A world of more

MultiChoice
ENRICHING LIVES

INTEGRATED ANNUAL REPORT 2023

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

Navigating this report

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

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

PAGE Read more

WEB Read more online

Leveraging our unique platform and scale to build a broader consumer services ecosystem

About this report

As a **trusted brand** with daily engagement, we understand our **customers' needs**

We are leveraging our platform, scale and distribution to build a broader consumer services ecosystem that is underpinned by technology.

Integrated thinking

Integrated thinking guides how we create and sustain value across multiple capitals. It represents a holistic management process adopted by our board and executive management during strategic decision-making by taking into account how the capitals we use are affected. These include financial capital, technology and platforms, industry expertise, our people, customer, partner and supplier relationships, and corporate citizenship.

What value means to MultiChoice

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

- Producing, licensing, aggregating and distributing content valued by our customers in a way that is convenient, affordable and broadly accessible for them while at the same time generating the requisite return on investment for the group and its shareholders
- Creating the platform of choice for African households by offering our customers new and relevant products and services through scalable technology
- Providing an environment that rewards performance, growth and innovation, and which offers numerous development opportunities and career paths for our people
- Nurturing mutually beneficial relationships with our partners, suppliers and service providers, across business to business (B2B) and direct-to-consumer channels
- Making targeted investments to create value for internal and external stakeholders through outright acquisitions, joint ventures and/or investments
- Contributing meaningfully to the broader industry verticals and communities where we operate, including community upliftment, supporting sustainable initiatives such as Earthshot Prize, talent discovery and development, support for sports codes and creative pursuits, as well as entrepreneurial support and guidance
- Generating sustainable economic value for our shareholders over the long term through our group strategy and capital allocation process.

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.

Scope, boundary and audience

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

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

Basis of preparation

We present our integrated annual report for the financial year from 1 April 2022 to 31 March 2023 (referred to as FY23). Comparative financial information for 1 April 2021 to 31 March 2022 (FY22) is included where relevant.

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

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

About this report continued

Assurance and responsibility

The information in this report has been 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 2023 and is accurately reflected.

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

Our reporting suite

Our 2023 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.

In addition, we endeavour to engage with our stakeholders through regular reports, including our annual environmental, governance and social (ESG) 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 FY23, notice of annual general meeting (AGM) and remuneration report (our annual results booklet)
- King IV application report
- ESG report
- Interim and annual results

Feedback

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

Board responsibility

The board acknowledges its responsibility to ensure the integrity of the integrated annual report. This report was approved by the board on 13 June 2023. The board applied its collective mind and believes that the integrated annual report and financial statements fairly reflect, in its opinion, the true financial position of the group as at 31 March 2023 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
13 June 2023

Louisa Stephens
Audit committee chair
13 June 2023

CEO and CFO responsibility statement

Each of the directors, whose names are stated below, hereby confirm that:

(a) The consolidated annual financial statements fairly present in all material respects, the financial position, financial performance and cash flows of MultiChoice Group Limited in terms of IFRS;

(b) To the best of our knowledge and belief, no facts have been omitted, or untrue statements made that would make the consolidated annual financial statements false or misleading;

(c) Internal financial controls have been put in place to ensure that material information relating to MultiChoice Group Limited and its consolidated subsidiaries have been provided to effectively prepare the consolidated annual financial statements;

(d) The internal financial controls are adequate and effective and can be relied upon in compiling the consolidated annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have remediated the deficiencies; and

(f) We are not aware of any fraud involving directors.

Calvo Mawela
Group chief executive officer
13 June 2023

Tim Jacobs
Group chief financial officer
13 June 2023

Summarised forward-looking statements

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

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

Our business overview

Enriching lives by creating **'a world of more'**

Africa is our home – we provide entertainment and consumer services to 23.5m subscribers[1] across sub-Saharan Africa.

Already Africa's leading entertainment platform

We create and licence exceptional local and international content, which we deliver to our viewers anytime, anywhere and on any device through first-class direct to home (DTH) satellite broadcast, digital terrestrial television (DTT) broadcast and over the top (OTT) video entertainment streaming services. We offer programming in 40 languages[2] and provide access to the best in local, sport and international content. In recent years we have expanded beyond traditional linear video to offer online and mobile streaming services, proprietary connected devices and a growing selection of aggregated third-party services. We have also added sports betting as an entertainment service adjacent to our core video offering, which will grow into a broader interactive entertainment offering in time.

Our platform business

Video entertainment

LINEAR	SVOD
DStv, GOtv	Showmax

B2B technology services	Home services	Fin-tech	Interactive entertainment
irdeto (Protect. Renew. Empower.), DStv Media Sales	DStv Internet, Namola, AURA	MOMENT, DStv Insurance, NMS insurance services	KingMakers

'Africa's most loved story-teller'

Over 30 proprietary local content channels[3] across
10 markets

Produced 6 587 hours of local content this year, local content library now
76 014 hours

[1] 90-day active subscribers.
[2] Relates to all languages broadcast on our platforms, including international and free-to-air (FTA) channels.
[3] Channel count includes channel brand variations for different regional or cultural preferences and/or dialects.

Our business overview continued

A trusted brand and a **platform of choice** for Africa

'World of champions'

'A gateway to global entertainment'

Building Africa's leading consumer services ecosystem

We are a trusted brand and a platform of choice for millions of African households. With 23.5m (FY22: 21.8m) households[1] subscribing to our linear video entertainment services at year-end, we reach more than 100m people[2] across 50 countries on a daily basis.

Understanding Africa, its people and their challenges is our strength. Therefore, while we continue to grow our core business, we are also leveraging our scale and distribution to build an ecosystem of scalable, technology-based consumer services that will further enrich the lives of our customers.

We are pursuing these opportunities organically, through partnerships, and/or through equity investments. Our objective is to create a better experience and an improved value proposition for our customers and to create long-term value for shareholders.

63 thematic and variety sports channels[3]

Leaders in sports broadcasting, with **24 899 live events** and **1 068 own productions** broadcast this year

4 distribution partnerships with **leading international** third-party streaming video-on-demand (SVOD) operators

Compelling international content from multiple providers on **81** linear channels[4]

(1) 90-day active subscribers.
(2) Based on an average of around 4.5 people per household per our internal calculations using country household surveys and census information.
(3) Channel count includes regional variations for Africa and Nigeria.
(4) Channel count excludes specialist Indian, French and Chinese language channels.

Our business overview continued

We are a **multinational group** with a **home in Africa**

South Africa[1]

Established in 1985

As the **leading video entertainment platform** in South Africa, MultiChoice provides its subscribers with access to world-class local and international content through our linear video broadcast service DStv (DTH), our linear OTT services (DStv via streaming) and our growing portfolio of connected devices, aggregated third-party streaming offerings and various technology-based consumer services. Through DStv Media Sales we offer advertising services across our platforms and footprint on the continent.

59%
of group revenue
(FY22: 65%)

ZAR8.5bn
trading profit
(FY22: ZAR11.0bn)

9.3m
subscribers[2]
(FY22: 9.0m)

Rest of Africa

Established in 1992

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

38%
of group revenue
(FY22: 32%)

ZAR0.9bn
trading profit
(FY22: ZAR1.2bn loss)

14.2m
subscribers[2]
(FY22: 12.8m)

Technology (Irdeto)

Established in 1969

Wholly owned Irdeto provides services and solutions that **protect revenue, enable growth and fight cybercrime** in video entertainment, video games, and connected industries including transport, health and infrastructure.

It services the security and anti-piracy needs of the group, as well as some of the world's leading video entertainment, mobile and connected industry service providers.

3%
of group revenue
(FY22: 3%)

ZAR0.6bn
trading profit
(FY22: ZAR0.5bn)

382
customers
(FY22: 392)

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

Our business overview continued

Connected Video

DStv via Streaming[1] launched in 2014 and Showmax launched in 2015[2]

The Connected Video segment houses our two OTT services. DStv via Streaming is our linear OTT service to complement our DTH business and Showmax is our streaming OTT service. Showmax offers a standalone subscription video on demand (SVOD) service and we also bundle it as a free value-added service for our Premium subscribers and offer it at discounted pricing for our Compact Plus and Compact subscribers.

+12%

growth in monthly active users

(FY22: 28%)

+26%

growth in paying Showmax subscribers

(FY22: 68%)

+161%

growth in Showmax Pro subscribers

(FY22: 170%)

KingMakers

Established in 2018

A leading **sports betting and digital entertainment platform** focused on sub-Saharan Africa. Its core agency and online sports betting operations are currently in Nigeria, but the business is set to expand into more geographies (including South Africa) and product lines over time.

KingMakers is equity accounted (not consolidated) and we hold a 49.2% shareholding [3]

USD198m

revenues

(FY22: USD131m revenues)

USD28m

loss after tax

(FY22: USD19m loss after tax)

Moment

Established in 2022

Moment is a **fin-tech company**, established as a joint venture between MultiChoice Group, Rapyd and venture capital investors like General Catalyst, Entrée Capital and Raba to help businesses and individuals across sub-Saharan Africa connect to each other and the world.

Moment is equity accounted (not consolidated) and we hold a 26% stake.

Leveraging MultiChoice Group's 200+ payment partner integrations across 40+ markets[4]

USD3.5bn+

payments processed[4]

(1) DStv via Streaming historically called DStv Now.
(2) Partnership with Comcast, NBCUniversal and Sky announced in March 2023 but formally established and effective in April 2023 which falls into FY24. Our DStv via Streaming service will be managed by the MultiChoice South Africa business going forward, while the Showmax partnership with Comcast, NBCUniversal and Sky will be operated on a standalone basis.
(3) The group owns 49.23% in KingMakers. However, the group considers the economic ownership to be 51.23% for IFRS accounting purposes due to the sale of shares to the KingMakers share scheme.
(4) Moment will only formally launch in FY24 and process payments and transactions from then onwards; figures shown are for the MultiChoice Group payments backend which will support Moment from launch.

Our group structure

MultiChoice
ENRICHING LIVES
JSE listed: MCG

Phuthuma Nathi – Share the future – TRADING ON EESE
5.7%
BBBEE shareholders

PUBLIC SHAREHOLDERS
100%[6]
Single class of shares[1]

Phuthuma Nathi → MultiChoice South Africa: 25%[2]
MultiChoice → MultiChoice South Africa: 75%[2]
MultiChoice → MultiChoice Africa: 100%[3]
MultiChoice → Showmax: 70%
MultiChoice → Irdeto: 100%
MultiChoice → KingMakers: 49.2%[5]

MultiChoice South Africa | **MultiChoice Africa** | **Showmax** | **Irdeto** | **KingMakers** | **Moment** (NMS) | SuperSport Schools, SA20, tm, AURA, Namola

Video entertainment – linear, streaming and aggregation

Major subsidiaries:
- MultiChoice SA Holdings
- MultiChoice SA
- MultiChoice
- MSS[4]
- Electronic Media Network
- SuperSport Int. Holdings
- DStv Media Sales
- NMS Insurance

Major subsidiaries:
- MAH B.V.[4]
- MultiChoice Nigeria
- MultiChoice Angola
- MultiChoice Uganda
- MultiChoice Zambia
- MultiChoice Kenya
- MultiChoice Tanzania

Major subsidiaries:
- Showmax Africa
- Showmax South Africa
- M-SAT

Broadcasting | Advertising | Content | Streaming

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

Digital and cybersecurity

Major subsidiaries:
- Irdeto B.V.
- Irdeto SA
- Denuvo

Investees:
- Questar
- Bidstack

Sports betting

Operating brands:
- BetKing
- SuperSportBet
- SuperPicks (joint)

Fin-tech

Major subsidiaries:
- Moment Holdings (26%) [5]

Scalable consumer tech

Investees include:
- SuperSport Schools
- SA20
- Trust Machines
- AURA
- Namola

[1] Foreign shareholder voting rights are capped at 20% by MCG's MOI in order to comply with the broadcasting licence requirements in South Africa under the Electronic Communications Act, 36 of 2005.
[2] MCG's combined direct and indirect interest in MCSA is 76.8% (a 75.0% direct stake, a 1.4% indirect stake via PN, and a 0.4% indirect stake via the Enterprise Development Trust).
[3] An approximation of the blended minority economic interest in our Rest of Africa operations would be ~85%.
[4] MAH B.V. = MultiChoice Africa Holdings; MSS = MultiChoice Support Services.
[5] KingMakers: 49.23% voting interest is fully diluted for KingMakers ESOP but represents a 51.23% economic interest (see annual financial statements); Moment: 26% interest is fully diluted for the Moment ESOP.
[6] 3.4% held through the MultiChoice Group Restricted Share Unit Trust and MultiChoice Group Treasury Services (Pty) Ltd. See the shareholder analysis on page 124 for more detailed information.

Our investment case

1

We have a proud history and legacy

Since launching our first traditional linear pay-TV service in 1985, we have provided a window into the world for our viewers and created, developed and shared their stories. From our first linear broadcast 38 years ago, **MultiChoice now reaches 23.5m subscribers across multiple platforms with numerous products and services**. These include initiatives like SuperSport Schools as we continue expanding our audiences and community reach.

To cater for the changing needs of our customers, we launched one of the first and most successful African streaming services eight years ago. With African broadband connectivity and affordability approaching an inflection point, **we have joined forces with Comcast – a global partner who appreciates our legacy, reach and scale** – to step up our ambitions in the streaming space.

Our technology business, Irdeto, has been around for even longer than our video operations, solving security problems for its clients for the past 53 years.

2

We see significant opportunity in sub-Saharan Africa

Sub-Saharan Africa is home to almost 1.2bn people[1] and we have an unrivalled **footprint across** 50 **markets**. An increase in electrification, connectivity and digital banking, as well as a rise in discretionary consumer spend due to a growing, urbanising middle class represents a compelling addressable market for a company like us that offers discretionary consumer services.

In traditional video entertainment alone, we estimate the opportunity at 61m households by 2028. We believe the other adjacent verticals we have identified, including streaming, interactive entertainment and fin-tech, could represent equivalent or even larger addressable markets for our group.

3

We remain focused on our core entertainment businesses

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

Our streaming joint venture will enable us to scale even faster and produce more local content than before. This will allow us to remain more than competitive with global media and technology giants as they expand in our markets.

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

To accommodate expanding consumer appetite, **we have broadened our offering by moving beyond video entertainment into services such as sports betting** (via KingMakers).

4

We are leveraging our platform to build a broader ecosystem of services that address customer needs

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

We have identified select areas of opportunity to address through organic initiatives (e.g. our DStv Insurance Business), through strategic partnerships (e.g. the joint venture with Moment) and/or through investment in underlying businesses (e.g. our Namola acquisition).

5

We have an exciting roadmap and outlook ahead

We have a management team with deep operational expertise, established brands, a large and growing subscriber base and a unique operating presence that supports our strategic ambitions. We have complemented this with targeted investments in and **partnerships with best-in-class global operators** in streaming, sports betting and fin-tech.

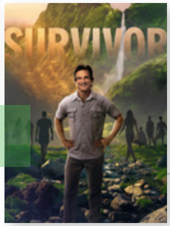
We have a disciplined approach to capital allocation and prioritise long-term value creation for our shareholders. This is underpinned by a healthy balance sheet, which is the result of **strong operational execution, cost discipline and robust free cash flow generation**.

(1) Per the United Nations Population Division – World Population Prospects 2022 (2022 value reflected).

Our vision, purpose and the values we stand for

Our vision

To be the **platform of choice** for African households, by delivering entertainment and relevant consumer services through technology.



Our values

We care

We care about doing 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

Our purpose

is to **enrich lives**

Chairman's letter

True vision requires **conviction and belief** in a long-term outcome and balancing this against short-term gains is a very difficult task.

Imtiaz Patel

Dear shareholder

In last year's letter, we flagged several anticipated headwinds – rising inflation, higher interest rates, increased geopolitical tensions, supply chain disruptions and stock market volatility. Little did we realise just how much some of these would come to affect consumers globally, and more pointedly those in the 50 markets across the African continent where we operate.

FY23 brought its fair share of challenges. Despite this, the executive team delivered a commendable performance. Navigating a tough operating environment and dealing with many uncertainties, including the devastating impact of loadshedding on South African households, was no easy task. The Rest of Africa business returned to profitability and the MultiChoice Group team concluded key transactions that will come to shape the future of our group in years to come. True vision requires conviction and belief in a long-term outcome and balancing this against short-term gains is a very difficult task. Calvo and his team have demonstrated their belief in building long-term shareholder value by putting in place the necessary building blocks. They have the backing of the board. We believe strongly in the Africa of the future as a key market where global players will clamour to participate in years to come. We are demonstrating our conviction by investing now and, if the team executes well, this will no doubt result in a very positive outcome. We are grateful for their efforts, and for the ongoing commitment and delivery from all the teams across our business who work tirelessly each day to continue bringing our customers a 'world of more'.

My fellow board members made a superior effort and contribution in these trying times and I thank them for their support. Their insights and wise counsel, especially as we doubled down on our strategy to expand our ecosystem through innovation, key partnerships and select investments, is most appreciated. I am also very excited that, after an extensive search, and internally robust process, we are now able to deliver on our promise to shareholders to add more international and female talent to our board. I look forward to welcoming Andrea Zappia and Debbie Klein, both of whom are experienced and well-connected global video entertainment industry executives, to the board with effect from 1 September 2023. They will bring exciting new insights, experience and energy to the board.

I am very excited about the journey ahead! Our home is Africa, one of the largest remaining growth regions globally and a market that is rapidly 'connecting' in terms of mobile telephony and broadband, infrastructure and logistics. The African consumer is fast adopting leapfrog technologies and global consumer habits – MultiChoice must rise to the occasion and play where the consumer will be. It offers an opportunity for our group, with its strong and trusted brands, distribution and payments solutions and a set of consumers who are ready to embrace a broader set of offerings. By solving additional customer needs, we will develop an increasingly powerful ecosystem which will make consumers more engaged, and their lives more convenient and entertained.

Management has taken a long-term view to leverage our platform and expand beyond the core video entertainment business to offer services that solve consumers' problems, make their lives easier and offer technological advances in how they interact, engage, transact and go about their daily lives. While it will take time to build these new businesses and execution is key in ensuring success, the board believes this strategy will create additional revenue streams and substantial value for shareholders through time.

The most exciting of these opportunities in the near term is our partnership with Comcast's NBCUniversal and Sky to re-launch Showmax and grow it into the leading streaming platform on the continent. This is a bold initiative and demonstrates our belief in the future, as well as our innovative and entrepreneurial 'DNA' as a company. We cannot ignore the fact that streaming is the future of video and that the habit has been developed and will not reverse. It is where the consumer is going, and we therefore need to be there too. We are lucky in that we have the benefit of hindsight and global streaming precedents have taught us not to chase growth at all costs without considering sustainable profitability. We know that we need to play to our strengths – which is local content and sport – and we realise that we need to carefully consider pricing and

We believe strongly in Africa, one of the largest remaining growth regions globally and a market that is rapidly 'connecting' in terms of mobile telephony, broadband, infrastructure and logistics.

Chairman's letter continued

We know that we need to **play to our strengths** – which is local content and sport – and we realise that when it comes to streaming, **we need to carefully consider pricing and broadband affordability.** We also understand that we need to double-down where others retreat. **Africa is our home turf**, we know how it works and what it takes to succeed.

broadband affordability. We also understand that we need to double-down where others retreat, as Africa is our home turf, and we know how it works and what it takes to succeed. We are very proud of all the successes that the Showmax team has achieved since its initial launch and, with the support of great global partners, the benefit of the world-class Peacock platform, and a team of committed and talented employees, we are set to achieve even greater success in future.

As a group, we measure success not only in terms of executing on our strategy and building shareholder value, but also in terms of enriching lives. We strive to do this by continuing to enhance our value proposition for our customers, by developing the skills of our employees and creating a stimulating, forward-looking work environment for them, by supporting industry growth to the benefit or our partners and suppliers and, ultimately, by uplifting the communities we serve through providing employment, through our tax contributions and through our carefully considered CSI initiatives.

Although these elements are covered in detail in the rest of this report, I would like to mention a few highlights:

- We value our environment and even though we have a 'light carbon footprint' we are making a significant contribution through our partnership with the Earthshot Prize to help address climate challenges on the African continent. Our aim is to raise awareness and understanding of the Earthshot Prize across Africa, support local finalists who have created business solutions, highlight their innovative solutions and mobilise investors and communities to get behind them.
- We continue to develop the entrepreneurs of the future through the MultiChoice Innovation Fund, which has disbursed ZAR379m to date. Through the MultiChoice Accelerator programme, six entrepreneurs secured more than USD12m in investment from the United Arab Emirates (UAE).
- We remain committed to helping address South Africa's dramatic and concerning youth unemployment issue. Not only did we invest a further ZAR35m in the government's Youth Employment Services initiative, but we have created 1 190 job opportunities and placed 1 020 learners over the three years that we have been involved in this initiative.
- We are proud of developing Africa's creative talent through our MultiChoice Talent Factory, which now serves 14 of our core markets. This year saw another 86 interns and graduates complete their training, bringing the total number since inception to 379.
- And we are helping to showcase the talents of our youth through our SuperSport Schools platform, which has grown from strength to strength. Now covering 37 sporting codes – not only through the App but also on its own dedicated TV channel – SuperSport Schools provided exposure to more than 850 schools and 8 500 teams through more than 21 million video views during the year – a true home-grown success story.

Looking at the year ahead, we remain gravely concerned about the debilitating impact of loadshedding on South Africa. We believe the problem can be fixed and are confident that with technological solutions and political will, the damage done can be reversed, putting us on a growth trajectory again. However, it is critical for action to be taken urgently. The current situation is impacting the profitability of our South African business and – much to our dismay – is therefore also affecting the poorest of the poor who depend so heavily on our Phuthuma Nathi dividends. It is also having a devastating effect on the many small and medium businesses in our value chain.

In the coming months, we look forward to the launch of SuperSportBet in South Africa, to Moment launching and achieving meaningful traction in the fin-tech space and to Showmax relaunching as it strives to become the most-loved streaming brand on the continent.

We are now competing in a truly global playing field! While management is focused on delivering to the best of their abilities, we also call on the support of the various regulatory regimes across our footprint to create a level playing field so that we can remain competitive. As a board, we remain confident about the ability of our executive leadership and their teams to excel. To remain successful in the future, we need to execute well, embrace change, keep innovating and continue to bring 'the magic' to the millions of Africans that we call 'our customers'.

Imtiaz Patel
Chair of the board

Creating **value**

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

Value creation for our stakeholders and providers of capital

We define the capitals we use in our business in a way that aligns with the International Integrated Reporting Council's framework:

Our capitals

Financial capital

The financial resources available to the group, which includes cash held and cash generated, third-party leases and debt funding, and untapped equity and debt funding available through capital markets. We also leverage partnerships where appropriate to defray the capital outlays required by the group e.g. through co-productions or wholesale and distribution agreements.

Technology and platforms

Our physical and virtual infrastructure which includes our satellite and digital terrestrial broadcast networks, online streaming platforms and broader information technology support systems. We are also continually developing innovative products and services and leveraging partner capabilities in video entertainment, interactive entertainment, fin-tech, and consumer household services.

Industry expertise

Our understanding of customer preferences and industry dynamics across our markets. Our expertise spans the entire value chain, from key differentiators like entertainment and sport content curation and local content development, to unrivalled capabilities in marketing, logistics and payment integration, to perfecting the basics in regulatory compliance and signal transmission.

People

The people in our organisation contribute their time, skills and expertise to make a positive impact on our operations across our markets and segments. We also rely on critical people that aren't directly employed by our group, such as our accredited DStv installers, employees in our non-controlled investee companies or agents operating for both our traditional and new business lines.

Customer, partner and supplier relationships

Our established ties and working relationships with our customers, suppliers and partners, without whom we would not be able to operate or prosper. We always aim to develop sustainable relationships with the customers we serve and the entities who work with us by nurturing and reinvesting in these relationships over time. Upholding and enhancing our corporate reputation is paramount.

Corporate citizenship

Our social licence to operate in the communities we serve necessitates broader stakeholder engagement beyond our immediate corporate constituencies. We use our established scale, reach and distribution to make a positive contribution in these communities. In addition, even though our consumption of natural resources is low, we ensure that we minimise our carbon footprint by supporting sustainable initiatives such as making use of green buildings and participation in the Earthshot Prize.

PROVIDED BY

Financial capital	Technology and platforms	Industry expertise	People	Customer, partner and supplier relationships	Corporate citizenship
Shareholders and lenders	Employees	Employees	Employees	Customers	Suppliers and partners
Suppliers and partners	Suppliers and partners	Suppliers and partners	Suppliers and partners	Suppliers and partners	Government and regulators
					Society and the environment

Next: **Our stakeholders and how we engage →**

Value creation for our stakeholders and providers of capital continued

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

Our stakeholders

Customers

Our customers are our largest stakeholder group. They are the reason we exist, our primary source of income, and the core underpin to the value of our group. Our customers enable us to support our other stakeholders and vice versa.

How we engage

We offer our customers a variety of service channels to suit their needs. These include digital channels such as Live Chat and T.U.M.I., WhatsApp and similar instant messaging platforms, social media, Self Service via our apps, websites and USSD, notifications through our set-top boxes; face-to-face service channels such as service centres and agencies as well as traditional service channels like phone, including our Interactive Voice Response system, and email.

We also engage our customers through our DStv, GOtv and Showmax platforms, our websites, our Rewards offering, mass media (above the line), targeted campaigns (below the line), sponsorships and activations.

In addition, we engage directly with business customers in advertising and cybersecurity. Most of our interactions with advertisers happen through our frontline sales team. These include weekly meetings directly with clients or through their media agencies. We also interact with advertisers through emailer communication, trade events and agency roadshows.

Employees

Our employees are core to our organisation and our culture. We are incredibly proud of the 7 100 employees across our group. Their combined knowledge, expertise and passionate dedication to our business and customers create the foundation for our ongoing success.

How we engage

We aim to engage with our employees in a way that fosters common understanding and alignment within our organisation We create opportunities for in-person interaction through company-wide townhalls, leadership forums, *ad hoc* employee events, training and workplace forums.

We also interact digitally through regular email updates, social collaboration tools, live engagement tracking and anonymous feedback channels. Finally, we engage indirectly through the employee support services we offer, which range from facilitating day-to-day tasks, to financial planning and mental health services.

Suppliers and partners

Our suppliers are critical to our operations. They provide us with exceptional content, products, services and technology solutions that support our business in meeting customer needs. We believe in cultivating long-term, mutually beneficial relationships with our suppliers and business partners.

How we engage

We strive to have meaningful engagements with our suppliers and partners and want to make it easy for them to do business with us.

We engage through a number of channels, including a bespoke platform in the video entertainment business, chat interfaces, video and audio conferencing, email, face-to-face meetings, and industry conferences.

We have a thorough third-party risk management process in place to mitigate various risks such as reputational risk, fraud risk, etc. We also maintain ongoing engagement to ensure that we remain fully aligned, including via contractual commitments, formal budgets and reviews, and more informal feedback loops.

Shareholders and lenders

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

Our banking partners support us through debt funding and undrawn facilities as required.

How we engage

We aim to engage with financial market participants in a timely, consistent and transparent manner and we do this through a variety of channels. These include formal AGMs, calls and meetings (in person or via video) with shareholders and banking partners, conference calls, results announcements, virtual or in-person investor roadshows and conferences, JSE Stock Exchange News Service (SENS) announcements, our public reports and results, 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 own or partner with contributing, taxpaying businesses in all of the countries in which we operate. We engage with governments, tax authorities and regulators to cooperate and collaborate in a way that supports a growing and sustainable industry.

How we engage

Our engagements with governments, tax authorities and regulators are focused on proactive and constructive participation to ensure the best outcome for the industries and countries in which we operate. We comply with the necessary requirements as defined in relevant regulatory processes, laws, licences or frameworks. We make oral and written representations about legislative, taxation and regulatory developments and directly engage key government departments and industry stakeholders in order to achieve fair and balanced regulatory outcomes.

Society and the environment

We look beyond short-term business priorities and strive to make a lasting positive impact on our communities as they represent future customers, employees, entrepreneurs and national sport and film heroes. Our initiatives aim to enrich lives, while being mindful of sustainability matters.

How we engage

We engage with communities through our CSI initiatives with a view to uplifting society, strengthening our industries and value chains, and sharing our experience and expertise. We support industry stakeholders through the MultiChoice Talent Factory and aspiring entrepreneurs across industries through the MultiChoice Innovation Fund. We also support sustainable initiatives such as the Earthshot Prize to contribute to a sustainable future in Africa. Our interactions include meetings, events, workshops, training and industry forums, as well as sponsorships and grassroots development. We also engage rating agencies on sustainability matters.

CAPITAL PROVIDED

← Previous: **Our capitals**

Next: **Inputs** →

A business model that drives value

Inputs: the resources and relationships that sustain our business

Financial capital

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

Technology and platforms

- Specialised engineering experience, supported by tight integrations with partners and suppliers
- Dedicated software programming and development capabilities notably in our Irdeto and Connected Video segments
- Broad DTH satellite footprint across sub-Saharan Africa
- A DTT network covering 123 cities in eight countries[1]
- OTT services through DStv via Streaming and Showmax
- Access to the Peacock technology platform, which employs world class engineers and streaming capabilities
- Many supporting digital technologies, e.g. in customer service, billing, playout, archiving, scheduling, advertising, and security/encryption
- A range of production capabilities from smaller-scale school sports matches to top-end professional sports events
- Access to next generation aggregation devices over time

Industry expertise

- MultiChoice has 38 years' video entertainment industry experience and a unique understanding of the African continent
- Market leadership in paid video entertainment across a footprint of 50 countries
- Deep experience in critical operational fields such as content licensing, local general entertainment and sports production, satellite and terrestrial broadcasting, advertising sales, online and mobile streaming, as well as in regulation and administrative fields such as taxation
- Unique understanding of customers' entertainment preferences in different markets, as well as broader consumer needs
- Irdeto has 53 years of experience in digital content security solutions and is growing its range of cybersecurity services

People

- 7100 permanent employees (FY22: 7 204)
- Inclusive, performance-oriented customer-and people-centric culture
- A network of 7 664 accredited installers and 2 983 independent service providers across Africa (FY22: 7 052 and 2 912 respectively)
- Robust group and segmental management structures, with the group providing oversight and support, and segments responsible for execution
- Requisite breadth and depth of talent across creative pursuits, engineering, software development, digital enablement, operations, legal, regulatory and finance
- Access to global leading industry experts in nascent equity partnerships e.g. our partnership with Comcast, NBCUniversal and Sky
- Supported by embedded HR teams at the group and business unit level

Customer, partner and supplier relationships

- 23.5m 90-day active subscribers (FY22: 21.8m)
- 382 business to business (B2B) security customer relationships through Irdeto (FY22: 392)
- 935 B2B advertising customer relationships through DStv Media Sales (FY22: 1 060)
- Relationships with local and international content providers, key satellite and uplink technology providers and cloud service providers
- Equity-based partnerships with industry leaders to grow and expand in target verticals outside our core video business e.g. in sports betting and fin-tech
- Wholesale and distribution partnerships with leading third-party service providers e.g. in telecommunications and streaming
- Preferential procurement initiatives in South Africa

Corporate citizenship

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

← Previous: **Our stakeholders and how we engage**

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

Next: **Business activities** →

A business model that drives value continued

Business activities: our group's collective undertakings in an expanding ecosystem

Core video entertainment platform

Curate great content through M-Net, SuperSport and Showmax[(1)]

Local content	Sport	International content
Produced or acquired	Produced or acquired	Acquired or distributed

Create leading portfolio of channels and services

Package content into our own channels	Acquire pre-packaged content	Create or aggregate VOD channels
50 proprietary GE channels[(2)] **63** sports channels (including SuperSport Schools)[(3)]	**81** international GE channels[(2)] **34** local GE channels[(2)] **28** news channels	**2** proprietary OTT services **5** third-party VOD services

Aggregate channels into tiered packages

DTH: DStv Premium (PREMIUM); DStv Compact Plus, DStv Compact (MID-MARKET[(4)]); DStv Family, DStv Access, DStv EasyView (MARKET)

Add-ons Movie | Add-ons Indian

DTT: GOtv SUPA, GOtv MAX, GOtv PLUS, GOtv VALUE, GOtv LITE (MASS MARKET)

Sell advertising slots on select channels through DStv Media Sales

Secure and encrypt content through irdeto[(5)]

Distribute content to customers across multiple platforms

Satellite transponders | DTT network | OTT services | Connected set-top boxes

Sales and customer experience

Marketing and awareness, subscription and decoder sales and after-sales support, value-added services, bundles and offers to save, loyalty benefits as well as general customer service and customer value management.

Develop and launch scalable, tech-based services to broaden consumer platform

Build	Invest			Partner
Organic development of new products and services	Targeted investments			Commercial partnerships with leading third parties
Insurance via NMS Insurance Services	Interactive entertainment via KingMakers including SuperPicks collaboration	Fin-tech joint venture in Moment[(6)]	On demand security and medical response services via AURA and Namola	DStv Internet services via fixed wireless LTE and fibre wholesale partners
NMS	KingMakers	MOMENT	AURA Namola	DStv Internet

← Previous: Inputs

(1) Showmax partnership with Comcast, NBCUniversal and Sky effective from April 2023 i.e. falls into FY24.
(2) General entertainment content. Numbers exclude religion, specialist, free to air (FTA) and audio channels. Proprietary channel count includes channel brand variations for different regional or cultural preferences and/or dialects. International channel count excludes specialist Indian, French and Chinese language channels.
(3) Channel count includes regional variations for Africa and Nigeria.
(4) Also includes our DStv Business packages and add-on packages such as our French, Indian, Portuguese and Chinese channel packages on DStv in Rest of Africa which are not shown in the graphic above.
(5) Irdeto also provides services to external customers outside of the group.
(6) Moment was in early start-up phase in FY23.

Next: Outputs →

A business model that drives value continued

Outputs: our products and services

DStv

- Offers services in 50 markets
- Six bouquets at price points ranging from ZAR29 to ZAR879 in South Africa and from USD6 to USD63[1] in Rest of Africa
- 156 linear video channels on average across DStv Premium package[2]
- Additional content and language packages, e.g. ADD Movies, DStv Indian
- Connected devices, e.g. DStv Explora Ultra and Streama, and mobile apps, e.g. DStv and MyDStv apps
- Catch Up, Box Sets, Downloads and BoxOffice (movie rentals) services

GOtv

- Offers services in South Africa and eight markets in Rest of Africa
- Five bouquets at price points ranging from USD2 to USD15[1]
- 67 linear video channels on average across GOtv Supa package[3]
- MyGOtv app

OTT

- DStv via Streaming service offered as a value-added service for DTH customers or as a standalone streaming service at a discounted price to our linear services due to lower customer acquisition and support costs
- SVOD service, Showmax, is available in 46 markets with standard, mobile and sport (Showmax Pro) offerings
- It has localised content offerings in four markets, and DStv add-to-bill options and localised payments in 11 markets
- SuperSport Schools is a free to access, online school sports video platform (also a dedicated channel on DStv) that covers 37 school sports codes

DStv Media Sales

- Commercial airtime sales across 227 live linear video channels
- Additional advertising options via owned and operated websites and apps, social media platforms, sponsorships and through VOD services

irdeto

- Cybersecurity and anti-piracy services to the group plus external customers
- Operates in 78 countries, across multiple industries including media security, gaming and connected transport, and is developing a presence in nascent areas such as connected health

Value-added products and services

New products and services added to our ecosystem to enhance our value proposition to customers in the home include:

- Four DStv Insurance products
- Fixed-wireless LTE and fibre services via DStv Internet
- Third-party SVOD services with global partners (Netflix, Disney+, Prime Video, YouTube and YouTube Kids)
- Sports betting (KingMakers)
- On-demand emergency services through Namola (B2C) and AURA (B2B)

← Previous: **Business activities**

Next: **Outcomes** →

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

A business model that drives value continued

Outcomes: how we create, preserve or erode value in our capitals

Financial capital

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

DURING FY23:
- Cash increased to ZAR7.5bn
- We repaid ZAR2.6bn in capital and interest to our lessors (FY22: ZAR2.6bn)
- Repaid debt of ZAR3.6bn and concluded a new term loan of ZAR12.0bn, with an initial first tranche draw down of ZAR8.0bn which leaves ZAR4.0bn in undrawn headroom
- We paid our lenders ZAR511m in interest (FY22: ZAR160m)
- Shareholder equity decreased by ZAR2.7bn to ZAR5.3bn[1]
- 1.08x (FY22: 0.76x) leverage ratio and ZAR5.0bn (FY22: ZAR5.0bn) in undrawn group borrowing facilities at year-end

Technology and platforms

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

DURING FY23:
- We incurred ZAR2.5bn in depreciation (FY22: ZAR2.5bn)
- We invested ZAR1.2bn in capital expenditure (FY22: ZAR1.1bn)
- We invested ZAR0.2bn (FY22: ZAR0.3bn) in our technology modernisation project and ZAR0.1bn as part of IT hardware refresh cycle and a finance systems upgrade (FY22: ZAR0.1bn)
- Irdeto reached a peak of 7.2bn (FY22: 4.3bn) streams secured monthly

Industry expertise

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

DURING FY23:
- We invested ZAR20.9bn in our total content bill (FY22: ZAR19.5bn), of which we spent ZAR8.1bn on local general entertainment and sport content (FY22: ZAR7.3bn)

People

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

DURING FY23:
- We invested ZAR205m in skills development (FY22: ZAR213m)
- We formally trained 1 319 employees (FY22: 2 527)

AT THE END OF FY23:
- 47% of our employees were women (FY22: 48%)
- 86% of our South African employees were black as defined in the BBBEE Codes of Good Practice (FY22: 86%)

Customer, partner and supplier relationships

- Our focus on delivering value for our customers on a daily basis is the key to preserving our customer relationships
- We create and preserve supplier and partner relationships through mutually beneficial collaboration which can take the form of contractual and/or equity-based relationships

DURING FY23:
- We delivered net subscriber adds of 1.7m (FY22: 0.9m)[2]
- We achieved a 78% customer satisfaction (CSAT) score in South Africa (FY22: 78%)
- In the Rest of Africa, we achieved a CSAT score for DStv of 74% (FY22: 73%) and 70% for GOtv (FY22: 69%)
- Call migration to digital self-service reached 75% (FY22: 75%) for South African and 87% (FY22: 76%) for Rest of Africa
- We spent ZAR12.0bn with local South African suppliers (FY22: ZAR13.4bn)
- Irdeto won four new tier-1 customers in its core Media Security segment, and 17 customers in new service lines

Corporate citizenship

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

DURING FY23:
- We invested ZAR285m[3] in CSI initiatives (FY22: ZAR298m)
- Our MultiChoice Innovation Fund supported nine new businesses (FY22: 24) and disbursed ZAR52m to beneficiaries (FY22: ZAR75m)
- We paid ZAR1.5bn in dividends to Phuthuma Nathi shareholders (FY22: ZAR1.5bn)
- Our total tax contribution was ZAR11.8bn (FY22: ZAR11.3bn)

← Previous: Outputs

[1] Decrease driven by net loss and dividend paid in FY23, partially offset by exchange gains on translation of foreign operations and fair value gains in the hedging reserve. [2] Relates to 90-day active subscribers. [3] Includes non-cash advertising contributions of ZAR106m in FY23 (FY22: ZAR123m).

Next: Trade-offs →

A business model that drives value continued

Trade-offs: managing potentially competing outcomes across capitals and stakeholders

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

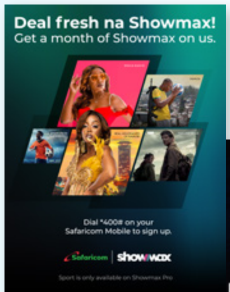
Some areas where we made these trade-offs in FY23 are described below:

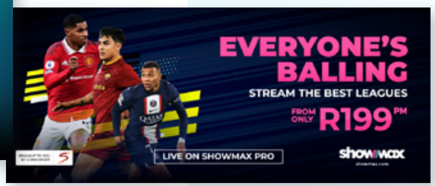
Pricing decisions

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

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

We aim for price increases at or slightly below inflation, but seek to accommodate specific in-market dynamics, (e.g. pressure on affordability) when necessary. For example, in FY23 we passed low single digit price increases for the Premium and Compact Plus packages in SA that were well below inflation but put through inflationary or slightly below inflation pricing in the bulk of our key markets outside of SA.





Cost savings and efficiencies

We aim to deliver positive operating leverage (i.e. organic growth in our cost base lower than the organic growth rate in our revenues) through cost savings and efficiencies. In FY23, cost saving measures delivered ZAR1.3bn (FY22: ZAR1.2bn), which protected our financial capital by generating positive organic operating leverage of 0.39%, but required a trade-off as some of our suppliers were impacted by these difficult decisions. Loadshedding and ongoing economic pressure in South Africa negatively affected customer activity and revenue generation, which negatively impacted cost recovery.

As part of our culture of driving efficiencies, we carefully monitor content viewership. Where content is not performing, we may remove it from our platform if we can't agree on commercial terms that fairly reflect its value to our viewers. This may impact some of our customer relationships, but this trade-off is typically balanced by reinvestment elsewhere in our content portfolio.

Shareholder returns

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

- **Sustainability:** we need to operate sustainably and require a certain level of operating cash in our business to manage working capital requirements and exogenous shocks. In particular we have to fund the cash losses in Rest of Africa and any shortfall created by USD liquidity restrictions in Nigeria.
- **Customer relationships:** we reinvest cash in our business to continually improve our customer value proposition and services portfolio.
- **Short versus long-term returns:** we see opportunity to create additional long-term value through our relationships with and insights into the daily needs of our 23.5m customer base.[1] We are actively pursuing a number of opportunities to grow and expand our business in core market segments, like streaming, and adjacent market segments like sports betting and fin-tech.

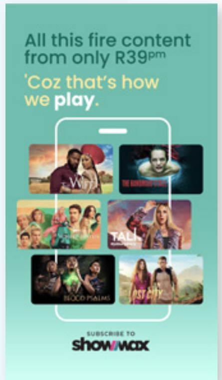
[1] Relates to 90-day active subscribers.

Gearing levels

Since our listing, we have demonstrated a propensity to use gearing to optimise our capital structure and enhance long-term shareholder returns through targeted investment in attractive opportunities.

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

We are also cognisant of the upward trend in the interest rate cycle and the tax deductibility of interest on borrowing costs.



Business model evolution

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

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

- increasing our investment in local (original) content by funding it directly or through partnerships
- producing and licensing the best in local and global sport content
- still licensing great international content from Hollywood studios and independents
- entering into distribution agreements with global VOD platforms for content services we know our subscribers want to see (i.e. aggregation)

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

- Investing to evolve our linear pay-TV offering to include complimentary transactional and streaming VOD services, on-demand and library capabilities, hybrid viewing environments and/or direct streaming alternatives
- Investing behind our dedicated streaming services (content, technology and branding)

Supporting DTH, DTT and OTT broadcasting and streaming infrastructure as the industry evolves.

← Previous: Outcomes

How our activities added value for our stakeholders

Value created by our group

ZAR48 579m
Subscription revenue[1]

+

ZAR10 486m
Other revenue[2]

+

ZAR449m
Interest income

=

ZAR59 514m
Total value created

Value allocated to stakeholders

	FY23 ZAR'm	FY22 ZAR'm
Subscription revenue[1]	48 579	45 261
Other revenue[2]	10 486	9 816
Interest income	449	260
Total value created	59 514	55 337
Employee costs	6 171	5 759
Value allocated to employees	6 171	5 759
Content investment	20 896	19 477
Set-top box purchases	6 553	5 750
Transponder costs	2 454	2 396
Other operating expenses	11 941	10 549
Value allocated to suppliers and partners	41 844	38 172
Tax expense[3]	3 841	4 210
Licence fees	280	257
Community social development spend[4]	285	298
Value allocated to governments and societies	4 406	4 765
Dividends paid to non-controlling shareholders	1 517	1 506
Non-controlling interests in net profit retained	558	1 526
Value allocated to minority partners	2 075	3 032
Dividends paid to group shareholders	2 415	2 418
Repurchase of treasury shares	–	308
Interest paid to debt providers	511	160
Value retained for equity holders	2 092	723
Total value allocated and retained	59 514	55 337

(1) Subscription revenue in FY23 includes ZAR76m losses related to fair value movements on Nigeria futures contracts (FY22: ZAR163m losses).
(2) Other revenue includes Irdeto revenue, advertising revenue, decoder sales, installation fees, licensing and production revenue, DStv Insurance premiums and reconnection fees.
(3) Includes current and deferred tax charges. For details of corporate income taxes paid and collected during the year, refer to page 36.
(4) Includes non-cash advertising contributions of ZAR106m in FY23 (FY22: ZAR123m).

In return, our customers received value through:

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

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

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

Extensive international content
access through licensing and distribution agreements

Leading digital and cybersecurity services
for digital platform and application protection

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

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

How our activities added value for our stakeholders continued

Customers

Value created for **our customers**

Delivering value to our customers

78%	74%	70%
CSAT score(1) for DStv in South Africa	CSAT score(1) for DStv in the Rest of Africa	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.

Our customers are at the core of our business, and customer centricity is embedded in everything that we do at MultiChoice. We are committed to delivering superior brand experiences across every touchpoint in the customer journey and customer satisfaction metrics are embedded in our key performance indicators. We prioritize our customers' needs and have enabled our dedicated customer experience teams across our business to continuously monitor and act on customer feedback.

We utilise customer feedback to innovate our products and services, to delight our customers and to enhance their engagements with our brands, products and services.

How our activities added value for our stakeholders continued

Customers

Pricing

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

We actively manage pricing to ensure competitiveness and value for our customers. In the current year, we have maintained price increases broadly in line with inflation across the bulk of our markets. We passed below-inflation pricing through in specific market segments where our customers are struggling with affordability or in countries with abnormally elevated inflation rates. Our DStv via Streaming services are priced at a discount to our linear offerings to reflect lower customer acquisition and servicing costs.

To add incremental value to our customers, we have implemented contract offers and bundled savings, while dedicated upsell campaigns were launched to encourage subscribers to derive even more value from our video entertainment platforms. These initiatives benefit our customers while improving activity rates and/or revenue mix in our existing subscriber base, independent of price increases.

Content

As Africa's leading entertainment company, we use the power of content to enrich lives. Our compelling content includes local and international sports, movies, series, documentaries and reality shows.

Starting with sporting content, football's greatest season came to life on SuperSport this year with MultiChoice holding exclusive rights to broadcast all 64 matches of the 2022 FIFA World Cup live. With multi-language options, an array of support programming and a 24-hour channel for the duration of the event, the 22nd FIFA World Cup was SuperSport's most ambitious showcase to date.

The rest of the year contained an action-packed line-up of major local and international sporting events. We kept viewers entertained with the Commonwealth Games and World Athletics Championship. We also continued to entrench our sponsorship of the DStv Premiership with a full 360° marketing approach and customer activation at the games, to ensure fans are fully engaged and entertained. Other enthralling football content like the Women's Afcon, Cosafa Cup, UEFA Women's Champions League, UEFA Nations League, La Liga, PSL and EPL created an exciting lead up to the FIFA World Cup, as well.

We endeavour to create and secure the rights to phenomenal general entertainment content from all over the world. In addition to our extensive line-up of the best international shows, movies and channels, local content remained a key differentiator for the group as we continued our investment in African-made entertainment with local actors and producers. Local series, movies and reality shows such as Nigeria Idols, Big Brother Naija (BBN), King Buga in Zambia (Zambezi Magic), Accra Medic in Ghana (Akwaaba Magic), Life of Iris in Zambia (Zambezi Magic), Mahinga in Angola (Kwenda Magic), Last Door in Kenya (Maisha Magic East), Clash of the Titans and Real Housewives of Lagos provided endless hours of entertainment across the continent. MultiChoice also extended its selection of local channels which now includes Akwaaba Magic Abusua, Magic Showcase, Mzansi Music and Teen Africa TV, to name a few, which expands our ability to continue show casing authentic African stories and talent from across the continent.

South Africa

We strive to ensure our brand and content offering remains fresh and relevant within every market in which we operate. We rejuvenated our Compact package through the 'iRep Impilo' campaign in SA, positioning it as a more digitally savvy offering, using more youthful brand ambassadors. We also kept fans enticed with exciting live events like the DStv Mzansi Viewers Choice Awards (DMVCA's) which generated remarkable customer engagement and allowed customers to discover more of our world-class content. Fans also came out in numbers for the ever-popular DStv Delicious Festival which was our first major event post the COVID-19 pandemic in South Africa. We introduced new formats like Saturday Showdown, new telenovelas like Diepe Waters and extended existing titles like Umkhoka. We concluded the year with the popular Big Brother Titans, a combined South African and Nigerian cast which generated extensive interest and viewership.

Rest of Africa

We are continuously finding ways to introduce customers to a world of more entertainment through exposure to a broader range of content on other packages. Our customers experienced open windows across several channels, and access to preview first episodes of new shows, while themed festivals and pop-up channels were made available throughout the year. In line with our mantra to delight, retain and entice our customers with our content, we upped the ante this year by running three campaigns ('Level Up', 'Festive Free Upgrade' and 'Step Up') that afforded customers the opportunity to experience our amazing sports offering, movies and entertainment content available on higher tier packages at no additional cost.

How our activities added value for our stakeholders continued

Customers

We continue to offer new and engaging ways for our customers to interact with us and their favourite shows.

New products and services

Innovation is an integral part of our business as we strive to continuously launch new products and enhanced features to excite and delight our customers.

South Africa

Bolstering our aggregation strategy, we became the official launch partner for Disney+ when they launched in South Africa in May 2022 and provided several innovative options linked to our subscription bundles. We widened our content offering by giving customers access to exclusive Universal+ on demand library programming across several packages, which allowed viewers to binge popular international content such as E!, DreamWorks and Studio Universal all in one convenient place.

The year also saw the launch of the DStv Streama, our stand alone streaming device. This innovative product allows customers to broaden their DStv experience by streaming content from a variety of apps using a single interface, without the need for a satellite dish or installation.

To support our customers in accessing the best streaming content through our platform and to stay connected, we extended our existing DStv fixed LTE offering by partnering with Openserve and Vumatel to launch DStv Fibre (both as a standalone offer and as part of a subscription bundle). The initial uptake of this exciting new product has been encouraging, and we look forward to further enhancing the offering.

We also launched Namola as an add-to-bill product, a compelling personal safety app, which enriches our customers lives by giving them real-time access to emergency and security services wherever they go, as well as the ability to track family members.

Our insurance business also saw significant growth, where we introduced further life products into the portfolio and the overall portfolio grew by roughly 0.5m policies, to close on 2.8m policies.

Our ongoing ambition is to not only provide our customer with a wide range of value experiences, but also reward our most loyal customers. Our DStv Rewards programme doubled in membership and surpassed 1.3m members.

The programme rewarded customers for their ongoing loyalty and engagement through multiple campaigns, such as the Engen Fuel Voucher Offer, where we gave away around ZAR40m worth in fuel vouchers to our customers. In addition, we created and executed a myriad of 'Reconnect', 'Upgrade' and 'Surprise and Delight' offers for our customers by fully leveraging our investment in state-of-the-art Salesforce Marketing Automation technology.

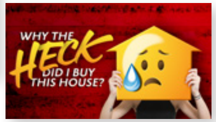
Rest of Africa

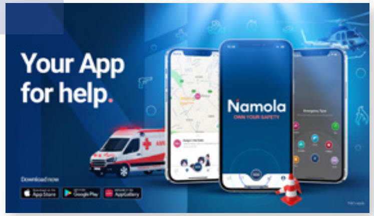
Following a successful launch in Kenya, DStv via Streaming is now also available in Angola and Zimbabwe. This service provides customers with a more affordable way to subscribe and watch all channels via the DStv app, without the need to purchase a decoder or have a satellite connection.

We continue to offer new and engaging ways for our customers to interact with us and their favourite shows. This year, MultiChoice introduced BBN quizzes and games on the MyDStv and MyGOtv apps, which enabled customers to play and earn votes throughout the season. We also launched a 'Message to TV' capability on our apps which allowed customers to send their BBN messages to be viewed on the live feed.

We recently launched an end-to-end gamification strategy on our digital channels across 13 markets. This initiative enhances customer experience through the ability to play engaging games, earn points and stand the chance to win a variety of vouchers and entries into a grand prize draw.

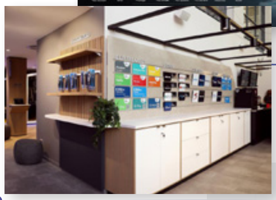
We have made headway in providing our customers with an omni-channel experience. Customers are now able to discover special offers and rewards by calling a dedicated telephone number, exploring the MyDStv or MyGOtv apps or using our USSD service i.e. real time communications interface that enables customers to perform self-service using a mobile phone. This significantly enhances their ability to extract even more value for their subscriptions and reduces cost and effort in getting to a physical store.





How our activities added value for our stakeholders continued

Customers



Customer sales and service

Our customers are at the heart of everything that we do, and we strive to deliver enhanced experiences for them throughout the year. We conducted deeper research to understand how customers prefer engaging with us and to ensure we offer them the appropriate sales and service platform according to their channel of choice. We continued to provide our customers with seamless digital options to discover our content and manage their services, using our website available in 50 countries, mobile apps available in 48 countries or via WhatsApp self-service which is currently available in 13 markets.

South Africa

We are truly passionate about providing our customers with an exceptional sales and service experience. A key component of our South Africa strategy in FY23 was to build out an Outbound Sales and Retention capability. We successfully hired and fully trained additional customer care agents to both drive sales of our products and services, and also to support retention by reminding customers timeously to pay subscriptions, offer them deals and rehabilitative offers, amongst other activities. We constantly strive to offer our customers the best deals and worked with our extensive retail partner network to execute on successful FIFA World Cup and Black Friday promotions. This allowed us to drive significant decoder sales throughout the year, growing our customer base.

Innovation is at the heart of everything we do, and we made huge strides to improve our core technologies. We future-proofed our telephony technology by converting our call centre environments to state-of-the-art Avaya technology. This allows us to do both inbound and outbound calls and provides robust reporting to further enhance our exceptional customer service delivery and truly understand our customer needs.

We also continued to expand our customer service and retail footprint in underserved areas. We rolled out a further 10 DStv Express Containers across the country and further promoted our full customer experience with more interactive kiosks in shopping malls. In addition, we upgraded the Randburg Walk-in Centre to reflect the contemporary look and feel of the DStv brand, introducing new, innovative and convenient features like the Xpress bar where customers can arrange pre-booked service.

In SA, we delivered a CSAT score of 78% in FY23 (FY22:78%), which was in line with our target of 78%.

Rest of Africa

In the Rest of Africa, we continued to expand our digital enablement footprint by enhancing the digital options that customers can use to find content, manage their subscriptions and engage with us.

The 'DStv self-activation' capability provides new customers with the ability to activate their new subscription using a digital platform of their choice, eliminating the need to phone the call centre or wait in queues at the MultiChoice branches to get their decoders activated. This feature is currently available on the app in five countries, through a real-time interactive service (USSD) in six countries, and on Telegram in one country. We plan to expand this service further in the year ahead.

Our '100% Premium' programme continues to surprise and delight our Premium customers through value-added offerings, as well as special privileges such as exclusive travel offers and access to VIP events. Over 6 000 Premium customers from our Rest of Africa business have been rewarded since inception of the programme. We are also constantly finding new ways to reward our loyal customers and have launched 'priority routing' for Premium customers that phone the call centre.

In the Rest of Africa, we achieved CSAT scores of 74% (FY22: 73%) for DStv (against a target of 74%) and 70% (FY22 69%) for GOtv (against a target of 72%).

We serve millions of customers across multiple channels, spanning from traditional to digital offerings. Our extensive customer service footprint includes 21 in-bound call centres, 105 MultiChoice branches and 2 264 customer service representatives along with self-service MyDStv and MyGOtv apps, social media channels, and other digital assisted and self-service options. We have made live chat available on our mobile apps across 47 African markets, strengthening our ability to retain customers via digital platforms. This capability has reduced call centre channel share usage by 6% and increased self-service channel share usage by 10% from FY22 to FY23. A visual interactive voice response (IVR) functionality was launched in Tanzania, which now adds a multichannel, visual interface to the traditional interactive voice response IVR service channel available to customers. Combined, these initiatives drove an average of 12m (FY22: 12m) monthly customer interactions, 79% of which were through digital self-service channels (FY22: 80%).

Our extensive third-party payment network across sub-Saharan Africa was further expanded through integrations with 36 vendors in South Africa and 171 in the Rest of Africa. These vendors include many large retailers, fin-tech operators, mobile network operators and banks, as well as our own digital self-service payment platforms that offer customers a simple and convenient way to pay their subscriptions online. This year, we launched Mastercard as a payment option on our digital channels in several of our African markets. Total revenue collected via our digital channels amounted to ZAR4.9bn across South Africa and Rest of Africa, up 42% YoY.

We serve millions of customers across multiple channels, spanning from traditional to digital offerings.
Our extensive customer service footprint includes 21 in-bound call centres, 105 MultiChoice branches and 2 264 customer service representatives.

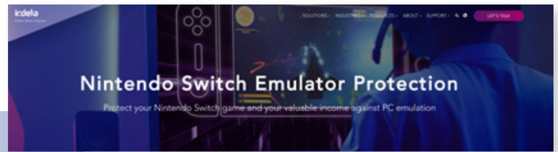
How our activities added value for our stakeholders continued

Customers

B2B customers

DStv Media Sales provides advertising solutions to MultiChoice's corporate customers in our video entertainment business, and we served 935 (FY22: 1 060) clients in FY23. Our MultiChoice linear pay-TV customer base covers over 100m economically active subscribers and their families and we are able to reach and communicate with a broad potential customer base. Our DStv Media Sales business is also active in the digital advertising space and is actively growing its advertising business in our Rest of African markets. Historically the Rest of Africa lacked third-party ratings data to support pricing and selling of ad inventories. We have addressed this issue by leveraging our internal data, popular properties like BBN and our growing portfolio of local channels to pursue the growth opportunity. Our customer insights, coupled with our understanding of our advertising clients' brands and marketing needs, enable us to assist our corporate customers in growing their businesses without impairing our customers' viewing experience.

Aside from protecting the group's content, and that of its suppliers, as well as its platforms and devices, Irdeto provides digital platform cybersecurity services to 382 external customers across 78 (FY21: 77) countries. Irdeto's operations span video entertainment and video gaming, as well as connected industries such as transport. Irdeto is able to leverage its core security and software capabilities to protect content, data and devices in new verticals and is in the process of evaluating connected health with the view to establishing a new promising vertical alongside its existing business lines. We typically have a long-term relationship with our corporate customers and work closely with them as partners to ensure that we provide them with the most appropriate, cutting-edge technology solutions to solve their evolving security needs.



How our activities added value for our stakeholders continued

Customers

Issues raised by customers	How these were addressed
1 Pricing Customers typically express a desire for lower prices or lower price increases on packages, especially during difficult economic times when household budgets are stretched.	Pricing is based on consumer research and local market dynamics and is balanced against input costs, especially the cost of content and technology systems. We generally maintained price increases in line with inflation, but in some instances, where necessitated by specific circumstances, kept prices flat or below inflation. We provided value-added services and offers to enhance our value proposition for customers and offered savings through various products, including discounted subscription rates on contracts taken out over a fixed period, or bundled offers e.g. with Disney+ or with DStv Internet.
2 Affordability Customers are finding it increasingly difficult to afford their preferred MultiChoice services due to intensifying macro-economic and consumer pressures.	Rising inflation and unemployment across our markets, coupled with specific events like the destructive flooding across west and central Africa, specifically in Nigeria, is hindering our customer's ability to afford their preferred DStv and GOtv subscriptions. MultiChoice runs special offers throughout the year, particularly on hardware and value-added content, to relieve some of the financial pressures associated with staying connected to our world of entertainment. We have also introduced new, entry level DStv packages in markets that are struggling, to ensure that customers have the most affordable options available to them.
3 Repeats Content is repeated on our linear platform which can erode the customer's perceived experience if done to excess.	As Africa's leading entertainment company, we strive to create and secure the rights to phenomenal content from all over the world. We remain focused on sourcing and licensing the freshest and best available content and differentiating our offering through local content. We have refined our channel line-up over time to reduce the perceived occurrence of repeats across channels and time. However, repeat viewing is a natural component of linear programming as it enables viewers, especially those without PVR and Catch Up, to watch shows and movies when convenient. As loadshedding has intensified in South Africa in FY23, we have intentionally created channels to repeat popular programming to help our viewers navigate disruptions to their viewing schedules.
4 Flexible Packages Customers often express a desire to select their own package of channels (à la carte), or packages based on specific genres, such as a dedicated sport package or movie package.	We are constantly looking for ways to innovate and improve our offering, supported by customer research to assess the feasibility of developing new products. We continue to drive uptake of the 'ADD Movies' add-on option across our customer base through special rewards and offers. This value-added service provides Compact Plus, Compact, Family, Access and EasyView customers with the ability to sign up for DStv's dedicated movie channels that were previously only available to Premium subscribers. In addition, Showmax continues to enable customers to customise their viewing experience through streaming.
5 Limit to concurrent streaming During FY23, we restricted simultaneous streaming through the DStv app by limiting it to one device at a time. This created frustration in our customer base.	Due to the impact of both piracy and abusive use of our simultaneous streaming feature through excessive password sharing, we were forced to reduce the number of concurrent streams on DStv streaming to one device. Users can still register up to four devices and can watch downloaded content while another user is using the live streaming option.

Key focus areas going forward

- In line with the group's strategy, we will continue to focus efforts on expanding our ecosystem by introducing new products and services that meet and exceed customer needs and keep them at the centre of everything that we do.
- We will amplify the use of automation and digitization to enhance our end-to-end customer journeys and to ensure exceptional customer experience.
- Local, original, exclusive content remains at the heart of our strategy and we will persist in our investment in our catalogues and the local industry.
- We will look to introduce even more channels for customers to engage with offers, fostering an enhanced omni channel experience.
- The group will increase our investment in building technology-focused businesses to address customers' everyday needs and drive digital optimization across our functional areas, increasingly leveraging artificial intelligence (AI) and machine learning (ML) technologies as relevant and appropriate.
- Will further enhance customer privacy and data protection.
- Applying focus and resources to ensure that Showmax becomes the leading African SVOD service.

How our activities added value for our stakeholders continued

Employees

Value created for **our employees**

Delivering value to our employees

7 100(1)	ZAR7.7bn	1 466(1)	8.2(2)	ZAR205m(3)	14%
people permanently employed (FY22: 7 204)	In remuneration and benefits (FY22: ZAR7.1bn)	contractors and temporary employees (FY22: 1 640)	out of 10 on employee engagement (FY22: 8.2/10)	spent on skills development, of which 30%(4) of bursary spend was allocated to STEM female talent (FY22: ZAR213m, 62%)	employee turnover (FY22: 12%)(5)

Our employees are vital to creating ongoing connection and relevance as Africa's leading video entertainment and consumer services business. Developing and supporting them through every phase of their journey is a key priority for our business as our success is dependent on their growth and wellbeing. We believe in providing and enabling an environment where they can engage, innovate, learn, develop and realise their potential.

Over the last financial year we have proudly delivered a direct value of ZAR7.7bn in benefits and remuneration to our employees. We strive to create a safe, inclusive and diverse culture and environment where people receive competitive incentives and holistic benefits, and are inspired through challenging opportunities, learning and development programmes, engagement platforms and recognition.

(1) The combined number of permanently employed staff, contractors and temporary employees was largely impacted by vacancy freezes in our South African business given a deteriorating macro and consumer environment and growth in our Rest of Africa business.
(2) The employee engagement score declined marginally (figure shown is rounded) and can be attributed to escalating stress levels caused by increased workloads as a result of several large-scale projects during the year, as well as a loss of scarce technology, data and digital skills in a globally competitive space.
(3) The Learning and Development budget was decreased in FY23 as a result of macroeconomic pressures.
(4) Only a third of external bursary applicants were female.
(5) Employee turnover in FY23 was higher due to the increased demand for technology, data and digital related skills across the globe.

How our activities added value for our stakeholders continued

Employees

MultiChoice is committed to diversity, equity, inclusion and belonging. We believe that to be the best in our field, our company must reflect, celebrate and elevate the diversity of our people.

Diversity, equity and inclusion

We strive to make diversity, equity and inclusion part of who we are by etching it into the core fabric of our workforce and culture, where it can be seen in the content we create and the partners we work with, and always reflect the customers and communities we serve. We actively promote an inclusive and diverse culture where all our people can find a place of belonging, and we deliver on our commitment to transformation through our integrated policies and talent programmes.

We proudly represent 94 nationalities across our teams, with the majority being of African origin.

In continuing to balance our gender representation, woman compose 47% (FY22: 48%) and men 53% (FY22: 52%) of our talent across the business, while woman compose 42% (FY22: 40%) of our management representation across operations.

As a company, we have committed significant resources and time to ensuring that we not only comply with the legal requirements of the Employment Equity Act, but that our Employment Equity (EE) initiatives also contribute to a culture of inclusion, diversity, and transformation. The EE consultative forums continue to operate with the purpose of facilitating discussion and consultation regarding our workforce statistics and workforce representation targets as well as allowing employees to express perceptions and/or potential concerns that may pose obstacles to employment equity within our South Africa operation. Our EE Forum members are passionate and committed to assist the company in achieving its EE goals and objectives. The EE initiatives are aligned and integrated with building and sustaining a talent pool of diverse employees that is aligned to our business' current and future operational requirements.

In addition to driving employment equity, our leadership teams have invested in our Diversity, Equity and Inclusivity (DEI) implementation programme which is overseen by a strong executive committee and integrated with our Women's Forum. These platforms work in parallel to ensure our ongoing support for gender equality and representation across the business, as well as an equal level of inclusion for our diverse workforce.

Our notable transformation interventions include:

The Women in Technology Academy continues to benefit our female staff in our broadcast engineering and media operations. In these highly specialised fields, we strive to ensure that women are enabled with the appropriate tools to craft their career plans and have exposure to key project opportunities. The programme integrates targeted mentorship, technology strategy-led round-table discussions, technology project stretch assignments and upskilling through digital elearning paths.

The Technology Head of Department and Executive Associate Programme curates a space for high performing and high potential women within our technology business units to gain exposure to executive leadership projects and environments. These women are paired with a head of department (HOD) and the Chief Technology Officer (CTO) for a period of 11 months to gain experience in navigating various strategic projects and receive 1-on-1 mentorship.

The Advancing Women Mentorship Programme is a special initiative within the digital space that offers women in the business an opportunity to engage in masterclasses with subject matter experts, networking sessions, expert classes with key facilitators and a digital learning path, as well as a chance to be mentored by one of the executives within our business. The key focus is on enhancing their technological and management skills, connecting them with female and male role models in the industry and exposing them to broader aspects of the digital initiatives throughout the organisation.

The Ally Programme was launched this year as an executive project and mentorship programme aimed at facilitating sponsorship for women at an executive level. The programme aims to have male employees advocate for female peers to have a seat at the same table, advocating for women within the business in general and providing them with experience in critical roles.

The True Icons initiative was a group-enabled campaign to celebrate diversity and inclusion from the months of June through to September 2022. In June and July, we showcased the voices of the youth and the LGBTQIA+ community both within our organisation and within our communities. August saw the lens shifting to empowerment of women and allied movements, while September celebrated heritage month with a keener focus on the importance of African storytelling.

Women in Sales is a mentorship programme aimed at accelerating the development and growth of female talent in the sales function across the Rest of Africa business.

How our activities added value for our stakeholders continued

Employees

Developing our employees

Employee learning and development is critical to the performance and success of our people and we create learning and development solutions that are specifically targeted to the needs of our employees in our business context. Our offerings aim to skill, upskill and reskill our workforce and can take the form of coaching, mentoring, practical on the job training, formal qualifications, accredited courses and training, and customised learning programmes for leadership, technical or skills-based development.

Spend on learning and development was limited to mandatory and critical courses and initiatives across all regions due to pressures experienced in the macroeconomic environment. In FY23, we invested ZAR205m in employee development, of which 51% was allocated to female talent (FY22: ZAR213m, 45%). Within the professional growth dimension, 30% (FY22: 62%) of bursary spend has been allocated to women (R13m) in the science, technology, engineering and mathematics (STEM) fields, which decreased significantly from FY22 as we saw a decline in the amount of female participants. We also enabled 1 319 employees to attend formal training (FY22: 2 527).

We aim to stay at the forefront of new developments in the learning landscape while keeping our strategy of moving towards a platform business front of mind. As a result, we are increasingly looking at opportunities and candidates in the STEM disciplines to incorporate and onboard into the MultiChoice environment.

The group continues to invest in bursaries for top talent in the STEM fields to create a pool for the organisation to draw from while contributing to alleviating the STEM skills shortage across our markets. We invested ZAR42m (FY22: ZAR59m) in bursaries granted to employees, employee dependents and 170 external students in FY23 (FY22: 165).

Production and media remain a critical part of our video entertainment business, and our Media and Production Graduate Programme focuses on granting our bursars in media and film production technologies an opportunity to gain practical experience in this industry.

Employee **learning and development** is critical to the performance and **success of our people**.

Our graduate programmes remain the key pipeline for early career development and specialist skills. Two key programmes in this area have been the Digital Graduate Programme and the MCG Technology Graduate Programme. The Digital Graduate Programme's objective is to attract the brightest graduates from the actuarial and computer science fields, offering them the opportunity to train and gain experience in our Data Science, Behavioural Science and Design divisions. The MCG Tech Graduate Programme seeks to grant our graduated bursars an opportunity to gain skills and expert coaching in our Engineering, Software Development, IT and Consumer Insights divisions.

The Customer Group in our Rest of Africa business, prioritised the development of a highly efficient Direct Sales Force (DSF) in all our African markets. We created a comprehensive DSF upskilling curriculum to ensure uniformity in how we sell and interact with our customers. Part of the curriculum includes product knowledge as this is naturally a key requirement in the selling process which can be taken for granted by business insiders.

In addition, the Customer Group implemented an 18-month graduate programme at the start of FY22, hosting 11 graduates who all successfully graduated in October 2022. These graduates were given exposure to practical work experience in all areas of the Customer Group and received support through a work readiness programme in partnership with Henley.

In pursuit of understanding our customers and their purchasing decisions better, we partnered with Henley to upskill select individuals in human behaviour and consumer psychology through the Behavioural Science Programme. Our first cohort was launched in August and consisted of 30 employees from our Group Digital division. A number of encouraging solutions have been presented to the business and are being incorporated into our customer experience journeys.

How our activities added value for our stakeholders continued

Employees

MultiChoice continues to leverage a **network of coaches**

MultiChoice has expanded the in-house Coaching Platform, launched in FY22 across all areas of the business. This in-house platform enables accredited coaches with the necessary tools and skills to develop and empower high performing individuals identified through our internal evaluation processes.

We have embedded coaching and mentoring into our learning interventions. This critical capability is a core differentiator in accelerating our people's performance by aligning the goals of individuals with their growth paths and desired business outcomes. Our continuous effort to invest in our people by providing coaching opportunities for growth and development was recognised by the Africa Board for Coaching, Consulting and Coaching Psychology and MultiChoice was awarded the prize for the Coaching Anchored Organisation of the year 2022.

The Ignite Programme is a dynamic solution designed for critical talent across our business. The programme, developed in-house and launched with global partners, offers a break-through learning experience that incorporates personalised development through assessment, industry relevant learning and targeted experiential exposure. The programme aims to enable our current high potential employees to progress rapidly, whether through horizontal career specialisation or a vertical growth path.

In addition to our rich learning and development interventions, we continue to invest in digital learning through the MultiChoice Academy e-learning platform. The platform hosts an ever-expanding library of curated courses developed by leading partners such as Harvard and Udemy and also features international content libraries. This year, the academy had 119 386 course registrations (FY22: 320 903), 58 568 course completions (FY22: 247 423) and recorded 196 052 hours of learning (FY22: 52 656). The change between FY23 and FY22 is due to the relocation of content for products, customer care and installer training onto partner platforms due to access and customisation.

Creating the leaders of tomorrow

The development of leaders is vital in growing our business and enabling our vision of enriching lives. We continuously review our leadership-focused learning and development solutions to ensure that they suit the needs of the business, adequately support succession pipelines, enable delivery on our strategy and drive innovative thinking. We incorporate relevant leadership aspects such as systemic thinking, new leadership intelligence, digital transformation, emotional intelligence, commercial acumen and agility into our offerings to elevate our programmes and create transformational leaders.

This year our business leaders worked with Henley, GIBS, Insead and other leadership institutions through customised management and leadership development programmes. We have impacted 160 of our full-time staff with qualifications on National Qualifications Framework levels 5, 6, 7 and 8 across all divisions of MultiChoice.

How our activities added value for our stakeholders continued

Employees

MultiChoice, in partnership with the Henley Africa Business School, has curated a top industry leadership development programme which we offer at various levels of leadership. The programme learning materials specifically cater for our dynamic industry, organisational and project-based challenges.

In furthering leadership intelligence, **MultiChoice** has invested in the **Leader as Coach programme,** an accredited coaching programme to upskill our senior leaders with the necessary skills to lead their teams in a more approachable and engaging coaching style.

To support the learning journey of our emerging leaders, we have redesigned our **Management 101 programme** to include a series of self-paced e-learning modules which incorporate real life, scenario-based business simulations. The process is rounded off with a short face-to-face consolidation session to bring the learning together and ensure a seamless transfer of the knowledge and skills learned back into the workplace.

SuperSport launched an Industry Leaders Programme in partnership with GIBS and the University of San Francisco that is wholly customised to meet the needs of executive leaders in the sports industry. This learning journey accommodates the nuances of leading and managing organisations in a highly politicised industry with multiple stakeholders, characterised by unique and complex business and funding models, and high levels of disruption and competition. A total of 18 hand-picked leaders from respective sport bodies were selected to be part of the programme and explored a number of strategic challenges set by SuperSport. The aim of this intervention is to deepen partnerships with sport bodies and enhance the sustainability of the sports industry in South Africa.

We have developed a number of new leadership solutions to enhance the capabilities of select employees within our talent pipeline, to prepare them to assume senior leadership positions in the next two to five years. An example is the **SuperSport Next Generation Leadership Programme,** introduced by the CEO of SuperSport. The programme kicked off with psychometric assessments, a leadership footprint lab and an immersive experience of learning, looking at new markets and ways to do business differently. As we prepare these delegates to become transformational leaders they will be stretched to think innovatively and creatively to lead the business into the future.

Engaging our employees

MultiChoice is committed to driving employee engagement as it is critical to driving customer experience, business objectives and employee ambassadorship in the market. Continuous engagement metrics are included in our leaders' key performance metrics and they are expected to drive initiatives to keep employee engagement and morale high. This year we saw a high rating of 'Relationship with managers' with an overall group score of 8.3 (out of 10).

Additionally, we ensure that our employees have appropriate platforms and support through continuous engagement and collaboration. We drive employee engagement and wellness campaigns through our Thrive Tribe engagement platform to ensure a holistic view on employee matters.

We commit to respecting freedom of association and collective bargaining in line with local legislative requirements and staff representation levels. We take pride in our internal employee representative body, the Workplace Forum (WPF), which operates in South Africa, as well as in similar bodies across our other regional operations, such as Irdeto, which enables internal representatives to bargain on employees' behalf and champion their interests.

Recognising our talent

MultiChoice is committed to recognising employees for their efforts through ongoing performance appraisals and continuous talent engagements which form the basis of personal development plans and career growth initiatives.

We encourage our employees to recognise their peers, managers, direct reports and specific teams for the value they add to our organisation and how they live the MultiChoice behaviours, through our groupwide employee recognition programme, #WeSeeYou. This year, we registered 23 152 individual digital recognitions (FY22: 20 405) and paid 1 155 individual spot awards (FY22: 1 324), 971 team awards (FY22: 538) and 245 employee of the month awards (FY22: 210). These recognitions culminate in yearly awards of employees who are recognised at the highest level of the organisation. We recognise employee loyalty and commitment through our long-service awards on an annual basis.

> MultiChoice is committed to recognising employees for their efforts through ongoing performance appraisals and continuous talent engagements.

How our activities added value for our stakeholders continued

Employees

MultiChoice is serious about the wellness and safety of our employees and takes a proactive and preventative approach to employees' health through our various employee benefits and online wellbeing programmes.

Caring for our employees' health and wellbeing

MultiChoice is serious about the wellness and safety of our employees and takes a proactive and preventative approach to employees' health through our various employee benefits and online wellbeing programmes. Our wellness programme looks at every major aspect of an employee's life, including preventative health testing, financial advice, family support, psychological counselling and other wellness related advice and support.

The ICAS Employee Assistance Programme (EAP) encompasses core counselling and advisory services and is highly valued by our staff as we have seen increased utilisation and commendable feedback.

Dooble is our lifestyle benefits offering contactless concierge services which has saved employees millions of rands and the business over 3 700 productive hours throughout the year.

	Issues raised by employees	How these were addressed
1	The retention of critical and scarce technology talent is a key priority for MultiChoice as the shortage of technology talent in Africa persists. The burden of key talent losses may overburden existing staff, increasing the internal demand for these skills and capacity gaps.	The group continues to manage and deploy its critical and scarce skills identification, retention and support plan targeted at ensuring continuity and coverage in the event of talent losses.
2	As the organisation continues to modernise its platforms, we need to ensure continuity in operations, develop and recruit the necessary skills and transition employees to new and upgraded platforms in a seamless manner.	We ensure that all modernisation programmes have the necessary change, communication and training support to assist employees with skills to operate the new and upgraded platforms and enhance their work.

Key focus areas going forward

- We are dedicated to retaining, developing, attracting and supporting key talent as we drive our business into the future. We will nurture equal opportunities, ensure fair representation for all our employees and propel diversity that mirrors the communities we serve.
- We will continue to drive transformational leadership capabilities through value adding development initiatives, succession pipelining for critical roles and effective knowledge transfer of scarce skills across the group.
- We believe in our purpose of enriching lives and commit to seeking ways to improve the performance of, and benefits and support to our employees.

How our activities added value for our stakeholders continued

Partners

Value created for **our partners**

Delivering value to our suppliers and partners

ZAR12.0bn[(1)] spent on local South African suppliers (FY22: ZAR13.4bn)	**ZAR2.6bn**[(1)] spent on South African small, medium and micro-enterprises (FY22: ZAR3.0bn)	**ZAR2.0bn**[(1)] spent on South African suppliers who are at least 30% women-owned (FY22: ZAR2.8bn)

Our core business of aggregating and delivering exceptional content and relevant value-added services to our customers relies on our execution, as well as the support of our many suppliers and partners. We provide value to them through the fees we pay and the scale we offer, and we also seek to nurture longer-term collaborative relationships to support the ongoing development of the industries and value chains in which we participate. Going forward, our group will increasingly draw on the expertise of dedicated joint venture partners in our Showmax and Moment businesses and aim to create value for our co-investors too. We have also announced a syndication partnership with Sky for the Sky Glass connected smart TV device, which we plan to launch in the coming years.

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

Our largest categories of procurement are content (ZAR20.9bn), set-top boxes (ZAR6.6bn) and transponders (ZAR2.5bn). Other critical third-party suppliers and partners include our agent and installer network, and our third-party payment partners.

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

Within our overall procurement spend, we support local, upcoming and previously disadvantaged operators in the film, TV, media, and information and communication technology industries. In South Africa, our preferential procurement spend amounted to ZAR12.0bn in FY23, ZAR7.7bn of which was allocated to BBBEE-compliant suppliers, while ZAR2.6bn was directed to small, medium and micro-enterprises, and ZAR2.0bn went to suppliers with at least 30% black women ownership.

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

[(1)] Overall supplier spend decreased due to budget efficiency and tighter cost controls.

How our activities added value for our stakeholders continued

Partners

Content

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

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

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

Set-top boxes

100% of the set-top boxes sold in South Africa and Lesotho are assembled in South Africa, including our traditional, hybrid and dedicated OTT set-top boxes. This supports local job creation, while the remainder of our set-top boxes are manufactured offshore to facilitate optimal costing and delivery for our Rest of Africa markets. We work with international suppliers to obtain the best quality components at the best prices for our set-top boxes, while supporting a sustainability agenda. As one of the few physical items that we design ourselves, procure from third parties and then on-sell directly and indirectly (through various retailers) to customers, we celebrate the fact that our set-top boxes are made largely from recyclable components. While our decoder packaging is currently recyclable, we are taking steps towards more environmentally friendly biodegradable packaging or, where feasible, plastic-free packaging.

Transponders and other transmission channels

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

Agency, installers and payment partners

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

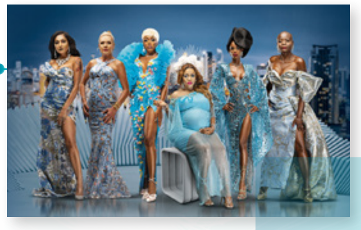
Critical systems

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

How our activities added value for our stakeholders continued

Partners

Issues raised by suppliers	How these were addressed
1 Content negotiations From time to time, we are not able to reach timely agreement with content rights holders on an appropriate price for the broadcast of their rights. As a case in point, we could not initially reach agreement on commercial terms with the sub-license holder for the IPL rights renewal. Following a public announcement to our customers, a late deal was fortunately struck to broadcast the IPL.	Given our scale across 50 markets and our operating history of close to 40 years, we have developed an ability to accurately value sports rights for different countries and market segments. We need to stay true to these value estimates in order to run a sustainable business. From time to time, this can mean that we lose access to individual pieces of content, but our breadth and depth of sports and general entertainment content allows us to reinvest elsewhere
2 How the group is adapting to OTT OTT services created disruptive changes in the traditional linear pay-TV landscape in developed markets where broadband penetration, speeds and affordability sufficiently support scale uptake. These trends impact content producers, satellite transmission systems providers and set-top box manufacturers, among others.	DTH and DTT are likely to remain the most cost-effective methods of distributing long-form video content to the mass market across sub-Saharan Africa for some time. We thus expect to continue collaborating with our current suppliers for the foreseeable future. However, we expect OTT to continue to grow at accelerated rates as connectivity improves. We are embracing this change through our investment in OTT services and platforms and our recent SVOD distribution agreements. Our recently announced partnership with Comcast, NBCUniversal and Sky also speaks to this thematic trend, as we expect to reach an inflection point in broadband adoption and affordability in the medium term. A changing landscape also broadens the scope of the partners we work with, such as the content delivery network and cloud computing service providers that support the scaling of our online services.
3 MultiChoice's cost savings agenda MultiChoice has embedded an aggressive cost savings culture into its business to ensure fit-for-purpose operational efficiencies. This can create an environment of uncertainty for suppliers.	Driving cost efficiencies across our business is an important part of our commitment to deliver positive operating leverage. However, we recognize the value and importance of mutually beneficial supplier relationships. Thus, we will pay a fair price for services that add value to our business when it makes sense economically. Ultimately, we believe our approach to suppliers is firm but fair and conducted in the spirit of collaboration and mutual sharing of risks and benefits.



Key focus areas going forward

- Looking ahead, we will continue investing in local content with local producers and sourcing world-class entertainment from our international partners.
- We will continue engaging with global and local sports bodies to deliver excellent sport to our viewers.
- We will aim to secure relevant contracts that come up for renewal, and wherever possible negotiate the sharing of foreign currency risk with our suppliers and partners.
- We will proactively pursue opportunities for new or enhanced partnerships, especially for co-productions, payments and expanding our entertainment ecosystem.
- We will support our newly created equity joint ventures. We will bed down our partnership with Comcast, NBCUniversal and Sky with the aim of launching our new service in the second half of FY24, while also supporting the integration of Moment with our existing payments infrastructure to drive initial scale into its platform.
- We will continue developing our ecosystem by expanding our products and services through ongoing innovation, strategic partnerships and select investments, providing customers with a wider array of complementary entertainment options and consumer services. In this regard, we will work on the development of the Sky Glass syndication roadmap for our video business.
- We will continue driving transformation through our supply chain responsibly and sustainably.
- Finally, we are in the process of a multi-year systems improvement process, including a business-as-usual hardware refresh cycle of our IT systems, as well as implementing a technology modernisation programme to futureproof our customer service, billing, data and other capabilities, and a finance system upgrade to support a consolidated and harmonised technology stack. We will continue to focus on successfully implementing these projects with the assistance of our implementation service providers.

How our activities added value for our stakeholders continued

Regulators

Value created for **our regulators**

Value created for governments

ZAR4.6bn	ZAR2.0bn	ZAR1.1bn	ZAR1.5bn	ZAR2.7bn
VAT and sales tax collected and paid (FY22: ZAR4.5bn)	employee taxes collected and paid (FY22: ZAR1.9bn)	collected and paid in customs, excise and other indirect taxes (FY22: ZAR0.7bn)	withholding taxes collected and paid (FY22: ZAR1.0bn)	paid in corporate income taxes (FY22: ZAR3.2bn)

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

48%

Of our total tax contribution (taxes collected and paid to tax authorities), 48% was paid to the South African fiscus (paid ZAR2.5bn; collected ZAR3.1bn) (FY22: 61%, paid ZAR2.9bn; collected ZAR3.9bn)

Our total tax contribution [(1)]

ZAR11.8bn

(FY22: ZAR11.3bn)

43%

43% of our total tax contribution was collected and paid by the Rest of Africa segment (paid ZAR1.9bn; collected ZAR3.3bn) (FY22: 32%, paid ZAR1.4bn; collected ZAR2.2bn)

9%

The Technology segment contributed 9% (paid ZAR0.6bn; collected ZAR0.4bn) (FY22: 7%, paid ZAR0.4bn; collected ZAR0.4bn)

The total tax contribution comprises taxes paid of ZAR5.0bn (FY22: ZAR4.8bn) and taxes collected[(1)] (on behalf of governments) of ZAR6.8bn (FY22: ZAR6.6bn).

[(1)] The total tax contribution amount reflects all material cash taxes paid and collected by the group. The tax paid amount is the actual cash tax incurred and paid by the group and includes corporate income tax, property taxes, social security contributions, etc. The tax collected amount reflects taxes not incurred by the group, but taxes that were collected by the group on behalf of revenue authorities (e.g. PAYE and VAT).

How our activities added value for our stakeholders continued

Regulators

Delivering value to governments

Governments rely heavily on revenue from tax contributions made by corporate taxpayers. MultiChoice contributes meaningfully to the government fiscus in our core markets of operation through the collection of indirect taxes on behalf of governments, and through the payment of substantial amounts of tax by way of direct corporate income tax and other taxes. Governments have a broad social mandate to fulfil, which includes social upliftment, access to services and creating and enforcing laws that protect society's various constituencies. We understand the challenges they face and always seek to play our part in supporting the development and sustainability of the countries and industries in which we operate. We comply with all our statutory obligations and seek to build good, honest and open working relationships with tax authorities founded on mutual trust. We have robust tax risk management measures in place (as documented in our group tax policy) and place high regard on our tax and corporate reputation. We do not enter into transactions or arrangements that detract from this reputation. We endeavour to ensure that our tax objectives do not conflict with our corporate social responsibility objectives.

Our approach to tax

MultiChoice Group Tax, through its board/exco-approved MultiChoice Group Tax Policy, sets out the principles governing the management of taxes by all entities within the group. Through our group tax policy, we have established a formal approach to tax risk management and a tax governance structure that is commonly understood across MultiChoice.

MultiChoice aims to be a committed member of the communities within which it operates and to be a good corporate citizen acting with honesty and integrity in its dealings. We are committed to adhering to all applicable laws and regulations, while safeguarding our interests, including our reputation and brand, as well as the reputations of the entities and brands forming part of the group.

MultiChoice is always guided by corporate policies when dealing with all stakeholders, including non-controlled associates, as outlined in the group's Code of Ethics policy. Further, MultiChoice monitors developments in non-controlled associates and performs ongoing assessments of possible impact to the group.

Our MultiChoice Group Tax Policy and related corporate policies are available on our website **www.investors.MultiChoice.com/policies-and-charters**

Total tax contribution per country

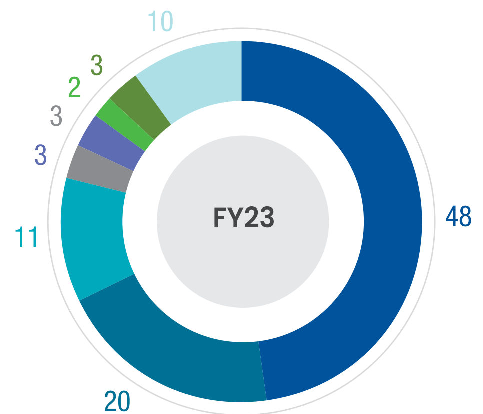
Our largest business, MultiChoice South Africa, is domiciled and tax resident in South Africa and its tax affairs follow normal operating and tax practices in that country.

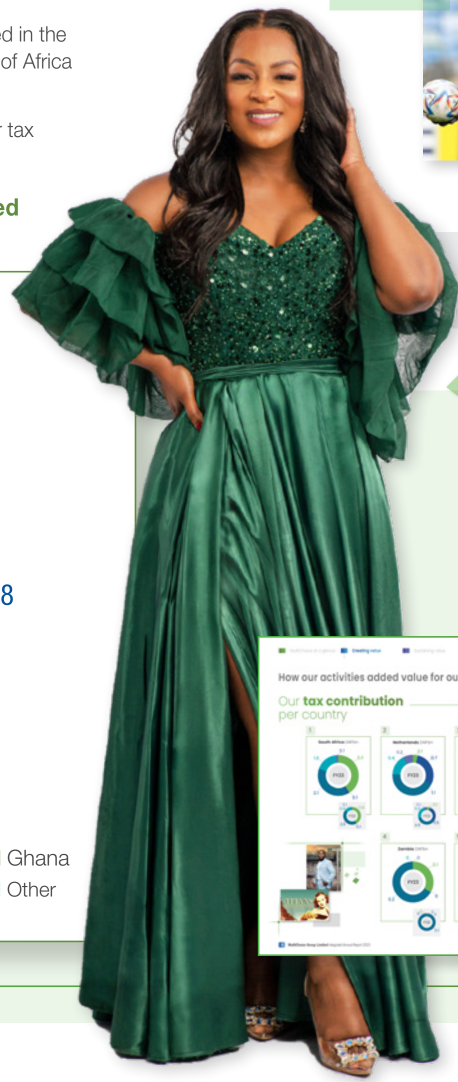
Our MultiChoice Africa Holdings entity (MAH BV), which is domiciled in the Netherlands, predominantly incurs its tax liabilities across the Rest of Africa territories in which it operates.

Our operating entities domiciled in markets across Africa also incur tax liabilities in-country, notably in markets like Nigeria.

The chart below shows the split of total taxes collected and paid to tax authorities across key territories

Total tax contribution per country
FY23 (%)





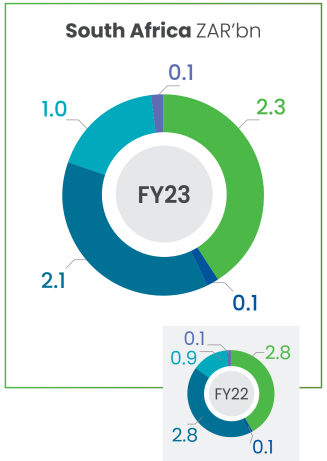
See breakdown of regions on following page:

How our activities added value for our stakeholders continued

Regulators

Our **tax contribution** per country

1



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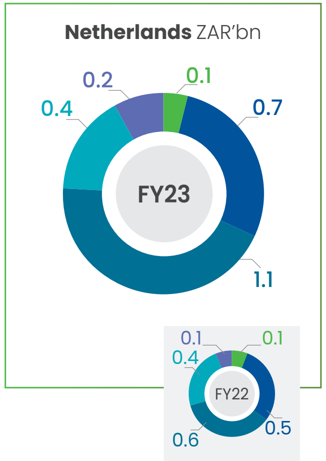

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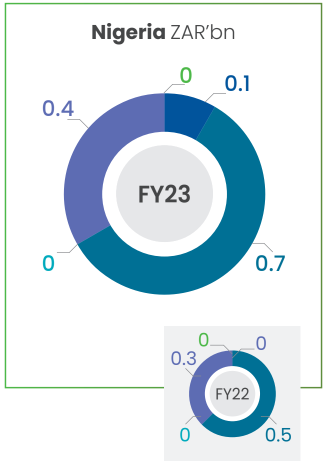
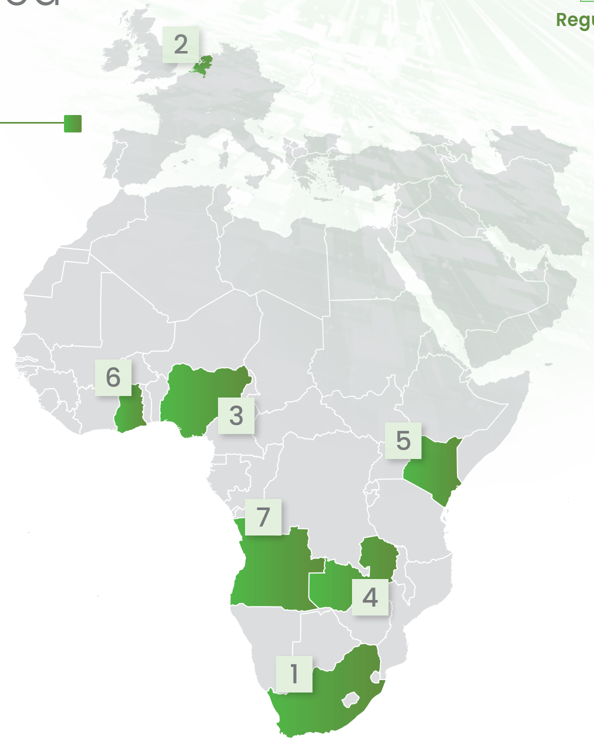
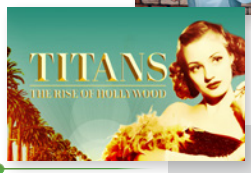


- Corporate tax
- Withholding tax
- VAT/sales tax
- Employees tax
- Other





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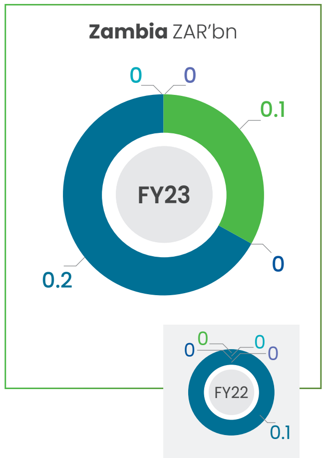

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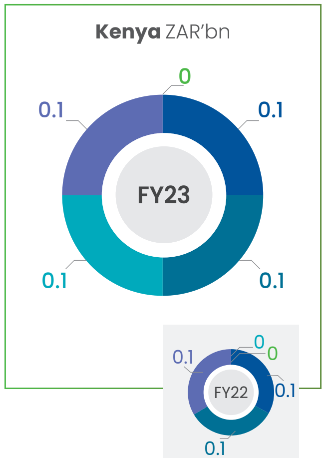

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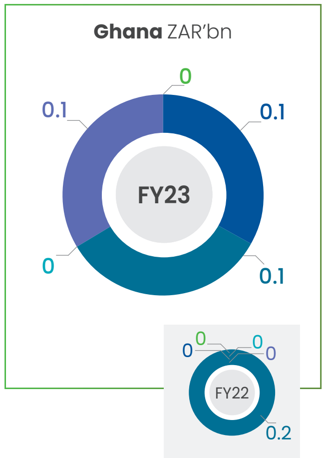

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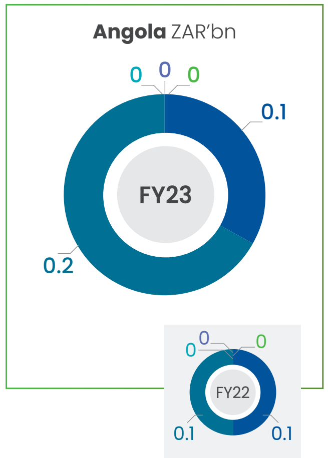


How our activities added value for our stakeholders continued

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.

	FY23		FY22	
Group effective tax rate	**ZAR'm**	**%**	ZAR'm	%
Profit before tax	**921**		7 094	
Taxation and statutory rate of 27% (FY22: 28%)	**249**	**27.0**	1 986	28.0
Adjusted for:				
Non-deductible expenses (general)	**1 209**	**131.3**	483	6.8
Prior period under/(over) provision of taxes (prior year current and deferred tax)	**127**	**13.8**	23	0.3
Non-taxable income (exempt income/income tax allowances)	**(112)**	**(12.2)**	(277)	(3.9)
Unrecognised RoA losses and other unprovided timing differences (temporary differences)	**1 145**	**124.3**	1 060	14.9
Assessed losses utilised	**(32)**	**(3.5)**	(10)	(0.1)
Foreign withholding and other direct taxes and uncertain tax positions	**1 222**	**132.7**	850	12.0
Tax adjustment for foreign taxation rates and change in tax rates	**(96)**	**(10.4)**	57	0.8
Tax attributable to equity-accounted earnings	**129**	**14.0**	38	0.5
Taxation provided for in the income statement	**3 841**		4 210	
Reported group effective tax rate:		**417.0%**		59.3%

The group's effective tax rate remains elevated, and above the standard corporate tax rate for South African companies of 27% (FY22: 28%). This is due to the losses in the Rest of Africa negatively impacting group profit before tax and distorting the effective tax calculation. Withholding and other taxes incurred in our Rest of Africa segment also negatively impacts the effective tax calculation (notwithstanding that the segment has been loss making in aggregate in recent years).

MultiChoice Group's effective tax rate increased year on year from 59.3% in FY22 to 417.0% in FY23 mainly due to the following drivers:

- Higher non-deductible expenses added back for tax purposes due to cash extraction losses as well as impairment of equity-accounted investments;
- Losses in Rest of Africa, where deferred tax assets relating to assessed losses have not been raised;
- An increase in uncertain tax positions;
- Higher withholding taxes incurred in our Rest of Africa territories, largely due to increased revenues.

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 to balance this with the need for continuity and stability in their regulatory frameworks. These frameworks need to support a level and competitive playing field without prejudicing certain constituencies in favour of others. Although the group operates in a highly regulated environment, which often results in complex and onerous operating conditions, we remain supportive of balanced, evidence-based and consistently applied regulations that ultimately protect consumers and serve their interests. As such, we remain committed to working with our regulators to ensure appropriate and fair outcomes of ongoing licensing processes and regulatory reviews. In FY23 we paid ZAR280m in regulatory fees across our footprint (FY22: ZAR257m).

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 93 to 103). 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.

Our approach to regulations

The regulatory landscape, particularly in key markets like South Africa and Nigeria, is characterised by constant change and poses challenges for our operations from time to time. Business risks are, however, 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. We always view litigation as a last resort but are willing to go to court to protect the interests of our stakeholders, most notably employees, suppliers and partners, and shareholders whose interests are all put at risk when adverse regulations are imposed on our business. Ironically, our ability to pay taxes to governments is also impaired by regulations detrimental to the industry and indirectly to the macro-economy.

How our activities added value for our stakeholders continued

Regulators

Critical issues for our regulators	How we address them
1 Nigerian Federal Inland Revenue Service (FIRS) tax dispute Given historic cases in the Nigerian market involving other corporate entities and the nature and quantum of the claims made by FIRS in this matter, our shareholders and other stakeholders have naturally been concerned about the potential outcome. In addition, we always prefer our engagements with regulatory and tax authorities to be conducted cordially and in a cooperative spirit.	In February 2022, we reached an agreement with FIRS to stay the legal proceedings and for FIRS to commence an integrated tax audit for both the MultiChoice Nigeria and MultiChoice Africa Holdings BV tax matters. The audit process covers corporate income tax, VAT and transfer pricing. As part of the process, the group has made ZAR1.3bn in tax security deposits on a 'without prejudice and good faith' basis, with funds to be utilised for future tax payments. We note that the audit is still in progress. Based on the latest facts and circumstances available, no tax provision has been made, nor has a contingent liability been disclosed in our FY23 results. The group maintains its position as a law-abiding corporate citizen and continues to engage constructively with FIRS to bring the audit to a timely and fair conclusion.
2 Independent Communications Authority of South Africa (ICASA) developments The activities of ICASA, South Africa's communications regulator are critically important to our business including to our shareholders, employees, customers, suppliers and the public, all of whom may be impacted by changes in regulations. We therefore actively participate in all relevant ICASA inquiries with a view to achieving a sound regulatory outcome, in the public interest.	With respect to ICASA's subscription TV broadcasting market inquiry, ICASA issued a media release in May 2022 in which it indicated that it would be 'rebooting' this inquiry. ICASA stated that this is meant to enable it to take account of all relevant and current developments to inform a robust, forward-looking regulatory intervention that balances interests of consumers and stability of the broadcasting services market. We welcome this decision which affirms that the regulator is taking note of the changes that have occurred in the audio-visual services industry since the inquiry was launched in 2016. There have been no further developments since this announcement was made. ICASA's amended regulations in relation to 'must carry' obligations came into effect on 1 April 2022. We accordingly commenced negotiations with the public broadcaster for the carriage of their 'must carry' channels. The process is ongoing. ICASA's new disability regulations came into effect on 10 October 2022. MultiChoice has prepared rigorously for the implementation of the regulations and we are confident that viewers with disabilities will enjoy the improved offering.
3 Competition complaints In the normal course of business, the Competition Commission has been investigating complaints submitted by members of the public or in some instances initiated by itself.	The Competition Commission finalised its investigation into the agreements concluded between MultiChoice South Africa with each of Netflix and Amazon Prime in April 2022 without any adverse findings. In June 2022, the Commission also closed, without any adverse finding, its investigation into a customer complaint regarding alleged discrimination in pricing of commercial airtime. Its investigations of the following complaints are ongoing: • a consumer complaint of alleged excessive pricing of DStv packages. We price our services competitively taking into account a myriad of factors including our costs, which include a material USD component • eMedia's complaint emanating from the business no longer acquiring four of its channels at the end of the fixed term commercial channel supply agreement in March 2022 • the SABC's complaint regarding our acquisition of the exclusive rights to PSL football and Premiership Rugby matches. These rights are acquired from the rights owners for a limited fixed term following competitive selling processes. The Competition Commission is also conducting investigations into three complaints it initiated regarding alleged collusive tendering in bids for Premiership Rugby, La Liga and UEFA Championship qualification rights, alleged market allocation of the African pay-TV market and alleged allocation of the supply of set top boxes. These investigations are at an early stage. As is customary, we continue to cooperate with the Commission in its investigations and to respond to any requests for information as and when received.
4 Government's draft white paper on audio and audiovisual content services policy framework	We had welcomed the initial publication of the draft white paper, much of which focused on the licensing framework for content services in the new environment. MultiChoice was 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. Despite the fact that there has been no developments since the colloquium in February 2022, we remain hopeful that the South African government will restart the process and finalise a white paper in due course.
5 Purported amendments to the Nigerian Broadcasting Commission (NBC) Code (the Code)	In a pleasing development, the purported amendment to the Code was nullified and set aside by a Federal High Court in Lagos. The Court perpetually restrained the NBC from enforcing the annulled amendment. Further litigation in respect of the annulled code, aimed at pre-empting the NBC from taking action in a case by another broadcaster, is currently ongoing.

How our activities added value for our stakeholders continued

Regulators

Critical issues for our regulators		How we address them
6	Music Rights licences and royalties' payments for the Rest of Africa	Engagements with international and local collecting societies are ongoing in respect of music rights licences and the royalties payable for territories outside of South Africa. We are confident that we will be able to negotiate agreements which work for our business model.
7	Broadcasting Regulations review in Kenya	We continue to engage productively on proposed amendments to the Communications Act and draft Broadcasting Regulations with a view to achieving an outcome which is supportive of our business imperatives, particularly in the areas of: • premium content regulation, and • stipulations on local FTA channels
8	Licensing and competition market analysis in Malawi by the Malawi Communications Regulatory Authority (MACRA)	We are pursuing legal redress in court following MACRA's ruling that MultiChoice Malawi was in breach of its licence and the law in not seeking approval of DStv tariff adjustments. We also continue to engage with the authorities on MultiChoice Malawi's business model and licensing arrangements, in light of recent findings and recommendations published by MACRA following a market analysis study.
9	Radio Frequency Spectrum Changes (ITU)	The ITU will this year hold the World Radiocommunication Conference (WRC) where spectrum will be re-allocated to different services. We continue to engage with governments and regulators to highlight the continued importance of spectrum for broadcasting services, specifically spectrum we use for DStv and GOtv across our different markets.
10	Consumer protection complaints	Various complaints by our customers relating to availability of our services during power outages or due to coverage and spectrum frequency limitations; the provision of our services in bouquets rather than bundles comprising channels selected by individual customers; changes to our bouquets through the addition and removal of channels and marketing of conditional promotional offers made to consumers were investigated and resolved by regulators across the continent without any adverse findings against the business. We are taking active steps to engage our customers regarding our services in order to minimize complaints of this nature.

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 amount of tax to the governments in our markets.
- We are keeping an open dialogue with FIRS in Nigeria to resolve the current tax dispute while actively managing the legal process. We have complied fully with all audit requests and have not raised any provisions or recognised any contingent liabilities to date.
- We will continue building relationships of trust with regulatory bodies 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.

Looking ahead in terms of our regulatory approach:

- We will ensure ongoing compliance with the applicable regulations and best practices across the jurisdictions where we operate through consistent monitoring and evaluation of compliance levels.
- We will participate in reviewing existing legislation and regulations, or in processes where regulators intend to potentially introduce new regulations which may impact our business and industry. The introduction of new legislation and/or regulatory obligations (including laws of general application addressing consumer protection and data protection), tariff control in some territories, and sector-specific regulations are key areas of ongoing engagement with regulators.
- We will renew any requisite licenses as necessary, including our M-Net and MultiChoice broadcasting licenses where both 15-year license terms end in calendar year 2023.

How our activities added value for our stakeholders continued

Shareholders and lenders

Value created for **our shareholders and lenders**

Delivering value to shareholders and lenders

ZAR2.9bn	ZAR3.5bn	ZAR511m
free cash flow (ZAR5.5bn)	in core headline earnings in FY23 (FY22: ZAR3.5bn)	in interest paid to lenders (FY22: ZAR160m)

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 valuable input regarding ways to enhance our approach to governance and long-term value creation. Through a disciplined approach to capital allocation that supports the execution and implementation of our strategy, our objective is to consistently generate returns that comfortably exceed our cost of capital.

In this way, we aim to deliver sustainable value for our shareholders over time and seek to be responsible custodians of our owners' financial capital in order to sustain their trust and confidence in us.

Since our listing as a standalone group, we have increasingly drawn on debt capital markets to optimise our balance sheet and support our strategic execution and growth ambitions beyond linear video broadcast entertainment. We have a long-standing relationship with our satellite transponder lessors, but the adoption of financial gearing is a more nascent path for the group and we have embarked on it cautiously. We have taken on debt to manage working capital within the group, as well as support our investment into KingMakers and our Showmax growth plans. We also retain access to debt facilities to support the group's capital needs if and when required.

Strategy

As a trusted brand and a platform of choice, we aim to further expand our ecosystem through growth opportunities that leverage our scale and reach across sub-Saharan Africa.

How our activities added value for our stakeholders continued

Shareholders and lenders

Our aim is to further enrich the lives of our customers by providing additional products and services that are scalable and underpinned by technology, while diversifying our revenue streams and creating additional value for shareholders in the process.

We remain focused on our core video entertainment business, where we continue to reinvest into our customer value proposition in the maturing South African market, notably behind our aggregation and OTT services, while pursuing growth opportunities in our Rest of Africa segment. We have invested in growing our Showmax business since 2015 and have achieved several successes over the past few years. We expect our partnership with Comcast, NBCUniversal and Sky to help us step change our ambitions for this business in future. We are also expanding our broader consumer service offering by leveraging our sizeable platform and highly engaged subscriber base. Our aim is to further enrich the lives of our customers by providing additional products and services that are scalable and underpinned by technology, while diversifying our revenue streams and creating additional value for shareholders in the process. Our initiatives in sports betting and interactive entertainment, fin-tech and home services are indicative of these ambitions.

Capital allocation

We have a strong balance sheet and robust free cash flow generation that supports our capital allocation process. We typically aim to fund our business through operating cash generation, lease financing and, increasingly, debt capital.

With regard to allocating capital, our immediate priority is to fund the cash needs of the Rest of Africa segment after returning it to trading profitability this year. We are targeting sustainable, standalone free cash flow generation in the year ahead. We also need to ensure that our business retains sufficient operating cash throughout the course of the year to cover operating costs, material *ad hoc* working capital outlays and exogenous challenges or disruptions, with the ongoing US dollar liquidity shortage in Nigeria being a case in point.

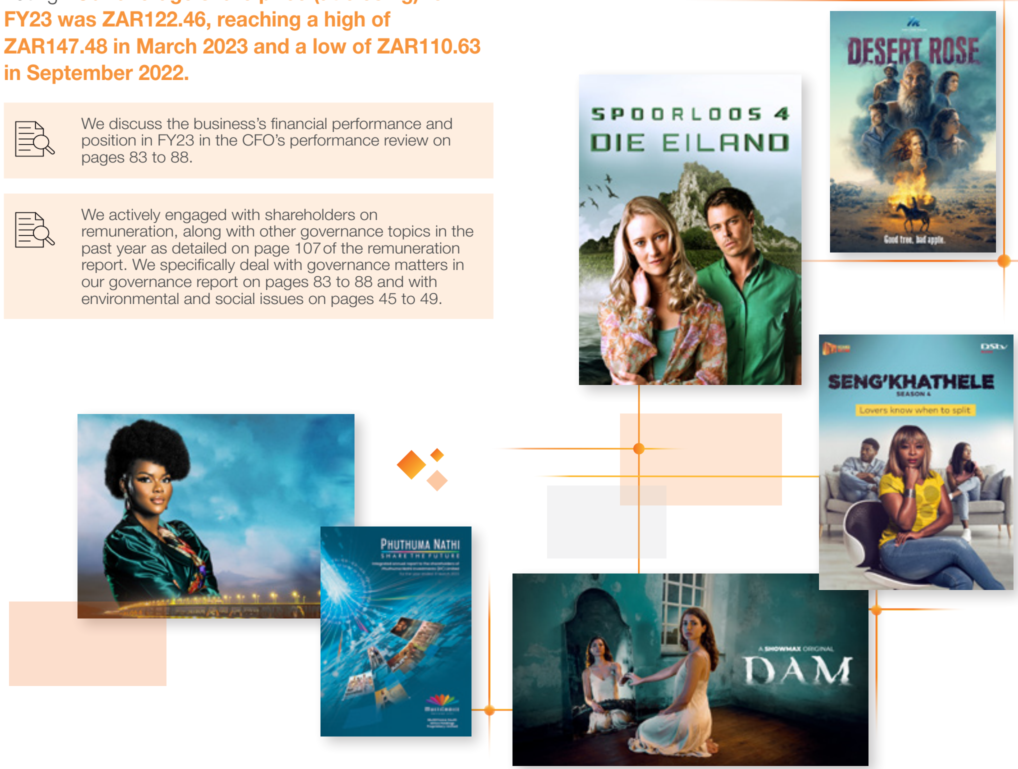
Although we do not have a dividend payout policy in place, we have a policy to return excess cash to shareholders. As the group had excess cash to return to shareholders, we paid a ZAR2.5bn dividend in each of the years from FY20 to FY22. However, given the current trading dynamics in our core South Africa market and the foreign exchange and US dollar liquidity challenges in our core Nigerian market, as well as our growth ambitions for our Showmax streaming business, we did not declare a group dividend for FY23. While we need to accommodate the macro-economic and foreign exchange environment which is beyond our control, we envisage reinstating our group dividend in the medium term as our Rest of Africa business returns to being self funded and our Showmax business gains scale and require less investment support.

Subject to MultiChoice South Africa shareholders approving its dividend in August 2023, and as part of the process of upstreaming dividends to the group, **we will pay ZAR1.4bn to Phuthuma Nathi shareholders this year (FY22: ZAR1.5bn).**

Beyond reinvesting in our business and the operational considerations described above, we carefully evaluate targeted investment opportunities where strategically relevant and value accretive to shareholders, while also proactively managing our leverage profile. We refinanced our existing debt in FY23 at better rates and created additional headroom to fund our group's working capital needs and provide adequate financial flexibility to support the group's various strategic initiatives. We will consider general share buy-backs and/or special dividends in future should we have residual free cash flow at our disposal. Our shareholders and lenders are increasingly focusing on environmental, social and governance (ESG) issues (including executive remuneration) and we continuously engage with them on these matters. We are committed to driving ongoing improvements in our ESG efforts and have ESG targets in our executive compensation framework. We aim to make sound strategic and capital allocation decisions that we believe will ultimately support our market valuation over time. However, we do not obsess over short-term movements in our share price or our market 'rating'. **Our average share price (at closing) for FY23 was ZAR122.46, reaching a high of ZAR147.48 in March 2023 and a low of ZAR110.63 in September 2022.**

We discuss the business's financial performance and position in FY23 in the CFO's performance review on pages 83 to 88.

We actively engaged with shareholders on remuneration, along with other governance topics in the past year as detailed on page 107 of the remuneration report. We specifically deal with governance matters in our governance report on pages 83 to 88 and with environmental and social issues on pages 45 to 49.



How our activities added value for our stakeholders continued

Shareholders and lenders

Critical issues for our shareholders and lenders	How we address them
1 **The Showmax partnership with the Comcast, NBCUniversal and Sky** The rationale for and details behind the Showmax partnership with Comcast, NBCUniversal and Sky (announced during FY23, but only effective in FY24).	With the announcement of the Showmax partnership with Comcast, NBCUniversal and Sky, we had to balance the need for transparency for our shareholders with a) the need to protect our competitive positioning ahead of launch and b) the needs of our joint venture partner. As a result, we have revealed our rationale for doing the deal, as well as context around the opportunity we see developing, as part of our deal announcement and as part of our Capital Markets Day held in May 2023. We will share incremental detail with the market as part of our semi-annual results reporting processes and post the service launch which is currently planned for 2H FY24. We have also engaged with our banking partners through this process given the incremental gearing we plan to take on to fund the required investment behind our streaming platform.
2 **The prospects for our South African business** In a tough macro environment with greater disruption risk from OTT competitors than our Rest of Africa markets, the outlook for the South African business is to maintain profitability and cash generation. However, as guided in our FY22 results process, we expected the South African segment trading margin to come under pressure into FY23 and downgraded our target margin range from 30%-32% previously to 28%-30% in FY23. As a result of a deteriorating macro environment and elevated loadshedding, our margins deteriorated below the guided range requiring a voluntary update to revise our margin guidance to 23%-28% for FY23. This created concerns and questions for our investors and analysts.	Our subscribers have been directly impacted by over-indebtedness, higher interest rates, fuel price, food and other inflation and rising unemployment and were already under pressure when we reported our 1H FY23 results to the market in November 2022. Although we had a solid festive and FIFA World Cup period in 3Q FY23, elevated levels of loadshedding severely impacted the activity levels of the base into the seasonally weaker 4Q FY23 period. We have found that when loadshedding consistently reaches stages five and six, TV viewing and subscriber activity shows a marked deterioration. These dynamics negatively impacted our subscriber growth, retention and activity trends and resulted in a topline shortfall relative to our expectations. Fortunately, we have seen some deceleration in the Premium losses and sustained growth in the mass market and see further scope to drive penetration at the lower end over time. We are also reinvesting in enhancing our consumer value proposition with new consumer services, as well as cost-saving opportunities such as our bundled offerings and Rewards programme. We have given our subscribers more opportunities to watch their favourite shows by introducing our 'Switch'd on' channels in response to the higher levels of loadshedding. We continue to tightly manage our cost base through explicit cost savings and the pursuit of operating efficiencies throughout the business.
3 **The prospects for our Rest of Africa business** Returning our Rest of Africa segment to profitability, cash flow breakeven, full funding breakeven and normalised margins remains a key point of focus for shareholders and lenders.	The Rest of Africa represents a sizeable market with estimated addressable households in excess of 39m, but is a complex socio-political environment characterised by intermittent volatility of inflation rates and exchange rates, among others. When we listed in 2019, we committed to returning Rest of Africa to profitability in the medium term, subject to normal currency depreciation. This turnaround strategy was underpinned by driving scale and maintaining tight cost controls. Since then, the business has delivered a strong operational performance growing 90-day active subscribers by 3.6m in four years. It has consistently narrowed its YoY trading losses, despite having to absorb exceptional currency weakness and has recorded a trading profit of ZAR0.9bn in FY23. In the absence of significant currency depreciation, the business would have reached that milestone sooner and we remain on track to reach free cash flow breakeven in FY24.
4 **Movements in the share register** Per the requisite SENS announcement, Canal+ increased its stake in the group to 30.27% in February 2023 and held 31.67% at year-end, which garnered ongoing interest of other investors, particularly regarding their intentions.	While we do not comment on our shareholders or on our interactions with them, we remain committed to constructive dialogue, acting in the best interests of all our shareholders and creating sustainable long-term shareholder value. The Electronic Communications Act No 36 of 2005 (as amended) and our MOI cap foreign voting rights at 20%.
5 **Clarity on the group's dividend policy** Although shareholders have varying perspectives and mandates, dividends are often an important foundation for an investment case.	Our policy remains to return excess cash to shareholders and to do so in the most optimal way. Given deteriorating macro conditions in key markets, our strategy to return Rest of Africa to funding breakeven and our near-term investment opportunities and longer-term growth ambitions, we have not declared a dividend for FY23.
6 **KingMakers' progress and plans** Investors remained focused on the outlook and prospects for KingMakers given our sizeable investment.	The company has continued to deliver significant growth, with top-line growth of 51% in FY23 (FY22: 68%) and profitability in its core Nigerian business. It continues to pursue its product rollout plan but took the decision to pause its operations in its sub-scale markets in the Kenyan, Ethiopian and Ghanaian markets. Focus remains on the core Nigerian business, where it is scaling rapidly, and the South African market launch, where the opportunity can really move the needle for the KingMakers business.

How our activities added value for our stakeholders continued

Society and environment

Value created for **society**

Delivering value to our society

ZAR39.9m

donated to build multipurpose sports fields for 44 schools with 129 000 children participating in weekly sports programmes.

379

storytellers from across the African continent trained through MTF over the past eight years

ZAR285m

spent on CSI initiatives

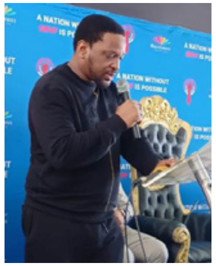
We see ourselves as an integral part of every community in which we operate. We want to ensure we deliver initiatives that address the real issues in those communities to make a lasting impact. Our initiatives aim to address socio-economic challenges such as employment, contribution to the fiscus and empowering small businesses to grow.

Doing good and ‘enriching lives’ is in our DNA. We are proud of our contribution in the countries where we operate. We partner with various organisations including civil society groups to address social challenges.

How our activities added value for our stakeholders continued

Society and environment

In the past year, we partnered with the **GoodMen Foundation** in South Africa to support the campaign to educate and mobilise citizens to eradicate acts of violence against women and children. We participated in the National Men's Day, which involved a men's walk and a gala dinner to raise funds for gender-based violence victims. We used our DStv general entertainment channels and social media platforms to amplify the partnerships' key messages in the fight against gender-based violence.



In **Ghana**, we partnered with Ghana's Ministry of Education, Ghana Education Services and the Ghana Broadcasting Corporation to distribute the Ghana Learning TV channel on DStv and GOtv. It provides senior high school students access to free educational content, available 24-hours a day.

In **Angola**, we supported the media industry to help develop and grow investigative journalism. We partnered with the Training Centre for Journalists to provide workshops to students and journalists from various media in the country. Two training sessions were held for 40 journalists.

Corporate Social Investment

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

MultiChoice Talent Factory

The MultiChoice Talent Factory (MTF) is a 12-month filmmaking training programme offered in 14 countries across Africa.

It includes an internship, masterclasses for industry professionals, and a pan-African digital networking portal for creatives. The internship includes producing films for broadcast on M-Net's local channels and Showmax. The four MTF academies are based in Kenya, Nigeria, Zambia and South Africa. Over the past eight years, 379 storytellers have been trained.

As part of our ongoing commitment to grow the African film industry, the MultiChoice Talent Factory has partnered with the SAE Institute to offer 300 filmmakers across Africa online short courses in production management, sound, screenwriting, cinematography, and 3D animation. All training is conducted by leading African and international industry experts.

DStv Diski Challenge

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

The DStv Diski Challenge is an important platform for developing players for PSL teams.

Since inception, 275 players have been promoted to PSL first teams and more than 200 players have represented South African national teams in international competitions.

In November 2022, we produced our first ever batch of graduates under the PSL Player Transition Programme. The aim of the programme is to equip players with skills to find careers off the field after they retire from football. The programme is run in partnership with the Gordon Institute of Business Science.

How our activities added value for our stakeholders continued

Society and environment

SuperSport Let's Play

SuperSport Let's Play gives young people the opportunity to participate in sport activities. 1.6m children in thousands of schools and communities have been reached through the Let's Play Physical educational challenge.

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

To date, we have installed multipurpose sports fields at 44 schools, with 129 000 children participating in weekly sports programmes on these sports fields.

CASE STUDY
Essential Medical Guidance

Essential Medical Guidance is a South African-based intelligent search engine, providing access to the largest database of country-specific medicines, related information, and digital support tools. We flagged them in our FY22 integrated annual report and are excited to provide an update as they go from strength to strength.

Their system is aimed at healthcare professionals searching for information about medicines, as well as multi-national pharmaceutical companies looking to engage healthcare professionals directly as part of their sales and marketing drives. The system currently reaches over 35 000 healthcare professionals in South Africa.

Currently boasting over one million searches per month, Essential Medical Guidance has onboarded the majority of the multi-national pharmaceutical companies that operate in South Africa, with the support of the National Department of Health.

Essential Medical Guidance was one of the six SMMEs shortlisted to showcase their technology at Expo 2020 Dubai and given support from the MultiChoice Innovation Fund, Essential Medical Guidance has signed contracts with a major pharmaceutical retailer and manufacturer. These contracts have enabled them to expand rapidly on the African continent and internationally.

EMGUIDANCE

MultiChoice Enterprise Development Trust

The MultiChoice Enterprise Development Trust aims to support and grow start-ups and small enterprises. The trust manages the Innovation Fund, which aims to fast track entrepreneurs to leadership in the technology, film and content production industries.

It provides start-up entrepreneurs and established SMEs with the necessary tools, skills, and financial support to bring their business ideas to life and create much-needed employment opportunities.

Since inception, the fund has disbursed ZAR379m in loans, grants, and business development expenses to assist beneficiaries in acquiring skills and assets. The number of jobs created by the beneficiaries who received funding this year is 181.

The MultiChoice Accelerator aims to support small businesses to secure funding from global investors to scale their business. The support includes mentorship in business development and business management. In 2022, 20 entrepreneurs from South Africa participated in the programme and six finalists secured more than USD12m in investment from the United Arab Emirates (UAE).

The accelerator programme has been expanded to include: Nigeria, Ghana, Kenya, Ethiopia, Zambia, Angola, Ivory Coast and Senegal. In February 2023, 11 start-ups were selected to pitch their ideas to global investors.

African wildlife

In 2022, Irdeto completed its three-year partnership with the African Wildlife Foundation to protect Africa's most threatened species by using its anti-piracy and cybercrime technology. During this time, 82 social media links advertising the sale of illegal animals were detected and four suspects who were advertising live African wildlife were identified. In the next phase of its collaboration with the African Wildlife Foundation in 2023, Irdeto will utilise its experience and success to further disrupt criminals involved in the illicit wildlife trade.

How our activities added value for our stakeholders continued

Society and environment

MultiChoice is committed to the Sustainable Development Goals set out by the United Nations (UN). We understand that natural resources are finite.

Transformation

Both 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 has almost 77 000 black shareholders from all walks of life – ranging from individuals to collectives and black-owned companies – and has been in existence since 2006.

Phuthuma Nathi (RF) Ltd, our black empowerment scheme, owns 25%[1] of MultiChoice South Africa and through this scheme, we share the success of our business with thousands of black South Africans. To date, Phuthuma Nathi has paid ZAR16.4bn in dividends.

Environment

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. MCG aims to minimise impact on the environment through a risk based and phased approach.

[1] Phuthuma Nathi empowerment shareholders have an effective shareholding of 23.2% in MultiChoice South Africa – see page 7 for group structure

Partnerships

As the leading video entertainment company in Africa, we are committed to making a meaningful contribution to a sustainable future in Africa.

In the past year, we partnered with the Earthshot Prize to help address climate challenges on the African continent.

The Earthshot Prize is a global environmental prize that aims to find scalable solutions to address the world's biggest environmental problems and repair our planet over the next 10 years.

The Earthshot Prize is awarded to five winners in five categories, with each winner receiving a GBP1m grant to continue their work.

Our partnership with the organisation aims to raise awareness and understanding of the Earthshot Prize across Africa, support local finalists, highlight their innovative solutions and mobilise communities to address sustainability challenges.

We are also a member of the Earthshot Prize Global Alliance (Global Alliance), a global network of non-profit and international organisations committed to the environment and sustainable development. The collective power of the Global Alliance gives the winners and finalists of the Earthshot Prize access to resources across numerous professions and sectors, including manufacturing, retail, supply chains, legal advice, digital technology, business strategy, and government relations.

Mukuru Clean Stores was announced the winner of the environmental prize for clean air in December 2022 at The Earthshot Awards ceremony. It is a start-up based in Kenya, which provides cleaner burning stoves to women in Kenya to cook in a safe environment and reduce unhealthy indoor pollution.

Irdeto joined CarIN, a global association of 300 members dedicated to the interoperability of the Combined Charging System (CCS) and MegaWatt Charging System (MCS) vehicle charging standards. As a core member, Irdeto and CharIN share the same vision of a sustainable future and a mission of promoting a secure and standardised charging system for electric vehicles.

Climate change

Initial climate change risk assessments have been conducted and business is working on refinement with a biannual review process planned. Climate related risks identified include compliance with legislation, the impact of extreme weather events and natural disasters, high diesel and energy consumption, carbon emissions and the impact of climate change on workers' health and safety. Mitigating activities are being researched and some have been deployed in line with the holistic phased approach implemented.

Controlled companies in the MultiChoice Group are at various stages of maturity.

THE EARTHSHOT PRIZE

How our activities added value for our stakeholders continued

Society and environment

Consequently, our approach takes into account proportionality for the individual businesses, such as size and workforce, resources and complexity of activities. We aim to minimise impact on the environment through a phased approach – initial plans include bedding down the way the business recognises and assesses its impact on the environment and the potential adverse impacts of climate change on the group and its stakeholders.

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+.

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.

MultiChoice measures its carbon footprint from scope 1 and 2 emissions according to the Greenhouse Gas Protocol. Our organisational carbon footprint reporting boundary identifies three types of sites:

- Office buildings, with a 3% materiality level
- Warehouses, owned or leased (>1 000m[2]), excluding shared leased premises
- All key broadcasting sites

Our carbon footprint in FY23 was 75 060 tonnes of CO_2e (FY22: 86 080 tonnes), with the largest contributors being electricity, accounting for 100% of scope 2 emissions (51% of total emissions, FY22: 52%). Our primary impact arises from using coal-fired electricity, which is the primary source of energy in many of the countries where we operate. During electricity outages, we use fuel such as diesel to power generators.

SCOPE	Source	Total in CO_2eq in tonnes
Scope 1	Diesel	33 210 (FY22: 37 921)
	Petrol	2 345 (FY22: 2 468)
	Fugitive gases	1 413 (FY22: 785)
	Liquid petroleum gas	40 (FY22: 21)
Scope 2	Electricity	38 052 (FY22: 44 885)

We have implemented several initiatives to improve our resource usage efficiencies. These include:

Energy-efficiency and energy-saving measures for electricity, air-conditioning, data centres, heating and ventilation, and investing in green infrastructure, such as light motion sensors in buildings, LEDs with daylight harvesting, solar panels and energy-efficient invertor technology.

Waste reduction initiatives including recycling, e-waste management, waste separation and biobins.

Water-efficiency measures or our green accredited buildings, including low water use taps, dual-flush toilets, pressure reducers and educating employees and guests on water use efficiencies.

Green initiatives such as encouraging people to use video conferencing facilities instead of air travel to reduce carbon emissions.

A solar solution for MultiChoice City building will be implemented in FY24 and FY25 that will assist in reducing the building electricity consumption by approximately 25%.

Net Zero emission reviews were conducted on all SA-owned buildings in excess of 25 000m[2].

Sustaining **value**

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

Our approach to sustainable value creation

Our businesses **impact various communities, stakeholders** and sections of **society**

Therefore, we are committed to partnering with and supporting these stakeholders to enable shared prosperity. How we manage ourselves and these partnerships ultimately determines the extent to which we can create value in our business and contribute to society sustainably.

We view value creation as a holistic process

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

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

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

Our external business environment

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

Short-term operating challenges for our businesses

The global and regional operating environment continues to experience headwinds, with inflation remaining elevated, global interest rates continuing to rise from historic lows as central banks seek to rein in inflation, and global capital markets experiencing further volatility. We talk in terms of calendar years below to align with how leading macro-economic statistics are generally reported in the market.

- **The World Bank** estimates that gross domestic product (GDP) in sub-Saharan Africa declined by 2.0% in 2020, before recovering well with growth of 4.3% in 2021 and 3.4% in 2022[1]. It expects the region to generate a slight acceleration in that rate of growth into 2023 (3.6%) and 2024 (3.9%).

- **Inflation** remains a critical concern in many of our markets, notably food and fuel inflation which place significant pressure on discretionary consumer spending. In South Africa, electricity price inflation is also a contributing factor.

- **Rising unemployment** continued to negatively impact key markets like South Africa, which ended the fourth quarter of 2022 at 32.7% (42.6% under the expanded definition).

- **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 inclusively relative to traditional or established areas of the market.

- **A significant deterioration in power availability** through the course of 2022 saw loadshedding ramp up in South Africa, placing significant pressure on businesses and households. The SARB estimates that the crisis will reduce South Africa's GDP growth in 2023 by 200bps, and the situation did indeed deteriorate further into the first quarter of CY 2023. We discuss this further in our performance review for South Africa on page 74. Our Zambian and Zimbabwean markets also suffered from power shortages due to low water levels in the Kariba Dam, but our subscriber base showed more resilience than what we have seen during prior droughts.

- **Commodity demand** outside of gold and energy softened somewhat in 2022 on the back of slowing global growth, notably in China. Oil prices remained elevated, with a price of ~USD80 at year-end exacerbated by a strong USD. Nigeria continued to face challenges in its oil sector with security and theft, technical and maintenance issues, rising production costs, and the offset from its fuel subsidy.

- **The US Federal Funds rate** increased from 0.25% at the start of 2022 and ended the year at 4.50%, while the Bank of England increased its base rate from 0.25% to 3.50% and the European Central Bank increased its key interest rate from 0.00% to 2.50% over the same period. Rising global interest rates place overindebted businesses and consumers under direct financial pressure, as well as African governments with hard currency borrowings. Rising global interest rates have also created volatility and downside risk in equity, bond and real estate markets. In South Africa, the South African Reserve Bank (SARB) raised its repo rate from 3.75% to 7.00% in 2022.

- **Beyond circumstances in sub-Saharan Africa**, we are also impacted by global trends to varying degrees. Silicon chipsets shortages started to broadly ease, albeit with constraints remaining in some high demand areas. The ongoing conflict in Ukraine has also negatively impacted global markets and economies as well as Irdeto's operations in Ukraine and Russia. The geopolitical environment remains fraught, though, notably between Western and Eastern powers which carries risk to sub-Saharan Africa's global trading activities.

- **Currencies** in our markets generally weakened into the second half of the year, with the average rand exchange rate weakening against the US dollar in 2022, along with the Ghanaian cedi, official Nigerian naira rate and the Kenyan shilling. The unofficial parallel rate in Nigeria came under significant pressure, particularly in the latter part of the year as the country moved towards its elections in early 2023. The Angolan kwanza and Zambian kwacha both ended the year stronger.

	Real GDP growth[1]		Inflation rate[2]		Exchange rate versus USD[3]	
	2021	2022	2021	2022	2021	2022
South Africa	4.9%	**1.9%**	5.9%	**7.2%**	10%	**(10%)**
Nigeria	3.6%	**3.1%**	15.6%	**21.3%**	(7%)	**(4%)**
Kenya	7.5%	**5.5%**	5.7%	**9.1%**	(3%)	**(8%)**
Zambia	3.6%	**3.0%**	16.4%	**9.9%**	(6%)	**13%**
Angola	0.8%	**3.1%**	21.0%	**13.9%**	(7%)	**27%**

[1] GDP data from the World Bank Global Economic Prospects Report (January 2023).
[2] Inflation data represents the inflation rates in December of a given year, extracted from the Trading Economics website.
[3] Exchange rates represent the average of the month-end rates for the calendar year per our group's accounting system.

Our external business environment continued

Medium to longer-term opportunity for our businesses

As we flagged last year, sub-Saharan Africa's growth story will be driven by favourable demographic trends in terms of population growth, working age population growth, urbanisation, growth in disposable income and private consumption, as well as increased broadband connectivity and affordability. A growing middle class will create a compelling market opportunity over the medium to long term, underpinned by the trends we flag below.

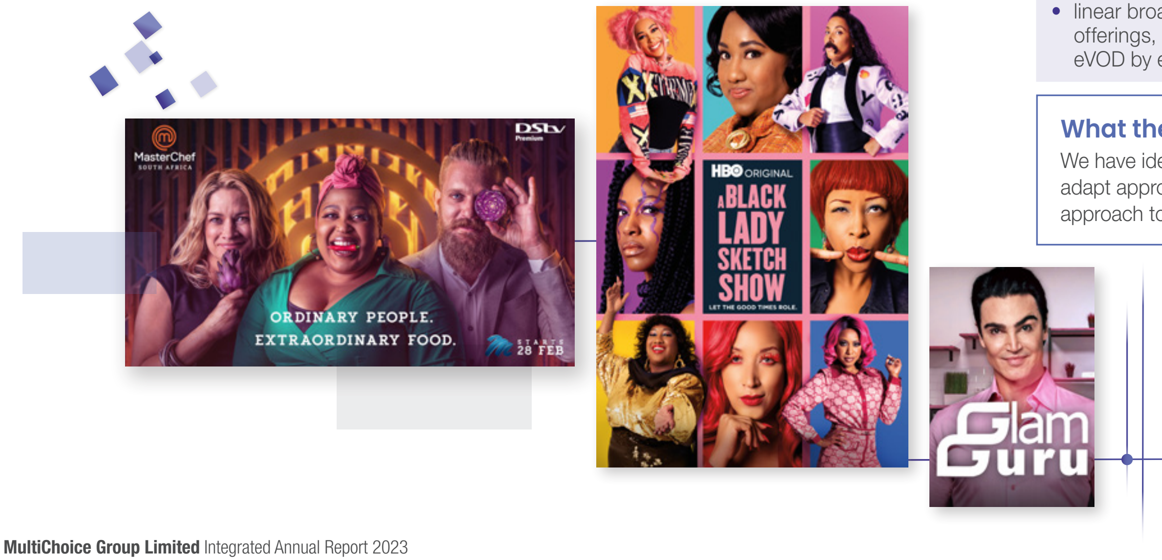
Rising electrification supports economic activity and consumer access to services: the International Energy Agency estimates that household electrification for sub-Saharan Africa will increase from 49% in 2020 and to 55% by 2025 (a 12% increase in electrified homes).

A growing traditional linear pay-TV market provides runway for our traditional video business: Digital TV Research expects traditional linear pay-TV subscriptions in sub-Saharan Africa to grow by 46% between 2021 and 2027, increasing TV household penetration from 42% to 47% over that period.

Strong growth in the nascent SVOD space provides runway for our Showmax business: Digital TV Research expects SVOD subscriptions in sub-Saharan Africa to grow by 178% between 2021 and 2027, increasing TV household penetration from 5% to 11% over that period.

Improving connectivity supports economic activity and consumer reach and engagement: the GSM Association estimates that sub-Saharan Africa will see rapid uptake of mobile connectivity solutions:

- unique mobile subscriber penetration of the population to rise from 46% in 2021 to 50% in 2025
- smartphone penetration of mobile connections to rise from 49% in 2021 to 61% in 2025, and
- 4G and 5G penetration of mobile connections to rise from 17% in 2021 to 37% in 2025.



Competitive dynamics

Our industry is in a constant state of evolution in terms of technologies, consumer behaviour and competitors. As our markets become more connected, so do they gain access to more paid and free video services and additional non-video entertainment services. Affordability and penetration have historically prevented widespread adoption of broadband, but we are approaching an inflection point and are likely to see an acceleration of uptake in the coming years. In addition, global markets have demonstrated a propensity for households to stack video subscriptions and we expect growing complexity from competing services to benefit established aggregators like ourselves offering more compelling value propositions over time.

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

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

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

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

What these major trends mean in the context of our markets

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

Refer to page 57 of our material matters section, which presents risks and opportunities for our business.

Material matters

Materiality is the threshold at which sustainability topics become sufficiently important that they should be reported. We are guided by the below process when determining our material matters:

1 Using a risk-based approach, we identify matters that are potentially material

We reflect on the following:

Our business strategy	Our capital allocation	Our financial and operating performance	Our budgets and business plans	Our risk registers	Our key identified opportunities	Stakeholder engagements	Our operating environment including the macro environment	Broader societal and environmental matters which either have an impact on our business and/or on which our business has an impact

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

We prioritise material matters based on their ability, potential or likelihood to meaningfully affect value creation, preservation or erosion through their impact on our business, our key stakeholders, our capitals and our internal and external operating environment. We consider both positive and negative matters including a determination of what is material for our various our stakeholders.

3 We review, address and report on our material matters

The material matters identified are also issues on our board and or committee agendas. These matters are methodically discussed and addressed.

Our material matters were as follows:

1 Customer satisfaction

(perpetual material matter)

Our customers are always our primary focus.

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

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

LINK TO RISKS
- Economy
- Disruption and competition
- Securing content

LINK TO OPPORTUNITIES
- Large and growing addressable core market
- Rapidly developing SVOD market
- Sizeable and engaged customer base
- Deep understanding of our customers' video needs
- Unique understanding of customer experience

LINK TO STRATEGIC PRIORITIES

Growth | Content | OTT

LINK TO STAKEHOLDERS

Customers

Material matters continued

Our material matters were as follows:

2 Regulatory environment

(perpetual material matter)

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

The industries in which we operate are highly regulated, with regulations varying across our markets. Material changes in regulations may require us to adapt our business model and may impact our customer value proposition. The overall regulatory environment in the countries we operate in can also constrain economic activity if unnecessarily stringent and burdensome or may not sufficiently support economic activity if personal, property and contractual rights are not sufficiently protected.

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

LINK TO RISKS

- Regulatory and licensing

LINK TO OPPORTUNITIES

- None

LINK TO STRATEGIC PRIORITIES

- None

LINK TO STAKEHOLDERS

Government and regulators

3 Evolution of our industries

(perpetual material matter)

The sectors that we operate in (including video entertainment, cybersecurity, interactive entertainment and fin-tech) undergo perpetual change, requiring us to review and adapt accordingly.

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

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

LINK TO RISKS

- Disruption and competition
- Securing content
- Technology

LINK TO OPPORTUNITIES

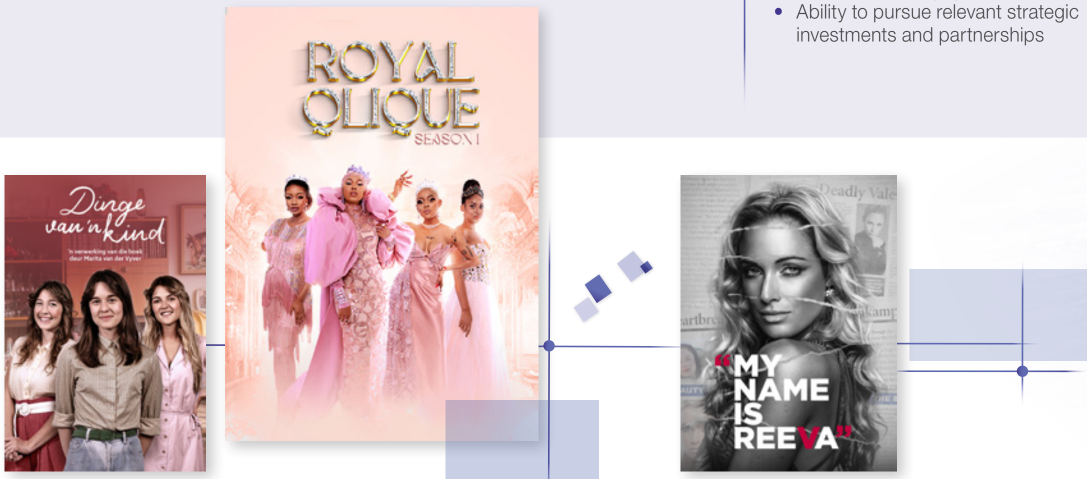
- Rapidly developing SVOD market
- Sizeable and engaged subscriber base
- Ability to pursue relevant strategic investments and partnerships

LINK TO STRATEGIC PRIORITIES

Content | Ecosystem | OTT | Technology

LINK TO STAKEHOLDERS

Customers | Suppliers and partners



Material matters continued

Our material matters were as follows:

4 Executing our current priorities

(short to medium-term material matter)

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

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

Rest of Africa: Our next aim is to return this segment to sustainable free cash flow generation and self-funding through further scale, pricing and cost controls, while navigating macro challenges such as foreign exchange headwinds.

Rest of group: Irdeto's focus is to sustain its media security business and expand connected industries.

The group is also expanding its ecosystem by investing in new or existing verticals organically, as well as through partnerships and acquisitions such as our KingMakers investment, our AURA and Namola acquisitions, and the recently announced Showmax and Moment equity joint ventures.

LINK TO RISKS

- Economy
- Securing content

LINK TO OPPORTUNITIES

- Unique understanding of customer experience
- Sizeable and engaged customer base
- Core focus on Rest of Africa's free cash flow breakeven
- Rapidly developing SVOD market
- Ability to pursue relevant strategic investments and partnerships
- Nascent growth opportunity in interactive entertainment
- Nascent growth opportunity in fin-tech

LINK TO STRATEGIC PRIORITIES

Efficiency, Technology

LINK TO STAKEHOLDERS

Shareholders and lenders, Suppliers and partners

5 Attracting and retaining talent

(perpetual material matter)

Our people are fundamental to our ongoing success.

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

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

LINK TO RISKS

- Talent and skills scarcity

LINK TO OPPORTUNITIES

- All

LINK TO STRATEGIC PRIORITIES

Growth, Content, Ecosystem, OTT, Technology, Efficiency

LINK TO STAKEHOLDERS

Employees

6 Developing local entertainment industries and African entrepreneurs

(short to medium-term material matter)

Supporting and uplifting the entertainment industries across our footprint, and supporting African entrepreneurs, benefits all of our stakeholders.

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

We have also expanded the remit of the MultiChoice Innovation Fund to support the many budding entrepreneurs beyond South Africa's borders.

As a responsible corporate citizen, we also aim to make a contribution beyond just our business. We believe in strategic CSI and our initiatives are aimed at promoting sport and content production across sub-Saharan Africa, while positively addressing issues such as health, education and empowerment.

LINK TO RISKS

- Economy
- Securing content
- Disruption and competition

LINK TO OPPORTUNITIES

- Deep understanding of our customers' video needs

LINK TO STRATEGIC PRIORITIES

Content

LINK TO STAKEHOLDERS

Suppliers and partners, Society and the environment

Opportunities and risks

How we identify and pursue opportunities

As the industries that we operate in continue to evolve, we actively evaluate and cultivate a pipeline of opportunities aligned to our purpose and broad strategic priorities. This approach has allowed our group to grow through organic reinvestment in our businesses, as well as through investment in new services and technologies, such as our digital DTH satellite business in 1995, our DTT business in 2010 and our SVOD business in 2015. By joining forces with Comcast, NBCUniversal and Sky we plan to accelerate our SVOD ambitions with the aim of becoming the leading streaming platform on the African continent. Going forward, we will also continue to consider targeted investments and other strategic partnerships as illustrated by our joint investment in Moment Holdings with Rapyd and General Catalyst which we will further develop in FY24.

Our top 10 opportunities

1

Large and growing addressable core market

We see an opportunity to drive subscriber growth in our traditional pay-TV business as we target an addressable market of 54m households in sub-Saharan Africa as of FY23, growing to 61m by 2028 (+13%).

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

2

Deep understanding of our customers' video needs

With 38 years' experience in understanding the preferences of our diverse subscriber base, we are well placed to anticipate and meet their evolving needs through content aggregation.

- 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 hybrid satellite, terrestrial and streaming-only connected devices, our DStv via Streaming service, our third-party streaming service distribution partnership, and our Sky Glass syndication deal enhance our aggregation journey.

3

Rapidly developing SVOD market

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

- Our Showmax team has performed exceptionally well in recent years, across the platform's backend technology stack, to its front-end UI and our local content offering.
- Our Comcast, NBCUniversal and Sky partnership provides us with the hyper-scalable technology and international content we need to scale our SVOD business to even greater heights.

4

Unique understanding of customer experience

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

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

5

Sizeable and engaged customer base

We have an 'installed' customer base of 23.5m 90-day active subscribers as at 31 March 2023 (2022: 21.8m), which creates an opportunity for us to serve customers' needs beyond entertainment.

- We enhance our consumer value proposition by developing new product and service offerings, including DStv Insurance and home services like our on-demand emergency response services through Namola and AURA, as well as broadband solutions through DStv Internet in partnership with fibre and fixed-wireless LTE wholesale partners.
- We also monitor trends in offshore markets and tailor relevant approaches to our markets as and when relevant.

Opportunities and risks continued

6

Nascent growth opportunity in interactive entertainment

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

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

7

Nascent growth opportunity in fin-tech

As the continent becomes more connected, consumers and business will increase the scope of their online activity and require a set of comprehensive solutions to support their ability to transact and interact with each other in financial terms. As fin-tech is beyond the scope of our core competencies we have partnered with a best-in-class global fin-tech platform in Rapyd and a best-in-class venture capital firm in General Catalyst to create a pan-African fin-tech startup.

- While our partners contribute capital and expertise, we bring a scaled customer base and an established payments business that processes over ZAR3.5bn in payments annually through more than 200 payment partner integrations and incurs in excess of USD60m in transaction and other fees annually.

8

Ability to pursue relevant strategic investments and partnerships

Our historic growth has been mainly organic, and while innovation remains part of our growth playbook, we are also increasingly leveraging targeted investments and partnerships to build out our ecosystem. Our ultimate objective is to offer a compelling set of consumer services (underpinned by technology) to our customers as and where it makes sense for us to do so.

- Our ambition is not to become an investment holding company, but rather to source, evaluate and potentially execute on investment opportunities that (a) are underpinned by technology, (b) add to our customer value proposition, (c) are scalable, (d) leverage our existing platform/customer base and (e) create explicit value through expected returns that exceed our cost of capital.
- While we already partner with many service providers across our business, we have an opportunity to focus on optimising current relationships e.g. with the telcos or introducing new partnerships e.g. with the global streaming operators for the benefit of our customers.

9

Core focus on Rest of Africa's free cash flow breakeven

After achieving trading profitability in the Rest of Africa segment this year, our next target is positive free cash flow in the year ahead to diversify our free cash flow streams and alleviate market concerns around the return profile and sustainability of the business.

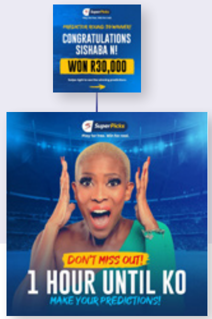
- Scaling our subscriber base, implementing inflation-linked price increases and closely managing our largely fixed-cost base (including targeted cost reductions) have supported our path back to profitability.
- We will pull the same levers to reach free cash flow breakeven, while continuing to navigate a challenging economic, foreign exchange, regulatory and tax environment.

10

Focus on market share gains in media security while growing in connected industries

Irdeto's technical pedigree, 53 years' experience and prominent market position in media security provide a strong foundation to pursue broader leadership in the cybersecurity space.

- We focus on gaining new customers, notably tier one customers, and expanding the scope of services with existing customers in the traditional linear broadcasting space while expanding our presence in growing areas of media entertainment such as streaming and gaming.
- We are also pursuing more nascent connected industry verticals where we can leverage our core cybersecurity competencies such as connected transport and connected healthcare.

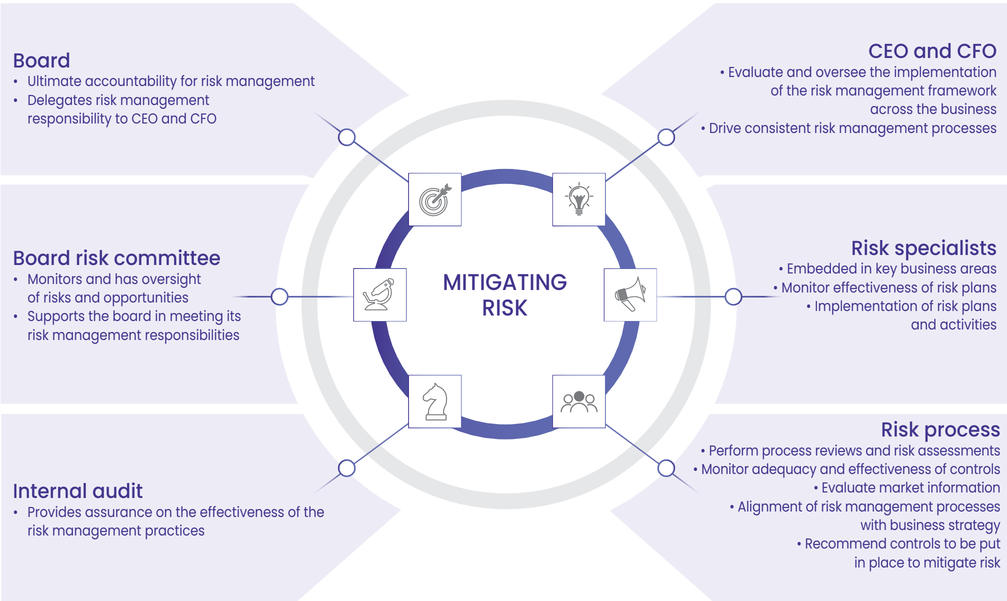


Opportunities and risks continued

How we manage and mitigate risks

MultiChoice continues to apply a robust risk management approach in all areas of operation. Macro-economic factors, organisational changes, and the competitive landscape are everchanging. For this reason, we are committed to developing and implementing risk plans that identify and mitigate potential threats to strategy and operational objectives. These plans are continuously monitored and adapted to remain relevant.

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

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

RISK MITIGATION

- Our focus remains on full compliance with existing regulations.
- We continue engaging with regulators and industry bodies proactively.
- Through this approach we keep abreast of all developments while providing input that promotes a balanced and evidence-based regulatory framework.
- We conduct ongoing regulatory reviews and take the necessary steps to mitigate stakeholder concerns.
- 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 and consumers.

2 Macro-economic factors

Macro-economic challenges, such as currency depreciation and volatility, increases in lending rates and food and fuel prices, political uncertainty, and ongoing electricity shortages (notably in markets like South Africa and Zambia) place pressure on the economies of the countries where we operate.

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

RISK MITIGATION

- We understand the financial pressure our customers face and we remain focused on our value proposition to customers and affordability. This is reflected in our pricing decisions, which in many cases are below inflation vs. ongoing enhancements to our offerings.
- We continue focusing on reducing costs and improving efficiencies to offset any topline pressures.
- We hedge our foreign exchange exposures where it is economical to do so.
- We continue moving costs into local currency where feasible.
- We offer customers various product 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 enhance customer experience while diversifying our revenue streams into the future.

Opportunities and risks continued

3 Disruption and competition

The entertainment landscape is becoming increasingly competitive with strong global and local competitors driving increased activity in our markets. Consumers have credible alternatives from multiple sources in video and alternative forms of entertainment. Further, content providers may choose to license their content to intermediaries or go directly to consumers, withdrawing rights from us in the process.

RISK MITIGATION

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

4 Technology

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

RISK MITIGATION

- We invest in improving our existing systems and platforms, and monitoring, innovating and collaborating to offer increased value to customers, which are all a key part of our business plan.
- Our IT controls framework, based on Control Objectives for Information and Technologies (COBIT) framework, continues to be implemented in new developments, changes and error corrections. The framework's robustness is regularly reviewed.
- Significant improvements to simplify billing and business rules were implemented during the year, and we have standardised our billing system across all African markets.
- We have announced an equity partnership with Comcast, NBCUniversal and Sky in our Showmax streaming business which will leverage the Peacock technology platform, an equity partnership with Rapyd in our Moment fin-tech business which will leverage Rapyd's payments technology, and a syndication deal with Sky on Sky Glass which will leverage their connected hardware and aggregation software.
- 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 business continuity 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.
- All departments related to technology were merged into one technology hub lead by the Group Chief Technology Officer to drive focus areas.

5 Cybersecurity

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.

RISK MITIGATION

- We continuously invest in systems and technology to identify vulnerabilities and prioritise the remediation thereof to enhance systems security and reduce business interruptions.
- We employ a chief information security officer and chief data officer to ensure appropriate management attention to this critical risk.
- Controls over information assets are continuously tested, e.g. through unauthorised access and systems penetration testing, and policies are implemented to address information security risks, e.g. around information security incident management and acceptable usage of the group's technology devices and resources. Focus is also placed on the content value chain and protection of customer and employee information. For example, we ensured full compliance with Protection of Personal Information Act (POPIA) to mitigate against risks. International studios undertake security assessments from time to time in support of their agreements with us.
- We obtained our Content Delivery and Security Association (CDSA) certification in May 2022 and are currently being reaccredited for the year ahead.

6 Securing content

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 with increased competitive activity in our markets likely to impact content renewals over time Further, local currency weakness against hard currencies can lead to increased costs.

RISK MITIGATION

- Rights are regularly reviewed with due consideration for the economic value of each set of rights, and bids are tabled accordingly.
- We bid for and secure a broad set of popular and more niche 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 license international content and partner with third-party streaming services to provide a compelling aggregation service in our linear environment and have entered into a joint venture with Comcast, NBCUniversal and Sky in our SVOD business Showmax.

Opportunities and risks continued

7 Tax

Tax audit activity across Africa is increasing and ongoing, prompted by the need for revenue collections in poor performing economies. These often lead to unreasonable and aggressive preliminary stances taken by revenue auditors, which are often unsubstantiated and must be rigorously defended and challenged.

In addition to an increase in tax audit activity, some countries are introducing new taxes such as the Digital Services Tax in Kenya, which requires different laws and compliance burdens and potentially double taxation.

There are also numerous local and international tax policy changes being introduced, which further increase the risk of double taxation.

The ongoing tax disputes with FIRS in Nigeria relating to MAH BV and MultiChoice Nigeria (MCN) are ongoing and are dealt with in the Risk Mitigation section in more detail.

RISK MITIGATION

- We have bolstered our tax compliance team over the past year, and regular tax compliance reviews are done internally and through external advisors to ensure we abide with the laws in the countries in which we operate.
- Tax assurance is a key element of our approach to tax.
- We regularly conduct transfer pricing benchmarking and assurance reviews.
- We actively participate in global and regional tax policy and tax administration discussions (e.g. via the Africa Industry Tax Association or other business and professional forums).
- We strive to build and maintain good relationships with the African Tax Administration Forum and other relevant bodies.
- The FIRS Nigeria audits that were initiated in respect of MCN and MAH BV in 2021 are of critical focus to us, and we maintain our stance that the arguments and facts that FIRS have been using are fundamentally flawed. These audits have not been completed by FIRS and are ongoing. We are keeping an open dialogue with FIRS in Nigeria to resolve the current tax dispute while actively managing the legal process. We have complied fully with all audit requests and have not raised any provisions or recognised any contingent liabilities to date.
- We regularly review our tax resources to ensure the group has the capacity to deal with the challenges highlighted.

8 Business continuity management

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

RISK MITIGATION

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

9 Piracy

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

RISK MITIGATION

- We continuously invest in our platform and application security division, Irdeto, which offers cybersecurity and anti-piracy solutions in media and gaming.
- Partners Against Piracy (PAP) is a pan-African campaign that works towards the prevention of content piracy. We are actively supporting PAP and aim to create awareness and educate the general public about the negative impact of consuming illegal content.

10 Talent and skills scarcity

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.

RISK MITIGATION

- 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 in all areas of our business.
- Focused recruitment of scarce skills remains a priority.
- This is supported by programmes designed to develop a pipeline of talent.
- We partner with vendors for skills transfer and programmes.
- We position our company as an employer of choice.

Our strategic priorities

Our ambition is to create value for our shareholders on a sustainable basis by leveraging our existing platform to create a broader ecosystem of consumer services. We plan to do this by maintaining a leadership position in our traditional video business, and by capturing the nascent African SVOD opportunity with our global streaming partners. We also aim to support KingMakers and Moment on their development paths and to consider targeted investments and strategic partnerships over time.

Lead in content aggregation and differentiate in local and sports content

In an evolving video entertainment industry, a differentiated content strategy is key to success. Our strength lies in our local content expertise, the appeal of our sports offering and our ability to aggregate and connect our viewers to a full-service video entertainment offering.

Our significant and growing investment in local content sets us apart from international competitors, especially as African viewers love to see content in their own languages, with local actors and stories that resonate culturally. Demand for local content continues to exceed our supply, and local content is cheaper to produce on average per hour with lower currency risk than international content. We also have greater control and flexibility in how we leverage owned content across our packages, services and platforms.

On the sports front, we remain committed to exciting customers with the best in local and global sport while carefully managing the cost of acquiring sports broadcasting rights to ensure that we can run a sustainable business. We are the largest funder of sport on the African continent. Our local production capability is unmatched and is globally recognised by peers and sports bodies for its professional expertise and quality (e.g. we will be the host broadcaster for the 2023 Netball World Cup).

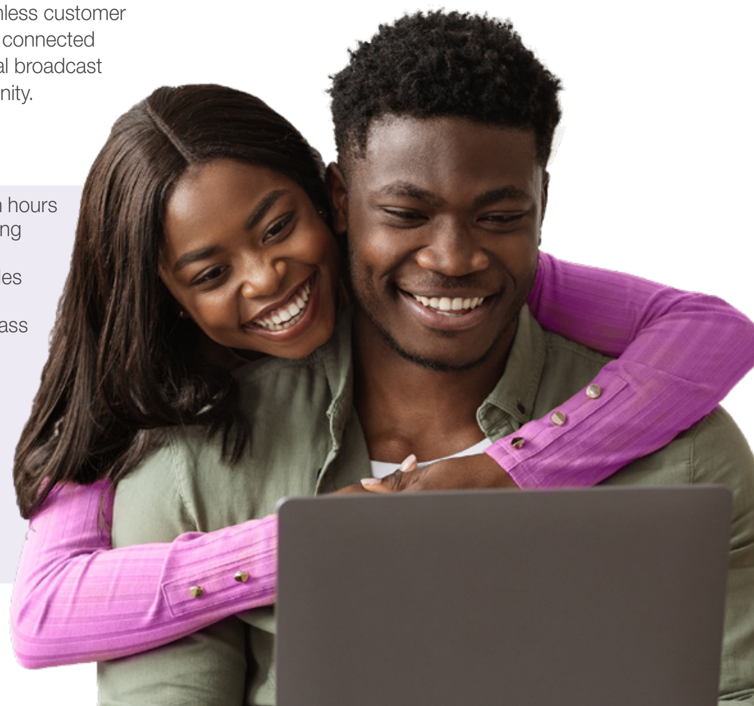
We also ensure that our subscribers enjoy a compelling international general entertainment content offering through licensed series, films and channels, and through access to third-party streaming services on our connected devices. The video entertainment industry has undergone a fundamental shift and created new ways for us to engage with our customers as they opt for a portfolio of entertainment options rather than one dedicated provider. An opportunity therefore exists for an aggregator like us to provide a single, seamless customer interface to an entertainment platform of choice in the home. Our connected device and aggregation strategy aims to ensure that our traditional broadcast business captures this nascent but compelling long-term opportunity.

How we performed in FY23

- We continued to improve our line-up of dedicated local language channels following the launch of five additional local channels in FY23
- Produced 6 587 hours of local content, representing 9% growth YoY
- Local content spend accounted for 50% of total general entertainment content spend and we reached this threshold a year earlier than targeted
- Local content library increased by 9% YoY, reaching 76 014 hours
- We successfully broadcast the FIFA Soccer World Cup across our linear and streaming platforms, and re-ignited the South African cricket scene with the launch of the inaugural SA20 competition
- We broadcast 24 899 live sports events (+69% YoY) and 1 068 own live productions (-12% YoY)
- SuperSport Schools delivered 33 907 hours of live school sports (+542% YoY)
- We renewed selected sports broadcasting rights available for renewal this year, including the English Premier League, Cricket South Africa, SA Rugby, Formula 1, the new LIV golf tour, WWE, as well as SA Netball and the Men's and Women's Cricket World Cups

Looking ahead

- Further increase our local content investment and production hours
- Renew relevant sports and general entertainment broadcasting rights on an ongoing basis at acceptable cost levels
- Drive the uptake of our DStv via Streaming service and bundles with our connected devices and broadband offerings
- Work on the development and integration plan for the Sky Glass device syndication



Our strategic priorities continued

Enhance SVOD capabilities and accelerate adoption

Our track record reflects our ability to innovate and adopt new technologies with the aim of catering for our customers' ever-evolving needs. Although there have historically been challenges around broadband connectivity in our markets, customer behaviour is increasingly moving online and we believe that we are approaching an inflection point in terms of broadband access and affordability. This will support an acceleration in the adoption of streaming services across the continent. As such, it is critical that we position our business ahead of the growth curve and potential increase in competition.

By joining forces with Comcast, we are looking to build on Showmax's streaming success and accelerate the uptake of its SVOD service by leveraging our local content and execution capabilities, as well as the Comcast group's international content and scaled technology capabilities. We are aiming to become the leading streaming service on the continent as the market opportunity scales by:

- further differentiating and strengthening our content line-up, particularly in local content, sport and through one of the leading global content portfolios, and
- continuing to improve the UI, UX and scalability of our service, by leveraging the best technical features of Showmax and Peacock.

We are mindful of the global commentary and debate around streaming models as we exit a decade of cheap money and a 'growth at any cost' mindset. With the benefit of a long-term mindset and hindsight from observing the experience of our global peers, we are working with our partners to develop and execute a streaming strategy that does not pursue scale at the expense of sustainable economics and appropriate returns on investment.

Streaming is quickly becoming a consumer preference in developed markets and, notwithstanding necessary refinements to the business model, the world is not going to walk back from this technology-enabled evolution in video. Our objective, then, is to become the streaming service of choice for all Africans as part of our broader set of video services that cater to the needs of all our consumers.

How we performed in FY23

- Negotiated and announced our joint venture with the Comcast group to create the leading SVOD service for the African continent
- Delivered 26% YoY growth in paying Showmax subscribers
- Increased the number of Showmax Originals during the year to 48, up from 18 in FY22
- Made further enhancements to our Showmax service through ultra-low data usage streaming options, improved personalisation and content recommendation engine and a scaled back-end to support higher simultaneous streaming for events like the FIFA World Cup

Looking ahead

- Bed down the Showmax-Comcast partnership, which became effective in April 2023, before launching the new service in 2H FY24
- Further invest in Showmax Originals and the localisation of the Showmax service across the core target markets
- Successfully transition to the Peacock platform and leverage its global features, enhanced by local innovations developed by the Showmax engineers
- Continue to grow our paying Showmax subscriber base

Drive growth and support retention

Growing and maintaining a vibrant subscriber base remains key to our success as a group. Our South African subscriber base has different characteristics across our packaged tiers, and we need to cater for our subscribers' specific requirements and circumstances. Given economic and loadshedding challenges in our core market, we are particularly focused on retaining customers in the top and mid markets, while continuing to grow the mass market subscribers. Since our video entertainment operating costs are largely fixed, scaling our customer base and implementing inflationary-linked pricing remain an essential element of the Rest of Africa segment's path to self-sustaining cash generation. Our 'installed' customer base (customers who own a decoder) also provides the foundation on which we are building out our consumer services platform, as it provides opportunities for new ways to add value to our customers' lives, increase their level of activity and ultimately enhance returns to our shareholders.

We believe that sub-Saharan Africa offers a large and growing addressable market for our expanding portfolio of products and services. It is poised for sustained growth as the disposable income levels of African consumers improve on the back of a growing working age population and middle class, urbanisation, and improving access to services such as electricity, mobile connectivity and smart connected devices, and financial services. Our aim is to capture this opportunity by offering a suite of relevant products and services that pivot around our core pay-TV subscriber base.

How we performed in FY23

- Increased 90-day active subscriber base by 1.7m YoY (+8%) to 23.5m
- YoY growth in South Africa, particularly in our active subscriber base, came under pressure due to the challenging economic environment and devastating impact of loadshedding on consumers and businesses
- Our Rest of Africa business, however, continued to show strong growth in a challenging economic environment as the team continued to execute well while leveraging a broadly successful FIFA World Cup
- Increased our DStv Rewards base to over 1.3 million members

Looking ahead

- Continue to deliver net growth in our subscriber base despite a challenging consumer environment
- Enhance our overall consumer value proposition through customer value management to support our retention efforts, particularly in the maturing South African business
- Continue to develop entertainment and consumer services that compliment and support our core video offering to support customer acquisition, churn, activity rates and ARPUs

Our strategic priorities continued

Enhance our ecosystem of scalable, tech-based consumer services

While our core video entertainment business continues to grow and generate free cash flow in aggregate, we are looking to develop future revenue streams by investing in opportunities that are consumer-focused, leverage our scale and local advantages, and are underpinned by technology. We are well positioned to develop and support a compelling ecosystem of consumer services in sub-Saharan Africa given: our scale and distribution capabilities; our reach of over 23m households across 50 countries; our proven track record of delivering video entertainment services over nearly 40 years; our investment in enduring relationships with customers and suppliers; our ability to manage in-country regulatory, language and cultural nuances; and our established payment collection capabilities where we have an unrivalled ability to process over USD3.5bn in annual payment transactions through over 200 payment partner integrations in over 40 markets in sub-Saharan Africa.

We have already made material targeted investments in select areas with high growth potential such as KingMakers (sports betting), entered into equity joint ventures such as Moment (fin-tech and payments) with strategic partners in market segments outside of our core competencies and made incremental investments in complimentary areas like Namola and AURA (on-demand emergency response services). We have also concluded value-enhancing partnerships e.g. in broadband service provisioning (e.g. DStv Fibre and DStv Internet) and will continue looking for more opportunities that fit our investment/capital allocation criteria to further expand our ecosystem, add value to our customers' lives and create shareholder value.

How we performed in FY23

- Successfully negotiated the creation of the Moment joint venture with Rapyd and select venture capital partners, notably General Catalyst, Entrée Capital and Raba
- Added fibre services to our DStv Internet broadband offerings by partnering with wholesale providers like OpenServe and Vumatel
- Purchased Namola, an on-demand emergency services app with a consumer facing app that we have started to offer into our customer base

Looking ahead

- Support the KingMakers service in launching in South Africa in FY24 under the SuperSportBet brand and in maintaining strong momentum in the Nigerian market
- Bed down the integration and launch of the Moment business and help it to scale thereafter
- Execute on targeted investments in our focus verticals, and pursue additional partnerships where those create a better customer experience and create mutual value

Maintain operational excellence and sustain cost reduction

Our aim is to deliver positive operating leverage through time – keeping the organic growth in our cost base below the organic growth in revenue, thereby driving margin expansion for the group. We continuously strive for operational excellence and optimising cost efficiencies across our business. 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. We are also scaling our analytics and AI capabilities, focusing on improving customer experience, driving revenue, enhancing content discovery and reducing costs.

How we performed in FY23

- Exceeded our cost savings target of ZAR0.8bn by delivering savings of ZAR1.3bn for the year
- Delivered organic operating leverage of 0.39% for the group, despite an extremely challenging operating environment
- Delivered an improvement in Rest of Africa trading performance of ZAR2.1bn (ZAR2.8bn organic), returning our Rest of Africa business to trading profit breakeven in the 'medium-term', in line with the commitment we made at listing

Looking ahead

- Target additional cost-savings, particularly to support the maturing South African business through an increasingly challenging period (ZAR0.8bn target for FY24)
- Drive further improvements in our Rest of Africa trading margin to support our free cash flow breakeven target in FY24
- Deliver on key milestones for our technology modernisation programme, which should largely be completed by end FY24
- Evaluate cost savings opportunities as we approach our next transponder lease renewal cycle

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

How we performed in FY23

- Secured four tier-one customer wins in Media Security
- Invested GBP5m for a 12% equity stake in Bidstack, a listed entity operating in the in-game advertising
- Continued to launch innovative new products across our business units, including the Irdeto Super Aggregator Solution to support OTT and hybrid services for video operators, downloadable content protection in gaming, and Irdeto CrossCharge to support safe and efficient electric vehicle charging

Looking ahead

- Restructure the maturing Media Security business to support sustainable performance and new opportunities
- Drive further market share gains in Media Security, including development of more nascent market segments such as streaming and gaming
- Target growth opportunities in connected industry verticals in transport and healthcare

Performance

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

From the desk of the CEO

"We will continue to **innovate** but will also make **targeted investments** and **partner** with best-in-class **third parties** when appropriate."

Calvo Mawela

Our vision is to be the platform of choice for African households and to enrich their lives by delivering entertainment and relevant consumer services through technology. We will achieve this vision by growing our core linear pay-TV business, developing our online and interactive services, and introducing scalable technology-based consumer services. We don't plan to do everything on our own. We will continue to innovate but will also make targeted investments and partner with best-in-class third parties when appropriate. This provides us with the best opportunity to leverage our established scale and footprint, trusted brands, robust technology foundation, and unmatched distribution, payments and in-country localisation. This also provides us with the highest probability of successfully creating long-term value for our shareholders.

Dear shareholder

Having unbundled from Naspers and separately listed on the JSE just over four years ago, we have achieved a number of significant financial and non-financial milestones. From establishing standalone corporate structures and settling into life as a self-sustaining listed company, to returning our Rest of Africa business segment to profitability within our 'medium-term' targeted timeframe, to redefining and implementing our group's platform-led strategy.

At the same time, there is a daunting amount of work ahead of us as we embark down our new strategic path in an incredibly challenging global and local macro-economic environment. FY22 saw us exit lockdowns and return to the office, but as the pandemic subsided into FY23 we still found ourselves faced with a confluence of exogenous headwinds. As global inflation rates rose through the course of the year, central banks followed with sharp hikes in interest rates from historic lows. This triggered a squeeze on indebted households and businesses over and above rising energy, food and other inputs costs, pushing already-stretched household budgets and corporate income statements to breaking point.

A strengthening dollar has further exacerbated these issues in several of our key markets, while localised challenges created pressure in our two largest consumer markets. Corruption, deteriorating municipalities and energy, transport and water infrastructure, as well as rising unemployment have meant that South Africans have had little to buffer themselves against the loadshedding crisis in our country. Meanwhile, Nigeria has been hamstrung by its oil sector, which has suffered from malinvestment, sabotage, theft, a lack of refining capabilities and an unaffordable fuel subsidy, and a challenged exchange rate regime which constrains investment and foreign exchange movements.

But all is not lost. Civil and private society is stepping in as our young democracy in South Africa continues to mature. We are nothing if not resilient. The incoming administration in Nigeria have said all the right things and started to take steps towards reform. We wish them well on their journey. The long-term trajectory of democracy and technology on the continent means that the future has never been brighter for Africa. We have come such a long way, and yet we are just getting started.

Standing back and surveying this landscape as both a leader of and a shareholder in our organisation, one has to be careful to avoid extreme thinking. One cannot be too defeatist, resigned to a world of sub-par outcomes because of the litany of challenges that confront us daily. We must persevere by demonstrating resolve with resilience. But one cannot be too idealistic either, believing that everything will work out perfectly despite the dim reality of our present circumstance. We must adapt by demonstrating patience with ingenuity.

As an organisation, therefore, we opt for pragmatism over undue pessimism and optionality over undue optimism. We ask ourselves what we can do within the constraints of our current environment? How can we improve? How can we make things better? What can we build? What can we create? Who can we connect with? How can we help? And when we ask those questions, we find that there is no shortage of opportunity to improve and myriad ways for us to make a positive difference in our customers' lives.

With that framing in mind, we hosted our inaugural Capital Markets Day in May 2023 and, although it took place post year-end, FY23 was the year where we step-changed the implementation of our new strategy and prepared the market for our new direction. The presentations from the event are available on our website in the link that follows and I would encourage those of you who are interested in our journey to go through them if you have not already done so: https://investors.MultiChoice.com/presentations

The introduction to this letter provides a neat summary of where we are going and how we aim to get there. In short, we continue to expand our ecosystem and, by creating a 'World of More' we keep increasing the value that we offer to our customers and to our business partners. I won't rehash the entire contents of the presentations, but thought it worth sharing the following excerpt again here:

"We've spent the time to ask ourselves the hard questions and analyse what really sets us apart. We realise that it is hard for a company to disrupt or reinvent itself and we know that we can't be all things to all people. We also understand

From the desk of the CEO continued

> "With three substantial new product launches planned for FY24, any one of which would be significant in their own right, and hundreds of smaller initiatives to enhance our organisation and add value to our customers' lives, we will continue to expand our World of More."

that pay-TV people are unlikely to run businesses in other market sectors as effectively as entrepreneurs who are native to those environments and business models. And we appreciate the need to be careful and avoid stretching ourselves, our support structures and our systems in too many directions too quickly. That is why we are leveraging our unique strengths as a scaled platform, while partnering with best-in-class third parties and sector-specialists to ensure that we execute strongly as a collective. On their side, our partners know that nobody can provide them with deep understanding and access to the African continent on the scale that we can."

With that context in mind, we believe that our strategic approach in three key verticals beyond linear pay-TV will deliver significant value in time.

- Streaming video: In March we announced a game-changing partnership with one of the largest technology and media companies in the world to help elevate our ambitions for Showmax to be the long-term leader in streaming video on the continent. We are already deeply embedded in the collaboration with teams from Peacock, Sky and NBCUniversal to ensure that our venture with Comcast delivers against its impressive potential in the streaming market.
- Interactive entertainment: As you will recall from my letter last year, we increased our stake in KingMakers to ~49% in FY22, and FY23 has been a year for the organisation to manage a rapidly growing and increasingly complex business in Nigeria, while repositioning its focus outside of Nigeria. A new management team with a refined set of priorities to focus on must-win markets in Nigeria and South Africa creates an exciting opportunity set and we look forward to supporting and co-creating our presence in interactive entertainment.
- Fin-tech: We have partnered with a leading global fin-tech operator and top-tier venture capitalists to incept and build out an integrated payment platform for Africa. By leveraging the unique strengths of the founding partners, Moment will launch on day one with scaled integrations and payment volumes from MultiChoice, proven technology and expertise from Rapyd, and capital and knowledge networks from the likes of General Catalyst. Its aim is to offer payment infrastructure for businesses across the continent, support consumers with access to digital payments and fin-tech solutions, and make domestic, cross-border and global digital payments and transfers more accessible, reliable and affordable for all.

Our Capital Markets Day was specifically focused on our New Opportunities, but those will only deliver value to our investors in time. In aggregate, they require capital investment and carry execution risk – they also require us to generate a return on that capital that adequately compensates our investors for the opportunity cost of that capital and the risk that we assume in taking on these new ventures. In that context, it is critical for us to ensure that we continue to deliver in our core, established video entertainment businesses.

We detail the performance of our established segments in the following sections on pages 68 to 82, but I wanted to take a moment in the remainder of my letter to flag some of our FY23 operating highlights - a year that required enormous effort from our teams to keep the group moving forward in a meaningful way. You can read more about how we aim to support and develop our employees on pages 27 to 32. If our employees don't grow, we will struggle to grow as an organisation. If our employees don't succeed, we will struggle to succeed as an organisation. We want our employees to work hard, to develop, to create change, to build momentum and to be rewarded for adding value. We hope we have achieved this in the year passed and aim to sustain and build on the energy in the organisation in the year ahead.

Operating highlights for FY23:

- General Entertainment: The team reached its FY24 target a year early, delivering 50% of general entertainment spend in local content. Going forward, the focus will therefore shift to local content hours, which were up 9% YoY to around 6 500 hours in FY23. Five new proprietary local content channels were added to grow our portfolio to over 30 channels in total.
- SuperSport: With another successful FIFA World Cup under the belt as the exclusive home of all 64 matches in the 2022 iteration, the SuperSport team delivered almost 25 000 live events in FY23, up nearly 70% YoY, and over 1 000 of our own outside broadcast and studio productions. This included the successful debut of the SA20 cricket competition, which brought fans back into stadiums and generated strong engagement on our linear and digital channels.
- South Africa: Despite the challenges noted above, the South African business still managed to grow its 90-day base by 3% YoY. It also continued to grow its new business lines, including DStv Insurance, which saw revenues increase by 22% YoY.
- Rest of Africa: We took a bold decision to reposition the Rest of Africa business around the time of the commodity crunch and exchange rate meltdown on the continent in 2015/2016. With trading losses peaking at almost ZAR5bn in FY17, I am extremely proud of the business for delivering close to ZAR1bn in trading profit in FY23 despite having to absorb over ZAR4bn in foreign exchange headwinds over the past six years.
- Connected Video: The Connected Video team delivered further growth in FY23 of 26% in paying Showmax subscribers and 12% in monthly active OTT users which positions our OTT initiatives well for FY24. This is the last year in which we will talk about 'Connected Video' as a sub-segment. Going forward, the Showmax business will stand on its own, while the remainder of the OTT services (DStv via Streaming and the DStv App) managed by the Connected Video team will fall under the South African business. This will ensure better cohesion between our linear, aggregation and linear streaming initiatives.
- Technology: While many of the challenges inherent in FY22 persisted into FY23, Irdeto continued to gain market share by winning four tier-1 media clients in FY23. It also added a further 17 customers to its new service lines and expanded its presence in the promising gaming vertical by acquiring a 12% stake in the in-gaming advertising business Bidstack.

As we close the chapter on our reporting for FY23, we are already approaching the end of our first quarter of operations for FY24. The remainder of the year ahead promises to be challenging but transformative. We are hard at work at managing our South African business through unprecedented challenges, moving our Rest of Africa business towards free cash flow breakeven, and repositioning our Technology segment in much the same way that we our repositioning our broader group. We are already re-platforming our Showmax business with our partners, collaborating with the KingMakers team to ensure that the launch in South Africa is successful and supporting Moment with the integration of our payments infrastructure.

With three substantial new product launches planned for FY24, any one of which would be significant in it's own right, and hundreds of smaller initiatives to enhance our organisation and add value to our customers' lives, we will continue to expand our World of More. We intend to execute well against our business plans, and I look forward to reporting back to you, our shareholders, with encouraging updates and promising developments in another year's time.

Calvo Mawela
Group CEO

General Entertainment

Content is at the core of our business

Our content offering sets us apart from our competitors

As Africa's most loved storyteller, we offer a diverse variety of channels and content to cater to our customers' multi-faceted entertainment needs. From the production of shows and acquisition of channels and content, to our scheduling strategy – our key ambition is to surprise and delight our customers with great general entertainment all year round.

We showcase our content through traditional linear pay-TV, the Catch Up service and via streaming through the DStv and Showmax apps.

Demand for localised content and channels continues to grow, with audiences wanting to see more local stories. Consequently, we have increased our local production hours by 9%% year on year to 6 587 and have grown the number of our owned local channels in various markets to over 30 channels. We continue to focus on personalisation of content offerings, content discovery and support for aggregation of content and time-shifted viewing.

M-Net

M-Net 101 remains the flagship General Entertainment channel for Premium subscribers

Increased local content production to

6 587 hours

(+9% year on year)

M-Net 101 remains the flagship General Entertainment channel for Premium subscribers. To keep up with evolving viewing preferences, M-Net 101 expanded its offering by curating additional seasons of bingeworthy Box Sets on Catch Up and the DStv app. This gives consumers the ability to engage with content through a personalised DStv app experience and enhanced content search functionality.

Local reality shows, such as *My Kitchen Rules South Africa*, were among the most watched programmes on M-Net 101 in FY23. These series satisfy DStv Premium subscribers' thirst for competitive skill-based game shows and remain a hit amongst our viewers. The hit local drama *Lioness* returned for its second season, and once again showcased M-Net's thrilling storytelling.

Returning international procedural series such as *FBI*, *The Rookie*, *The Good Doctor*, *Blue Bloods*, and *Chicago Med* have been instrumental in driving Catch Up viewing on M-Net 101. We also broadcast various internationally acclaimed shows, such as HBO's *House of the Dragon S1* and *The Last of Us S1*, concurrent with the airing in the United States of America. The Yellowstone franchise has also become a favourite amongst our audiences.

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

While M-Net audiences have been impacted by pressure in our Premium base in recent years, viewership levels improved on the channel in FY23 as losses in our Premium base decelerated and our content acquisition and scheduling improved.

General Entertainment continued

South African local channels

Our proudly South African premier video entertainment brands, kykNET and Mzansi Magic, remain the most watched channels in their respective markets and remain a core driver of the group's increased local production hours.

kykNET

kykNET maintained its prominent position in the DStv Premium Afrikaans market as linear viewing still accounts for a significant majority of kykNET's prime time viewership. The daily news broadcast *eNuus* is a key driver of linear viewership, followed by kykNET's slate of soap operas and telenovelas. The long-running and iconic kykNET soap opera *Binnelanders* grew its linear viewership by 9% year on year and was among the most watched Afrikaans series on the DStv and Showmax apps.

Big format reality series such as *Boer Soek 'n Vrou* and *Wie Word 'n Miljoenêr* continued to drive viewership and social media talkability for kykNET. Returning for a 15th season, *Boer Soek 'n Vrou* remains the most watched Afrikaans programme on linear viewing, Catch Up and the DStv app. *Wie Word 'n Miljoenêr S2* aired in January 2023, and remains a driver across viewing platforms.

kykNET & kie's *Arendsvlei*, *Suidooster* and *Koortjies Met Jonathan Rubain* have been consistent viewership drivers throughout FY23. Specifically developed to reach Afrikaans subscribers on DStv Premium, Compact Plus, Compact and Family, these series have underpinned the continued reach and potency of Afrikaans content on DStv. New programming was launched in FY23 which included the new telenovela *Diepe Waters*, and kykNET's much anticipated reality series *Die Real Housewives van Pretoria*. The introduction of *Die Real Housewives van Pretoria* adds to MultiChoice's array of *Real Housewives* franchises that stretch across the continent. Based on the success of kykNET's *Real Housewives* franchise production, kykNET will launch *Die Real Housewives van die Wynlande* in April 2023.

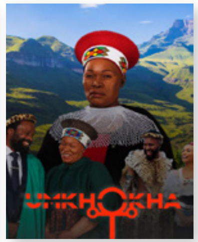
Mzansi Magic

Mzansi Magic's inspiring and bold storytelling continues to reflect the lived experiences of many South Africans, as well as hold a mirror up to their growing aspirations. FY23 was a period of transition as the channel led the retirement of long-standing titles and increased experimentation with new formats.

Telenovelas remain the bedrock of appointment viewing on Mzansi Magic, with the 19:30 Mon-Fri slot remaining a key anchor of appointment viewing. *Gomora* is currently in this slot and plans are in place to further strengthen the slot with a new offering in FY24. *DiepCity* and *The Queen* came to an end in late FY23 and were replaced by *Umkhokha: The Curse* and *Gqeberha: The Empire* respectively. *Umkhokha: The Curse* was birthed from the highly successful FY22 Sunday 13-part drama *Umkhokha*, which revolved around the battle between the Mthembu and Mzobe families as they fought for leadership of one of the biggest churches in KwaZulu-Natal. *Gqeberha: The Empire* encompasses themes of dynasty, family, love, betrayal, polygamy, and jealousy. Produced by the award-winning Tshedza Pictures, *Gqeberha: The Empire* will showcase the majestic beauty of the Eastern Cape shoreline, while providing high intrigue and drama to Mzansi Magic viewers.

Big Brother Titans was a special edition of the widely loved *Big Brother* show, and is a fusion of two TV phenomena, *Big Brother Mzansi* and *Big Brother Naija*, and aired in January 2023 as we exited the festive season. The dedicated Big Brother Mzansi channel rose to the third most watched by DStv Compact viewers and *The Sunday Eviction Show* was a notable social media conversation driver amongst audiences.

Reality series have added tone and texture to the overall local content offering on Mzansi Magic. In its 6th season, *Uthando Nes'thembu* continued to rank among the most watched reality series among DStv Compact viewers. Mzansi Magic's launch of new reality formats produced instant hits such as *Twice As Bold* and *Short And Sweet* (which were among the 10 programmes on the channel in FY23). *Mnakwethu* remained in Mzansi Magic's top performing programmes on linear and Catch Up. The new game show, *The Saturday Showdown*, ignited viewing in June 2022, as it delivered on the channel's promise to provide family-friendly entertainment. In FY24 Mzansi Magic will showcase the long-running reality series *Idols South Africa* for a 19th and final season.



General Entertainment continued

Third-party channels

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

The local content offering from third-party channels continued to excite our audiences in FY23. The *Anni Dewani* case that captured the attention of South Africa and the world was retold in a captivating documentary on Discovery ID. *Chef Nti* revitalized audiences on the Food Network and Moja Love brought the most exciting edge-of-your-seat real-life intervention shows that tell real stories of real people.

A new family favourite brand, *Moonbug Kids*, was added to our world-class slate of children's channels and is aimed at pre-school children with fun-filled, wholesome entertainment. *Spongebob Squarepants* now speaks Zulu thanks to the inclusive localised spirit or our partners at Paramount Africa.

We launched Qwest TV, which was co-founded by the legendary Quincy Jones, alongside TV and music producer and programmer Reza Ackbaraly. Qwest TV brings genre-agnostic musical content to the African continent. Movieroom was also launched this year and is focused on bringing local and international blockbuster hits and unforgettable cinema classics to our audiences. BBC UKTV offers the best showcase of British content, enriching our entry level bouquets. We also launched four exclusive local content offerings in our Southern region – Diamond TV and Power TV in Zambia; and ZTN Prime and 3KTV in Zimbabwe.

The above developments have been complemented by our wide range of third-party programming across multiple genres, including documentaries, lifestyle, general entertainment, news and commerce, music and children.

Nigerian and West African channels

Authentic and hyperlocal storytelling remains at the heartbeat of the Africa Magic brand. Live audience viewership in Nigeria was disrupted in FY23 as increased presidential election coverage on news and free-to-air channels contributed to audience fragmentation on our general entertainment channels such as Africa Magic Showcase.

This was, however, offset by continued investment into Africa Magic Showcase which enabled the introduction of weekday telenovelas *Dilemma, Venge*, *Covenant* and *Itura*. These telenovelas contributed to Africa Magic Showcase's resilient appointment viewing in a tough attention-retention viewership market.

As noted above, we launched *Big Brother Titans* in January 2023 with Mzansi Magic. The dedicated *Big Brother Titans* channel was well received across all DStv packages in Nigeria after its launch. Replicating the success of the *Big Brother Naija* pop-up channel, the *Big Brother Titans* pop-up channel was the most watched channel across the day during the series' run. *Big Brother Titans* also contributed massively to usage of the DStv app – becoming the fifth most watched channel on this platform during its three-month broadcast run.

Season eight of *Nigerian Idols* has been a multi-platform usage driver since launch in late January 2023. During *Nigerian Idol S7*'s live Sunday broadcasts, *Africa Magic Showcase*, *Africa Magic Urban* and *Africa Magic Family* attracted the highest audience sizes in their respective target DStv packages and *Nigerian Idols* the top consumed VOD asset on the DStv app during its broadcast run.

General Entertainment continued

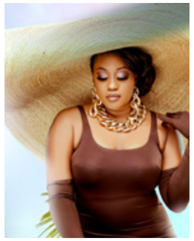
East African channels

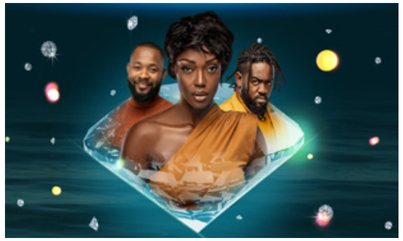
Maisha Magic Plus and Maisha Magic East remain top performing channels in Kenya's DStv Compact and Access packages, respectively. *Kina, Salem,* and *Sanura* remain the main viewership drivers for Maisha Magic Plus. Interest in news and current affairs content on free-to-air channels has led to some viewership disruptions on Maisha Magic Plus and Maisha Magic East as Kenya held its National General Elections in August 2022.

Maisha Magic Bongo remained the most watched channel on DStv in Tanzania, as the channel experienced 9% year on year growth in viewership. High quality telenovelas and drama series continue to be a differentiator and have contributed to significant viewership increases throughout FY23. *Huba, Jua Kali, Yalaiti* and *ICU*, amongst others, have been instrumental in strengthening appointment viewing in FY23.

Available to DStv Premium, Compact Plus and Compact audiences in Uganda, Pearl Magic Prime grew its viewership by 63% year on year. The channel's flagship telenovelas *Prestige* and *Sanyu* anchored viewing on the channel while the infusion of fresh programmes such as *Urban Life* and *Kanseeme* added variety and helped propel the channel to new heights in FY23.

Southern African and Porto channels





The telenovela *Mpali* has been the top performing programme on Zambezi Magic since FY21 and has been one of the factors behind the channel's stability over time. In FY23, *Mpali* and *Zuba* continued to drive Monday-to-Friday viewership and the returning season of *Uncle Limbani* sitcom remained popular with audiences. Zambezi Magic will continue to enliven prime time viewing in FY24 by launching more new reality formats such as *Mutale Mwanza: Unscripted.* This new reality series will follow the day-to-day life of Zambia's most popular media personalities, giving viewers front row access to their lives.

Kwenda Magic and Maningue Magic were launched in the fourth quarter of FY22 in Angola and Mozambique, respectively. The launch of these two channels complements MultiChoice's localised content strategy in these two Portuguese-speaking markets. Kwenda Magic has achieved significant traction and rapidly rose to become the most watched channel across DStv packages in Angola. A major part of this channel's rise has been the strength of the telenovela *O Rio* (adapted from South Africa's success, *The River*), as well as other scripted series such as *Mahinga* which quickly attained a sizeable viewership within its target audience.

SuperSport

A year of firsts for SuperSport

The period under review was a year of firsts for SuperSport – the first live production of the Comrades Marathon, the upskilling of an all-women crew for their debut at the July 2023 Netball World Cup, the beginning of remote commentary across the continent and the addition of multiple new African languages to SuperSport's offering.

All of this took place amid a flurry of live sport, with a staggering 24 899 live events and 1 068 live productions broadcast during the year.

Headline events which elevated our service and showcased our full offering this year included the 2022 FIFA World Cup, debut SA20 cricket tournament, the women's AFCON, the Ryder Cup, the men's T20 World Cup, the women's Cricket World Cup, the IAAF World Athletic Championship, Commonwealth Games, and Rugby Sevens World Cup.

Seamless coordination between our SuperSport, South Africa and Rest of Africa teams resulted in the hugely successful 'Here for Every Fan' FIFA World Cup campaign, which was localized in South Africa with the 'Kusazob' campaign. This helped our broader business kick-off the festive period.

This year we partnered with Cricket SA and other shareholders to deliver an exciting new local cricket venture in the form of SA20. The inaugural tournament, with SuperSport also the broadcaster, was a huge success and a boon for South African cricket, securing international broadcasting rights, boosting viewership and sentiment around the sport locally and providing exposure to local talent. This was followed, in February 2023, by the T20 Women's World Cup, held in South Africa, where the Proteas reached the final and galvanised support for the continued emergence of top-tier women's sport.

During major events, thematic channels are dedicated to the specific events as was the case for the IAAF World Championships 2022. Similarly, our LaLiga and Football variety channels were temporarily repurposed and rebranded for the 2022 Commonwealth Games.

SuperSport continued

The best sports offering in the world

The complexity of the business we've built to bring the best sports offering in the world to our subscribers is reflected in our evolving multi-platform offering where SuperSport manages a total of 9 OTT channels and 63 linear channels[(1)]

DStv
58 DStv channels on DTH, including GINX and two ESPN channels[(1)]

GOtv
4 dedicated GOtv channels on DTT

OTT technology
9 OTT channels, including SS Play and two channels dedicated to streaming school sport

CSN
CSN in South Africa

In August 2022, SuperSport launched a fourth Maximo channel, dedicated to LaLiga. We launched the NBS Sport channel in Uganda which offered 24/7 access to local sporting including Uganda's Basketball league, pool competitions and boxing championships. Football fans had a feast of entertainment throughout the year. The eKasi Champ of Champs and Compact Soccer Tournaments seamlessly bridged the football off-season in South Africa, with the former winning the 'Competition Sponsorship of the Year' award at the 2022 Hollard Sports Industry Awards.

We continued to develop our presence in digital spaces in FY23.

Underscored by the re-design for the FIFA World Cup, the SuperSport website now has over 36m unique users. Registrations across our SuperSport digital platforms have reached the milestone of 3m users.

Our social media audience grew to 25m fans and followers across platforms such as YouTube, Facebook, TikTok, Instagram and Twitter.

Elsewhere, our developing partnership with KingMakers through the BetKing brand saw SuperPicks sustain its encouraging initial momentum. The free-to-play predictor platform gives consumers the opportunity to win a life-changing jackpot (NGN50m/ZAR1m) by predicting the correct scores from six football fixtures, and has amassed over 750 000 active users in Nigeria and 350 000 active users in South Africa respectively. The platform is supported by a fan favourite magazine show, which has a continental (SuperPicks) and a South African (Super Saturday) edition, both of which feature in the top five most watched magazine shows in their territories.

Meanwhile, the SuperSport Schools platform which was launched in 2021 showed extraordinary growth, culminating in our decision to launch a linear channel for the platform in March 2023. In the year under review, an average of 93 hours was streamed per day, which equates to four channels broadcasting sport 24 hours per day. Over 850 South African schools and more than 8 500 teams have been featured on the platform, with the app now boasting well over 300 000 registered users. In March 2023, we had over 300 automated AI driven cameras installed at 150 schools across South Africa.

With regard to major rights, which are the lifeblood of the SuperSport business, we secured renewals for the English Premier League, Formula 1 and International Cricket Council rights alongside an assortment of other extensions.

[(1)] Channel count includes regional variations for Africa and Nigeria.

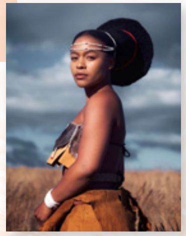
South Africa operations

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

Our contributions to South Africa

3 644
fulltime employees
(FY22: 3 620)

ZAR5.7bn
total tax contribution
(FY22: ZAR6.9bn)



Our operating performance

The South Africa segment accounted for 59.2% (FY22: 64.7%) of group revenues in FY23 and 39.6% (FY22: 41.3%) of our group's 90-day active subscriber base at year-end.

9.3m
90-day active subscribers
(FY22: 9.0m)

The South African business demonstrated resilience in what was an increasingly challenging period. Macro-economic and consumer pressure points continued to grow, exacerbated by the impact of persistent and elevated loadshedding which deteriorated into the fourth quarter of our FY23. As loadshedding escalates beyond stage 4, we have seen an increasingly negative impact on TV viewership and subscriber activity. This has translated into lower-than-expected subscriber activity and subscription revenues in the SA business. Although we were able to grow our 90-day active subscriber base by 0.3m subscribers YoY, we saw a decoupling of our 90-day active and current active subscriber metrics at March 2023 as illustrated by the 0.1m YoY decline in our current active base. We continue driving operational efficiencies and digital agility, as we aim to leverage the momentum generated by the COVID-19 lockdowns in accelerating the pace of digital adoption in the business.

10% growth
in mass market segment
(FY22: 7%)

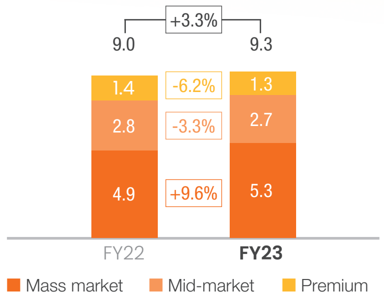
Our mass market tier sustained growth of 10% YoY despite a weighted average 4% price increase for our mass tier at the beginning of the year. We remain excited about the mass market opportunity and regard our Access base as a springboard for future growth and ARPU uplift as income levels of consumers improve over time and our product offers widen. We are already seeing some of this materialise through upgrades from Access to Family within the mass segment, driven by a compelling content offering and targeted campaigns and upgrade strategies.

Our mid-market segment tier declined by 3% YoY as our Compact base is most exposed to the current challenges in the macro-economic environment. On top of the loadshedding challenges explained above, our mid-market customers are most impacted by rising inflation (notably energy and food costs), rising interest rates in a segment of the market that is increasingly over-indebted and elevated unemployment. Nonetheless, our team has been working hard to revitalise the Compact value proposition by:

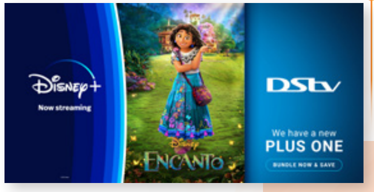
- working with the PSL to optimise the DStv Premiership for improved fan engagement while also leveraging the tournament to drive positive awareness of our family of brands,
- launching the dedicated Compact Cup to better bridge the football offseason,
- rejuvenating our Compact branding for a younger, more tech-savvy demographic with our 'iRep Impilo' campaign, and
- continuing to invest in the leading local content in our market, while developing innovative new offerings like Big Brother Clash of the Titans.

Our premium tier decreased by a further 6% YoY in FY23. However, in terms of the underlying components of our premium tier, we are seeing a further deceleration in subscriber losses in our Premium base, which is indicative of both our focused work behind retaining and engaging our Premium base by enhancing our consumer value proposition, and a trend towards a core segment of households who want to have the best of what the South African market can offer in entertainment. In contrast, our Compact Plus base is under the same pressure points as our Compact base and is weighing on the performance of our premium tier.

90-day active subscribers (m)



South Africa operations continued



We **continue to build out** our OTT and aggregation strategy

We introduced several product additions and improvements during the year such as Disney+, Universal Plus, and 4k football for the 2022 FIFA World Cup and recorded a strong year of growth in our DStv via Streaming product.

In order to support our customers on their digital enablement journey, while also creating opportunities to offer them bundled service savings, we have enhanced our connectivity offerings. Our DStv Internet fixed-wireless LTE service, which we launched in FY22, saw encouraging traction this year. As a result, we launched a DStv Internet fibre service in the second half of the year, which shows promise based on early customer engagement with the product offering.

ZAR256 ARPU

(FY22: ZAR269)

The ongoing shift in subscriber mix, with growth in the base predominantly driven by our Access package at a R120 price point, resulted in blended ARPU declining by 5% from ZAR269 in the prior year to ZAR256.

While there is still a healthy base of Premium subscribers, we continue to see a gradual shift in revenue mix, as the mass market maintains healthy growth momentum. Short-term pressure in our mid market is negatively impacting mix trends, while the impact of loadshedding on activity rates has also weighed on our ARPU.

That said, we still see potential for our mass and mid-market subscribers to follow an upgrade journey over time as economic circumstances improve. In this regard, we have implemented upgrade strategies such as open periods and episode previews to help customers discover shows that they might enjoy on higher packages. In addition, our longer-term ambition is to stabilise and then improve ARPUs through a focus on an improved core value proposition for our subscribers and the introduction and scaling of additional value-added services like our internet and on-demand emergency response products.

Digitalisation remains a core focus

Our self-service platforms continue delivering a strong uptake with total 90-day **users of 3m**

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 digitised such that a customer can join, watch, pay, get help and be rewarded entirely in an online environment. In digital customer service, our efforts continue yielding positive results for the business and create convenience for our customers. Our WhatsApp, web and DStv app self-service platforms continue delivering a strong uptake with total 90-day users of 3m across our channels. Digital payments grew by 33% YoY, and we have delivered a call migration to self-service of 75%, reducing the need for in-person contact.

Our insurance business grew its customer base by

19% YoY to 2.8m

(FY22: 2.4m)

Our insurance business grew its customer base by 19% YoY (FY22: 11%). Our current product stack includes device and life products (subscription waiver, funeral and debt waiver). Growth over the past year was mainly driven by our life products which grew by 345% YoY, while our more mature device Insurance business still showed decent growth at 4% YoY.

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 local content channels in various new markets to bring the group total to 30. We also supported local football across the continent, including continuing our partnership with the Ethiopian Premier League.

Our contributions to Rest of Africa

3 042
fulltime employees
(FY22: 2 780)

ZAR5.1bn
total tax contributions
(FY22: ZAR3.7bn)

Our operating performance

In FY23, the Rest of Africa segment accounted for 38.3% (FY22: 32.5%) of group revenue, by generating reported and organic revenue growth of 26% and 16% respectively YoY (FY22: 4% and 14%), respectively. The segment ended the year with 14.2m (FY22: 12.8m) 90-day active subscribers, up 11% YoY (FY22: 7%). The Rest of Africa accounted for 60.4% (FY22: 58.7%) of our group 90-day active subscriber base at year-end.

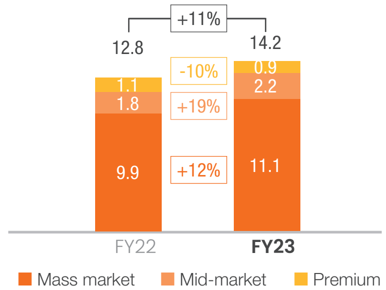
14.2m
90-day active subscribers
(FY22: 12.8m)

Macro-economic conditions across sub-Saharan Africa generally became more challenging this year, with numerous global and country-specific factors impacting our major markets. Inflation was generally expected to soften post the COVID-19 pandemic, but loose monetary policies by global central banks and geopolitical developments like the Russia-Ukraine conflict have seen inflation ramp up across the world. Due to these developments, a strong US dollar and elevated oil prices, fuel and food inflation have increased in many of our core markets. Even basic staples have seen significant price increases, impacting all consumers, while the large increases in fuel prices are particularly problematic given many individuals' dependence on fuel for power generation beyond their basic transport needs. YoY inflation as of March 2023 was 43% in Ghana, 34% in Ethiopia, 22% in Nigeria and 9% in Kenya. While many of our markets are seeing a rebound in GDP exiting the pandemic, country reserves and currency markets are under pressure due to increased fuel subsidies and the rising cost of imports, with weakening global demand hurting African hard commodity and other export markets at the same time. Angola has been something of an exception off the back of their general elections in August 2022 and the benefit they have extracted from the strong US dollar oil price (inflation has moderated from 27% in March 2022 to 11% in March 2023).

In some markets, governments have reduced or removed the temporary COVID-19 related taxes they had imposed during the pandemic, but this has not been sufficient to ease the pressure on disposable income across the continent. We have also seen a further increase in requests and investigations from sector regulatory bodies and tax authorities across the continent as cash-strapped governments seek ways to generate revenues and plug budget shortfalls. Due to the macro and consumer pressure points above, we saw a deeper churn in our base in the first quarter of FY23, beyond what is typical in a seasonally weak period where there is no European football. However, through the remainder of the first half, the popularity of Big Brother Naija and the return of the new European football season, the base had recovered nicely ahead of the FIFA World Cup.

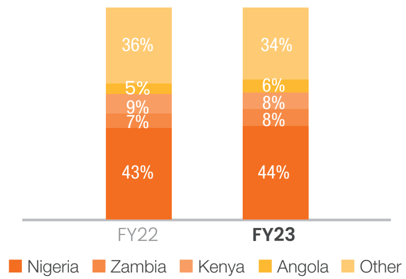
We broadcast the FIFA World Cup Qatar 2022 over November and December. With Ghana having qualified the subscriber response was positive and exceeded our expectations in a market that has experienced significant challenges this year. However, strong promotional activity in the lead-up to the event with Nigeria's absence from the World Cup resulted in a muted initial subscriber response with limited growth in November. Momentum recovered into December with targeted campaigns and a number of exciting matches through the latter stages of the competition. Our other markets showed positive growth in line with our expectations and the net effect was another successful acquisition driver for the Rest of Africa business. We were able to add a further 1.4m 90-day subscribers to our base in FY23, broadly in line with the 1.6m 90-day subscribers we added to our base in FY19 when the 2018 FIFA World Cup aired.

90-day active subscribers (m)



Subscription revenue by country

(% contribution to Rest of Africa subscription revenue)



Rest of Africa operations continued

ZAR126 ARPU

(FY22: ZAR110)

In the current year we saw significant currency depreciation in the bulk of our core markets that weighed on our reported ARPU. However, we were able to offset some of these currency pressures through inflation-based price increases across the majority of our markets which uplifted our organic ARPUs. The only material exception to our price increases this year was Angola due to a lack of regulatory approval for our price increase for FY23. However, a stronger Angolan kwanza YoY supported reported ARPUs in that market in the absence of pricing.

The underlying growth trends across our package tiers showed divergent trends and created a mix headwind to ARPUs. Our premium tier reported a 10% YoY decline, reversing the prior year gain's of 14% on the back of affordability challenges given the issues we've unpacked above as well as the timing and cadence of various subscriber campaigns and offers. However, we continued to make significant gains in the mid-market, with growth of 19% YoY (FY22: 17%), while our mass market segment was up by a slightly less 12% YoY (FY22: 5%).

The net effect of the above dynamics was that ARPU improved on the back of inflationary pricing, while ZAR weakness provided further support on translation, with ARPU improving from ZAR110 in FY22 to ZAR126 in FY23.

The Nigerian market continued to face significant economic headwinds this year as our largest Rest of African market headed into its general elections in February 2023. Inflation increased steadily throughout the year to reach ~22% in March 2023. This was mainly due to fuel and food inflation with fuel prices in-country tripling during the year. The oil economy has also been unable to capitalize on higher oil prices due to oil theft and production challenges. Nigeria even faced fuel shortages, resulting in intermittent periods of severe scarcity and long queues at filling stations. The government also removed certain bank notes from circulation ahead of the elections in February, which created further consumer challenges in the absence of new notes issuance in a cash-based economy.

Despite the above, we were able to grow our 90-day subscribers by 15% YoY. This was off the back of strong subscriber activations in the first half, a record festive season performance and significant subscriber activity around the elections. A combination of subscriber growth and inflationary price increases in April 2022, resulted in subscription revenue growth of 29% YoY in ZAR terms (FY22: 5%).

The US dollar liquidity remained strained throughout the year, with funding in the Investors and Exporters market limited and the Central Bank of Nigeria only providing liquidity for essential goods. The inability of the country to capitalize on elevated oil prices and the material increase in cost to import fuel exacerbated the situation further and led to volatile and increasingly punitive unofficial parallel exchange rates. Despite this, we were able to repatriate USD235m in cash in FY23, compared to USD240m in FY22, with USD104m remaining in-country at year-end, of which around USD40m is generally held for ongoing operational purposes. We continue to actively manage our exposure to this market.

Ghana grew its 90-day subscriber base by **27% YoY**

Uganda DTH outperformed expectations by growing **24% YoY**

Off the back of its qualification for the World Cup, we saw significant subscriber gains in Ghana, which grew its 90-day subscriber base by 27% YoY (FY22: 10%). Our East Africa markets remain highly competitive, particularly at the lower end in DTT where subscribers are also feeling the most pronounced economic pressure. Tanzania managed to further leverage its launch of the DStv POA bouquet in the prior year, thereby attaining 90-day subscriber gains of 12% YoY (FY22: 22%). Uganda DTH outperformed expectations by growing 24% YoY, as we launched DStv Lumba, a DStv Lite equivalent package which is our most affordable DStv bouquet. Despite being an 'entry level' package, it includes all the local channels, including Pearl Magic, a taste of European football with select matches of the English Premier League, La Liga, and Serie A, a variety of kids' entertainment, including Nickelodeon and Jimjam, and whole family entertainment with enthralling telenovelas. The Kenya market was flat YoY overall, with DTH subscriber gains being offset by DTT subscriber losses.

Our Ethiopian business continues to perform well. The regional conflict in the Northern region has been largely resolved and the state of emergency imposed on the

Rest of Africa operations continued

We continue driving our **local content strategy**

The Zambian market has been performing well despite high inflation, exchange rate volatility and power shortages

Our Porto markets continued steady gains in the current year despite strong competition

country has been lifted. Exchange rates have begun to stabilise. We have continued to invest in our local content offering, while upscaling the team on the ground, bolstering our call centres, and significantly expanding our distribution footprint. Price increases were implemented in April 2022 and we have managed to grow the 90-day active subscriber base by 79% YoY (FY22: 48%).

In our Southern region, the Zambian market has been performing well despite high inflation, exchange rate volatility and power shortages in the second half of FY23. We managed to grow the 90-day subscriber base by 7% and subscription revenues by 32% YoY in ZAR terms respectively. Zambia, Zimbabwe and Malawi have been experiencing severe power outages due to delayed seasonal rains, but these were of shorter duration than in prior years. In February 2023, Cyclone Freddy hit Malawi, causing damage and further power disruption. Furthermore, Zimbabwe's macro-economic environment has remained challenging for all businesses. Due to the above, our Southern markets excluding Zambia experienced muted 90-day subscriber base growth of 2% (FY22: 6%) YoY.

Our Porto markets continued steady gains in the current year despite strong competition. The Angolan kwanza saw some weakness post elections, but average exchange rates were still stronger than the prior year, supported by higher US dollar oil prices. Inflation rates also fell by more than 50% in the current year. While we did not put pricing through as hoped, we were able to grow the 90-day base for the second year in a row after three years of decline in a challenging macro-economic period. We successfully launched local channels for each of Angola and Mozambique at the end of last year and these have been performing well. In Mozambique, the analogue switch off was completed in the first quarter of FY23 and, helped by a stronger content lineup, drove a 6% YoY increase in the 90-day base.

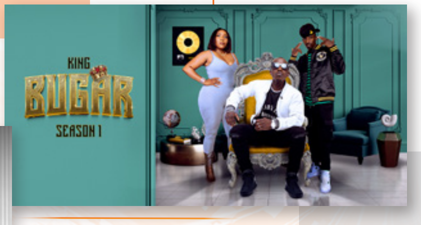
We continue driving our local content strategy by reducing non-performing international spend and adding local content channels in most of our core markets. We believe we are very close to reaching the optimal level of internationally vs. locally sourced spend for the business. New local channels were launched in Ghana (Akwaaba Magic Abusua), Uganda (Pearl Magic Loko) and Ethiopia (Abol Duka).
Big Brother Naija once again drove record engagement as measured by voting through the MyDStv and MyGOtv apps.

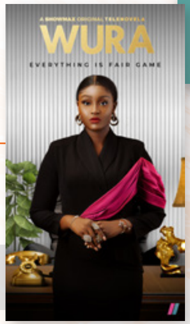
87%

of calls migrated to self-service

(FY22: 76%)

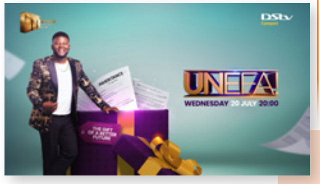
With our website live in 42 markets, Apps in 47, WhatsApp self-service across 12 markets and our USSD service in 13 markets, digital adoption across Rest of Africa is currently around 79%. We also continue to build on significant improvements to our payment ecosystem through an increased vendor footprint and reduced vendor system and customer error rates. This includes looking at our payment infrastructure to support activity rates over time. Our extensive third-party payment network now covers integrations with 171 vendors across over 40 countries including large retailers, fin-tech players, MNOs and banks and we collected USD143m over the course of the period under review. We achieved customer satisfaction ratings of 74% (against our target of 74%) for DStv and 70% (against a target of 72%) GOtv.





Connected Video operations

What **sets us apart** in the OTT market is our **strong content offering**



Our operating performance

Connected Video develops and operates our OTT video services for the group, primarily through our DStv via Streaming app and Showmax products.

Our DStv via Streaming app is available as a companion product for existing DStv subscribers or, increasingly in certain markets, as a standalone service for subscribers who want to stream the full DStv offering online without the need for a satellite dish installation or a dedicated set-top box.

Showmax is a paid streaming video on demand (SVOD) service available as a standalone product or as a value-added service free to DStv Premium subscribers and at a 50% discount to customers on our Compact Plus and Compact packages. We also offer a cheaper streaming-only Showmax service at less than half the price of the lean-back service.

Both of our OTT services are available on a wide variety of platforms, such as smartphones, smart mobile devices, desktop computers, laptops, gaming consoles, smart TVs and the DStv Explora Ultra decoder and Streama device.

What sets us apart in the OTT market is our strong content offering. This includes the best local African content, including Showmax originals like *The Wife* first and exclusive international series and movies, popular kids' shows and live sport from SuperSport. Our products are also designed for the markets in which we operate, with innovative custom features such as tailored content recommendations, localised pricing in our core markets, payment integrations with a range of local payment channels, low data usage settings, further supported by strategic integrations with local partners such as telcos on distribution and banks on payments. Over the last few years our dedicated Showmax engineering team has upscaled our platform's backend infrastructure and frontend user interface to create a user experience that is comparable to if not better than the global SVOD offerings.

As we approach an inflection point in broadband adoption in sub-Saharan Africa, our ambitions in streaming have stepped up. As a result, we announced in March 2023 that MultiChoice Group (owners of Showmax) and Comcast (owners of NBCUniversal, Sky and Peacock) have entered into a partnership to bring the world's best content and technology to customers across our 50-market African footprint. MultiChoice will own 70% of the new Showmax entity, with Comcast holding the remaining 30%. The new Showmax service will be powered by Peacock's technology, which will incorporate our local market innovations into a platform with a proven ability to scale. The partnership will also allow us to give customers access to an unparalleled content mix which will showcase our hyper-local content slate (e.g. Showmax Originals plus M-Net's local programming from Mzansi Magic, Africa Magic and Maisha Magic, sports from SuperSport (the English Premier League), exclusive international content from Comcast (NBCUniversal, Universal Pictures, Peacock and Sky Studios), and third-party content from international studios (Warner Brothers, HBO and Paramount).

Showmax had a strong year with paying subscribers up

26% YoY

OTT monthly active users maintained momentum up

12% YoY

MultiChoice Group and Comcast have entered into a partnership. MultiChoice will own 70% of the new Showmax entity, with Comcast holding the remaining 30%.

During FY23, Showmax had a strong year with paying subscribers up 26% YoY. Ongoing growth was driven by our largest slate of Showmax Originals to date, targeted marketing campaigns, increased local content volumes in key markets, fresh and high-quality international movies and series, our strategic partnerships, product enhancements and compelling live sport on Showmax Pro.

Our hyperlocal content strategy continues to yield results, with popular shows driving growth in viewership numbers. *The Wife, Life with Kelly Khumalo, Uthando Lodumo, Steinheist, Stella Murders* and *Tali's Joburg Diaries* amongst others, have all been successfully launched in South Africa, some with follow-on seasons. Our first Nigerian Showmax Originals, *Diiche and Wura*, and Kenyan Originals like *Kyallo Kulture* and *Pepeta* have also enthralled audiences. The *Real Housewives* franchise has been expanded to include Durban, Abuja and Nairobi. Our distinct content line-up is resonating with our audiences, and this can be seen in the increased viewership of local content on Showmax.

Connected Video operations continued

We continue driving our **local content strategy**

We continue to see a strong affinity for African storytelling with local series and movies

We made substantial improvements to our content discovery and personalisation features and revamped the DStv via Streaming user experience.

The Showmax Originals created for the South Africa, Nigeria and Kenya markets all topped the 'most-watched charts' on Showmax. *The Wife* remained the most-watched show in South Africa from November 2022 to March 2023. We continue to see a strong affinity for African storytelling with local series and movies making up 57% or above of all viewership for FY23 in all key markets.

We ramped up our content slate significantly in FY23, releasing over 48 originals movies and series in South Africa, Nigeria, Kenya and Ghana (FY22: 18). Showmax Originals in multiple countries set viewing records, earned five-star reviews, won Kalasha and South African Film and Television Awards and shows like *The Wife* trended at #1 on Twitter. Showmax Pro successfully streamed the *FIFA World Cup Qatar 2022* in addition to top international and local football. As we head into FY24, we are ramping up our local content slate further in our key markets with titles like *The Real Housewives of Lagos*, Kenyan originals *Igiza* and *Pepeta*, and more locally produced drama, reality and documentaries, while continuing to bring bingeworthy international shows such as *Yellowjackets*, *Gangs of London*, and *Succession* to subscribers.

We have maintained an ongoing focus on enhancing our OTT platforms. This year, we made substantial improvements to our content discovery and personalisation features and revamped the DStv via Streaming user experience. We are constantly enhancing functionality and adding features to our streaming apps to make them even better for our customers. Significant improvements have been made to download reliability and overall platform stability and scalability over the last year. Improvements in our DStv app CSAT can be primarily attributed to functional improvements undertaken by the team to reduce buffering, particularly on Android devices. *FIFA World Cup Qatar 2022* readiness initiatives allowed our customers to enjoy the tournament (in 4K on compatible devices), with easier navigation and viewing of live and VOD content. We reached peak concurrent streams of almost 0.5m during the final match, which was a new record for concurrent users streaming on the DStv app, all with the rebuffering % at its lowest in the history of the platform.

With a strategy that offers African viewers a non-linear service designed exclusively for an African audience and including the best local programming, quality sport, and a diverse spread of international content, Showmax and DStv via Streaming are well positioned to continue to drive the group's OTT ambitions forward.

Irdeto operations

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

Operations in **78** countries globally

Over **380** external clients

Our operating performance

Our Irdeto business services the MultiChoice Group's video entertainment subsidiaries and 382 external clients. Revenue from the MultiChoice Group accounted for 57% of Irdeto's total revenue in FY23 (FY22: 52%), which was eliminated on group consolidation. Despite continued top line headwinds due to macro-economic, geopolitical and market-specific factors, Irdeto added new customers in FY23, made targeted investments towards its future in promising growth verticals and delivered solid trading profit margins of 45% in FY23, up from 33% in FY22.

Our first strategic pillar is to increase market share by winning Tier-1 customers in video entertainment. We have been making progress over the last two years, and Irdeto has become the second largest content protection vendor in the market by volume.

We expect traditional video entertainment broadcasting to come under some secular pressure in coming years, but that provides us with opportunities to support our customers in their transition towards streaming. Providing our anti-piracy solutions to protect valuable content remains critical as streaming continues to gain market share. Finally, by leveraging our core technology, offerings and expertise we are able to help customers achieve cost efficiencies through managed services.

Securing games and assuring a level playing field in the growing video gaming industry has taken an increasingly prominent role in our longer term strategy. We're extending our focus on securing and copy-protecting games to also support publishers' monetization of games. In doing this, we expect to support fair competition within games as well as in-game transactions, which improves our relevance for mobile and free-to-play games.

The pace of adoption of new cybersecurity technologies in the automotive segment slowed during the COVID-19 pandemic and global chipset shortage experienced in recent years, but the business projects already secured in this segment plus a strong pipeline of clients for our innovative solutions underpins our significant future revenue growth expectations in this vertical.

Both Video Gaming and Connected Transport grew their top line year on year. New customer wins and targeted investments in both of these operating segments are putting us in a strong position to sustain growth into what we estimate to be significant addressable market opportunities. On a medium- to longer-term horizon we expect our Connected Industries turnover to overtake our traditional Media Security turnover and are already exploring new potential avenues for the application of our cybersecurity technologies. Connected Healthcare, for example, appears to hold significant promise.

Our core technologies remain a vital competitive advantage and are fundamental to both our traditional and newer product market offerings. We also manage an active pipeline of both buy and build opportunities. During FY23, for example, we invested in Bidstack, a publicly listed company providing ad-insertion technology for the video gaming industry.

Success in a connected future requires Irdeto to continue to invest in emerging technologies and to become proficient in areas such as Artificial Intelligence, Data Management and Quantum Computing. These competencies will enable us to capitalise on the rapid pace of innovation in the connected world, create unique offerings and outpace competition.

Many of the macro-economic challenges we experienced in FY22 persisted into FY23. In addition, some new headwinds and market trends affected our business in the current year:

- Continued intermittent lock downs in China, as a result of their pursuit of a zero-COVID policy, directly impacted sales and supply chains. The effect is slowly resolving after having lifted much of the restrictions towards the end of the year.
- Global silicon shortages negatively impacted the availability of components in both the Video and the Connected Transport markets, albeit the overall challenges in the market have started to ease.

Irdeto's 2025 strategy remains similar to previous years, as shown by our five key strategic initiatives

Video entertainment	Video games	Connected transport	New business	Core technology
Market share growth via winning Tier-1 accounts	Grow beyond DRM to support game monetisation	Grow into a substantial and profitable business	Create, incubate and grow new businesses	Nurture and build competency in critical areas

Irdeto operations continued

Irdeto is and remains a **critical partner** to its parent organisation

Irdeto is and remains a critical partner to its parent organization and provides encryption, conditional access, and middleware solutions for MultiChoice set-top boxes and streaming services.

- Conditional Access Module (CAM) sales were negatively impacted by 'cord cutting' trends in our developed market footprint, the impact of reduced disposable income on consumer demand more broadly, and the growing availability of OTT-driven second screen options.
- Despite strategic customer wins in recent years, growth in our Indian business was hampered by less promotional activity from operators seeking market share gains and increased competition from streaming solutions.
- The war in the Ukraine led to a decision to exit the Russian market with a negative impact on revenues and trading profits.

In addition, the business helps MultiChoice monitor and combat piracy across sub-Saharan Africa, as well as contributing to the group's solutions for video on demand and targeted advertising. Externally, we are 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:

- **Video Entertainment: Irdeto Super Aggregator Solution.** This includes offering the most effective solution to deploy OTT and hybrid video platforms by leveraging on a reusable Irdeto reference broadcast stack and integrating with Android TV or RDK-V OTT stacks. This solution reduces the total cost of ownership, speeds up time to market, removes fragmentation, and enables business growth.
- **Gaming: Nintendo Switch Emulation Protection,** protecting Nintendo Switch games and valuable customer income against PC emulation. This offers a 'hassle-free' integration into the game build toolchain, efficient detection of different behaviour between the emulator and hardware while not impacting the gaming experience.
- **Gaming: Downloadable Content (DLC) Protection,** protecting gaming platforms against bypassing of existing protection of downloadable content. This is the industry's first solution addressing this problem. The Denuvo Secure DLC API mechanism revalidates the platform API, preventing pirate attacks and blocking access when it should not be granted.
- **Connected Transport: Irdeto CrossCharge,** is a complete set of managed services that create, distributes, discovers, validates and revokes vehicle identities and charging contracts. It enables smooth charging and roaming across borders, networks, vehicle models, security providers and e-mobility service providers.

Irdeto has been recognised for its Cybersecurity Excellence. The company won Cybersecurity Excellence Awards in four categories:

- Best Cybersecurity Company in Europe
- Best Reference Design Kit Video Accelerator Solution and Certification
- Best Digital Rights Management in Europe
- Best Threat Detection, Intelligence and Response in Europe

Irdeto App Watch and Irdeto Media Manager also won Streaming Media European Innovation awards, and Irdeto Super Aggregator Solution won the Video Tech Innovation award in the Super Aggregator category.

CFO performance review

Restoring the Rest of Africa business to profitability was a highlight

Tim Jacobs

"However, the South African consumer environment weakened significantly in the second half impacted by permanent high stages of loadshedding. This had a significant impact on group margins and cash flows."

90-day active subscriber growth of 1.7m (8%) to
23.5m
subscribers

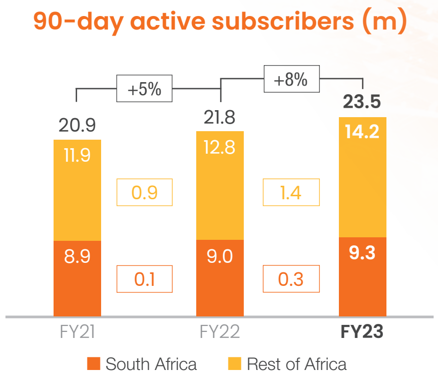
Revenue growth in line with inflation at
7%
(4% organic)

Trading margin decrease from
19% to 17%
due to foreign exchange and SA margin pressure

Free cash flow of
ZAR2.9bn
down 48% due to working capital timing and SA cash flow pressure

Rest of Africa return to profitability delivering
ZAR0.9bn
trading profit

Core headline earnings growth of 2% to
ZAR3.5bn



CFO performance review continued

Strong balance sheet with
ZAR16.5bn
in total funding available (ZAR7.5bn in cash combined with ZAR9.0bn in available facilities)

New ZAR12bn
term loan facility finalised in February 2023

Comcast
partnership completed on 4 April 2023

No dividend declared based on the unclear economic outlook and Showmax investment cycle

Operational performance review

The group added 1.7m 90-day active subscribers, which was primarily supported by a strong performance in the Rest of Africa.

The group grew its 90-day active subscriber base by 8% YoY (or 1.7m) and now reaches 23.5m households across the continent.

This was mainly due to the strong performance in the Rest of Africa, which added 1.4m subscribers, underpinned by the investment in decoder subsidy and marketing for the FIFA World Cup. These investments will be paid back in the first half of FY24 through the ongoing margin generated from this cohort of customers.

In contrast, South African 90-day subscribers grew by 0.3m YoY due to a challenging consumer environment. Permanent high stages of loadshedding, interest rate hikes and elevated inflation levels have left a large portion of the group's customer base unable to watch or afford video entertainment services consistently.

The 90-day subscriber base is split between 14.2m households (60%) in the Rest of Africa and 9.3m households (40%) in South Africa.

Users of the group's DStv app and Showmax services continue to grow as online consumption increases. The overall online user base increased by 12% YoY, with the growth rate for paying Showmax subscribers at a strong 26%.

CFO performance review continued

Review of financial performance

	FY21 (ZAR'bn)	FY22 (ZAR'bn)	FY23 (ZAR'bn)	Organic growth FY22 %	Organic growth FY23 (%)	Notes
Revenue	53.4	55.1	**59.1**	7	4	1
Costs	(43.1)	(44.7)	**(49.1)**	8	3	2
Trading profit	**10.3**	**10.3**	**10.0**	1	5	3
Net interest paid	(0.7)	(1.0)	**(1.0)**			
Taxation	(4.8)	(4.2)	**(3.8)**			4
Non-controlling interest	(1.9)	(1.5)	**(0.6)**			5
Other gains/losses	0.4	(0.2)	**(1.0)**			6
Core headline earnings	**3.3**	**3.5**	**3.5**	6	2	7
Core headline earnings per share	**767**	**814**	**828**	6	2	7
TP margin	19	19	**17**			3
Effective tax rate	54	59	**417**			4

Note: FY23 revenue includes ZAR76m loss (FY22: ZAR163m losses, FY21: ZAR72m gains) related to fair-value movements on Nigeria futures contracts.

1 Group organic revenue growth reduced from 7% to 4% (ZAR59.1bn) mainly on the back of a 2% decline in SA revenue due to lower levels of subscriber activity. Rest of Africa delivered a 16% organic YoY increase and now contributes 38% of group revenue from 33% in the prior year. Advertising revenues were up a solid 7% (6% organic) supported by the FIFA World Cup and local content properties. Irdeto's revenues declined 4% (17% organic) as ongoing global supply constraints and the decision to exit all Russian based operations impacted negatively on performance. Insurance premiums grew a strong 22% YoY, with new products such as funeral cover gaining traction.

2 Operating leverage (on an organic basis) for the year remained positive at +1 percentage points despite the investment in the FIFA World Cup and some once-off cost benefits in the prior year. Overall costs increased 3% YoY on an organic basis, largely due to the group's established cost optimisation programme that delivered a further ZAR1.3bn in cost savings, well ahead of the ZAR0.8bn target.

3 Group trading profit decreased 3% to ZAR10.0bn (up 5% organic), due to an adverse ZAR0.9bn foreign exchange impact and weaker SA earnings. The group trading margin declined from 19% to 17%. The Rest of Africa business returned to profitability, generating a positive trading profit of ZAR0.9bn, representing a 4% trading profit margin. The impact of South African macro challenges, together with the group's increased investment in Showmax, caused SA margins to contract from 30.9% in the prior year to 24.2% (within the 23% – 28% guided range).

4 The group's effective tax rate increased from 59% in FY22 to 417% in FY23, due to increased foreign exchange losses (which resulted in a lower profit before taxation), ZAR2.0bn impairment of the investment in KingMakers (detailed in the review of financial position below), an increase in uncertain tax positions recognised and withholding taxes incurred in the Rest of Africa segment.

5 The decrease in non-controlling interests predominantly relates to increased Nigerian cash extraction losses (FY23: ZAR2.4bn versus FY22: ZAR1.1bn) and decreased profitability in the South African business.

6 Other losses increased in FY23 due to the group's share in KingMakers increased losses and the impact of non-controlling interest on foreign currency movements and taxation.

7 Core headline earnings, the board's measure of sustainable business performance, increased 2% YoY to ZAR3.5bn. This was mainly attributable to the improved contribution from the Rest of Africa and positive realised foreign exchange movements, tempered by the lower profits in SA.

CFO performance review continued

Review of cash generation

"Free cash flow of ZAR2.9bn was down 48% YoY, mainly due to negative working capital movements. The group traditionally has a working capital cycle that fluctuates materially from year to year depending largely on events and content right payments."

	FY21 (ZAR'bn)	FY22 (ZAR'bn)	FY23 (ZAR'bn)	FY22 growth (%)	FY23 growth (%)	Notes
Trading profit	10.3	10.3	10.0			
Non-cash adjustments	4.2	3.4	3.1			1
Working capital investment	(0.6)	(1.0)	(3.1)			2
Cash from operations	13.9	12.7	10.0	(9)	(22)	
Capital expenditure	(1.6)	(1.1)	(1.2)			3
Lease repayments	(2.5)	(2.5)	(2.5)			
Taxation paid	(4.1)	(3.6)	(3.4)			4
Free cash flow	5.7	5.5	2.9	(3)	(48)	
Less: Net interest paid	0.2	0.0	(0.2)			5
Less: Dividends paid by holding company	(2.4)	(2.4)	(2.4)			6
Less: PN and other NCI dividends	(1.5)	(1.5)	(1.5)			6
Less: Share buy-backs	–	(0.3)	–			
Less: Settlement of share-based compensation awards	(0.5)	(0.1)	(0.2)			
Add: Proceeds/(Repayment) from long and short-term loans raised	1.4	2.6	4.4			7
Less: Investments in associates	(1.4)	(4.2)	(0.2)			8
Less: Settlement of contingent consideration	–	(0.5)	–			9
Less: Other cash movements	(0.1)	(0.2)	(0.1)			
Retained free cash flow	1.4	(1.0)	2.7			
Add: Decrease/(Increase) in restricted cash	(0.1)	0.2	0.2			10
Foreign exchange translation of foreign cash balances	(1.9)	(1.6)	(1.5)			11
(Decrease)/Increase in cash and cash equivalents	(0.6)	(2.4)	1.4			

1. Non-cash adjustments include depreciation, amortisation, net realisable value adjustments on inventory and non-cash hedge accounting movements.

2. Working capital investment increased predominantly due to a ZAR1.0bn negative cash movement in payables. This mainly relates to the timing of payments brought forward due to a major financial system upgrade which went live on 1 April 2023. Programme and film rights outflows also contributed ZAR0.9bn due to sports rights prepayments and an increase in local content investment carried on the balance sheet (including the production of Shaka Ilembe that will air in June 2023).

3. Capital expenditure of ZAR1.2bn was higher than the prior year, although remained within the normal range for the group of between ZAR1bn and ZAR1.5bn.

4. As one of the largest taxpayers in Africa, the group paid direct cash taxes of ZAR3.4bn, marginally down from the prior year (FY22: ZAR3.6bn) primarily due to lower taxable profits generated in South Africa.

5. Net interest paid increased due to rising SA interest rates and the group's higher average debt position over the year. This included a new term loan raised in February 2023, which contributed an additional ZAR351m in interest costs.

6. The third MCG dividend was paid in FY23 at ZAR2.5bn (net outflow of ZAR2.4bn due to the impact of treasury shares held) while dividends to Phuthuma Nathi were the same as the prior year at ZAR1.5bn.

7. Net proceeds from short- and long-term loans predominantly relate to the ZAR8bn drawdown on the new ZAR12bn term loan facility to be used for working capital purposes. This is net of the early settlement (ZAR2.3bn) of the KingMakers term loan. Additionally, the group settled ZAR1.3bn in quarterly instalments of existing working capital term loan facilities. During FY23, the group utilised short-term banking facilities of ZAR4.9bn, which were fully repaid as at 31 March 2023.

8. Investment in associates relates to investments made in Bidstack Group PLC (ZAR110m), AURA B.V. (ZAR30m), Africa Cricket Development Proprietary Limited – SA20 (ZAR23m) and Moment Holdings Limited (ZAR59m). FY22 relates to the additional investment of USD282m ZAR4.1bn in KingMakers which took the group's ownership from 20% to 49.23%.

9. In the prior year, USD31m (ZAR0.5bn) was paid to KingMakers after the second share investment triggered earn-out targets.

10. Restricted cash relates to initial margin deposits on Nigerian futures which were used to hedge Naira currency depreciation. All outstanding futures contracts have now matured at 31 March 2023.

11. The translation of foreign cash reserves includes losses of ZAR2.4bn (FY22: ZAR1.1bn) incurred in Nigeria, within the Rest of Africa segment, due to differences between the I&E rate used by the group for translation and the parallel rate at which cash has been extracted. This has been partially offset by an increase in the ZAR equivalent of cash held in USD.

CFO performance review continued

Review of financial position

"The strength of the balance sheet remains a core focus in supporting the group's future growth ambitions. The strong financial position is after ZAR4.0bn was utilised to settle the MCG and Phuthuma Nathi (PN) dividends in September and an early ZAR2.3bn settlement of the KingMakers term loan in March 2023."

	FY21 (ZAR'bn)	FY22 (ZAR'bn)	FY23 (ZAR'bn)	FY22 growth (%)	FY23 growth (%)	Notes
Non-current assets	23.4	25.6	**24.6**	9	**4**	**1**
Current assets	18.9	17.3	**23.0**	(9)	**33**	**2**
Total assets	**42.3**	**42.9**	**47.6**	**1**	**11**	
Non-current liabilities	14.3	13.9	**19.6**	(3)	**41**	**3**
Current liabilities	18.6	20.9	**22.7**	12	**9**	**4**
Total liabilities	**32.8**	**34.8**	**42.3**	**6**	**22**	
Equity	**9.5**	**8.1**	**5.3**	**(15)**	**(35)**	
Key ratios						
Liquidity	1.0	0.8	**1.0**			**5**
Leverage (including leases) (times)	0.54	0.77	**1.08**			**6**
Return on capital employed	40%	45%	**43%**			**7**
Interest cover (times)	25.4	27.5	**17.1**			**8**

1 Non-current assets were mainly flat relative to the prior year, but included the ZAR2.3bn upwards revaluation of property plant and equipment, goodwill and investments in associates USD assets given the weaker ZAR and new investments in associates amounting to over ZAR0.2bn. Given the notable changes in discount rates applicable to global gaming and technology companies and Nigeria in particular, together with the sharp depreciation in parallel exchange rates in Nigeria, an impairment review was conducted on KingMakers as at 31 March 2023. Although in local currency the business remains ahead of original forecasts, the marked increase in discount rates for the Nigerian operation, a weaker currency forecast, combined with the impact of exiting some markets, resulted in the recognition of a ZAR2.0bn impairment loss. The group's 51.23% investment in KingMakers is now valued at ZAR4.6bn (FY22: ZAR5.8bn).

2 Current assets increased 33% predominantly due to a ZAR2.2bn increase in trade and other receivables. This includes ZAR0.6bn in tax security deposits made in relation to the ongoing Nigerian tax audit and a ZAR0.6bn increase in trade receivables driven by a delay in receipts which came through in early April. Cash balances increased ZAR1.3bn YoY on the back of the unused portion of the ZAR8bn drawn down on the new non-current term loan facility. Derivative financial instruments increased ZAR1.4bn YoY mainly as a result of favourable mark-to-market of forward exchange contracts due to the weakening of the ZAR.

3 The material increase in non-current liabilities is primarily due to a new ZAR12bn term loan facility which was finalised in February 2023. The facility is a 5-year term loan with a bullet repayment profile of 5-years from each drawdown date. The facility bears interest at JIBAR +1.44 percentage points payable quarterly in arrears. The first drawdown of ZAR8bn was made in March. The amount shown above is net of the ZAR2.3bn early settlement of the KingMakers term loan.

4 The increase in current liabilities is due to increased programme and film rights liabilities (ZAR1.6bn) resulting from our local content strategy and increased tax liabilities (ZAR1.2bn). This is partially offset by a decrease in short-term loans due to early settlement of the KingMakers term loan.

5 Measured as current assets divided by current liabilities. The increase from 0.8 in FY22 to 1.0 in FY23 is due to increased duration of financial liabilities following the introduction of the new term loan. Based on the group's healthy cash generation, available facilities and low leverage ratio, management is comfortable with the group's liquidity.

6 Measured as net debt (lease liabilities plus working capital and term loans less cash) divided by earnings before interest, taxation, depreciation and amortisation (EBITDA). Leverage remains low with a net debt: EBITDA ratio of 1.08x at the end of March (FY22: 0.77x). This provides financial headroom to navigate both challenges (including the strained South African environment) and opportunities to expand the business into the future.

7 Measured as trading profit divided by average total assets less average current liabilities. While return on capital employed declined by 2% YoY it remains at a very healthy 43%. This decrease was as a result of a 3% YoY decrease in trading profit and an increase in the net average capital employed.

8 Measured as EBITDA divided by net interest paid. Interest cover has reduced from 27.5 to 17.1 due to a decrease in profitability and ZAR0.3bn increase in net interest paid. It remains well above covenant and treasury policy limits.

CFO performance review continued

Showmax partnership with Comcast

The partnership with Comcast (owners of NBCUniversal, Sky and Peacock) in our Showmax business, announced in March 2023, represents a significant step-up for the group's future OTT ambitions. The new Showmax business will bring the world's best local and international content to Africa and will be supported by Peacock's scalable and feature rich technology platform. The transaction successfully closed on 4 April 2023 with MCG owning 70% of the new Showmax Group and NBCUniversal owning the remaining 30%. New products and launch dates will be announced in due course, with the platform expected to go live in the second half of FY24.

Sports betting (KingMakers)

KingMakers continued its strong operational growth, generating a 51% increase in gross gaming revenues to USD198m (ZAR3.4bn). As a result, the group's share of revenue from KingMakers now exceeds external revenues from the Technology segment. The group recorded a loss after tax amounting to USD28m (ZAR0.5bn) as increased revenues were offset by investment in people, product and technology to further scale the business, as well as cash extraction losses out of Nigeria of USD13m.

Earnings per share is impacted by the impairment of the KingMakers group discussed above.

The product and market expansion plan, including the launch in South Africa under the SuperSportBet brand in FY24 is fully funded with KingMakers having USD166m (ZAR3.0bn) of cash available at 31 December 2022.

Fin-tech (Moment)

During FY23 a partnership (Moment Holdings based in the UK) was reached between the group, General Catalyst (one of the world's largest fin-tech investors) and Rapyd (a global fin-tech company with success across 100 countries and a 2021 Series E funding round conducted at a USD9bn valuation).

The group contributed USD3.3m in an initial funding round for a 25.5% stake in Moment. During the year, Moment finalised commercial deals with MCG operating companies, obtained licences to operate in key markets and started building a strong executive team. This positions them to launch new products that specifically address the group's needs, from the second half of FY24.

New term loan facility

To improve the group's financial flexibility, fund working capital requirements and improve the group's cost of capital a new ZAR12bn term loan facility was finalised in February 2023.

The facility is a 5-year term loan with two anticipated drawdowns and a bullet repayment profile five years from each drawdown date. The facility bears interest at JIBAR +1.44 percentage points payable quarterly in arrears. The first drawdown of ZAR8bn was made in March.

Nigeria tax dispute

The group has two ongoing Nigerian tax matters, one involving MultiChoice Nigeria Limited and the second involving MultiChoice Africa Holdings BV. On 16 February 2022, an agreement was reached with the Federal Inland Revenue Service (FIRS) that legal proceedings will be stayed and that an integrated tax audit will commence for both entities.

The audit process, which covers corporate income tax, value added tax and transfer pricing is ongoing, but has been taking longer than anticipated. As part of the process, the group has made a further ZAR0.6bn in tax security deposits during FY23 on a without-prejudice and good faith basis. The total deposit balance now amounts to ZAR1.3bn. These have been recorded as current receivables pending the outcome of the audit process.

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

Share transactions

The group transferred 4.5m treasury shares (valued at ZAR0.5bn on the date of transfer) between two group companies, to fund the current year's awards to employees under the group's restricted stock unit (RSU) share plan. At the end of FY23, a total of 0.1m shares at an average price of ZAR120 per share remain unallocated for future use and future awards will continue to be funded by share purchases.

Dividend

In view of the challenging South African market, the uncertain currency outlook in particular relating to the ZAR and Naira, the funding of the Rest of Africa business and the investment required to accelerate growth in Showmax, no dividend has been declared.

Appreciation

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

Tim Jacobs
Group CFO

Corporate **governance**

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

Our board of directors

Mohamed (Imtiaz) Ahmed Patel
(South African, 59)

Chair and
Non-executive director

Appointed 6 December 2018

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

Qualifications: *HDipEdu*

Adv Kgomotso Ditsebe Moroka
(South African, 69)

Independent
non-executive director

Appointed 6 December 2018

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

Qualifications: *BProc and LLB*

John James (Jim) Volkwyn
(South African, 65)

Independent
non-executive director

Appointed 6 December 2018

Jim has held a number of senior roles within MultiChoice and Naspers, including, the role of CEO of the Naspers's global video entertainment segment, before retiring in 2014. He holds a Bachelor of Commerce (Honours) from the University of Cape Town and is a chartered accountant (CA)(SA).

Qualifications: *CA(SA) and BCom (Hons)*

Louisa Stephens
(South African,46)

Independent
non-executive director

Appointed 6 December 2018

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

Qualifications: *BBusSc (Finance), CA(SA) and CD(SA)*

Elias Masilela
(South African, 59)

Independent
non-executive director

Appointed 6 December 2018

Elias previously served as the CEO of the Public Investment Corporation Limited until June 2014, the head of policy analysis at Sanlam Limited and the deputy director general at the National Treasury. He is also chair of Sanlam, Ingagaru Investments, BuMa Investment Holdings 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.

Qualifications: *BSocSci (Economics and Statistics) and MSc (Economic Policy and Analysis)*

James Hart du Preez
(South African, 64)

Independent
non-executive director

Appointed 1 April 2021

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

Qualifications: *CA(SA), CD(SA)*

Our board of directors continued

Christine Mideva Sabwa
(Kenyan, 50)

Independent non-executive director

Appointed 14 May 2019

Christine has a strong background in accounting and her experience spans numerous industries, including financial services, telecommunications (digital finance) and insurance. Over the past 27years, she has gained experience in audit, accounting, special investigations, revenue assurance, risk management, banking, governance and digital finance. With a successful career in financial services across consulting, insurance and banking, Christine worked for Standard Bank South Africa where she served as a senior manager, overseeing the strategic finance and tax function of operations in 15 African countries. She is the managing partner at Sabwa and Associates based in Nairobi, servicing financial advisory needs of clients in Kenya.

Qualifications: *BCom (Accounting), Certified Public Accountant of Kenya*

Dr Fatai Adegboyega Sanusi
(British Nigerian, 61)

Independent non-executive director

Appointed 5 July 2019

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

Qualifications: *MBBS, FRCOG*

Calvo Phedi Mawela
(South African, 47)

CEO

Appointed 6 December 2018

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

Qualifications: *BScEng (Electrical)*

Timothy Neil (Tim) Jacobs
(South African, 54)

CFO

Appointed 6 December 2018

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

Qualifications: *HDipAcc and CA(SA)*

Deborah (Debbie) Klein
(British, 54)

Independent non-executive director

Nominated for election

Debbie's background spans commercial brand, marketing, communications, corporate social responsibility and human resources. She was previously the Group Chief Marketing, Corporate Affairs and People Officer at Sky. Her remit included brand reputation, internal and external communications including social media, and public affairs. She also led Sky's corporate social responsibility programme, including its commitment to reach net zero carbon by 2030, and Sky's human resources strategy and function. Her focus has been on driving digital transformation, using new platforms and social media to engage customers and employees. She was previously Chief Executive Europe and Asia Pacific at The Engine Group, an integrated marketing services business, and earlier in her career worked in Strategy and Insight at Saatchi & Saatchi and Nielsen.

Qualifications: *B Bus Sci Advanced Management Programme (Harvard Business School)*

Andrea Zappia
(Italian, 59)

Independent non-executive director

Nominated for election

Andrea has been a senior executive at Sky for over 20 years. In his last role Andrea was the Executive Vice President and Chief Executive Officer New Markets and Businesses for the Sky Group. His responsibilities included SkyNews/SkyTG24 and, until a few months ago, SkyStudios, which he helped setup and lead, including the creation of SkyStudios Elstree. He has led the creation of SkyShowtime, a joint venture between Sky and Paramount Global JV, in which he still serves as a board member.

He is chairman of MCH Group (the Swiss Company that owns ArtBasel) and the NCC at EssilorLuxottica.

He started his career at the multinational Procter&Gamble company, where he held the post of European Group Marketing Manager. From 1996 to 2001, he was Global Sales and Marketing Director for Ferrari and Maserati. In 2003, he joined Sky Italia, where he held various executive positions before holding the post of CEO from 2011 to 2019.

Qualifications: *BSc economics)*

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 as a one-size-fits-all approach cannot be followed when implementing governance practices. This means that the practices needed to demonstrate the group's governance in terms of King IV are applied across the group as appropriate for the relevant subsidiary because the companies in the group are diverse and at different stages of maturity. While good governance principles apply to all types and sizes of organisations, the practices implemented by each 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 96
- Good performance Page 98
- Legitimacy Page 99
- Effective control Page 101

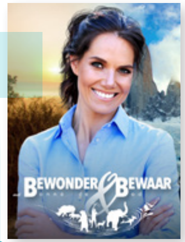
In accordance with the JSE Listings Requirements, the MultiChoice Group is required to report on its application of King IV principles and recommended practices. Each year, the MultiChoice Group carries out a thorough review in this regard, noting whether each principle and practice is applied and explaining how this is done. The board, to the best of its knowledge, believes the group satisfactorily applied King IV in FY23, having applied all principles and adopting all relevant recommended practices.

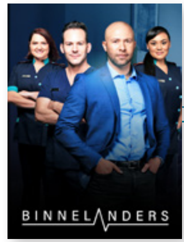
The group continues to develop its governance policies, practices and procedures in line with an integrated governance, risk and compliance framework. The group continues entrenching and enhancing its understanding and application of the practices and principles of King IV.

More online

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

Our approach to governance continued





We have a **unitary board,** which oversees and controls the group.

Board

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

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

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

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

For our board's detailed profiles, see page 90.

Board meeting attendance and appointment details

Name	Designation	Initial appointment date	Attendance
Imtiaz Patel	Non-executive director and chairperson	6 December 2018	6/6
Calvo Mawela	Executive director	6 December 2018	6/6
Tim Jacobs	Executive director	6 December 2018	6/6
James du Preez	Independent non-executive director	1 April 2021	6/6
Elias Masilela	Independent non-executive director	6 December 2018	6/6
Adv Kgomotso Moroka	Independent non-executive director	6 December 2018	6/6
Christine Sabwa	Independent non-executive director	5 May 2019	5/6
Dr Fatai Sanusi	Independent non-executive director	5 July 2019	6/6
Louisa Stephens	Independent non-executive director	6 December 2018	6/6
Jim Volkwyn	Lead independent non-executive director	6 December 2018	6/6

There have been no director changes during FY23. Christine Sabwa did not attend a special board meeting called at short notice in March 2023 due to prior commitments which could not be rescheduled.

Our approach to governance continued

Board composition and succession planning

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

As at year-end, the board comprised 10 directors – two executive directors (CEO and CFO) and eight non-executive directors, seven of whom 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 and which is not in the group's best interests. The board consider 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.

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

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

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

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

During FY23 the board, through its nomination committee commenced a process to appoint:

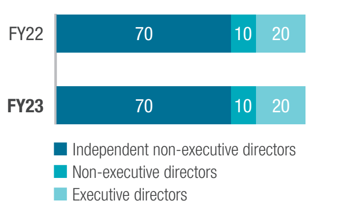
- An additional independent non-executive female director to replace the late Dr Jabu Mabuza as a non-executive director ideally with technology-based or video entertainment industry experience.
- An additional independent non-executive director with global technology-based, digital or video entertainment industry experience, to replace the retired Mr Nolo Letele.

After an extensive search and nomination process the board is nominating Deborah Klein and Andrea Zappia, both of whom are seasoned global video entertainment industry executives, to shareholders for election as directors with effect from 1 September 2023.

Board demographics

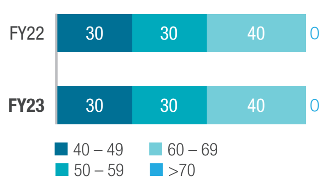
Independence

%

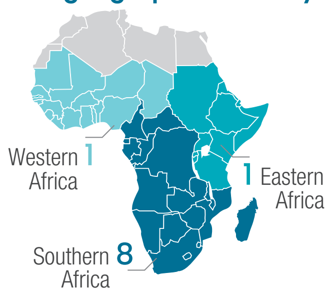


Age

%

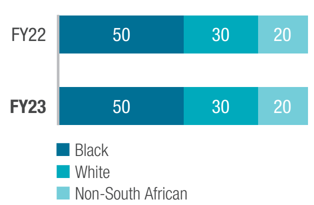


Board geographic diversity



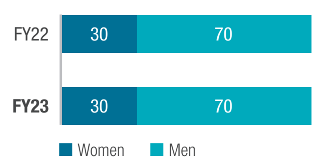
Board racial diversity

%



Board gender diversity

%



Gender diversity is also a focus area for our employee group as a whole. Read more about our initiatives in this regard on page 28.

Our approach to governance continued

Performance and future focus

The board's focus during FY23 was on executive management's short-term operational execution, the group's long-term strategic direction and appropriate capital allocation to support both.

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

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

Key matters dealt with by the board or established board committees during FY23

1Q FY23

- Strategic objectives review
- Board and committee effectiveness and director performance
- Director rotation and nomination
- Annual financial statements, results announcements and integrated annual report
- Going concern status, capital allocation and solvency and liquidity
- Strategy
- Corporate projects
- Business performance
- Macro-economic environment
- STI and LTI objective approvals and/or reviews
- Trading and share price performance
- Shareholder engagements and interactions
- Treasury, funding and/or liquidity risks

2Q FY23

- Shareholder engagements
- Annual general meeting
- Risk registers and heat maps
- Strategy
- Corporate projects
- Business performance
- Macro-economic environment
- Treasury, funding and/or liquidity risks

3Q FY23

- Strategic objectives review
- Capital allocation
- Half-year results
- Strategy
- Corporate projects
- Business performance
- Macro-economic environment
- Remuneration structures and LTI plans
- Treasury, funding and/or liquidity risks

4Q FY23

- Strategic objectives review
- ESG and remuneration engagements and enhancement
- Review and approval of the group's strategy and budget
- Board and committee compositions (including board vacancies) and director independence assessments
- King IV and governance policy, process and control reviews
- Risk registers and heat maps
- Combined assurance, risk management and internal audit plans
- Strategy
- Corporate projects
- Business performance
- Macro-economic environment
- Remuneration structures and LTI plans
- Treasury, funding and/or liquidity risks

Looking ahead, the board will continue to focus on:

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

Entrenching an ethical culture

Ethical culture

The board is committed to entrenching an ethical culture throughout the group and sets the tone by formulating our values and ensuring ethical business standards. The directors, overseen by the chair, hold one another accountable for decision-making and ethical behaviour. Directors, both individually and collectively, seek to demonstrate integrity, competence, responsibility, accountability, fairness and transparency to ensure effective leadership.

The board sets the 'tone at the top' by formulating our values and ensuring that ethical business standards are integrated into the group's strategies and operations. The board has adopted a code of ethics and conduct (the code). The code acts as the ethical constitution or moral compass of the group. It sets ethical standards beyond the law and regulations. It contains the group's values and expectations regarding the conduct expected from employees. Ethics related policies are formulated and updated in support of the code. The code is communicated to internal stakeholders, as well as to relevant external stakeholders.

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.

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 legal compliance, anti-bribery and anti-corruption, competition and whistleblower policies.

The group ethics officer, supported by segment ethics officers, manage the ethics performance in a manner that embraces its ethical culture, ethics awareness and creates a sustainable mature ethical culture.

Reference to the code is included in new employees' contracts and their induction process. Communication messages on key ethical risks, such as anti-bribery and anti-corruption, conflicts of interest, health and safety, fraud, diversity, competition, anti-piracy, social media, and gifts were distributed to all employees in accordance with our annual ethics training and awareness plan. The group engages in various initiatives, such as hosting webinars, messaging, training, awareness, third-party due diligence, etc. to improve the broader operating environment and culture, and ultimately combat corruption. As part of the 'International fraud awareness week' in November 2022, the group hosted a webinar facilitated by an external presenter on the topic 'Speaking up for Ethics'.

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.

The code is also included in third-party procurement contracts of certain major subsidiaries. Contractors, agents, suppliers and consultants who work with any group company are expected to be aware of and adhere to the code and comply with group policies.

Management focuses on implementing the code, policies and procedures addressing key ethical risks, such as conflicts of interest, gifts, entertainment, travel, political contributions, bribes, fraud, money laundering and acceptable business conduct. The code stipulates that all employees have a duty to avoid situations that give the appearance of conflict between personal interests and the group's interests. Further, all contributions to organisations and/or events linked to political parties are approved in accordance with the approval levels set out in the code.

Ethics activities, as well as the current state of ethics are regularly monitored and reported on to the relevant governance structures that oversee the group's ethics management. Ethical breaches where allegations have been confirmed as substantiated or partially substantiated, following investigations conducted, are reported to the board's social and ethics committee. 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, overseeing and reporting on business and group-related ethics, considering specific disclosures and best practice as recommended by King IV. Internal audit, forensic services 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.

The group ethics officer assesses the ethics opportunities and risks on a 12 to 18 month basis. The ethics risk assessments highlight opportunities related to ethics that can be further capitalised on and provide a clear understanding of unethical behaviours and practices that could pose a significant risk. The ethics management plan is informed by the results of the ethics risk assessment and is designed to mitigate the ethics risks identified and to unlock ethics opportunities. Planning related to the ethics risk assessment is concluded, and the launch is planned for early FY24.

The group's internal audit team conducts regular reviews of the ethics management process and reports independently to the audit committee in accordance with its audit plan. Findings are reported to the audit, risk and social and ethics committees and the board.

Anti-bribery and anti-corruption

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 periodic (12 to 18 month) bribery and corruption risk assessments across our business to assess and enhance the effectiveness of our policy, procedures and controls.

Entrenching an ethical culture continued

Ethical culture continued

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.

In FY23 the group implemented a new group gift policy providing guidance to all employees on the standard of conduct required by them when giving and receiving gifts. Gift standard operating procedures (SOPs) have been developed for each segment, considering the unique nature of each business, the areas they operate in, different currency units, approval levels, etc. These SOPs provide step-by-step guidance to employees on the standard of conduct required by them when receiving gifts from third parties, offering gifts to third parties or internal gifting to employees. These have also been uploaded to the group policy share point and the respective segment policy portals have been communicated to all segment employees.

The group developed a new online gift declaration share point through which employees declare gifts offered and received. The online gift portal automatically compiles group/segment gift registers. Business unit financial managers conduct quarterly reviews of all gifts offered and/or given in their respective business units and report any discrepancies to the group ethics officer.

The forensics 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, forensic services and/or external forensic consultants investigate reported matters. Significant allegations and fraud are reported to the audit, risk and social and ethics committees.

Training

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.

Training activities are executed in accordance with the annual training and awareness plan. The Gifts/ABAC online learning module was rolled out during November 2022 and 5 135 participants completed it. The ethics online learning module was rolled out during March 2023 with participants having 60 days to complete it.

The outcome of the major ethics-related training and awareness activities rolled out during the year were as follows as at 31 March 2023:

Performance and future focus

Our key areas of focus during the reporting period were:

- Continuously entrenching ethics throughout the business through training and awareness campaigns
- Revising and deploying the code and improving the conflicts of interest declaration process
- Implementing and refining the third-party risk management framework, particularly in the Rest of Africa
- Implementing enhanced controls for identified areas of weakness
- Revising the group gift process and related policies
- Roll-out new gift/antibribery and anticorruption online learning module
- Develop revised ethics online learning module

Going forward, we will focus on:

- Launching the ethics risk assessment to assess the effectiveness of the ethics awareness programme
- Implementing enhanced controls for identified areas of weakness
- Executing the FY24 ethics training and awareness plan
- Completing the ethics online learning module
- Continuously monitoring the group's ethics performance
- Continuous review of the adequacy and effectiveness of the group's monitoring activities
- Continued improvement and monitoring of conflict of interest declaration processes

Ethics training

Online training activities – broken down by audience	Total	Governing body	Employees	Third parties
Anti-Bribery and Anti-Corruption/Gifts	6 110	6	6 090	14
Better Place to Work	3 386	4	3 368	14
Total	**9 496**	**10**	**9 458**	**28**

Online training activities – broken down by segment	Total	Governing body	Employees	Third parties
MultiChoice South Africa	6 346	5	6 313	28
MultiChoice Rest of Africa	2 486	4	2 482	–
Irdeto	664	1	663	–
Total	**9 496**	**10**	**9 458**	**28**

Delivering good performance

Delivering good performance

The board is responsible for ensuring good performance, and as such, has a clear strategy to achieve this. Thus, strategy is discussed and monitored on an ongoing basis. The board meets annually to review the group's specific strategic priorities, the group's three-year strategic plans and budgets, and approves 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 ongoing **professional development training** and briefings to keep abreast of legal and regulatory risks, developments and changes that could impact the environment in which the group and its subsidiaries operate.

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 2023, we **evaluated the board committees' performance** against their charters. All committees were found to have materially fulfilled their duties.

A formal board and individual director performance assessment was undertaken in May 2023. The evaluation did not identify the need for any significant areas of improvement and the board's performance was considered satisfactory. The board considered its effectiveness, competencies, participation, meeting attendance and constructive deliberation. No significant areas of concern were identified during the evaluation process or discussions. Going forward, the board will continue focusing on improving and refining its processes.

Maintaining our legitimacy

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
- Privacy and data protection

Ensuring compliance with laws and regulations

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

The board and senior management empower and properly resource the group head of compliance, who handles the day-to-day responsibilities, including mitigating risks and building trust amongst its stakeholders, with support from segment legal compliance teams and, where necessary, external consultants. The risk committee oversees compliance, including reviewing and approving the legal compliance policy, and other related policies. The board governs compliance with applicable laws and adopted, rules, codes, and standards.

The legal compliance framework (the framework) incorporates the group governance structures and controls in line with legislative requirements and international best practices. The framework recognises ethical behaviour and compliant culture as the core elements of its compliance programme. The culture supports principled performance, ensuring that all preventative, detective and response measures put in place are effective.

The framework is aligned with the legal compliance policy which is approved by the board and reviewed on a three-year rotational basis. The framework is also aligned with the 'Generally Accepted Compliance Practice Framework' principles and standards issued by the Compliance Institute of Southern Africa.

Compliance risk assessments are conducted annually to understand the group's compliance risk appetite and tolerance levels and identify risks or events which have the highest impact and measure their probability or likelihood.

The group's compliance communication programme facilitates awareness of applicable laws, regulations, policies, and procedures, and educates directors, management, employees, and other stakeholders on how to comply. Major compliance-related training activities concluded include the following:

Compliance training

Online training activities – broken down by audience	Total	Governing body	Employees	Third parties
Competition compliance *	267	–	267	–
Cybersecurity essentials	4 053	4	4 040	9
Data governance and privacy *	108	–	64	44
Diversity, equity and inclusion	2 162	1	2 153	8
Occupational health and safety	2 551	2	2 538	11
Sanctions *	289	17	272	–
Anti–money laundering *	365	–	365	–
Treating customers fairly *	365	–	365	–
Total	**10 160**	**24**	**10 064**	**72**

Online training activities – broken down by segment	Total	Governing body	Employees	Third parties
MultiChoice South Africa	8 003	6	7 925	72
MultiChoice Rest of Africa	1 861	1	1 860	–
Irdeto	296	17	279	–
Total	**10 160**	**24**	**10 064**	**72**

* Online training modules rolled out to selected target audiences.

Assurance of 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.

Maintaining our legitimacy continued

Maintaining our legitimacy continued

Incidents, fines and penalties

The 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. There have been no significant non-compliance, environmental, social and/or governance related incidents during the reporting period and directors are satisfied that the group has complied and operated in conformity with:

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

Further, there has been no significant fines, settlements, penalties, and other monetary loss suffered in relation to environmental, social or governance incidents or breaches.

Performance and future focus

Our key areas of focus during the reporting period were:

- Revising the compliance-related policies, management processes and compliance culture
- Developing focused awareness campaigns and training interventions
- Revising group social media policy
- Revising various group policies
- Supporting ongoing maturation of the third-party risk management framework
- Revising the group whistle-blower process, policies and training interventions
- Executing planned training and awareness activities

Going forward, we will focus on:

- Continuing to manage reputational risk
- Conducting risk-based compliance assessments to identify highest-risk areas
- Implementing enhanced controls to address identified areas of improvement
- Updating applicable compliance statutes, rules and regulations
- Coordinating training and awareness campaigns
- Updating compliance risk management plans
- Monitoring implementation of compliance programmes

Ensuring effective control

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 reports thereon in its report included in the annual financial statements. Succession plans for the CEO and senior executives are in place and are reviewed annually by the nomination committee.

The board determines and approves, from time to time, the levels of authority for the CEO and the various members of senior management. The audit and risk committees monitor compliance with these 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.

Board chair, lead independent non-executive director and CEO

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

Jim Volkwyn is the lead independent non-executive director. 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. The board is satisfied that Jim acts with independence of mind and judgement, and there was no interest, position, association or relationship likely to unduly influence or cause bias in decision-making in the MultiChoice Group's best interests.

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

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 group. This is governed by an approved board policy with the process conducted in an orderly manner via the board chair. Similarly, board committees have unrestricted access to information that will allow them to act in accordance with their charters.

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 item on the board's agenda. Directors who believe there may be a conflict of interest on a matter must advise the company secretary and are, when appropriate, 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 through our interim and annual financial statements, during interim and final results presentations, and on a periodic basis through investor roadshows and conferences. Further, the board encourages shareholders' attendance at AGMs and, where appropriate, will provide full and understandable explanations of the effects of resolutions to be proposed.

Assurance

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

Ensuring effective control continued

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; reviewing the competence, qualifications and experience of the company secretary annually; and reporting on whether it is satisfied therewith.

Carmen Miller is the group company secretary and the board is satisfied with Carmen's competence, qualifications, experience, independence and suitability. 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 Information and Technology (I&T) executive (the chief information officer), supported by a chief data officer and other support functions, oversees I&T management in the group. The board recognises the importance of I&T in relation to MultiChoice's strategy and 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 item 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. The group's code of ethics and conduct, I&T governance charter, artificial intelligence ethics and governance policy cybersecurity policy and legal compliance, and data privacy programs address legal compliance, ethical, and responsible use of I&T.

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 of data privacy breaches or mishaps. These arrangements for governing and managing I&T enable the risk committee, and ultimately the board, to oversee the group's I&T governance.

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

The group obtained an international content protection certification from the Content Delivery & Security Association in May 2022 and is currently being reaccredited for the year ahead. Both Samrand and Randburg production environments were accredited in terms of this international security standard. The accreditation is renewed annually.

Cybersecurity

As part of its enterprise risk management framework (ERM framework), the organisation assesses and manages cybersecurity risks in accordance with worldwide best practices and laws in the nations where it conducts business.

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

- Data protection
- Cybersecurity
- Cyber vigilance
- Cyber resilience

The group assesses, manages, and reports on its I&T-related risks in accordance with a board approved I&T governance charter. 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.

As part of continuing business assessments, the MultiChoice Group regularly evaluates the businesses' security readiness and requests quarterly governance status reports from the group's executives and governance structures. Businesses are supported by the segment risk and compliance departments' risk management efforts, and outside providers periodically conduct tests and scans for cyber vulnerabilities.

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

Artificial intelligence (AI)

MultiChoice has expanded the use of AI across a variety of business areas, realising the benefits it offers for improving customer experience, operational efficiency, and revenue management. MultiChoice continues to invest in both specialised AI research and AI applications. AI-based systems deployed into the business have improved customer service (using chatbots), localisation of content (using machine translation), platforms personalisation (using machine learning), and media operations (using video analytics).

Recognising both the opportunities as well as the risks of AI implementations, the group has an AI ethics and governance policy to ensure that we conceptualise, develop and deploy AI systems responsibly and in line with our corporate values to ensure sustainable integration of AI technologies into group operations. The AI ethics and governance policy is underpinned by the MultiChoice Group Responsible AI Principles: Fairness; Reliability and Safety; Data Privacy; Security; Explainable AI; and Accountability. The AI ethics and governance committee governs and oversees all AI-related activities within the group, and reports from this committee are reported to the risk committee and in turn, the board.

Data governance and privacy

The development of a data governance council made up of data information officers, data protection officers, legal and regulatory experts, as well as business unit data stewards, underpin the rigorous data governance approach.

The administration of data privacy and rights is managed through monthly steering committee meetings where crucial decisions are taken and data governance adherence practices are evaluated. This forum reports to the group's risk committee and social and ethical committee through one of its members, and those committees in turn report to the board.

Ensuring effective control continued

Ensuring effective control continued

Data processing

The group's public and employee privacy policies outline what personal information is acquired from users (data subjects) utilising MultiChoice's systems and platforms, how that information is obtained, and why that information is gathered.

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

Data loss prevention

Data loss prevention tools have been implemented for all Microsoft programs utilised by employees. This allows an employee to categorise data in accordance with the group data classification policy and enables better oversight of information shared to prevent the unauthorised sharing of personal and/or confidential information.

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

Employee awareness initiatives, such as the #PrivacyGuardian, #BeSecure and #Opt-In campaigns, emphasise raising awareness through newsflashes, screensavers, activations, and electronic communications.

Data privacy and governance e-learning modules and department-specific face-to-face training assist in giving practical tools to employees on how to implement data privacy into their day-to-day functions. All employees and contractors who deal with our employees', customers' and suppliers' personal information are required to complete the following online courses:

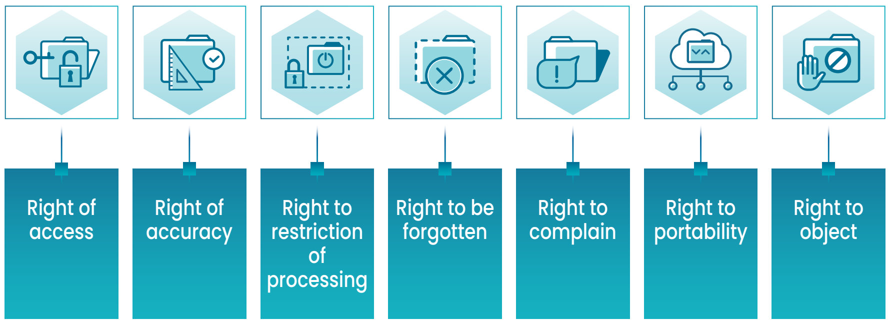
- POPIA module
- GDPR and Data Governance module
- Africa Data Privacy and Governance module

Data privacy issues

We enable customers to log any data privacy issues via the privacy notice on the MultiChoice.com website, our self-service portals, call centres and contact centres. 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 three complaints received regarding alleged non-compliance with customer privacy rights from any regulatory bodies, with all complaints responded to and the matters resolved with the regulatory bodies. No identified thefts, leaks or losses of customer data occurred or were reported.

The MultiChoice Group recognises the following Data subject rights:



Performance and future focus

Our key areas of focus during the reporting period were:

- Monthly evaluations to pinpoint, weigh, and evaluate I&T risks in significant I&T domains are undertaken because the group relies heavily on its I&T systems and processes to enable and support the timely and effective fulfilment of its strategic objectives.
- The group will continue to refine its I&T processes and focus on mitigation plans to address material risks identified through monthly evaluations.

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, through the nomination committee, assesses the compositions of committees, considering the allocation of roles, associated responsibilities and the composition of membership across committees holistically, to achieve the following:

- Effective collaboration through cross-membership;
- A balanced distribution of power;
- The required levels of independence; and
- The necessary knowledge, skills, experience and capacity to execute its duties effectively.

The board delegates authority to established board committees, as indicated below:

Board of directors

- Audit committee Page 104
- Nomination committee Page 105
- Remuneration committee Page 105
- Risk committee Page 106
- Social and Ethics committee Page 106

Audit committee

Louisa Stephens
Chair: Audit committee

Membership and meeting attendance

Louisa Stephens (chair)	5/5
Elias Masilela	5/5
Christine Sabwa	5/5
James du Preez	5/5
100% overall committee attendance rate	

Roles and responsibilities

The committee's responsibilities are as follows:

- Monitoring and reviewing the adequacy and effectiveness of accounting policies, financial and other internal control systems and financial reporting processes
- Providing independent oversight of the group's combined assurance functions, including reviews of the independence and effectiveness of external audit, internal audit, approving non-audit services from auditors and compliance with the non-audit service policy
- Assessing compliance with applicable legal, regulatory and accounting standards and policies in the preparation of fairly presented financial statements and external reports.

Members are Louisa Stephens (committee chair), Elias Masilela, Christine Sabwa 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 and future focus areas

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

Nominations committee

Adv Kgomotso Moroka SC
Chair: Nomination committee

Membership and meeting attendance

Adv Kgomotso Moroka SC (chair)	2/2
Louisa Stephens	2/2
Jim Volkwyn	2/2
Imtiaz Patel	2/2

100% overall committee attendance rate

Roles and responsibilities

The committee is responsible for, among other matters:

- Identifying individuals qualified to be elected as members of the board and board committees and the executive team. These individuals are recommended to the board for appointment in terms of MultiChoice Group's MOI, and the appointment and board diversity policy. The committee is also responsible for establishing procedures to ensure the transparent selection of individuals for recommendation
- Reviewing the structure, size and composition of the board and its committees and making recommendations to the board regarding necessary adjustments to ensure the required mix of skills, experience, other qualities and diversity in maintaining the effectiveness of those bodies and compliance with applicable laws and regulations.

Members are Adv Kgomotso Moroka SC (committee chair), Louisa Stephens, Jim Volkwyn and Imtiaz Patel.

The nomination committee confirms it received and considered sufficient and relevant information to fulfil its duties.

Focus areas for the year and future focus areas

- 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

Future focus areas

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

Remuneration committee

Jim Volkwyn
Chair: Remuneration committee

Membership and meeting attendance

Jim Volkwyn (chair)	4/4
Adv Kgomotso Moroka SC	4/4
James du Preez	4/4

100% overall committee attendance rate

Roles and responsibilities

The remuneration committee's responsibilities include:

- Independently reviewing and monitoring the integrity of the group's remuneration policies and implementation thereof
- Ensuring MultiChoice remunerates fairly, responsibly and transparently
- Ensuring compliance with the statutory duties of the committee as contained in relevant legislation
- Annually reviewing and making recommendations to the board on the remuneration of non-executive directors, for approval by the shareholders (such approval is effective for a period of two years from the date of the AGM when remuneration is approved or until such time as non-executive directors' remuneration is amended by way of a special resolution of shareholders, whichever comes first)

Members are Jim Volkwyn (committee chair), Adv Kgomotso Moroka SC and James du Preez.

The remuneration committee confirms it received and considered sufficient and relevant information to fulfil its duties.

Focus areas for the year and future focus areas

For more detailed information on the group's approach to remuneration, along with our focus areas for FY23 and future focus areas, please refer to the group's remuneration report on pages 107 to 123.

Board committees continued

Risk committee

Louisa Stephens
Chair: Risk committee

Membership and meeting attendance

Louisa Stephens (chair)	4/4
Imtiaz Patel	4/4
Calvo Mawela	4/4
Tim Jacobs	4/4
Elias Masilela	4/4
Christine Sabwa	4/4
James du Preez	4/4

100% overall committee attendance rate

Roles and responsibilities

Regular attendees include business segment risk managers, the head of internal audit, group general counsel and the head of regulatory. The risk committee was established to independently review management's recommendations on risk management.

The risk committee's functions include:

- Monitoring and providing recommendations to the board on the group's risk management including the systems, processes, methodologies and tools of risk governance and risk management, and annual operating plans for overall risk management and forensics
- Reviewing, approving and recommending risk measurement methodologies to the board, including methodologies used to identify, assess, measure, monitor and report on risks, including methods used for calculating risk exposures
- Monitoring and reviewing the regulatory compliance processes and procedures

Members are Louisa Stephens (committee chair), Imtiaz Patel, Calvo Mawela, Tim Jacobs, Elias Masilela Christine Sabwa and James du Preez.

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 macro-economic factors, such as high inflation, rising interest rates and local currency pressures on the business.

Social and ethics committee

Christine Sabwa
Chair: Social and ethics committee

Membership and meeting attendance

Christine Sabwa (chair)	4/4
Adv Kgomotso Moroka SC	4/4
Calvo Mawela	4/4
Tim Jacobs	4/4
Dr Fatai Sanusi	4/4

100% overall committee attendance rate

Roles and responsibilities

The social and ethics committee's primary purpose is to oversee the group's activities regarding sustainable social and economic development initiatives, including CSI, consumer relationships, labour and employment, the promotion of equality and ethics management. This committee is responsible for ensuring and monitoring compliance with all applicable laws, and relevant codes and standards relating to BBBEE, employment equity, environmental management, health and safety, corporate social responsibility, consumer relationships and HR.

Additional responsibilities of this committee include:

- Reviewing, at least every second year, the strategies and policies of the group designed to achieve responsible corporate citizenship
- Reviewing and approving the group code of ethics and the group's stakeholder management processes
- Reporting to shareholders as required in terms of the Companies Act

Members are Christine Sabwa (committee chair), Adv Kgomotso Moroka SC, Calvo Mawela, Tim Jacobs and Dr Fatai Sanusi.

The social and ethics committee confirms it received and considered sufficient and relevant information to fulfil its duties.

Focus areas for the year and future focus areas

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

Remuneration report

In alignment with the requirements of King IV, our remuneration report is divided into three parts:

1 PART ONE

Background

The background statement provides context around performance and how this influenced our remuneration decisions.

2 PART TWO

The remuneration policy

The remuneration policy is a forward-looking section that provides an overview of our remuneration philosophy and policy.

3 PART THREE

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 FY22 remuneration policy.

Chairman's letter

Dear shareholder,

On behalf of the remuneration committee, I am pleased to present our FY23 remuneration report for the MultiChoice Group. I would like to thank my fellow remuneration committee members, Adv Kgomotso Moroka and James du Preez for their valuable contributions during the year.

I would also like to thank our investors for the constructive engagements prior to the 2022 AGM and for their input provided. We achieved the highest shareholder vote in FY22 since we listed in 2019, which is testament to our ongoing engagements, dialogue and consequent improvements in remuneration policy and its implementation.

Shareholder engagement

Our move away from performance measures that were linked to internal budgets, to more objective metrics that could be measured externally, was positively received by shareholders. They appreciated the changes which aligned business growth with shareholder value creation and made it possible to objectively measure management performance over the three-year vesting period. As refining our approach is an ongoing journey, we continued our engagement with shareholders through individual meetings and calls, as well as by providing a dedicated email address for shareholders to provide feedback, suggestions and comments. During FY23, the remuneration committee established a working sub committee to analyse the feedback received from shareholders and to provide appropriate recommendations for further enhancements. Given the supportive (96%) vote on our remuneration policy at our 2022 AGM, our focus has been on implementing enhancements to our disclosure to demonstrate our commitment to continuous improvement and to align with current market best practice where possible.

Investor	Shareholding as at 31 March 2023 (%)	Meeting date
Allan Gray	6.02	27 February 2023
Sanlam Investment Management	1.61	27 February 2023
Ninety One	0.66	27 February 2023
M&G Investments	7.65	28 February 2023
Aeon Investment Management	0.43	28 February 2023
Argon Asset Management	0.41	28 February 2023
Abax Investments	0.34	28 February 2023
Public Investment Corporation	12.25	1 March 2023

Note: Some of our other large investors were either unavailable or did not raise any concerns.

As the group's strategy to expand its ecosystem, in particular its decision to accelerate the investment to grow our streaming business Showmax (in partnership with Comcast, as announced in March 2023), will have a meaningful impact on the business going forward, it necessitated a review of long-term incentive performance metrics at the end of the year to determine whether they remain appropriate. Cognisant of the need to keep the principles of the core metrics consistent, the committee, together with input from Bowmans, adjusted some of the PSU measures to ensure they align with the business strategy (detailed on pages 112 and 114), continue to incentivise management fairly and ultimately drive shareholder value creation over the long-term.

Independent remuneration adviser

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

The rest of the report is divided into three parts, namely the background statement, remuneration policy and implementation report.

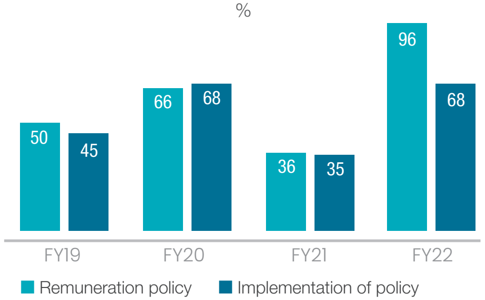
We look forward to our continuous engagements with you, our shareholders, on our remuneration policy and voting outcomes.

Regards

Jim Volkwyn

Shareholder vote outcomes

%



FY23 focus areas

Key focus areas and decisions taken during the reporting period

The remuneration committee met four times and is satisfied that it achieved its objectives and complied with its statutory duties. The following key decisions were made:

- Approved the executive committee goals and targets for FY24
- Approved the executive committee FY22 bonus, and FY23 salary increases and share awards
- Approved the non-executive director fees
- Approved the salary increases, bonuses and share awards for all employees
- Approved the new PSU and PPS measures and targets
- Approved the closure of the Irdeto SAR plan
- Implemented the Showmax Share Plan

Remuneration report continued

1 Background

Our journey

Since listing in 2019, we have made several enhancements to our remuneration approach to align shareholder interests with business objectives, while navigating an evolving video entertainment industry and challenging macro-economic environment.

FY19

- Listed on JSE

FY20

- Introduced malus and clawback provisions
- Lowered share scheme cap
- Increased Minimum Shareholding Requirement (MSR) for key executive management
- Enhanced retrospective disclosure on performance targets
- Increased weighting of Performance Share Unit (PSU) vs Restricted Share Unit (RSU)
- Increased initial vesting period

FY21

- Shifted executive committee (ExCo) LTIs to 100% performance-linked
- Introduced Phantom Performance Scheme (PPS) for eligible executives with vesting in years 4-5
- Disclosed triggers for malus and clawback
- The Irdeto RSU scheme was implemented

FY22

- Added retrospective disclosure on Short-term Incentive (STI) and LTI targets
- Linked LTI targets to external metrics
- Included ESG performance hurdles
- Additional disclosure on the PPS scheme

FY23

During FY23, we continued engagements with our shareholders and investors, and feedback was combined under a number of key issues detailed below, which is where we focused our efforts this year.

Shareholder concern/request	Our response
Lack of disclosure of executive directors' personal performance objectives	We have included tailored disclosures for our executive directors, with context on the categories of targets and the extent to which they were met (refer to pages 118 and 120).
Inclusion of actual performance targets with percentage achieved	We have disclosed the absolute values for these targets, the actual outcome and the percentage of target achieved (refer to page 117).
Targets do not appear to be sufficiently stretching	We illustrate historic performance, with descriptive context for the target setting process and outcomes in each year (refer to page 109).
Clarity around mechanics of core HEPS target	Additional details on the core HEPS target have been disclosed, in particular how the weighted average cost of capital is calculated (refer to page 112).
Nigeria cash extraction targets are not linked to or capped at a specific foreign exchange rate	The Nigeria cash extraction target has been retained for the group Long-term Incentive (LTI) scheme, with additional disclosure included on the measurement thereof and the introduction of risk committee mandates for permissible foreign exchange rates (refer to page 112).
Option for executives to pledge STI/LTI awards towards MSR	Members of the executive committee can pledge LTI awards (by placing the shares in escrow) to ensure the shareholding requirements are met.

Remuneration report continued

1 Background

Historic STI incentive outcomes

The table below provides a summary of performance against targets over the past few years, as well as an explanation of circumstances relating to FY23.

Historic STI stretch awards	FY20	FY21	FY22	FY23
Revenue	Missed threshold	Hit stretch	Hit stretch	Hit stretch
Core headline earnings	Hit threshold	Hit stretch	Hit stretch	Hit threshold
Free cash flow	Hit stretch	Hit stretch	Hit stretch	Missed threshold
Subscriber growth South Africa	Hit target	Hit stretch	Missed threshold	Hit target
Subscriber growth Rest of Africa	Missed threshold	Hit stretch	Hit stretch	Hit stretch
Showmax user base growth	Hit stretch	Hit stretch	Hit stretch	Missed threshold
Insurance policy growth	N/A	N/A	N/A	Hit stretch

Missed threshold | Hit threshold | Hit target | Hit stretch

FY23 context:

- **Target setting:** FY23 budgets were set as the world exited the COVID-19 pandemic and although the economic environment was uncertain, improvements in trading conditions were expected when setting targets. This did not prove to be the case and the impact of permanent high stages of loadshedding in South Africa (and in other southern Africa markets intermittently), elevated inflation levels and rising interest rates created a strained economic environment for the group to operate in.
- **Outcomes:** Notwithstanding this material adverse environment versus target assumptions, the group performed well operationally during FY23, exceeding 90-day subscriber targets in South Africa and the Rest of Africa. This was supported by solid growth from the FIFA World Cup and continued success of the group's local content portfolio.

  Showmax paying user growth did not meet target levels, influenced by the weaker SA environment and executive management spending a significant portion of their time on the Comcast, NBCUniversal and Sky partnership announced in March 2023. The DStv Insurance business continued to grow in new and traditional products and met their stretch target.

  This operational performance, together with annual price increases and the ZAR translation benefit on USD segments, resulted in the stretch target being met on revenue growth. Despite this revenue benefit, core headline earnings was only met at threshold due to weaker SA margins and an increased investment in Showmax.

  Free cash flow fell well short of the FY23 target on the back of lower trading profit and a higher working capital investment. This investment comprised sports rights renewals pre-payments and early supplier payments due to a significant financial system upgrade that went live on 1 April 2023.

MultiChoice Group LTI Updates

MultiChoice PSUs

To account for the group's strategic shift from a traditional pay-TV business to a broader consumer platform business, and to incorporate focused investments such as Showmax and KingMakers, the following changes have been made to the 2023 PSU performance measures (detailed on pages 112 and 114):

Update	Rationale
Added an Investment Growth metric	Given the importance of delivering returns on the investment into new verticals and to ensure new businesses gain the required amount of traction in the early stages, a revenue growth metric has been introduced (initially for Showmax with Moment to follow in subsequent years once it has been launched).
Adjusted Core HEPS growth weighting and targets	To account for the introduction of the new metric (above) the weighting of Core HEPS growth has been reduced. In addition, objectives have been linked to hard-coded targets based on current market trends and exclude Showmax and Moment.
Updated Free Cash Flow Conversion Ratio targets	Methodology and principles remain unchanged, but targets were updated to align with recent investments which will reduce free cash flow conversion in the medium term.
Updated ESG weighting and targets	Given the growing importance of ESG to the group, the weighting of this target has been increased (and weighting of Total Shareholder Return reduced). Some of the specific targets were also updated to ensure they remain relevant as the group gains traction on these important initiatives.

Showmax Share Scheme

Following the announcement of the partnership with Comcast Corporation, it was critical to align performance measures of key management with the long-term performance targets of the new Showmax business to ensure delivery of results that are critical to the group's overall performance. The committee therefore implemented a Showmax share scheme in FY23 (details on page 114) with the first awards to be made in FY24.

In terms of our policy, executive directors are allocated 25% of their share awards in the form of PPS awards, which are linked to the portfolio of new investments but exclude traditional group businesses such as Showmax. To ensure that executive directors' remuneration is aligned with both the new investments and the Showmax business, the 25% allocation of awards relating to new growth opportunities will be a blend between the existing PPS scheme and the new Showmax scheme.

Remuneration report continued

2 The remuneration policy

Remuneration philosophy

Our remuneration philosophy is informed by the group's strategy and capital allocation process and enables us to achieve our business objectives. Our commitment to pay for performance aligns with the principle of creating long-term value for our shareholders – it drives our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world.

As far as possible, our pay structure is similar across the business and it exceeds the minimum legal requirements in all the jurisdictions in which we operate. We endeavour at all times to balance the need to compete globally for the best talent with the need to pay fairly and responsibly.

When making executive pay decisions, we consider the individual's performance, the business's performance, the complexity of executives' responsibilities, as well as the growth trajectory and lifecycle of the business unit for which the individual 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 sustainable performance and shareholder value creation over the long term.

Talent and fairness

We aim to be the preferred employer for prospective and current employees in the sectors in which we operate and to be recognised as a leading employer in our markets.

We focus on recruiting experienced talent for critical areas of product development and service delivery, such as technology, data, digital and content. We also provide opportunities for new, young talent to learn and develop. These, combined with our other internal disciplines, are important to scale our business and deliver our strategic and operational imperatives.

We strive to recruit and retain the best calibre of executive talent to lead the organisation and create value for our stakeholders. Balancing the levels of executive remuneration with the demand to remain competitive in attracting global talent in the video entertainment industry has become challenging.

While we are seeing increasing competition for talent from our OTT competitors across all our markets, our recent partnership with Comcast, NBCUniversal and Sky does provide access to some of the leading OTT talent globally.

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 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, Harvard, Wharton, Henley Business School and leading local institutions in each country such as the University of Pretoria and Wits in South Africa.

In recognition of the key role that artificial intelligence, specifically machine learning, will play in unlocking a digital future; we partnered with the University of Pretoria to sponsor the MultiChoice Chair in Machine Learning in 2018. Given its past success over the last five years, the agreement has now been renewed for a second five-year term.

We continuously monitor the level of fair and responsible pay for all our employees and we are aware of pending legislation on pay gap disclosures. Our minimum salary in South Africa is more than three times the current minimum wage requirements set by the government. We are proud of the suite of benefits offered to our employees (detailed on page 111).

Remuneration structure

The group's remuneration structure applies to the group's executive directors and key senior executives. To provide a more comprehensive view, policies applicable either to different levels of employee and/or different geographic areas are included where appropriate.

Remuneration report continued

2 **The remuneration policy** continued

<table>
<tr><th></th><th></th><th>Purpose and description</th><th>Calculation</th><th>Eligibility</th><th>Performance measures</th><th>On target and stretch outcomes</th><th>Malus and clawback</th></tr>
<tr><td rowspan="2">Guaranteed pay</td><td>Salary</td><td>Fixed remuneration with consideration given to specific requirements of the role.
In South Africa, we follow the local market practice of total cost to company (TCTC) remuneration, which comprises a basic salary plus cash and non-cash benefits.
Outside of South Africa, we follow the market practice of base salary plus cash and non-cash benefits.
Guaranteed pay is reviewed annually and any increases are typically effective from June each year.</td><td>Market conditions, group performance, internal comparability, individual experience, performance and level of responsibility within the organisation are taken into consideration and reviewed annually.</td><td>All employees.</td><td>Individual performance.</td><td>None.</td><td>Not applicable.</td></tr>
<tr><td>Benefits</td><td>Benefits and allowances appropriate to the market and contributing to the wellbeing of employees.
Comprises a suite of competitive employee benefits that vary across countries as per market practice. Examples include:
• Bursaries for employees and families
• Wellness benefits such as onsite healthcare and counselling, a gym and a concierge service
• Work-life balance leave
• A closed medical aid scheme and retirement scheme with competitive benefits
• An early childhood development allowance and an onsite crèche
• Discounts on DStv subscriptions for employees and up to three family members
• Discounts on DStv Internet</td><td>Not applicable.</td><td>All employees.</td><td>None.</td><td>None.</td><td>Not applicable.</td></tr>
<tr><td>STI</td><td>Bonus/short-term incentive</td><td>Annual performance-related incentives motivate executives to achieve short-term strategic, financial and non-financial objectives over a one-year performance period. This ensures remuneration is aligned with the annual business performance and to drive long-term shareholder value creation. Targets are set at a MultiChoice Group level and at segment/business unit/country level and applied to employees within these respective areas. The individual performance measures for each executive director are tailored to their roles and responsibilities, which filter down to the employees in those reporting lines. The incentive plan is agreed annually in advance and based on targets that are verifiable and aligned with the specific business unit's annual business plan.</td><td>All executive directors have an on-target bonus percentage which is used to calculate the bonus. The on-target bonus percentage will differ for employees according to their roles and responsibilities. The calculation to determine the performance outcome is detailed below:
TCTC/base salary
X
On-target bonus % | 80%
X
Individual performance % | 0% to 110%
X
Company performance % | 0% to 120%</td><td>All employees subject to performance criteria.</td><td>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 per share</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>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>On target</th><th>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><td>Malus and clawback provisions are applicable to the MultiChoice executive committee.
Refer to page 115 for more detail.</td></tr>
</table>

* Weighted equally between South Africa, Rest of Africa, Showmax and Insurance.

Remuneration report continued

2 The remuneration policy continued

LTI

MultiChoice RSUs and PSUs

Purpose and description	Calculation	Eligibility	On target and stretch outcomes	Malus and clawback
An award of MultiChoice Group shares registered to the participants subject to an employment condition (continued tenure). For the executive committee, and key senior management employees, achievement of performance conditions applies.	• RSUs vest over four years in two equal tranches in years three and four. RSUs with performance conditions (PSUs) vest 100% after three years • Executives' awards are 100% PSUs • Quantum of PSU vesting is dependent on the achievement of performance conditions. Settlement of the awards takes place on the respective vesting date of the awards and at the Remco's discretion • Dividends are not payable on unvested shares	Executives, senior management, and employees with scarce and critical skills are eligible to participate. Executive director awards are split between the following LTI performance plans: (see table below)	The annual LTI awards are capped at percentages as set out in the table below: (see table below)	Malus and clawback provisions are applicable to the MultiChoice executive committee. Refer to page 115 for more detail.

	PSU	PPS & Showmax
CEO	75%	25%
CFO	75%	25%

	LTI maximum as a % of salary
CEO	215%
CFO	185%
Rest of executive committee and select executives	165%

Performance measures

The group performance measures for PSU awards and weightings are set out as follows:

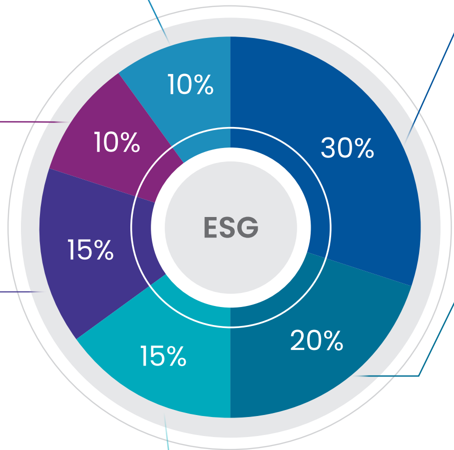
	Weight	Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)	Details
Core HEPS growth	25%	8%	10%	12%	• Growth to be measured over a three-year rolling average based on year end results, on the vesting date in year three, and excludes Showmax and Moment.
Investment growth	15%	Grow FY23 revenues by a multiple of 4x	Grow FY23 revenues by a multiple of 6x	Grow FY23 revenues by a multiple of 7x	• Growth to be measured after year three based on Showmax FY23 revenue.
Free cash flow conversion ratio	15%	78%	82%	86%	• Conversion ratio is calculated using the formula below and measured on the vesting date in year three: *Free Cash Flow (pre-tax)/Trading Profit on a three-year cumulative rolling basis (excluding KingMakers and Moment).*
Nigeria cash extraction	10%	70%	75%	80%	• Measured based on the extraction of net cash (naira margin) generated in the year.
Total shareholder return	20%	Median of comparator group	Average of Median and Upper Quartile of comparator group	Upper Quartile of comparator group	• The TSR measure is based on share price growth and dividend yield. • Measured based on three-year compound annual growth rate on the vesting date in year three. • Measured relative to the following comparator group: Vodacom, MTN, Telkom, Shoprite, Clicks, Bidvest, Discovery, Mr Price, TFG.
ESG	15%	*Based on a blend of external agency ratings and company specific measures (on the following page)*			

Remuneration report continued

2 The remuneration policy continued

ESG	Weight 15%	Based on a blend of external agency ratings and company specific measures (detailed below)

ESG metrics



Investment in family communities – coverage of school sports

Number of hours we will broadcast per annum on the SuperSport Schools App

Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)
35 000 hours	40 000 hours	45 000 hours

Enhancement of gender diversity in sports coverage

Increased hours of female sport coverage, both live (competitions) and non-live (documentaries)

Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)
8.0% increase	16.7% increase	25.0% increase

Development of black talent

% of total available spend on skills development spent on developing black (BBBEE) talent

Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)
75%	80%	85%

ESG rating

Rating by external rating agencies MSCI and Sustainalytics

Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)
Achieve the second highest rating available from both MSCI (AA rating) and Sustainalytics (low risk)	One rating in the second highest category, and one rating in the highest category	Achieve the top-level rating available from both MSCI (AAA rating) and Sustainalytics (negligible risk)

Contribution to sustainable environment

Funding of media and broadcast aspects of Earthshot prize

Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)
ZAR55m (cumulative)	ZAR58m (cumulative)	ZAR60m (cumulative)

Investment in local content

Number of local content hours we will broadcast per annum

Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)
6 500 hours	6 750 hours	7 000 hours

Remuneration report continued

2 The remuneration policy continued

LTI continued

	Purpose and description	Calculation	Eligibility	Performance measures	Malus and clawback
PPS plan	A phantom award of value to the participants subject to an employment condition (continued tenure), where the value of the units awarded, at grant and settlement, is based on the value of the underlying portfolio of new investments and performance conditions on a like-for-like basis.	• PPS units vest over five years in two equal tranches in years four and five • Vested units are settled on exercise by delivery of MCG shares, up to the tenth anniversary of the award date • 100% of awards are linked to performance conditions. The returns are measured based on the growth in the portfolio valuation on a like-for-like basis • The portfolio performance is calculated at the date of vesting in year four and in year five	**Select executives involved with strategic investments**	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% growth per annum, and 100% vesting is achieved at a growth in the portfolio value of 25% per annum, with linear interpolation between these levels.	Malus and clawback provisions are applicable to the MultiChoice executive committee. Refer to page 115 for more detail.
Irdeto RSUs and PSUs	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.	• RSUs vest over four years – awards vest in two equal tranches in years three and four • PSUs vest 100% after three years • Irdeto executives' awards are 100% PSUs and split 60:40 between Irdeto PSUs and MCG PSUs • The quantum of PSU vesting is dependent on achievement of performance conditions • Settlement of the awards will take place on exercise by delivery of MCG shares, up to the expiry date four years post vesting	**Irdeto employees**	Performance measures and weightings are set out below: **Performance measure – Weighting** Revenue – 15% Revenue share of external business – 30% EBITDA – 30% Free cash flow – 25%	Malus and clawback provisions are applicable to the Irdeto executive committee. Refer to page 115 for more detail.
Showmax RSUs and PSUs	A phantom award of value to the participants is subject to an employment condition (continued tenure). For the Showmax executive committee, achievement of performance conditions applies. No awards were made in FY23 and first awards to be made from FY24.	• RSUs vest over four years – awards vest in two equal tranches in years three and four • PSUs vest 100% after three years • Holding period of seven years post vesting • Showmax executives' awards are split 70:30 between Showmax PSUs and MCG PSUs • The quantum of PSU vesting is dependent on achievement of performance conditions • Settlement of the awards will take place on exercise by delivery of MCG shares, up to the expiry date seven years post vesting	**Showmax employees and select executives involved in the delivery of results of the business**	Performance measures and weightings are set out below: **Performance measure – Weighting** Revenue – 25% EBITDA – 25% Free cash flow – 25% Subscriber base – 25%	Malus and clawback provisions are applicable to the Showmax executive committee. Refer to page 115 for more detail.

Remuneration report continued

2 The remuneration policy continued

Benchmarking

We strive to be consistent, offering remuneration packages that help attract and retain the best talent in our market. We consider market practices, business requirements and the calibre of the individual in our recruitment processes. We benchmark our remuneration using the Old Mutual Remchannel Survey in South Africa and the Mercer Total Remuneration Surveys in the Rest of Africa. For executives, who we sometimes recruit globally, we use the LMO Executive Survey and the Willis Towers Watson Executive Survey. In addition, we use bespoke benchmarking using input from our remuneration adviser when appropriate.

We target our guaranteed salary at the median of the market with exceptions based on performance and critical skills.

For the executive committee, we benchmark remuneration against the same peer group of companies used for the TSR measure, i.e. Vodacom, MTN, Telkom, Shoprite, Clicks, Bidvest, Discovery, Mr Price and TFG. Our approach to performance incentives is to award STIs below the average of our peer group and a higher LTI component as we believe this will ensure alignment to shareholder interests. This approach ensures that our blended outcome for our executive committee including both STI and LTI aligns with the market.

Malus and clawback

We believe inappropriate conduct should not be rewarded. To protect stakeholders against inappropriate conduct by executives, malus and clawback provisions apply to all variable pay (STI and LTI) for the MultiChoice executive committee. These provisions enable us to recover variable remuneration awards made, based on the occurrence of a trigger event caused by the participant, which led to loss or damage incurred by the group.

Trigger events include, but are not limited to:

- The group or any subsidiary's financial statements having been materially restated
- The executive having deliberately misled the group or any subsidiary, the market and/or the group's shareholders regarding the financial performance or position of the group
- The executive's actions brought the group, subsidiary and/or the executive's business unit into significant disrepute
- The executive's actions amounted to gross misconduct or a material error
- The subsidiary or the business unit in which the executive works having suffered a material risk management or compliance failure
- Any other matter which, in the reasonable opinion of the remuneration committee, is required to be taken into account to comply with prevailing legal and/or regulatory requirements

Malus will be applied prior to the vesting and/or payment of any STI or LTI. Clawback will be applicable for up to three years after the vesting and/or payment of any STI or LTI.

Service contracts

Executives' service contracts comply with terms and conditions of employment in the jurisdiction where they are employed. Executives' contracts do not contain guaranteed payments on termination. Details of the date of appointment and relevant notice period for executive directors 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, the individual's package will typically be in line with the principles as outlined on page 112. 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, of employment, 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 their departure.

Termination provisions related to LTI plans are as follows:

	LTI termination provisions
Death, ill health, disability or other event approved at the board's discretion	• All unvested awards will be accelerated and fully vest on the date of termination of employment. If applicable, the outcomes of PSUs and PPS thresholds will be reviewed by the remuneration committee on a case-by-case basis.
Redundancy or termination as a result of a business disposal or change of control/ jurisdictional issue or retirement	• Vesting of the awards will be accelerated on a pro rata basis. However, the pro rata portion will only be applicable to the next upcoming vesting portion. If applicable, the outcomes of PSU and PPS thresholds will be reviewed by the remuneration committee on a case-by-case basis.
For other causes	• All unvested awards will lapse.

Remuneration report continued

2 The remuneration policy continued

Minimum shareholding requirement

To encourage individual shareholding in the group and to align with shareholders' interests, the following minimum shareholding is required for all members of the executive committee. To allow time for the executives to build up a shareholding in the MultiChoice Group, these MSR requirements are to be met by July 2024 for current executives. The timeframe for new executive committee members to reach the MSR is five years from the date of appointment.

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

Members of the executive committee can pledge LTI awards (by placing the shares in escrow) to ensure the shareholding requirements are met.

Remuneration policy applicable to non-executive directors

Terms of appointment

The board has clear procedures for the appointment and orientation of directors, and annual self-evaluations are completed by the board and its committees. The nomination committee periodically assesses the skills and diversity represented on the board and determines whether these meet the group's needs. Directors are invited to give their input in identifying potential candidates. Members of the nominations committee propose suitable candidates for consideration by the board and a fit-and-proper evaluation is performed for each candidate before they are considered/appointed.

Retirement and re-election of non-executive directors

All non-executive directors are subject to retirement and re-election by shareholders every three years. Additionally, non-executive directors are subject to election by shareholders at the first suitable opportunity for interim appointments. The names of non-executive directors submitted for election or re-election are accompanied by brief biographical details to enable shareholders to make an informed decision on their election. The reappointment of non-executive directors is not automatic.

Setting non-executive directors' fees

The fee structure for non-executive directors is 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, MultiChoice South Africa Proprietary Limited and Showmax Africa Holdings 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 24 August 2023.

Remuneration report continued

3 The implementation report

This section explains how the remuneration policy was implemented in the reporting year and reflects the resulting payments each director received (backward looking). All decisions in relation to executive remuneration were made in line with our remuneration policy for this financial year.

Salary adjustments

The committee approved a 5% salary increase in FY23 for all employees in South Africa which was determined through a collective bargaining process. To show our commitment to improving the lives of our lower-level employees, we applied a tiered approach where higher increases were prioritised to the lower levels grades while senior management received lower increases. Increases in other countries varied based on economic conditions, inflation, market trends and internal comparability.

Short-term incentives

FY23 group/financial goals

In this section we outline the actual STI outcomes for each financial performance measure relative to the target set at the beginning of the financial year. At the request of shareholders, we have provided the absolute values for targets and the actual outcomes for the year under review:

FY23 STI	Weight (%)	Threshold (80%)	Target (100%)	Stretch (120%)	On-target outcome (%)	FY23 targets	FY23 Actuals	% of target achieved	FY23 outcome (%)
Revenue	25	2% below target	On-target	2% above target	25	R57.4bn	R59.1bn	103	30.0
Core HEPS	25	10% below target	On-target	10% above target	25	R8.80	R8.28	95	23.7
Free cash flow	25	10% below target	On-target	10% above target	25	R5.5bn	R2.9bn	52	0.0
Subscriber growth South Africa	6.3	5% below target	On-target	5% above target	6.3	286k	294k	103	7.0
Subscriber growth Rest of Africa	6.3	5% below target	On-target	5% above target	6.3	1 125k	1 410k	125	7.5
Subscriber growth Showmax	6.3	5% below target	On-target	5% above target	6.3	336k	214k	64	0.0
Insurance policyholder growth	6.3	5% below target	On-target	5% above target	6.3	435k	458k	105	7.5
Total	**100**				**100**				**75.7**

Long-term incentives

In FY23, the outcome of the 2020 PSU awards vested as detailed in the table below.

FY23 LTI	Weight (%)	Threshold (50 vesting%)	Target (75% vesting)	Stretch (100% vesting)	On-target Vesting (%)	FY23 targets	FY23 Actual	% of target achieved	FY23 vesting (%)
Core HEPS[(1)]	25	5% below target	On-target	5% above target	18.75	R4.30	R8.28	193	25.0
Free cash flow (cumulative)[(2)]	50	5% below target	On-target	5% above target	37.5	R8.2bn	R14.1bn	172	50.0
Return on capital employed[(3)]	25	5% below target	On-target	5% above target	18.75	32%	42.4%	133	25.0
Total	**100**				**75**				**100**

(1) As the target was set at the outset of COVID-19, they were based on uncertain and volatile economic conditions that influenced forecasts. Management took full advantage of the crisis and uncertainty in the market to aggressively outperform against expectations. Operational performance was strong throughout the three-year period, with subscriber numbers growing by 4.0m 90-day active subscribers, notwithstanding a challenging economic environment, including the impact of COVID-19 and increasing competition from OTT. This was supplemented by strong cost discipline resulting in cumulative savings of R3.9bn. This strong operational performance resulted in the group significantly exceeding the target.

(2) Free cash flow was above the stretch target primarily due to the better than stretch target earnings growth. Significant savings were achieved over the three-year period through the acceleration of the group's cost optimisation programme at the onset of COVID-19 and consistently in the years that followed. Over the three-year period, the group achieved R3.9bn in cost savings, well above the budgeted R2.8bn savings over the same period. Capital expenditure was managed below target levels throughout the three-year period and a focus on working capital management delivered better than target outcomes.

(3) ROCE was 42.4% at 31 March 2023 due to the higher earnings performance and an efficient use of the asset base in the group, assisted in part by the declaration of a stable R2.5bn dividend during FY22 and FY23.

Remuneration report continued

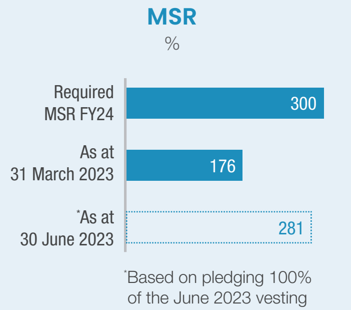
3 The implementation report continued

Salary increase and STI award

FY23 salary as at 31 March 2023 (USD'000)	685	A
FY24 salary (USD'000)	706	
FY24 increase (%)	3	
On-target bonus (%)	80	B
Group/financial goals achieved outcome (%)	75.7	C
Personal goals achieved outcome (%)	91.0	D
Total outcome (%)	68.9	E = C x D
FY23 bonus (USD'000)	378	F = A x B x E
FY23 bonus as % of salary	55	G = F/A

Executive directors' remuneration: Executive director single figure remuneration

Element	FY23 (USD'000)	FY22 (USD'000)
Base salary	682	663
Pension	82	80
Benefits[1]	209	255
Short-term incentive[2]	378	566
LTI – PSU/RSU[3]	1 269	1 015
Total single figure	2 620	2 578



[1] Benefits exclude pension and include all benefits not included in base salary such as medical benefits, fringe benefits, family benefits, travel, long-service and disability benefits. The decrease in FY23 is mainly due to a decrease in travel in FY23.
[2] The STI reflects the bonus paid based on the performance of the relevant financial year (FY23).
[3] The value of awards settled in FY23 as disclosed in the LTI shareholding table below are different as it relates to share awards settled during FY23. The LTI RSU and PSU values reflected above are for the June 2019, June 2020 and November 2020 awards with performance period ending in FY23.

Personal goals

Below we have disclosed the group CEO's personal performance against the target.

Cost saving

Exceed the group's cost savings target which helped partially offset SA margins pressure and supported RoA reaching breakeven.

Technology modernisation

Managed the modernisation of MCG's operational IT systems and platforms within the agreed timelines and budget.

Group projects

Developed and executed against a plan for the group to expand into a platform business. Successfully executed on key projects, including M&A and new business lines.

People

Continued to execute against a robust succession plan, however missed key targets.

Regulatory

Managed a proactive and robust regulatory process to avoid undue or unforeseen negative impacts on the business.

Customer satisfaction

Achieved the target customer satisfaction scores for the SA and RoA DTH businesses (DStv), but missed the customer satisfaction target for the RoA DTT business (GOtv).

Content

Achieved increased local content targets while securing and renewing key general entertainment and sports content deals on acceptable terms, e.g. the successful launch of the SA20 competition.

Cash extraction

Exceeded targets relating to cash extraction from Nigeria on both the opening cash balance and local cash generation targets for the year.

New business development

Marginally missed on revenue targets for new businesses given strategic delays on key rollouts.

Key

- NOT ACHIEVED 0%
- SOMEWHAT ACHIEVED 50%
- ACHIEVED 100%
- OVER ACHIEVED 105%
- OUTSTANDING 110%

Remuneration report continued

3 The implementation report continued

FY23 LTI shareholding

Share plan	Offer date	Number of shares	Offer price (ZAR)	Release date	Share/unit price as at 31 March 2023 (ZAR)	Value of awards settled during the financial year ending 31 March 2023 (ZAR)	Intrinsic value per award of unvested shares as at 31 March 2023 (ZAR)
MultiChoice Group RSU and PSU[1]	18 Jun 2019	61 162	0.00	18 Jun 2022		7 166 963	
	18 Jun 2019	61 162	0.00	18 Jun 2023	123.36		7 544 944
	18 Jun 2019	61 162	0.00	18 Jun 2024	123.36		7 544 944
MultiChoice Group RSU and PSU[1]	10 Jun 2020	51 147	0.00	10 Jun 2022		6 546 305	
	10 Jun 2020	51 147	0.00	10 Jun 2023	123.36		6 309 494
	10 Jun 2020	51 147	0.00	10 Jun 2024	123.36		6 309 494
	10 Jun 2020	51 149	0.00	10 Jun 2025	123.36		6 309 494
MultiChoice Group RSU and PSU[2]	17 Nov 2020	70 717	0.00	17 Nov 2023	123.36		8 723 649
MultiChoice Group RSU	17 Nov 2020	10 103	0.00	17 Nov 2024	123.36		1 246 306
MultiChoice Group RSU[3]	31 Mar 2021	120 809	0.00	31 Mar 2024	123.36		9 388 889
MultiChoice Group RSU[3]	18 Jun 2022	143 872	0.00	18 Jun 2025	123.36		11 181 271
Phantom Performance Share Plan 2021[4]	31 Mar 2021	42 767	0.00	31 Mar 2025	281.38		4 452 498
	31 Mar 2021	42 767	0.00	31 Mar 2026	281.38		4 452 498
Phantom Performance Share Plan 2021	20 Jun 2022	4 720	0.00	20 Jun 2026	592.87		1 035 388
	20 Jun 2022	4 721	0.00	20 Jun 2027	592.87		1 035 608

(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

3 The implementation report continued

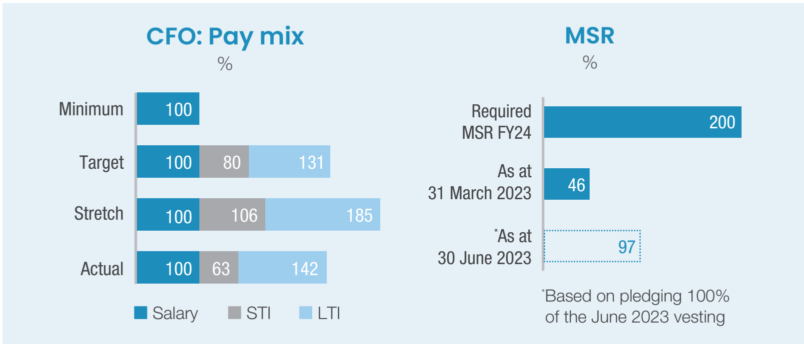
Salary increase and STI award

FY23 salary as at 31 March 2023 (ZAR'000)[1]	8 451*	A
FY24 salary (ZAR'000)	8 721	
FY24 increase (%)	3.2	
On-target bonus (%)	80	B
Group/financial goals achieved outcome (%)	75.7	C
Personal goals achieved outcome (%)	104.3	D
Total outcome (%)	78.9	E = C x D
FY23 bonus (ZAR'000)	5 335	F = A x B x E
FY23 bonus as % of salary	63	G = F/A

* Tim's EUR portion has been converted to ZAR using the March 2023 exchange rate.

Executive directors' remuneration: Executive director single figure remuneration

Element	FY23 (ZAR'000)	FY22 (ZAR'000)
TCTC[1]	7 827	7 447
Pension	524	640
Benefits[2]	784	671
Short-term incentive[3]	5 335	6 294
LTI – PSU/RSU[4]	11 000	4 871
Total single figure	25 470	19 923



(1) Tim has a dual employment contract (ZAR and EUR) as he is required to spend a significant amount of time offshore. His EUR portion has been converted to ZAR using the average FY23 exchange rate.
(2) Benefits exclude pension and includes all benefits not included in TCTC such as medical benefits, fringe benefits, family benefits, travel, long-service and disability benefits. Tim's benefits for his European contract have been converted to ZAR using the average FY23 exchange rate.
(3) The STI reflects the bonus paid based on the performance of the relevant financial year (FY23).
(4) The LTI RSU and PSU values reflected are for the June 2019, June 2020 and November 2020 awards with the performance period ending in FY23.

Personal goals

Below we have disclosed the group CFO's personal performance against the target.

Cost saving

Exceed the group's cost savings target which helped partially offset the SA margin pressure and supported RoA reaching breakeven.

Tax management

Exceeded in settling all required tax matters on terms below provision targets. This target was not impacted by the outstanding FIRS matter as it is still under negotiation and we maintain our view that the FIRS tax matter does not represent a potential tax liability for the business.

Group projects

Further developed and continued to execute against group strategy to evolve into a platform business. Successfully executed on key projects, including the announcement of the Showmax partnership with Comcast, NBCUniversal and Sky and the creation of the Moment partnership.

People

Further developed, enhanced and continued to execute against a robust succession plan. Supported diversity initiatives at senior staffing levels and achieved employee engagement targets.

Cash extraction

Exceeded targets relating to cash extraction from Nigeria on both the opening cash balance and local cash generation targets for the year.

Finance projects

Delivered on first year targets relating to key finance projects, such as the transition to SAP and go to market launches within agreed project timelines.

Key

NOT ACHIEVED 0% | SOMEWHAT ACHIEVED 50% | ACHIEVED 100% | OVER ACHIEVED 105% | OUTSTANDING 110%

Remuneration report continued

3 The implementation report continued

FY23 LTI shareholding

Share plan	Offer date	Number of shares	Offer price (ZAR)	Release date	Share/unit price as at 31 March 2023 (ZAR)	Value of awards settled during the financial year ending 31 March 2023 (ZAR)	Intrinsic value per award of unvested shares as at 31 March 2023 (ZAR)
MultiChoice Group RSU and PSU[1]	18 Jun 2019	15 768	0.00	18 Jun 2022		1 853 612	
	18 Jun 2019	15 768	0.00	18 Jun 2023	123.36		1 945 140
	18 Jun 2019	15 769	0.00	18 Jun 2024	123.36		1 945 264
MultiChoice Group RSU and PSU[1]	10 Jun 2020	21 207	0.00	10 Jun 2022		2 719 216	
	10 Jun 2020	21 207	0.00	10 Jun 2023	123.36		2 616 096
	10 Jun 2020	21 207	0.00	10 Jun 2024	123.36		2 616 096
	10 Jun 2020	21 207	0.00	10 Jun 2025	123.36		2 616 096
MultiChoice Group RSU and PSU[2]	17 Nov 2020	52 195	0.00	17 Nov 2023	123.36		6 438 775
MultiChoice Group RSU	17 Nov 2020	7 457	0.00	17 Nov 2024	123.36		919 896
MultiChoice Group RSU[3]	31 Mar 2021	80 732	0.00	31 Mar 2024	123.36		6 274 233
MultiChoice Group RSU[3]	18 Jun 2022	90 383	0.00	18 Jun 2025	123.36		7 024 278
Phantom Performance Share Plan 2021[4]	31 Mar 2021	28 579	0.00	31 Mar 2025	281.38		2 975 377
	31 Mar 2021	28 580	0.00	31 Mar 2026	281.38		2 975 481
Phantom Performance Share Plan 2021[4]	20 Jun 2022	2 965	0.00	20 Jun 2026	592.87		650 408
	20 Jun 2022	2 966	0.00	20 Jun 2027	592.87		650 627

(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

3 The implementation report continued

Non-executive directors' fees

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

	Directors' remuneration		Directors' fees		Committee and trustees' fees and other fees		Total
2023 Non-executive directors	**Paid for services to the company ZAR'000**	**Paid for services to other group companies ZAR'000**	**Paid for services to the company ZAR'000**	**Paid for services to other group companies ZAR'000**	**Paid for services to the company ZAR'000**	**Paid for services to other group companies ZAR'000**	**ZAR'000**
James du Preez	–	–	776 288	–	516 559	-	1 292 846
Elias Masilela	–	–	776 288	–	358 657	-	1 134 945
Kgomotso Moroka	1 560 000	–	776 288	–	495 169	294 336	3 125 792
Louisa Stephens	–	–	776 288	–	824 490	363 181	1 963 958
John James Volkwyn	5 142 183	–	–	–	-	-	5 142 183
Christine Sabwa	–	–	776 288	–	604 943	111 450	1 492 680
Fatai Sanusi	–	–	776 288	–	123 142	-	899 430
	6 702 183	**–**	**4 657 725**	**–**	**2 922 960**	**768 966**	**15 051 833**

	Directors' remuneration		Directors' fees		Committee and trustees' fees and other fees		Total
Non-executive directors	**Paid for services to the company USD**	**Paid for services to other group companies USD**	**Paid for services to the company USD**	**Paid for services to other group companies USD**	**Paid for services to the company USD**	**Paid for services to other group companies USD**	**USD**
Mohamed Imtiaz Patel – Chair*	1 158 701	–	–	–	–	–	1 158 701
	1 158 701	**–**	**–**	**–**	**–**	**–**	**1 158 701**

* Payments relate to the service and restraint agreement entered into between the group and Imtiaz.

Remuneration report continued

3 The implementation report continued

Contractual arrangements continued

Adv Kgomotso Moroka

After careful deliberation by the board, taking into account the ad-hoc nature of services rendered and feedback from shareholders, the consultancy agreement entered into between the group and Kgomotso for professional advisory services as a Senior Counsel is cancelled with effect from 30 June 2023. The board continues to believe that the agreement did not, on a substance over form basis, affect her independence but has nonetheless resolved to cancel it based on perception from investors that the consultancy agreement affects her categorisation as an independent director.

Jim Volkwyn

The consultancy agreement, entered into between the group and Jim, is for professional advisory services provided to the group CEO on a regular and extensive basis. The scope of Jim's consultancy services is global in nature and involve advising on key group strategies. This agreement is complementary to his role as director and involves an annual fee for additional time and effort to provide global strategic input at an early stage of evaluating strategic direction. The group believes that the benefit of leveraging his local and international industry insights and skills is superior to paying external consultants with limited insight into our operations. His in-depth understanding also provides us with a significant strategic advantage as we evaluate many opportunities to grow our business over the longer term. The contract is considered immaterial to Jim's wealth. The board has, after external legal advice and consideration on a balanced and substance-over-form basis, determined that the agreement does not affect his categorisation as an independent non-executive director. Jim has waived any entitlement to director and committee fees paid to non-executive directors.

Imtiaz Patel

The service and restraint agreement entered into between the group and Imtiaz is for the provision of various strategic and advisory support services to the group at a global level. The essence of the agreement is a restraint of trade to ensure that Imtiaz's valuable and sought-after knowledge, experience, contacts and company/global industry insights are retained within the group as he is fundamental in pivoting the group's strategic re-positioning and platform expansion plans. Imtiaz has waived any entitlement to director and committee fees paid to non-executive directors.

Termination payments

No termination payments were made to either executive or non-executive directors on termination of employment or office in FY23.

Compliance

There were no deviations from the remuneration policy in FY23.

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 2023:

MultiChoice Group ordinary shares	Direct	Indirect	Total
C Mawela	173 471	–	173 471
T N Jacobs	31 431	–	31 431
Total	**204 902**	**–**	**204 902**

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 24 August 2023.

Share register analysis

as at 31 March 2023

Shareholder spread	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000	39 206	91.42	5 125 642	1.16
1 001 – 10 000	2 843	6.63	7 798 657	1.76
10 001 – 100 000	605	1.41	20 241 549	4.57
100 001 – 1 000 000	194	0.45	52 434 721	11.85
Over 1 000 000	37	0.09	356 912 109	80.66
Total	42 885	100.00	442 512 678	100.00

Shareholders by type	Number of shares	% of issued capital
Domestic Institutions	151 402 975	34.2
Foreign Institutions	106 294 851	24.0
Corporate stakeholders	140 353 825	31.7
Private investors	27 944 865	6.3
Employees	15 284 660	3.5
Brokers and others	1 231 502	0.3
Total	442 512 678	100.0

Public shareholders vs non-public shareholders: AFS

To the best knowledge of the directors, the spread of public shareholders in terms of paragraph 4.25 of the JSE Limited Listings Requirements at 31 March 2023 was 51.75%, represented by 42 879 shareholders holding 229 018 921 ordinary shares in the group.

The non-public shareholders of the group, comprising six shareholders, holding 48.25% represented by 213 493 757 ordinary shares, are analysed as follows:

	Number of shares	% of issued capital
Share schemes	14 990 297	3.39
Treasury shares	89 461	0.02
Directors and associates (MCG and major subsidiaries)	204 902	0.05
Beneficial holders >10%	198 209 097	44.79

Public shareholders vs non-public shareholders	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	6	0.01	213 493 757	48.25
Directors and associates (MCG and major subsidiaries)*	2	0.00	204 902	0.05
Material beneficial holders >10%	2	0.00	198 209 097	44.79
Treasury shares	1	0.00	14 990 297	3.39
Share schemes	1	0.00	89 461	0.02
Public shareholders	42 879	99.99	229 018 921	51.75
Total	42 885	100.00	442 512 678	100.00

* Include direct and indirect holdings

Non-public shareholders	Holdings: Number of shares	Holdings: % holding
Groupe Canal+	140 160 277	31.7
Public Investment Corporation (PIC)	58 048 820	13.1
Material beneficial shareholders (>10%)	198 209 097	44.8
The MultiChoice Group Restricted Share Plan	14 990 297	3.4
MultiChoice Group Treasury Services	89 461	0.0
	213 288 855	48.2

Shareholders with >5% interest	Number of shares	% of issued capital
Groupe Canal+ S.A.	140 160 277	31.7
Public Investment Corporation	54 226 444	12.3
M&G Investments	33 873 887	7.7
Allan Gray	26 644 273	6.0

Share register analysis continued

as at 31 March 2023

Directors' holdings	Direct	Indirect	Total	%
Calvo Mawela	173 471	–	173 471	0.039
Tim Jacobs	31 431	–	31 431	0.007
Imtiaz Patel	–	–	–	0.000
Jim Volkwyn	–	–	–	0.000
Kgomotso Moroka	–	–	–	0.000
Elias Masilela	–	–	–	0.000
Christine Sabwa	–	–	–	0.000
Fatai Sanusi	–	–	–	0.000
Louisa Stephens	–	–	–	0.000
James du Preez	–	–	–	0.000
	204 902	–	204 902	0.046

Trading data	
Opening price on 1 April 2022 (ZAR)	131.73
Closing price on 31 March 2023 (ZAR)	123.36
Closing high for period was on 6 March 2023 (ZAR)	147.48
Closing low for period was on 7 September 2022 (ZAR)	110.63
Number of shares in issue	442 512 678
Volume traded during period	273 214 554
Ratio of volume traded to shares issued (%)	61.74
Rand value traded during the period (ZAR)	33 094 929 451
Historic price/earnings ratio as at 31 March 2023	15.2
Historic earnings yield as at 31 March 2023	6.6
Historic dividend yield as at 31 March 2023	4.6
Market capitalisation at 31 March 2023 (ZAR)	**54 588 363 958**

Shareholders' diary

General	
Financial year-end	31 March 2023
Year-end results announcement on SENS	13 June 2023
Shareholders eligible to receive AGM notice	15 June 2023
Distribution of annual results booklet enclosing AGM notice	30 June 2023
Integrated annual report publication	30 June 2023
Last day to trade to be entitled to vote at AGM	15 August 2023
Voting record date	18 August 2023
Proxy submission deadline for administrative purposes	22 August 2023
AGM	24 August 2023
Interim results announcement	15 November 2023

Glossary

AGM	annual general meeting
AI	artificial intelligence
ARPU	average revenue per user
B2B	business to business
BBBEE	broad-based black economic empowerment
CEO	chief executive officer
CFO	chief financial officer
Companies Act	Companies Act of South Africa No 71 of 2008, as amended
CSAT	customer satisfaction score
CSI	corporate social investment
DTH	direct to home (television)
DTT	digital terrestrial television
ESG	environmental, social and governance
EY	Ernst & Young
FIRS	Federal Inland Revenue Service
FTA	free to air (television)
FY22	the financial year from 1 April 2021 to 31 March 2022
FY23	the financial year from 1 April 2022 to 31 March 2023
GDP	gross domestic product

GDPR	General Data Protection Regulation
ICASA	Independent Communications Authority of South Africa
ICT	information and communications technology
IT	information technology
I&T	Information and Technology
JSE	Johannesburg Stock Exchange (as distinct from the JSE Limited)
King IV	King Report on Corporate Governance™ for South Africa, 2016
LED	light-emitting diode
MOI	memorandum of incorporation
MTF	MultiChoice Talent Factory
MultiChoice South Africa	MultiChoice South Africa Holdings Proprietary Limited and its subsidiaries
MultiChoice, the MultiChoice Group or the group	MultiChoice Group Limited and its subsidiaries
Naspers	Naspers Group Limited
OTT	over the top (video media services)
Phuthuma Nathi	Phuthuma Nathi Investments (RF) Limited (MultiChoice SA's BBBEE share scheme)

POPIA	Protection of Personal Information Act No 4 of 2013
PwC	PricewaterhouseCoopers Inc
SENS	Stock Exchange News Service
SVOD	subscription video on demand
TV	television
Ultra-HD	Ultra-high definition (technically different from, but conflated with 4K)
UI and UX	user interface and user experience
US	United States
USSD	unstructured supplementary service data
USD	United States dollar
VAT	Value Added Tax
VOD	video on demand
YES	Youth Employment Services
YoY	year on year
ZAR	South African rand

Administration and corporate information

Company secretary

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Registration number: 2018/473845/06
Incorporated in South Africa

Auditor

FY23
PricewaterhouseCoopers Inc

FY24
Ernst & Young Inc

Transfer secretaries

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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; 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.