liabilities, lease liabilities and programme and film rights decreased primarily due to the South African rand appreciation against the US dollar and a reduction in uncertain tax positions in the Rest of Africa.

5. Measured as net debt (lease liabilities plus working capital loan less cash) divided by earnings before interest, taxation, depreciation and amortisation (EBITDA). The group retains a low level of gearing, which provides financial headroom to navigate both challenges (COVID-19 and other macro-economic factors) and opportunities into the future.

6. Measured as trading profit divided by average total assets less average current liabilities. Return on capital employed improved to 40% in FY21, driven by increased profitability and the benefit of a reduced US dollar-denominated asset base due to the strong South African rand and dividend payments.

7. Measured as EBITDA divided by net interest paid (interest paid less interest received).

Investment in BetKing

As part of the group's strategy to expand its entertainment ecosystem, it finalised an investment for an initial 20% shareholding in BetKing, a sports betting group with pan-African ambitions. The transaction was structured with an upfront investment of US$81m (ZAR1.4bn) paid in cash and the potential for further payments of up to US$31m (ZAR0.5bn) should certain earn-out targets be met between December 2021 and December 2023, or the valuation paid being supported by future equity transactions. As the group exercises significant influence through its shareholding and board representation, the business was equity accounted as an associate from 1 October 2020.

Post-year-end, we announced our intention to increase our shareholding in BetKing from 20% to 49%, subject to conditions precedent. We will make an additional investment of US$282m to secure the stake and fund this investment, along with the accelerated earn-out payment, with R4bn in rand-denominated debt.

Share transactions

To preserve cash reserves, the group transferred 4.3m (with a value of ZAR0.4bn on the date of transfer) of the 10.1m treasury shares repurchased in the prior year, to fund awards for the current year under the group restricted stock unit share plan.

Share schemes

The group realigned its long-term incentive plan structures in the current year through three initiatives. Firstly, a new phantom share scheme was created for Irdeto. Irdeto competes globally to attract and retain top software engineering talent and it was deemed more appropriate for Irdeto's long-term incentive plan to be linked directly to the group's performance. Secondly, the MCA 2008 SAR scheme was closed as it no longer aligned to the group's long-term strategy. Lastly, to fully align management incentives to shareholder expectations, all future executive share allocations will now be 100% linked to performance conditions and a new phantom performance share scheme based on the returns generated from strategic investments was created.

Working capital loan

To improve the group cost of capital and reinforce the statement of financial position, an amortising working capital loan of ZAR1.5bn was concluded in November 2020. The loan has a three-year term and bears interest at three-month Johannesburg Interbank Average Rate plus 1.70%. Based on the current low interest rate cycle, the group decided to conclude an interest rate swap in February 2021 at an all-in fixed rate of 5.75% for the remainder of the loan term.

Dividend number 2

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

Financial outlook

We are cognisant of ongoing consumer pressure in what remains an uncertain COVID-19 environment, continued macro-economic volatility in our markets and the need to absorb deferred content costs in FY22. We will look to counter these headwinds through growing and diversifying revenues, tight cost control and by driving operational excellence. Our strong balance sheet positions us well to withstand these uncertainties and deliver value to our customers and shareholders.

Appreciation

I would like to thank the board for its guidance and the group executive committee for its 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 the MultiChoice Group and finally our customers, without whose support these results would not be possible.

Tim Jacobs
Chief financial officer

Corporate governance

Our board of directors

Mohamed **(Imtiaz) Ahmed Patel**

(57)

Chair and non-executive director
HDipEdu
Appointed 6 December 2018
South African

Imtiaz was previously the CEO of the 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.

Jabulane **Albert (Jabu) Mabuza**

(63)

Lead independent non-executive director
DCom (Honoris Causa)
Appointed 5 July 2019
South African

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 chief executive 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 South Africa's apex business body, Business Unity South Africa until 2018. Outside of South Africa, he served on the boards of Tanzania Breweries Limited and Castle Brewing Company in Kenya, on the Corporate Council on Africa in Washington DC as a board member, and on the World Travel and Tourism Council in England (United Kingdom) as an executive committee member; he was chair of the Regional Business Council for the World Economic Forum; participated in the B20 G20 Delegation to all the B20/G20 Summits and matters over the years; and was appointed to the Concordia Leadership Council based in New York (United States of America). Jabu held a Doctorate in Commerce (Honoris Causa) from Wits.

Sadly, Jabu passed away on 16 June 2021.

Adv Kgomotso **Ditsebe Moroka**

(67)

Independent non-executive director
BProc and LLB
Appointed 6 December 2018
South African

Kgomotso is a senior counsel of the High Court of South Africa. 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 West and an LLB from Wits.

John **James (Jim) Volkwyn**

(63)

Independent non-executive director
CA(SA)
Appointed 6 December 2018
South African

Jim has been a director of MultiChoice South Africa since March 2007. 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 CA(SA).

After a robust independence review, Jim was recategorised as an independent director.

Our board of directors continued

Louisa **Stephens**

(44)

Independent non-executive director
BBusSc (Finance), CA(SA) and CD(SA)
Appointed 6 December 2018
South African

Louisa is the founder of Prime Select Holdings. She serves as a director of Royal Bafokeng Platinum Proprietary Limited, Tongaat Hulett 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 CD(SA).

Elias **Masilela**

(57)

Independent non-executive director
BSocSci (Economics and Statistics) and MSc (Economic Policy and Analysis)
Appointed 6 December 2018
South African

Elias previously served as the CEO of the Public Investment Corporation Limited, 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.

James **Hart du Preez**

(62)

Independent non-executive director
CA(SA), CD(SA)
Appointed 1 April 2021
South African

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 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 also a chartered director (SA) (CD(SA)) of the Institute of Directors in South Africa NPC.

Christine **Mideva Sabwa**

(48)

Independent non-executive director
Certified Public Accountant of Kenya
Appointed 14 May 2019
Kenyan

Christine has a strong background in accounting and her experience spans numerous industries, including financial services, telecommunications (digital finance) and insurance. Over the past 21 years, she 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 was one of the first Kenyans to be expatriated to Standard Bank South Africa where she served as 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 in Kenya.

Our board of directors continued

Francis Lehlohonolo Napo (Nolo) Letele

(72)

Non-executive director
BSc (Hons) (Electronic Engineering)
Appointed 6 December 2018
South African

Nolo is a chartered engineer with a Bachelor of Science in Electronics (Honours) and an MIEE United Kingdom. He received several awards in his tenure at the MultiChoice Group as group chief executive and subsequently as executive chair, notably the Lifetime Africa Achievement Prize for Media Development in Africa, the prestigious Naspers Phil Weber Award, and the Black Business Executive Circle Chairman's Award. He has also been cited for several achievements by the media in South Africa. Nolo sits on the MultiChoice Group and Naspers boards as well as on the Specialised Insurance Company (Lesotho) board.

Dr Fatai Adegboyega Sanusi

(59)

Independent non-executive director
MBBS, FRCOG
Appointed 5 July 2019
British Nigerian

Fatai is a senior consultant in the United Kingdom National Health Service, serving in this position for 19 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 and future planning. 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

(45)

CEO
BSc Eng (Electrical)
Appointed 6 December 2018
South African

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 ICT Policy Review Panel. He also served as a commissioner to the Presidential Commission on 4IR. 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, and a Postgraduate Diploma in Economics for Competition Law from King's College, London.

Timothy Neil (Tim) Jacobs

(52)

CFO
HDipAcc and CA(SA)
Appointed 6 December 2018
South African

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 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:

- **Ethical culture** page 89
- **Good performance** page 91
- **Legitimacy** page 92
- **Effective control** page 93

A thorough and comprehensive review was conducted relating to each principle and underlying recommended practice under King IV. In terms of the JSE Listings Requirements, the MultiChoice Group is required to report against the application of the King IV principles. In line with the overriding principle in King IV of "apply and explain", the board, to the best of its knowledge, believes the group satisfactorily applied King IV, with all the principles being applied and all of the recommended practices which are considered appropriate by the board having been adopted.

The group continues developing its governance policies, practices and procedures in line with an integrated governance, risk and compliance framework. The board is satisfied every effort was made in the year under review to apply all material aspects of King IV, where appropriate and relevant. The group continues entrenching and enhancing its understanding and application of the practices and principles of King IV.

For a more detailed review, see the King IV application report on our website
www.investors.multichoice.com/integrated-annual-reports.

Our approach to governance continued

Board

The MultiChoice Group has a unitary board, which provides oversight and control. The board charter sets out the division of responsibilities, providing for delegation of authority and enabling the board to retain effective control. The board delegates authority to established board committees and to the CEO, with clearly defined mandates. The majority of board members are non-executive directors and independent of management.

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

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 are 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.

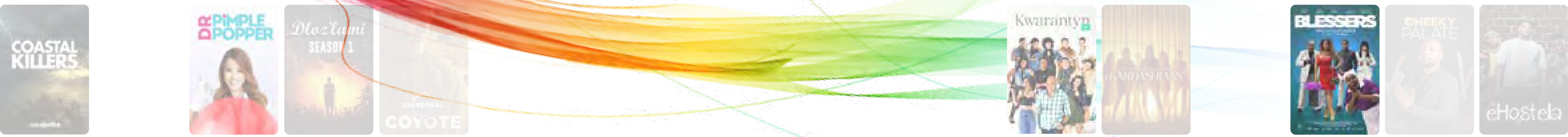
For our board's detailed profiles, see page 83.

Board meeting attendance and appointment details

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

[1] James was appointed post-year-end and did not attend any board meetings in the reporting period.
[2] Don retired with effect from 11 June 2020 and only attended two board meetings during the reporting period.

Director changes	
Jabu Mabuza	Elected as lead independent director effective 3 April 2020. Sadly, Jabu passed away on 16 June 2021
Don Eriksson	Retired with effect from 11 June 2020
Steve Pacak	Retired as a director with effect from 1 April 2021
James du Preez	Appointed as an independent non-executive director with effect from 1 April 2021
Jim Volkwyn	Elected as lead independent director effective 1 July 2021



Our approach to governance continued

Board composition and succession planning

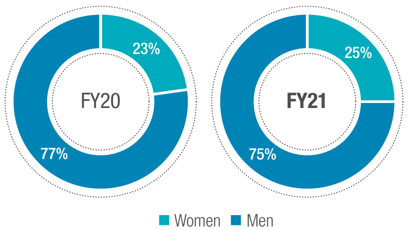
The group recognises that a balanced board supports value creation. The board, supported by the nomination committee, determines its size and composition subject to the group's MOI, applicable legislation and regulatory requirements, and King IV. Shareholders elect directors at the AGM. Non-executive 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 12 directors – two executive directors (CEO and CFO) and 10 non-executive directors, seven of whom were 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 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.

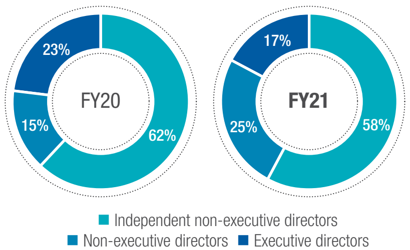
No director has served as a director of the MultiChoice Group for longer than nine years. No director has unfettered powers of decision-making.

Board demographics

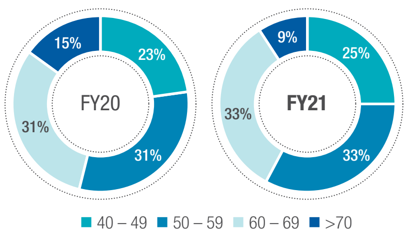
Board gender diversity



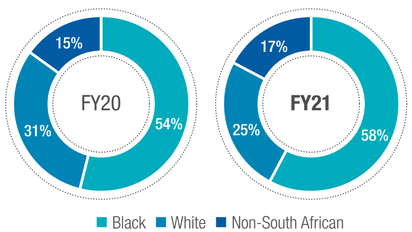
Independence



Age



Board racial diversity



None of the directors, other than the executive directors, have a fixed term of appointment and 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 annually reviews the board's composition (including board member rotation) in accordance with the board charter and its diversity policy. The nomination committee makes recommendations to the board. The board and committee compositions are considered holistically, considering all aspects of diversity (including gender and race) in terms of its diversity policy, and capitalising on differences in the skills, geographical and industry experience of its members. 80% of the board committee chairs are women and the majority of chairs, including the board chair, are considered diversity candidates. This demonstrates the board's ongoing efforts to promote diversity.

The nomination committee assists the board in identifying and selecting directors. However, recommendations are subject to the board's final approval. When considering candidates, the nomination committee and board will consider, among others, 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.

Gender diversity is also a focus area for our employee group as a whole. Read more about our initiatives in this regard on page 24.

Performance and future focus

The board's focus during FY21 was on the group's short and long-term strategy. The board is satisfied it fulfilled its responsibilities in accordance with its charter for the year under review.

Looking ahead, the board will focus on:

- Continuing to provide strategic direction
- 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

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 **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.

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 whistleblower policy. 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, 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 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 board's social and ethics committee for regular review of the code and an ethics communication plan.

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.**

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.

Entrenching an ethical culture continued

This year, 7 472 participants (99% of the identified participants) completed the module.

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 the whistleblower/s 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.

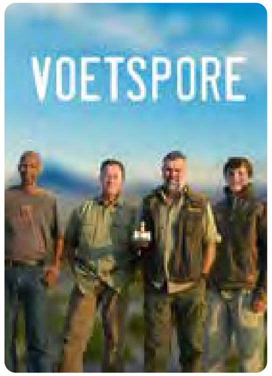
Ethics training is included in onboarding new employees, who are also introduced to the principles of the code and related policies, and relevant case studies are discussed. Ethics-related e-learning modules on the code and the whistleblower policy are part of the MultiChoice Academy platform, which 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. This year, 7 369 participants (97% of identified participants) completed the module. The competition e-learning module was also rolled out to a defined employee target group.

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

Communication messages from the group CEO also introduced the code and related ethics handbook to all employees.

An internal group ethics assessment was rolled out to employees 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 questions in the ethics assessment cover the areas highlighted in the group's code of ethics and conduct policy. The outcome of the assessment will assist in setting ethics priorities for the next two to three years. Internal audit also conducts an annual independent assessment 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 Mervyn King,** among others, on topics of governance, data privacy and financial crime.



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
- Reviewing our whistleblowing and internal speak-up mechanisms
- Approval and implementation of a revised code and an ethics handbook
- Ethics and conflict of interest-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
- Enhancing anti-bribery and anti-corruption awareness and improving controls

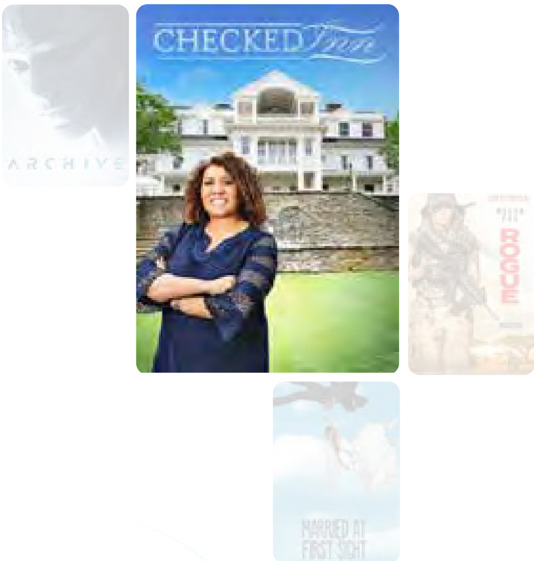
Delivering good performance

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.

Directors are required to attend **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.



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 2021, we **evaluated the board committees' performance** against their charters. All committees were found to have materially fulfilled their duties.

An online board evaluation concluded in May 2021 looked at individual directors' performance based on an online peer review, the board's performance as a whole, and the chair and CEO's performance. The board evaluation looks at each individual director's input and attributes holistically and includes aspects such as competencies, participation, meeting attendance and constructive deliberation. The evaluation did not identify the need for any significant areas of improvement and the board's performance was considered satisfactory. Going forward, the board will continue focusing on improving and refining its processes.

Maintaining our 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

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 of 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 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.

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.

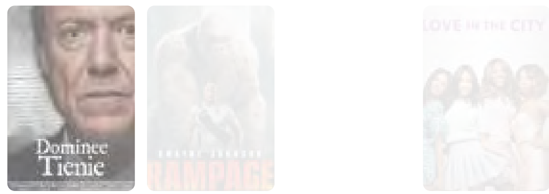
Assurance on the effectiveness of compliance management is received through a combined assurance model.

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:

a. The provisions of the Companies Act and any other applicable laws relating to its incorporation
b. Its 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 culture
- Managing reputational risks
- Conducting risk-based compliance assessments to identify highest risk areas
- Entrenching reporting and monitoring mechanisms to the social and ethics committee
- Developing compliance matrix, roles and responsibilities
- Updating applicable compliance laws, rules and regulations
- Coordinating training and awareness campaigns

Going forward, we will focus on:

- Enhancing the sustainable development policy
- Enhancing our compliance frameworks and controls

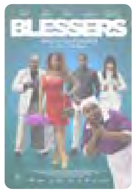
Ensuring effective control

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 annually reviewed 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 predetermined 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.



[1] Imtiaz Patel was recategorised as non-executive with effect from October 2020, when his executive contract ended.

Board chair, lead independent non-executive director and CEO

The board has a non-executive chair, Imtiaz Patel[1]. The board is of the view that appointing a non-executive chair, who is not independent, is appropriate for the MultiChoice Group under the circumstances because the chair has valuable group, industry and regulatory intellectual capital to contribute to the business's future development and progression.

Jabu Mabuza was appointed as the lead independent non-executive director with effect from 3 April 2020. 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 Jabu 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. Sadly, Jabu passed away on 16 June 2021. Jim Volkwyn was elected as the lead independent director with effect from 1 July 2021.

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 annually declare personal interests. Declaration of directors' interests is a standing point 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 investor roadshows periodically. 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

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; 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 (I&T) 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 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 CDSA audited the group's content security management system in February 2021, and both production environments were accredited in terms of this international security standard.

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:

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.

Data governance and privacy

The group adopted a **rigorous data governance approach** supported by the establishment of a data governance forum 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 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 privacy and employee privacy policies across the group set out what 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, and related matters.

In line with the European 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. These play a critical role in addressing risks relating to accessing, sharing and using personal information.

Ensuring effective control continued

The MultiChoice Group recognises the following data subject rights:

- Right of access
- Right of accuracy
- Right to be forgotten
- Right to restriction of processing
- Right to portability
- Right to object
- Right to complain

Great effort was applied to **ensure the quality of employee data is improved**. Similarly, a master data management project was initiated in the customer and product environments to improve the quality of customer data.

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 that include the #PrivacyGuardian campaign that focuses on creating awareness using newsflashes, screensavers and corporate affairs communications. In addition, data protection was the main focus area and a topic at the MultiChoice Group legal compliance conference held in July 2020. Two 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

Data privacy issues

We enable customers to log any data privacy issues via the privacy notice on the MultiChoice.com website. All other domains point to this central privacy notice. Customers can log any queries regarding data privacy using the web form. 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 of the 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.

Performance and future focus

The group highly depends on its I&T systems and processes to effectively and timeously enable and support the implementation of its strategic objectives. During the year, the group undertook a detailed monthly review to identify, evaluate and assess I&T risks in six key I&T areas. The results were presented and discussed at the I&T operational forum (chaired by the chief technology officer). Based on the review, the group developed mitigation plans to address the material risks highlighted.

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 alongside:

Audit committee

Membership and meeting attendance

Louisa Stephens[1] (chair)	4/4
Steve Pacak[1]	0/0
Don Eriksson[2]	1/1
Elias Masilela[3]	4/4
Christine Sabwa	4/4
James du Preez[4]	0/0

100% overall committee attendance rate

[1] Steve Pacak resigned as member and committee chair with effect from 3 April 2020. Louisa Stephens was appointed as committee chair on the same date.
[2] Don Eriksson retired from the committee on 11 June 2020.
[3] Elias Masilela was appointed to the committee on 3 April 2020.
[4] James du Preez was appointed to the committee on 1 April 2021.

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

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 8 of the annual financial statements.

Board committees continued

Nomination committee

Membership and meeting attendance

Adv Kgomotso Moroka (chair)	3/4
Louisa Stephens	4/4
Jim Volkwyn	4/4
Jabu Mabuza[1]	4/4
Imtiaz Patel[2]	1/1

94% overall committee attendance rate

[1] Sadly, Jabu Mabuza passed away in June 2021.
[2] Imtiaz Patel, the board chair, was appointed to the committee with effect from 11 November 2020.

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

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 (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.

Future focus areas

Looking ahead, the committee will continue focusing on the board composition considering skills and diversity needs.

Remuneration committee

Membership and meeting attendance

Jabu Mabuza[1] (chair)	4/4
Adv Kgomotso Moroka[1]	4/4
Steve Pacak[2]	0/0
Jim Volkwyn[1]	4/4
James du Preez[3]	4/4

100% overall committee attendance rate

[1] Adv Kgomotso Moroka SC stepped down as committee chair on 3 April 2020. Jabu Mabuza was appointed as committee chair on the same date. Sadly, Jabu Mabuza passed away in June 2021. Jim Volkwyn was appointed as the remuneration committee chair with effect from 1 July 2021.
[2] Steve Pacak retired as a member of the committee on 3 April 2020.
[3] James du Preez was appointed as a member with effect from 1 July 2021.

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 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

For more detailed information on the group's approach to remuneration, along with our focus areas for FY21 and future focus areas, please refer to the group's remuneration report on pages 99 to 113.

Board committees continued

Risk committee

Membership and meeting attendance

Louisa Stephens[1] (chair)	4/4
Steve Pacak[1]	0/0
Don Eriksson[2]	1/1
Imtiaz Patel	4/4
Calvo Mawela	4/4
Tim Jacobs	4/4
Elias Masilela[3]	4/4
Christine Sabwa	4/4
James du Preez[4]	0/0

100% overall committee attendance rate

[1] Steve Pacak stepped down as committee chair on 3 April 2020. Louisa Stephens was appointed as committee chair on the same date.
[2] Don Eriksson retired from the committee on 11 June 2020.
[3] Elias Masilela was appointed to the committee on 3 April 2020.
[4] James du Preez was appointed to the committee on 1 April 2021.

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 is 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

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.

Social and ethics committee

Membership and meeting attendance

Christine Sabwa[1] (chair)	4/4
Adv Kgomotso Moroka[1]	4/4
Steve Pacak[2]	0/0
Nolo Letele	4/4
Calvo Mawela	4/4
Tim Jacobs	4/4
Dr Fatai Sanusi	4/4

100% overall committee attendance rate

[1] Adv Kgomotso Moroka SC stepped down as committee chair on 3 April 2020. Christine Sabwa was appointed as member and committee chair on the same date.
[2] Steve Pacak retired as a member of the committee on 3 April 2020.

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, Nolo Letele, 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

For more information, refer to our full social and ethics report available online at www.investors.multichoice.com/integrated-annual-reports.

Remuneration report



Letter from the remuneration committee

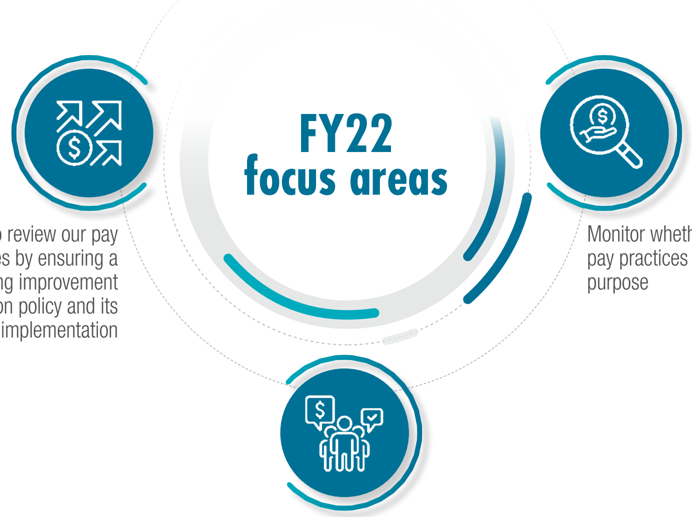
Dear shareholder,

Sadly, Jabu Mabuza passed away on 16 June 2021. As chair of the remuneration committee, he was instrumental in the implementation of key and strategic decisions taken during FY21 as detailed in this report. He also ensured that we as the committee delivered on our required responsibilities to the board and shareholders. This report was approved by Jabu prior to his passing and therefore is presented by all committee members. He will be missed.

Regards

The remuneration committee

Our focus areas for the next financial year



Continue to review our pay practices by ensuring a process of ongoing improvement of our remuneration policy and its implementation

Monitor whether our pay practices remain fit for purpose

Continue to evaluate our remuneration policy through engagements and feedback from our shareholders

Shareholder alignment

We are committed to maintaining a strong relationship with our shareholders, built on trust and a clear understanding of our remuneration policy and the practices we have implemented. Our report details the progress we have made in engaging with you, our shareholders, and steps are taken to incorporate your feedback, where practical to do so.

Strategic objectives

In line with our commitment to fair and responsible remuneration, we continuously review our remuneration policies and practices to ensure they remain fit for purpose and align with our strategic objectives. We are satisfied that our total reward offerings balance shareholder interests with the need to reward and retain key and critical skills.

Independent remuneration adviser

We appointed Bowman Gilfillan as independent adviser to the remuneration committee, and we are satisfied that their advice is objective and independent.

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

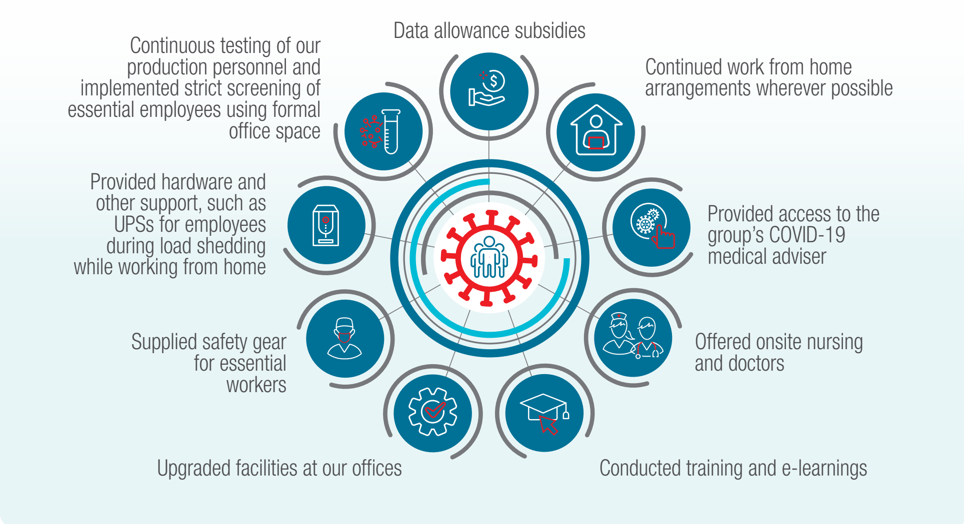
Factors that influenced our remuneration decisions

The video entertainment industry is encountering an unprecedented change in dynamics from competition, technology and changing customer preferences. As a result, we have expanded our video entertainment ecosystem and revenue prospects by offering new products and services and pursuing new growth opportunities organically and through investments.

We have continued to aggressively manage costs during these tough economic times to ensure we maximise value creation and are adequately prepared for future uncertainties. At the same time, we have focused on the ongoing development of all our employees and incorporated new skills for a changing environment. We strive to make a meaningful impact in the communities where we operate.

COVID-19

Our employees are instrumental to our ability to continue delivering high-quality services to our customers. In response to the impact of COVID-19 and the associated lockdowns during the past year, we supported our employees through several initiatives, including the following:



We continue to monitor the impact of COVID-19 on our workforce and remain committed to supporting our employees.

Aligning incentives with our business strategy

The group has started accelerating on the opportunity to leverage our customer base of 20.9m subscribers (100m individuals) as we expand our offering through an array of new services. The future success of this strategy depends on the careful identification of investment opportunities such as the recently concluded investment in BetKing, which has already delivered in line with expectations.

We have reviewed our remuneration approach to align with the changing environment, specifically focusing on executive incentives and linking these to aggressive performance hurdles. This is to ensure we create a fit-for-purpose remuneration strategy for the type of organisation we are building for the future, while improving alignment with shareholders. The following updates were made:

Awards linked to performance measures

Taking into account feedback from our shareholders, we changed the structure of the executive long-term incentive (LTI) awards to be 100% linked to performance targets (75% in FY21 and 50% in FY20). No further restricted share unit (RSU) awards, without company performance measures, will be made to executive committee members going forward. Further detail is provided on page 107.

Short-term incentives (STI) and LTI benchmark review

We reviewed our performance incentive policies against the market and found that both STI and LTI on-target and stretch percentages were below the average of MultiChoice Group's peer group. The STI component was left unchanged and we increased the LTI component as we believe this will ensure alignment to shareholder interests. This was implemented through the change in the annual award, from a multiple approach to a percentage of salary approach, which is a more common remuneration practice. The implementation of this new approach ensured that our blended outcome for both STI and LTI aligns with the market.

Phantom performance share (PPS) plan

Given the importance of successful new investments in driving our future growth strategy, we implemented an LTI plan in the form of a new PPS plan, which is linked to aggressive performance hurdles for new strategic investments.

This plan provides executives with exposure to the growth in shareholder value of the portfolio of strategic investments, such as the recent investment in BetKing, which are intended to have a transformational impact on the nature and value of the group over time. A key feature of the PPS is the particularly stretching performance conditions that were applied, where there is no vesting if portfolio returns are at or below 12.5% per annum (our approximate group cost of capital), and full vesting only occurs at superior returns of 25% per annum (i.e. double our approximate group cost of capital).

Remuneration report continued

The returns are measured on the growth in portfolio value using external valuation inputs where possible. The valuations will be conducted annually and will be 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 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 PPS awards vest over a period of four to five years.

The PPS portion of the LTI will replace the 25% RSUs that previously did not have any performance conditions attached to them. PPS shares will be awarded to executive committee members who qualify to participate in this plan. A maximum of 25% of the annual share allocation can be PPSs with the remainder of the allocation being performance share units (PSUs). This weighting ensures executives are focused on both the new investments as well as the core business.

MultiChoice share appreciation rights (SAR) scheme

We approved the closure of the MultiChoice SAR scheme. The SAR scheme was considered outdated, as it was created in a different context and was no longer meeting the objectives of an LTI scheme for the group. Further detail is provided on page 110.

Irdeto RSU scheme

As disclosed in our FY20 remuneration report, the Irdeto RSU scheme was implemented during FY21, while no new awards will be made under the previous Irdeto SAR scheme. Details of the plan are provided on page 107.

Shareholder voting and engagement

During FY21, we implemented an engagement process with shareholders due to the remuneration policy and implementation report tabled for shareholder vote at the MultiChoice Group AGM in August 2019 not achieving the targeted 75% support level. This process included extensive engagement before the AGM in August 2020, aimed at determining the reasons for the dissenting votes and working with shareholders towards a mutually agreeable outcome. We held discussions with the following investors who expressed specific interest in engaging with us on these matters:

Investor	Type and date of engagement
Public Investment Corporation	Meeting on 5 August 2020
Allan Gray	Meeting on 5 August 2020
Prudential Portfolio Managers	Meeting on 5 August 2020
Schroder Investment Management	Meeting on 19 August 2020
Ninety One	Meeting on 19 August 2020
Sanlam Investment Management	Meeting on 5 August 2020
Stanlib Asset Management	Meeting on 5 August 2020
Old Mutual Investment Group	Meeting on 5 August 2020
Robeco Asset Management	Meeting on 19 August 2020
Aeon Investment Management	Meeting on 19 August 2020

This approach helped to drive a significant improvement in the non-binding vote at the 2020 AGM.

AGM resolutions	**2020 %**	2019 %
Remuneration policy	**65.9**	50.3
Implementation report	**67.6**	44.7

However, we fell short of the 75% approval threshold and initiated a further engagement process that included a dedicated email address for shareholders to provide feedback, suggestions and comments. We will be conducting another round of shareholder engagements ahead of the 2021 AGM to discuss the changes implemented since our previous interactions.

Remuneration report continued

This year, we focused our efforts on several key aspects raised by investors. These are listed below with the steps taken to address the concerns raised.

Topic	Shareholder feedback	Our response
Performance targets and disclosures for LTIs	LTI performance measures are not linked to external benchmarks (they are based on internal budgets).	Our policy does not allow budgets to be changed without approval by the board and we believe the targets to be sufficiently aligned with shareholder value creation. The performance outcomes for the first vesting are disclosed in this report (refer to page 109). Our unique geographic spread of operations, across 50 countries, makes the use of external measures linked to economic metrics like inflation and gross domestic product (GDP) growth challenging. Accordingly, we have continued to use internal measures that we believe are more appropriate at this time especially given that our Rest of Africa business is still returning to profitability.
	It is not possible to determine whether internal budgets are appropriate ahead of time and there is no visibility on specific performance against targets via a retrospective approach to disclosure.	In respect of PSUs, we disclose the performance outcomes against the PSU targets. A PPS plan was introduced to the LTI component of remuneration for executives. The value of the PPS plan is linked to the growth in value of the portfolio of new investments and is measured using external valuation inputs where possible. The minimum vesting performance threshold is an increase in valuation of the portfolio at the estimated cost of capital of 12.5% per annum (zero shares vest at the minimum threshold), and 100% vesting at portfolio returns of 25% per annum, with linear interpolation between these levels.
Performance targets for STIs	Personal objectives to be specifically detailed and preferably disclosed in advance.	Due to sensitivity and confidentiality, we cannot disclose forward-looking STI targets for the group and personal performance. The practice of disclosing such targets in arrears and not in advance is common for companies where such targets convey market-sensitive information.
LTIs include RSUs that are not performance linked	The change in the PSU:RSU split to 75:25 in FY21 from 50:50 in FY20 was a step in the right direction, but the PSU portion should ideally be further increased.	We changed our approach so that 100% of awards are subject to performance conditions for all awards made from 31 March 2021. This is applicable to all executive committee members and not only executive directors.
Discretionary awards	Awards that are 'discretionary' create the impression that they are subjective and can be manipulated or awarded on an ad hoc basis.	The awards are not done on a discretionary basis. The awards are based on specific performance over and above the personal objectives. We have detailed where specific performance objectives were achieved over and above personal objectives, including the rationale for such awards. Refer to page 109.

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 executive committee goals and targets for FY22
- Approved the FY21 executive committee increases, FY20 bonus as well as share awards
- Approved the non-executive director fees
- Approved the salary increases, bonuses and share awards for all employees
- Approved the closure of the MultiChoice SA SAR scheme
- Approved the new Irdeto RSU plan and first allocations
- Approved the new PPS plan and first allocations

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 26 August 2021. 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
- 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 the following year's remuneration report

Remuneration report continued

Part 2: The remuneration policy

This report specifically deals with the group's policy as it applies to the executive directors who are the group's only prescribed officers. To provide a more comprehensive view, policies applicable either to different levels of employee and/or different geographic areas are included where appropriate.

Remuneration philosophy

Our remuneration philosophy is underpinned by the group's strategy 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 in terms of our 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.

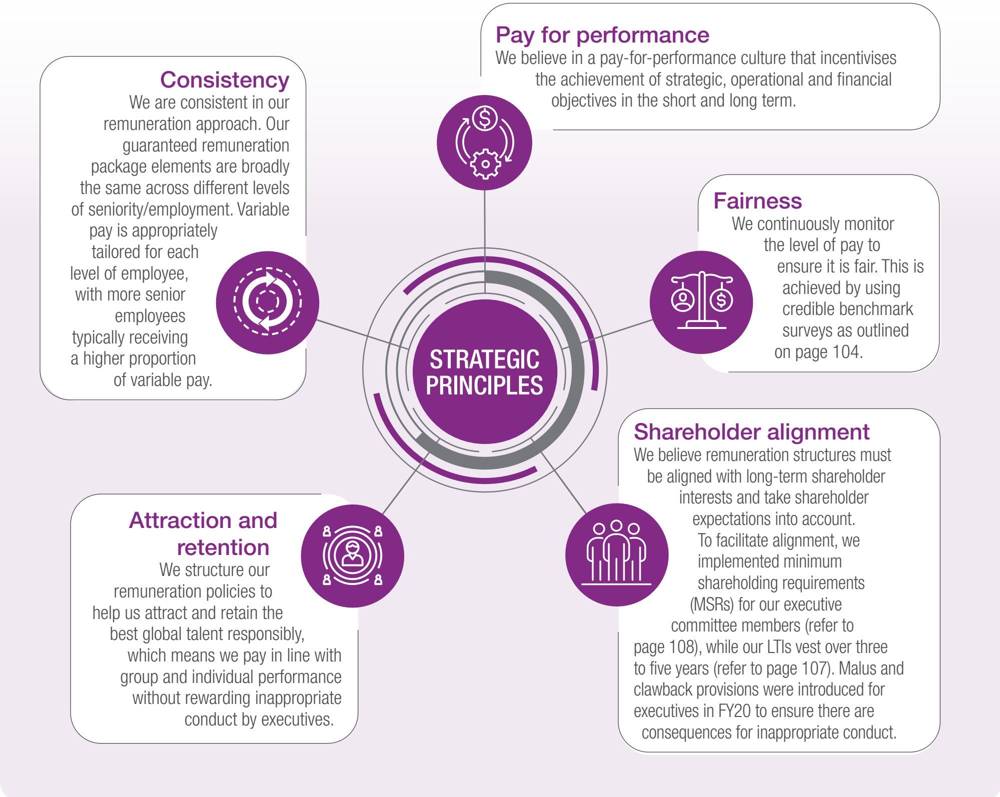
We strive to recruit and retain the best calibre of executive talent to lead the organisation and create value for our stakeholders. Balancing the levels of executive remuneration with the demand to remain competitive in attracting global talent in the video entertainment industry has become challenging. However, our internal talent development practices enable internal leadership promotions to key positions in the business, such as the appointment of the CEO: MultiChoice SA, CEO: General Entertainment and Connected Video and CEO: SuperSport roles.

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. As a starting point, our minimum salary in South Africa is substantially above the minimum wage requirements set by the government and, on average, 7% higher than the median salary in the market for the same role. We are proud of the suite of benefits offered to our employees (detailed on page 104), which we believe is highly competitive in our markets.

Our remuneration structure

Our approach to remuneration focuses on the following strategic principles:



Remuneration report continued

Our remuneration policy and pay decisions are driven by and linked to the following principles:

Element	Description	Performance condition	Eligibility	Strategic principle
Guaranteed pay	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.	Personal performance is the primary driver for pay increases but also factors in salary movements in the local market and local economic indicators such as inflation to ensure increases are fair, sensible and market competitive.	All employees	
Benefits	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	None	All employees	
STI	Annual performance-related incentives to align the remuneration of employees with the annual business performance to drive long-term shareholder value creation.	Group and individual performance targets.	All employees subject to eligibility criteria	
LTI	Share awards to incentivise executives and senior management on the delivery of long-term strategic goals.	Strategic group targets aligned with shareholder expectations.	Executives, senior management and scarce and critical skills	

Benchmarking

We strive to be consistent, offering remuneration structures 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.

Remuneration report continued

Remuneration policy applicable to executive directors

Pay mix

Each element of the total pay mix of executive directors is linked to creating shareholder value over time and to the business performance in a specific year. The ratio of guaranteed versus variable pay differs for each level in the organisation, with the weighting on variable performance-based pay higher at executive and senior levels compared to lower-level employees. The remuneration committee reviews both targets and the on-target values for each element every year, to ensure they remain relevant, competitive, drive the right behaviours and enhance overall shareholder value. The actual pay mix for executive directors is disclosed in the implementation report.

<table>
<tr><th></th><th>Purpose and description</th><th>Calculation</th><th>Performance measures</th><th>On-target and stretch outcomes</th></tr>
<tr><td>TCTC/base salary</td><td>Non-variable remuneration with consideration to specific requirements of the role.</td><td>Market conditions, group performance, internal comparability, individual performance and responsibility are taken into consideration and reviewed annually.</td><td>N/A</td><td>N/A</td></tr>
<tr><td>STI</td><td>Motivate executive directors to achieve short-term strategic, financial and non-financial objectives over a one-year performance period.

Targets are set at MultiChoice Group level and at segment/business unit/country level. The individual performance measures for each executive director are tailored to their roles and responsibilities. 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 discreet objectives for individuals are specific to their business units. We combine these with the group targets to ensure that the overall benefit accrues to the group.</td><td>All executive directors have an on-target bonus percentage which is used to calculate the bonus.

The calculation to determine the performance outcome is detailed below:

TCTC/base salary
x
On-target bonus %
80%
x
Individual performance %
0% to 110%
x
Company performance %
0% to 120%</td><td>For FY22, the company performance measures and weightings are set out below:

<table><tr><th>Performance measure</th><th>Weighting</th></tr><tr><td>Revenue</td><td>25%</td></tr><tr><td>Core headline earnings</td><td>25%</td></tr><tr><td>Free cash flow</td><td>25%</td></tr><tr><td>Subscriber growth*</td><td>25%</td></tr></table>* 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.</td><td>The on-target and maximum STI as a percentage of salary are set out in the table below:

<table><tr><th></th><th colspan="2">FY22</th></tr><tr><th></th><th>STI On-target</th><th>STI stretch</th></tr><tr><td>CEO</td><td>80%</td><td>106%</td></tr><tr><td>CFO</td><td>80%</td><td>106%</td></tr></table></td></tr>
</table>

Remuneration report continued

LTI

Purpose and description

Retain and motivate employees who are key to the delivery of the group's long-term strategy.

A robust governance process is in place to ensure that the LTIs are appropriately awarded and administered.

Calculation

Executive directors participate in the following schemes with 100% of awards being linked to performance targets in line with the vesting rules:

- MultiChoice Group RSU scheme with performance conditions in the form of PSU (PSU: 75% to 100%)
- PPS plan (PPS: max 25%)

Detail on each plan is outlined in the table below on page 107.

Executive director awards are split between the following LTI performance plans:

	PSU	PPS
CEO	**75%**	**25%**
CFO	**75%**	**25%**

Awards are normally granted annually. Dividends are not payable on unvested shares.

Performance measures

PSU

For FY22, the group performance measures and weightings are set out below:

Performance measure	Weighting
Core headline earnings per share (core HEPS)	**25%**
Free cash flow (cumulative)	**50%**
Return on capital employed	**25%**

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.

PPS plan

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.

On-target and stretch outcomes

The annual LTI award percentages are set out in the table below:

	LTI maximum as % of salary
CEO	**215%**
CFO	**185%**

These are determined based on market comparisons as provided by our independent adviser.

Remuneration report continued

The table below sets out the MultiChoice Group LTI schemes:

Current	New	New
MultiChoice RSUs and PSUs	**Irdeto RSUs**	**PPS plan**
Detail of award		
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.	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 or executive committee members.	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.
Value delivered to the participant		
Full value delivered to the participant	Full value delivered to the participant	Full value delivered to the participant
Vesting detail		
• RSUs vest over four years in two equal tranches in years three and four • PSUs vest 100% after three years • Executives' awards are 100% RSUs with performance conditions (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	• Value determined by the valuation of Irdeto business • RSUs vest over four years – awards vest in two equal tranches in years three and four • PSUs vest 100% after three years • Executives' awards are split 25:75 between RSUs and RSUs with performance conditions (PSUs) • Quantum of PSU vesting 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	• PPS units vest over five years in two equal tranches in years four and five • Vested units are settled on exercise by delivery of group 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 • The minimum vesting performance threshold is 12.5% per annum, and 100% vesting at a growth in the portfolio value of 25% per annum, with linear interpolation between these levels • The portfolio performance is calculated at the date of vesting in year four and in year five
Changes made		
For executive committee members, 100% of awards are subject to performance conditions (previously it was 75%)	This is a new scheme	This is a new scheme

Note: The Irdeto SAR scheme was replaced by the Irdeto RSU scheme and no new awards will be made under the Irdeto SAR scheme. Current awards will vest in line with the original rules.

Malus and clawback

We believe inappropriate conduct should not be rewarded. To protect stakeholders against inappropriate conduct by executives, malus and clawback provisions were introduced on all variable pay (STI and LTI) for executives.

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.

Remuneration report continued

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 will be reviewed by the remuneration committee on a case-by-case basis.
Redundancy or termination as a result of a business disposition/change of control or 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 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 the executive committee:

To allow time for the executives to build up a shareholding in the MultiChoice Group as a newly listed company, these MSR requirements are to be met by FY24 for current executives. The timeframe for new executive committee members is five years from the date of appointment.

	MSR as % of salary
CEO	300%
CFO	200%
Executive committee	100%

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 page 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.

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.

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 or not 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. 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 26 August 2021.

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.

Guaranteed pay (TCTC/base salary) adjustments

In determining any increases for executives, we considered personal performance, business performance, market benchmarks and local economic indicators. These contributions are in line with market norms and constitute a modest portion of the individual's total remuneration.

Below we show the guaranteed remuneration of the executive directors for FY22 as approved by the remuneration committee in June 2021.

	CP Mawela[1]		TN Jacobs	
	Base salary (US$'000)	FY22 increase (%)	TCTC (ZAR'000)	FY22 increase (%)
Guaranteed pay	665	2.5	7 788	3.8

[1] Calvo Mawela is paid in US dollar, which is aligned with the MultiChoice Group Dubai-based contracts and considers Dubai's cost of living and typical expatriate benefits for Dubai. This allows Calvo to focus significant time on the Rest of Africa segment and be closer to the management team with more accessible travel into African countries and to international stakeholders.

FY21 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:

FY21	Weight	Threshold (80%)	Target (100%)	Stretch (120%)	Payout (%)
Revenue (ZAR'bn)	25	2% below target	On-target	2% above target	30
Core headline earnings (ZAR'bn)	25	10% below target	On-target	10% above target	30
Free cash flow (ZAR'bn)	25	10% below target	On-target	10% above target	30
Subscriber growth ('000)	25	5% below target	On-target	5% above target	30
Total group outcome					**120**

Individual goals

Based on a combination of group and individual performance (as detailed in the remuneration policy) the resultant STI awards which were approved for the CEO and CFO are detailed below.

	A	B	C	D	E = C x D	F = A x B x E	G	H = (F + G)/A
Executive director/ prescribed officer	FY21 TCTC/ base salary as at 31 March 2021 ('000)	On-target bonus (%)	Group/ financial goals achieved weighted outcome (%)	Personal goals achieved weighted outcome (%)	Total outcome (%)	FY21 bonus ('000)	FY21 Additional bonus ('000)	FY21 bonus as % of TCTC/ base salary
C P Mawela (US$)	649	80	120%	98.0[1]	117.6	610	–	94
T N Jacobs (ZAR)	7 503	80	120%	94.8[2]	113.7	6 824	–	91

[1] Calvo has achieved good outcomes for the business under very difficult COVID-19 conditions – from the safety of our colleagues to galvanising the business into action for increasing local content, renewing rights deals, making strategic investments and overall delivering very positive results.
[2] Tim has been instrumental in ensuring we deliver on our cost-saving targets and delivering on key strategic projects.

FY21 LTI vesting outcomes

In FY21, the outcome of the 2019 PSU awards will vest as detailed in the table below.

FY21	Weight	Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)	Vesting (%)
Core HEPS (ZAR)	25	5% below target	On-target	5% above target	100
Free cash flow (cumulative ZAR'bn)	50	5% below target	On-target	5% above target	100
Return on capital employed (%)	25	5% below target	On-target	5% above target	100
Total group outcome					**100**

Remuneration report continued

Closure of the MultiChoice SAR scheme

As disclosed in prior reports, no new awards have been made under the MultiChoice SAR scheme following the introduction of the MultiChoice RSU scheme in 2019.

During the year, we further considered the appropriateness of the SAR scheme and whether current unvested awards are still fit for purpose for the group. The following key factors were considered:

1. The scheme was implemented in 2008 when the group was a pure pay-TV business. At the time of listing the MultiChoice Group, the board determined that this scheme was no longer fit for purpose and no new allocations were made.
2. The valuation formula was prejudicial to participants – three historic years' performance was used while shareholders benefited from current year performance and the expectation of future performance. This value gap was increasing as the group performed strongly in recent years. This created misalignment between shareholders and participants.
3. The scheme did not take into account strategic long-term value creation for the group for example the value strategy in Rest of Africa, as it was backward looking.
4. The impact of external factors such as currency depreciation and electricity shortages in the Rest of Africa severely impacted the value of the plan. While we recognise that foreign exchange movements impact shareholders as well as participants, 68% of scheme participants are employed in the South African operations. These employees would have received an additional benefit of 49% per SAR based on the South African segment's standalone performance. Rest of Africa has been reducing losses consistently over the past three years despite sharp currency depreciation and other uncontrollable external factors. The SAR price would have shown an 83% increase on the current price if it were not for currency impacts which were beyond the group and participant's control.
5. The scheme did not take any account of new investments and products launched outside of the pure pay-TV business, which were key long-term focus areas for management. As a result, the scheme was misaligned with the group's strategy.
6. Given the factors listed above, there was no alignment of executive LTIs and shareholder value creation under this scheme, and employee morale was negatively affected despite outperformance in recent years.

After considering the above, the committee approved the closure and acceleration of the SAR scheme for all participants, including executive directors, in December 2020 in accordance with the rules of the scheme. The acceleration of the scheme included a 12% premium on the current value to recognise the strong unrewarded operational effort over the past six years and a forecast of the FY21 financial performance.

Remuneration report continued

Executive directors' remuneration

Executive director single figure remuneration

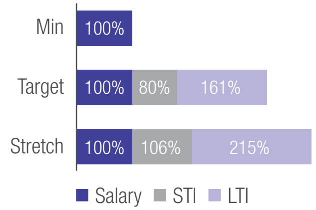
Group CEO: Calvo Mawela

- Calvo's on-target STI is 80% of his salary. The stretch multiplier is 120% for group targets and 110% for individual targets. No STI is paid should group and/or individual threshold targets be missed.
- Calvo's stretch LTI award is 215% of his salary, with PSU on-target performance at 75% and threshold performance at 50% of the stretch award.
- From March 2021 going forward, LTI awards are 100% subject to performance conditions.
- No dividends are paid on share awards.

Element	FY21 (USD'000)	FY20[1] (USD'000)
Base salary	**646**	571
Pension	**78**	67
Benefits[2]	**181**	227
Short and medium-term incentive[3]	**993**	726
LTI – PSU/RSU[4]	**534**	–
LTI – SAR[5]	**197**	–
Total single figure	**2 629**	1 591

[1] Calvo Mawela moved to an MCG Dubai-based contract during FY20. The average exchange rate between USD and ZAR has been applied for comparison purposes.
[2] Benefits exclude pension and include all benefits not included in TCTC/base salary such as medical benefits, fringe benefits, family benefits, travel, long-service and disability benefits.
[3] 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.
[4] The LTI RSU and PSU values reflected are for the June 2019 awards with performance period ending in FY21. Calvo's RSU and PSU awards were converted to USD using the year-end (March 2021) exchange rate.
[5] The LTI value reflects the value of SARs that were exercised in FY21 and converted to USD using the November 2020 exchange rate.

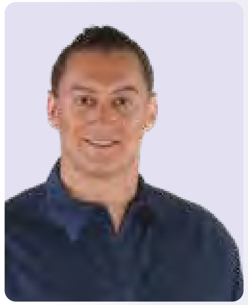
CEO: Pay mix



Name	Share plan	Offer date	Number of shares	Offer price (ZAR)	Release date	Share price as at 31 March 2021 (ZAR)	Value of awards settled during the financial year ending 31 March 2021 (ZAR)	Intrinsic value per award of unvested shares as at 31 March 2021 (ZAR)
Calvo Mawela	MCA 2008 SAR Plan	15 Sep 2015	16 242	113.19	15 Sep 2020	110.00	–	–
		01 Sep 2016	13 958	116.30	01 Sep 2020	110.00	–	–
		01 Sep 2016	13 958	116.30	23 Nov 2020	110.00	–	–
		28 Jun 2017	10 594	94.39	23 Nov 2020	110.00	165 372	–
		28 Jun 2017	10 594	94.39	23 Nov 2020	110.00	165 372	–
		28 Jun 2017	10 595	94.39	23 Nov 2020	110.00	165 388	–
		27 Jun 2018	26 119	77.19	23 Nov 2020	110.00	856 964	–
		27 Jun 2018	26 119	77.19	23 Nov 2020	110.00	856 964	–
		27 Jun 2018	26 119	77.19	23 Nov 2020	110.00	856 964	–
	MultiChoice Group RSU[1]	18 Jun 2019	61 162	–	18 Jun 2021	128.95	–	7 886 840
		18 Jun 2019	61 162	–	18 Jun 2022	128.95	–	7 886 840
		18 Jun 2019	61 162	–	18 Jun 2023	128.95	–	7 886 840
		18 Jun 2019	61 162	–	18 Jun 2024	128.95	–	7 886 840
	MultiChoice Group RSU[2]	10 Jun 2020	51 147	–	10 Jun 2022	128.95	–	5 474 187
		10 Jun 2020	51 147	–	10 Jun 2023	128.95	–	5 474 187
		10 Jun 2020	51 147	–	10 Jun 2024	128.95	–	5 474 187
		10 Jun 2020	51 149	–	10 Jun 2025	128.95	–	5 474 401
	MultiChoice Group RSU[2]	17 Nov 2020	80 820	–	17 Nov 2023	128.95	–	7 764 196
	MultiChoice Group RSU[3]	31 Mar 2021	120 809	–	31 Mar 2024	128.95	–	10 281 692
	Phantom Performance Share Plan 2021[4]	31 Mar 2021	42 767	–	31 Mar 2025	121.42	–	1 869 397
		31 Mar 2021	42 767	–	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.

Remuneration report continued

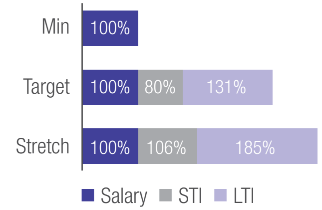


Group CFO: Tim Jacobs

- Tim's on-target STI is 80% of his salary. The stretch multiplier is 120% for group targets and 110% for individual targets. No STI is paid should group and/or individual threshold targets be missed.
- Tim's stretch LTI award is 185% of his salary, with PSU on-target performance at 75% and threshold performance at 50% of the stretch award.
- From March 2021 going forward, LTI awards are 100% subject to performance conditions.
- No dividends are paid on share awards.

Element	FY21 (ZAR'000)	FY20 (ZAR'000)
TCTC	**6 241**	5 128
Pension	**979**	756
Benefits[1]	**72**	319
Short-term incentive[2]	**6 825**	4 017
LTI – PSU/RSU[3]	**2 033**	–
LTI – SAR[4]	**14 877**	–
Total single figure	**31 026**	10 220

CFO: Pay mix



[1] Benefits exclude pension and include all benefits not included in TCTC/base salary such as medical benefits, fringe benefits, family benefits, travel, long-service and disability benefits.
[2] The STI reflects the bonus paid based on the performance of the relevant financial year.
[3] The LTI RSU and PSU values reflected are for the June 2019 awards with the performance period ending in FY21.
[4] The LTI value reflects the value of SARs that were exercised in FY21.

Name	Share plan	Offer date	Number of shares	Offer price (ZAR)	Release date	Share price as at 31 March 2021 (ZAR)	Value of awards settled during the financial year ending 31 March 2021 (ZAR)	Intrinsic value per award of unvested shares as at 31 March 2021 (ZAR)
Tim Jacobs	MCA 2008 SAR Plan	03 Dec 2018	151 142	77.19	23 Nov 2020	110.00	4 958 969	–
		03 Dec 2018	151 142	77.19	23 Nov 2020	110.00	4 958 969	–
		03 Dec 2018	151 143	77.19	23 Nov 2020	110.00	4 959 002	–
	MultiChoice Group RSU[1]	18 Jun 2019	15 768	–	18 Jun 2021	128.95	–	2 033 284
		18 Jun 2019	15 768	–	18 Jun 2022	128.95	–	2 033 284
		18 Jun 2019	15 768	–	18 Jun 2023	128.95	–	2 033 284
		18 Jun 2019	15 769	–	18 Jun 2024	128.95	–	2 033 413
	MultiChoice Group RSU[2]	10 Jun 2020	21 207	–	10 Jun 2022	128.95	–	2 269 753
		10 Jun 2020	21 207	–	10 Jun 2023	128.95	–	2 269 753
		10 Jun 2020	21 207	–	10 Jun 2024	128.95	–	2 269 753
		10 Jun 2020	21 207	–	10 Jun 2025	128.95	–	2 269 753
	MultiChoice Group RSU[2]	17 Nov 2020	59 652	–	17 Nov 2023	128.95	–	5 730 633
	MultiChoice Group RSU[3]	31 Mar 2021	80 732	–	31 Mar 2024	128.95	–	6 870 858
	Phantom Performance Share Plan 2021[4]	31 Mar 2021	28 579	–	31 Mar 2025	121.42	–	1 249 222
		31 Mar 2021	28 580	–	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.

Remuneration report continued

Non-executive directors' fees

The fees paid to non-executive directors by the group are set out below:

2021 Non-executive directors	Directors' remuneration		Directors' fees		Committee and trustees' fees and other fees		Total
	Paid for services to the company	Paid for services to other group companies	Paid for services to the company	Paid for services to other group companies	Paid for services to the company	Paid for services to other group companies	ZAR (unless otherwise stated)
DG Eriksson (resigned 11 June 2020)	–	–	135 000	127 863	83 750	759 465	1 106 078
FLN Letele*	–	3 007 072	678 750	127 863	115 000	137 641	4 066 326
E Masilela	–	–	678 750	127 863	335 000	–	1 141 613
KD Moroka**	1 500 000	–	678 750	127 863	462 500	275 282	3 044 395
SJZ Pacak	–	–	678 750	127 863	–	–	806 613
L Stephens	–	–	678 750	127 863	770 000	328 000	1 904 613
JJ Volkwyn***	3 003 687		–	–	–	–	3 003 687
CM Sabwa	–	–	678 750	–	565 000	–	1 243 750
JA Mabuza	–	–	950 625	127 863	395 000	–	1 473 488
FA Sanusi	–	–	678 750	–	115 000	–	793 750
MI Patel****	–	3 637 938	–	–	–	–	3 637 938

Notes

* *Final payment related to the previous role as MultiChoice SA executive director.*

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

*** *Director remuneration based on agreement whereby Jim Volkwyn provides consultancy services to MultiChoice Group.*

**** *MI Patel changed from MultiChoice Group executive chair to non-executive chair on 1 October 2020. Disclosure includes payment as an executive and, with effect from 1 October, has a service and restraint agreement with the group. Additionally, the disclosure includes the SARs payment received as a result of the closure of the MultiChoice SA SAR scheme. Amount disclosed is in US dollar.*

Termination payments

No termination payments were made to executive and non-executive directors on termination of employment or office in FY21.

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, 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 chair and CEO, is considered immaterial to Jim's wealth. The consultancy services agreement was renewed for 12 months effective April 2021. Jim accordingly 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 for the provision of various strategic and advisory support services to the group effective 1 October 2020, and the agreement is extended to 30 September 2025. Imtiaz accordingly waived any entitlement to director and committee fees paid to non-executive directors.

Compliance

There were no deviations from the remuneration policy in FY21.

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 2021:

MultiChoice Group ordinary shares	Direct	Indirect	Total
MI Patel	1 412	–	1 412
FLN Letele	88 836	–	88 836
JA Mabuza	9 850	–	9 850
SZ Pacak[(1)]	376 635	254 000	630 635
JJ Volkwyn	5 000	–	5 000
TN Jacobs	2 731	–	2 731
Total	**484 464**	**254 000**	**738 464**

[(1)] *37 548 shares of SJZ Pacak's indirect beneficial holding were sold on the market on 7 July 2020.*

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 26 August 2021.

Share register analysis

as at 31 March 2021

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000	48 017	92.40	21 588 176	**4.88**
1 001 – 10 000	3 698	7.12	9 740 149	**2.20**
10 001 – 100 000	104	0.20	4 832 047	**1.09**
100 001 – 1 000 000	101	0.19	35 659 802	**8.06**
Over 1 000 000	49	0.09	370 692 504	**83.77**
Total	**51 969**	**100.00**	**442 512 678**	**100.00**

Shareholders by type	Number of shares	% of issued capital
Domestic institutions	190 357 405	43.02
Foreign institutions	138 166 552	31.22
Corporate stakeholders	53 207 312	12.02
Other institutions	9 974 997	2.25
Private investors	27 515 204	6.22
Domestic brokers	7 154 888	1.62
Employees	15 600 388	3.53
Foreign brokers	535 932	0.12
Total	**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	10	0.01	130 979 218	29.61
Directors and associates (direct and indirect beneficial holdings)	6	0.01	738 464	0.17
Major subsidiary directors (direct and indirect holdings)	0	0.00	–	0.00
Material beneficial holders >10%	2	0.00	114 643 097	25.91
Treasury shares	1	0.00	6 498 213	1.47
Share schemes	1	0.00	9 099 444	2.06
Public shareholders	51 959	99.99	311 533 460	70.39
Total	**51 969**	**100.00**	**442 512 678**	**100.00**

Non-public shareholders	Holdings # of shares	Holdings % holding
Public Investment Corporation (PIC)	61 543 097	13.91
Groupe Canal+	53 100 000	12.00
Material beneficial shareholders (>10%)	114 643 097	25.91
The MultiChoice Group Restricted Share Plan	9 099 444	2.06
MultiChoice Group Treasury Services	6 498 213	1.47
Directors	738 464	0.17
	130 979 218	

Shareholders with >5% interest	Number of shares	% of issued capital
Government Employees Pension Fund	61 543 097	13.91
Groupe Canal+	53 100 000	12.00
Allan Gray	37 584 537	8.49
Prudential Portfolio Managers	34 836 122	7.87

Directors' holdings	Direct	Indirect	Total	%
Steve Pacak	376 635	254 000	630 635	0.1425
Imtiaz Patel	1 412	–	1 412	0.0003
Nolo Letele	88 836	–	88 836	0.0201
Jabu Mabuza	9 850	–	9 850	0.0022
Jim Volkwyn	5 000	–	5 000	0.0011
Tim Jacobs	2 731	–	2 731	0.0006
Calvo Mawela	–	–	–	–
Kgomotso Moroka	–	–	–	–
Elias Masilela	–	–	–	–
Christine Sabwa	–	–	–	–
Fatai Sanusi	–	–	–	–
James Hart Du Preez	–	–	–	–
Louisa Stephens	–	–	–	–
	484 464	**254 000**	**738 464**	**0.167**

Trading data	
Closing price 31 March 2020 (ZAR)	85.77
Closing price 31 March 2021 (ZAR)	128.95
Closing high for period (ZAR)	139.87
Closing low for period (ZAR)	83.08
Number of shares in issue	442 512 678
Volume traded during period	433 977 834
Ratio of volume traded to shares issued (%)	98.07%
Rand value traded during the period (ZAR)	48 278 392 793
Price/earnings ratio as at 31 March 2021	35.92
Earnings yield as at 31 March 2021	2.78%
Dividend yield as at 31 March 2021	3.51%
Market capitalisation at 31 March 2021 (ZAR)	57 062 009 828

Shareholders' diary

GENERAL

Financial year-end	**31 March 2021**
Year-end results announcement on SENS	**10 June 2021**
Shareholders eligible to receive AGM notice	**18 June 2021**
Distribution of annual results booklet enclosing AGM notice	**30 June 2021**
Integrated annual report publication	**29 July 2021**
Last day to trade to be entitled to vote at AGM	**17 August 2021**
Voting record date	**20 August 2021**
Proxy submission deadline for administrative purposes	**24 August 2021**
AGM	**26 August 2021**
Interim results announcement	**12 November 2021**

CASH DIVIDEND

Cash dividend declaration date	**10 June 2021**
Finalisation date (as the dividend is subject to MultiChoice South Africa Holdings Proprietary Limited's dividend being approved by its shareholders)	**26 August 2021**
Last day to trade cum dividend	**7 September 2021**
Ex-dividend date	**8 September 2021**
Record date	**10 September 2021**
Payment date	**13 September 2021**

Glossary

4IR	fourth industrial revolution
AGM	annual general meeting
AI	artificial intelligence
ARPU	average revenue per user
AVOD	advertising video on demand
B2B	business to business
BBBEE	broad-based black economic empowerment
capex	capital expenditure
CDSA	Content Delivery and Security Association
CEO	chief executive officer
CFO	chief financial officer
Companies Act	Companies Act of South Africa No 71 of 2008, as amended
CSAT score	customer satisfaction score
CSI	corporate social investment
DTH	direct to home
DTT	digital terrestrial television
EESE	Equity Express Securities Exchange
EPL	English Premier League
ESG	environmental, social and governance
FTA	free to air
FY20	the financial year from 1 April 2019 to 31 March 2020
FY21	the financial year from 1 April 2020 to 31 March 2021
GDP	Gross domestic product
GDPR	General Data Protection Regulation
ICASA	Independent Communications Authority of South Africa
ICT	information and communications technology
IFRS	International Financial Reporting Standards
IT	information technology
I&T	information and technology
IoT	internet of things
JSE	Johannesburg Stock Exchange
King IV	King Report on Corporate Governance™ for South Africa, 2016
KPI	key performance indicator
LEO	low Earth orbit
LTI	long-term incentive
MOI	memorandum of incorporation
MTF	MultiChoice Talent Factory
MultiChoice South Africa	MultiChoice South Africa Holdings Proprietary Limited and its subsidiaries
MultiChoice Group or the group	MultiChoice Group Limited and its subsidiaries
Naspers/ Naspers Group	Naspers Group Limited
OTT	over the top
Phuthuma Nathi	Phuthuma Nathi Investments (RF) Limited (MultiChoice SA's broad-based black economic empowerment share scheme)
POPIA	Protection of Personal Information Act
PSL	Premier Soccer League
PwC	PricewaterhouseCoopers Inc
SABC	South African Broadcasting Corporation
SARs	Share appreciation rights
SENS	Stock Exchange News Service
SMMEs	small, medium and micro-enterprises
STI	short-term incentive
SVOD	subscription video on demand
telcos	telecommunications companies
TPRM	third-party risk management
TV	television
UI	user interface
US	United States
USSD	unstructured supplementary service data
US$	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
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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.

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