PHUTHUMA NATHI

SHARE THE FUTURE

Integrated annual report to the shareholders of Phuthuma Nathi Investments (RF) Limited for the year ended 31 March 2022

MULTICHOICE

ENRICHING LIVES

MultiChoice South Africa Holdings Proprietary Limited

Contents

Overview

Phuthuma Nathi shareholders own

25% (FY21: 25%)

of MultiChoice SA through the Phuthuma Nathi entity

Phuthuma Nathi shareholders will receive a dividend of

ZAR17.78

per share after dividend tax (FY21: ZAR17.78)

Phuthuma Nathi will receive

ZAR1.5bn

of the ZAR6.0bn dividend declared by MultiChoice SA (FY21: ZAR1.5bn of the ZAR6.0bn)

The MultiChoice SA and Phuthuma Nathi AGMs will be held on

24 August 2022 at 11:00

Overview

MultiChoice SA performance highlights

9.0m
subscribers[1]
(FY21: 8.9m)

ZAR7.3bn
core headline earnings
(FY21: ZAR8.5bn)

ZAR6.0bn
declared in dividends to MultiChoice SA shareholders
(FY21: ZAR6.0bn)

3 620
permanent employees
(FY21: 3 683)

[1] *90-day active subscribers.*
[2] *Excludes regulatory fees from FY22 onwards.*
[3] *Includes non-cash advertising contributions of ZAR123m (FY21: ZAR260m).*

Level 1
BBBEE status
(FY21: Level 1)

ZAR296m
spent on CSI projects(3)
(FY21: ZAR420m)

ZAR13.4bn
preferential procurement spend
(FY21: ZAR11.5bn)

ZAR6.8bn
total tax contribution(2)
(FY21: ZAR7.1bn)

Introduction

About this report

Scope, boundary and audience

This report discloses information about MultiChoice South Africa Holdings Proprietary Limited and its subsidiaries (MultiChoice SA), as well as Phuthuma Nathi Investments (RF) Limited (Phuthuma Nathi, MultiChoice SA's broad-based black economic empowerment (BBBEE) share scheme).

We present our integrated annual report for the financial year from 1 April 2021 to 31 March 2022 (referred to as FY22). The purpose of this report is to share with our Phuthuma Nathi shareholders how we create value over the short, medium and long term.

Basis of preparation

The content of the integrated annual report was guided by the following frameworks:

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

Key terms

Phuthuma Nathi	Refers to Phuthuma Nathi Investments (RF) Limited (MultiChoice SA's BBBEE share scheme). The only investments held by Phuthuma Nathi are the shares held in MultiChoice SA and its shares in Phuthuma Nathi 2 (Phuthuma Nathi Investments 2 (RF) Limited).
MultiChoice SA, the company or the group	Refers to MultiChoice South Africa Holdings Proprietary Limited and its subsidiaries.
MultiChoice Group	Refers to MultiChoice Group Limited, the holding company of MultiChoice SA.
Broad-based black economic empowerment (BBBEE)	BBBEE is a government policy designed to advance economic transformation and enhance the economic participation of black people (African, coloured and Indian South African citizens) in the South African economy.
Shares and shareholders	A share is a unit of ownership in a company and a shareholder is the owner of a share. Shareholders can earn income from their shares in the form of dividends.
Dividends	If a company is profitable, has positive reserves and sufficient cash, the directors of the company may choose to pay out a portion of the profit to shareholders in a payment called a dividend. This decision is subject to the circumstances and outlook a company faces at a point in time, and directors must satisfy certain rules before authorising a dividend.
Financial year (FY)	The 12-month period a company uses to calculate its profit and income tax. For MultiChoice SA and Phuthuma Nathi, the 2022 financial year is from 1 April 2021 to 31 March 2022 and is referred to as FY22.
YoY	A year-on-year movement, e.g. showing the growth rate from the prior year to the current year.
Johannesburg Stock Exchange (JSE)	The JSE is the oldest existing and largest stock exchange in Africa. For any company listed on the JSE, shares in the company can be bought by and sold to any person within the constraints of the law and the JSE Listings Requirements.
Equity Express Securities Exchange (EESE)	EESE is the first independent black-owned equity exchange in South Africa. The exchange was created to support BBBEE schemes and specifically caters for companies with restrictions on trading their shares. Unlike open stock exchanges, such as the JSE, the EESE has restrictions on who can participate to support companies' transformation goals.

Assurance

The financial and non-financial information in this report was reviewed by the audit committee and approved by the board.

Financial information

Summarised financial information for MultiChoice SA and Phuthuma Nathi, extracted from MultiChoice SA's audited consolidated annual financial statements for the year ended 31 March 2022 and the Phuthuma Nathi consolidated and company annual financial statements for the year ended 31 March 2022, are reflected accurately. The respective full annual financial statements are available on Phuthuma Nathi and MultiChoice SA's websites (www.phuthumanathi.co.za and www.multichoice.com/multichoice-south-africa/) and at our registered office on arrangement with the company secretary.

Refer to page 68 for the auditor's report on MultiChoice South Africa's summarised consolidated annual financial statements, and to page 18 for the report on the summarised consolidated and company annual financial statements of Phuthuma Nathi.

Non-financial information

EmpowerLogic verified all BBBEE information in this report.

Navigation and feedback

For ease of reference, we included key terms used in this report on page 4.

We welcome our stakeholders to connect with us on

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

How to navigate our report

Throughout our integrated annual report, we use the following icons to show the connectivity between sections:

Statement of directors' responsibility

The Phuthuma Nathi and MultiChoice SA boards acknowledge their responsibility to ensure the integrity and completeness of this integrated annual report. The integrated annual report was approved by the Phuthuma Nathi board on 8 June 2022 and by the MultiChoice SA board on 9 June 2022. Each board collectively assessed and unanimously approved the content of this report and believes it provides a true account of MultiChoice SA's performance because it addresses all material matters relating to MultiChoice SA's ability to create and sustain value in the short, medium and long term.

On behalf of the boards

Mandla Langa
Chair:
Phuthuma Nathi

Imtiaz Patel
Chair:
MultiChoice SA

Our reporting suite

The Phuthuma Nathi integrated annual report includes the annual general meeting (AGM) notice and is the key report to stakeholders, providing a holistic view of MultiChoice SA's business, strategy, performance and value creation for its stakeholders. This report should be read in conjunction with Phuthuma Nathi's full consolidated and company annual financial statements, which provide a more detailed understanding of the business's financial performance.

Further, we endeavour to engage with our stakeholders through regular reports, including the annual social report and biannual results announcements. This information can be accessed at www.phuthumanathi.co.za and www.multichoice.com/multichoice-south-africa/.

Our reporting suite includes MultiChoice SA's results announcement and full consolidated annual financial statements.

Understanding Phuthuma Nathi

This section is focused on shareholders' direct investment in Phuthuma Nathi.

MZALI
WAMI S2
DIVIDED BY LOVE
STARTS
MON 3 JAN
20:00

Understanding Phuthuma Nathi

Letter from the Phuthuma Nathi chair

"We feel fortunate that MultiChoice SA's resilient performance enables Phuthuma Nathi to continue to support its shareholders and positively impact their lives."

Mandla Langa
Chair: Phuthuma Nathi

Dear shareholder

On behalf of the Phuthuma Nathi board, it is my pleasure to present our integrated annual report for FY22 to you, the shareholders of the Phuthuma Nathi share scheme. As you will know, Phuthuma Nathi owns a 25% direct investment in MultiChoice SA, which means that Phuthuma Nathi shareholders have an indirect interest in MultiChoice SA through the Phuthuma Nathi share scheme. Phuthuma Nathi is proud to have 78 515 black shareholders as at year-end (FY21: 80 229), comprising individuals, stokvels and black-owned companies, all of whom benefit from an efficient holding structure with a robust underlying investment.

On page 14, we provide a summary to help you understand how to think about your return on your investment in Phuthuma Nathi. In short though, the scheme has continued to deliver value to our shareholders in the year gone by. We paid out ZAR1.5bn in dividends to shareholders in FY22, bringing the historic tally of dividends paid to Phuthuma Nathi by MultiChoice SA since inception to ZAR14.9bn. More on the current year's dividends can be found further below.

We would like to remind our shareholders that some of their annual Phuthuma Nathi dividends, which have been declared since the share scheme started in 2006, remain unclaimed. A media campaign was launched in FY21 to find these shareholders to pay them the money that is rightfully theirs. To date, more than ZAR79m of unclaimed dividends have been paid but there is still ZAR183m remaining to be claimed. We sincerely hope to pay at least the bulk of this outstanding balance to its rightful owners in due course.

The year in review

MultiChoice SA serves customers and employs people from all walks of South African life and are thus acutely attuned to the many challenges that our country faces on an ongoing basis and has faced in the past year. COVID-19 and its associated lockdowns, and last year's riots in KwaZulu-Natal and parts of Gauteng, negatively impacted an already weak economy.
As we started our new financial year 2023, the KwaZulu-Natal region was impacted by severe flooding which damaged critical infrastructure and hampered

economic activity and tourism over the Easter period. Unemployment reached a record 35.3% in the fourth quarter of 2021, before declining only marginally into the first quarter of 2022, and many families are struggling with growing indebtedness and the rising cost of living. As such, we feel fortunate that MultiChoice SA's resilient performance enables Phuthuma Nathi to continue to support its shareholders and positively impact their lives.

Despite the challenges in our economy and pressures on consumer discretionary income, MultiChoice SA was able to sustain its subscriber numbers and subscription revenue base in FY22, with both up 1% YoY. A strong recovery in advertising meant that overall revenues grew by 6% YoY, while ongoing cost controls partially offset the normalisation of content and sales and marketing costs in the current year, and enabled MultiChoice SA to maintain its dividend. Please refer to the performance section on page 54 for more information about how the MultiChoice SA management team delivered operationally in FY22 and the financial review section on page 66 for additional context on their financial delivery.

If you previously exchanged a portion of your Phuthuma Nathi shares for MultiChoice Group shares, or have bought MultiChoice Group shares directly and would like to know more about the broader group's performance, I recommend visiting the MultiChoice Group website www.investors.multichoice.com/reporting-and-results-overview, for their full integrated annual report and other financial reporting information.

Share price

With regard to the Phuthuma Nathi share price, it is important to remember that directly or indirectly investing in a company represents a share of ownership in that company, and as owners of that company, you participate in the good and bad times. Company share prices fluctuate over time, and it is important to contextualise these fluctuations by assessing the company's underlying performance and prospects in the context of current and expected market conditions.

In FY20, a decline in the Phuthuma Nathi share price reflected the challenging operating environment and pressure on equity markets from the COVID-19 pandemic and associated lockdowns. In FY21, our share price recovered along with global equity markets. In FY22, the share price increased from ZAR133 per share at 31 March 2021 to ZAR141 per share at 31 March 2022. A 6% share price increase YoY was lower than the broader South African stock market price return of 14%, but Phuthuma Nathi paid a higher dividend as a percentage of its share price than the broader market did on average (with price and dividend comparisons based on the JSE All Share Index over the same period as the Phuthuma Nathi financial year 2022).[1] The Phuthuma Nathi share price will not necessarily track broader equity market trends or MultiChoice SA's underlying performance exactly, as the share price is ultimately influenced by demand from those wishing to buy shares and supply from those wishing to sell shares, which incorporate factors like growth and dividend prospects.

Dividend

The MultiChoice SA board has recommended a dividend of ZAR6.0bn to its shareholders. The Phuthuma Nathi board intends to distribute the full value received and declare a dividend of ZAR1.5bn (FY21: ZAR1.5bn). This amounts to ZAR22.22 per Phuthuma Nathi ordinary share to be paid to shareholders (FY21: ZAR22.22).

The declaration of the ZAR1.5bn Phuthuma Nathi dividend is subject to the approval of the MultiChoice SA ZAR6.0bn dividend, which will be confirmed at the MultiChoice SA AGM on 24 August 2022. On approval, the Phuthuma Nathi dividend will be payable to shareholders recorded in the share register on 24 August 2022 and paid on or about 5 September 2022.

After the 20% dividend tax (amounting to ZAR4.44 per share) is deducted, Phuthuma Nathi shareholders will receive a net dividend of ZAR17.78 per share (FY21: ZAR17.78).

[1] The FTSE/JSE All Share Index represents 99% of the full market capital value of the ordinary securities listed on the main board of the JSE and is a commonly referenced benchmark that represents the broad equity price and dividend returns for the South African market.

Letter from the Phuthuma Nathi chair continued

"A strong recovery in advertising this year meant that overall revenues grew by 6% YoY, while ongoing cost controls partially offset the normalisation in content, sales and marketing costs in the current year and enabled MultiChoice SA to maintain its dividend."

Directors and company secretary

During FY22, the Phuthuma Nathi board consisted of four directors: Calvo Mawela, Clarissa Mack, Mandla Langa and Herman Wessels. Carmen Miller is the company secretary.

The profiles of the current directors are on page 15.

Closing

The MultiChoice SA and Phuthuma Nathi AGMs will be held on Wednesday, 24 August 2022 at 11:00. The AGM will be held at MultiChoice City 144 Bram Fischer Drive, Ferndale, Randburg.

The company reserves the right to amend the means by and manner in which the AGM is convened, as well as any details regarding the process for registration and submission of forms of proxy, by notifying shareholders by no later than seven days prior to the date of the AGM through the issue of an announcement on the EESE website and/or publishing a notice on the company's corporate website and/or publishing a notice in widely circulated print media and/or any other means that the board of the company may determine appropriate for such notification to shareholders.

The AGM will be broadcast live on DStv channel 196. To watch the live broadcast, shareholders must submit the form on page 138 to phuthumanathi@singularservices.co.za by 10:45 SAST on Friday, 19 August 2022 to enable processing.

From myself and my colleagues on the board, thank you for your continued support. I look forward to engaging with you at our AGM.

As always, we welcome your feedback and input on our integrated annual report and on how we can continue improving our reporting in the future. Please share your feedback with us by emailing cosec@multichoice.com.

Mandla Langa
Chair: Phuthuma Nathi

Group structure[1]

Phuthuma Nathi (listed on the EESE)	MultiChoice SA (unlisted entity)	MultiChoice Group (listed on the JSE)
The Phuthuma Nathi share scheme offers qualifying shareholders the opportunity to gain indirect exposure to MultiChoice SA by owning shares in Phuthuma Nathi.	MultiChoice SA is the leading video entertainment service in South Africa, providing world-class local and international content to 9.0m subscribers.	The MultiChoice Group is the parent company of MultiChoice SA, MultiChoice Africa Holdings, Showmax Africa and Irdeto. The MultiChoice Group has been listed on the JSE since 2019.

[1] *This graphic reflects the operational structure of the business and may differ from the legal structures.*
[2] *MultiChoice Group holds 5.7% of Phuthuma Nathi due to the share swap transaction implemented in October 2019.*

Understanding Phuthuma Nathi

Snapshot of our history

2006 to 2008

Phuthuma Nathi launched

Phuthuma Nathi 1 was launched in 2006, and Phuthuma Nathi 2 (a smaller replica) was launched in 2007. As one of the largest BBBEE transactions in South Africa, the schemes acquired a combined 20% stake in MultiChoice SA.

2011

Trading started

The shares began trading publicly on 8 December 2011.

2014

Debt paid off

MultiChoice SA's strong financial performance enabled substantial dividend payments to Phuthuma Nathi, thereby enabling Phuthuma Nathi to repay its vendor loan in 2014 – two years ahead of schedule – while maintaining dividend payments to Phuthuma Nathi shareholders.

2019

Phuthuma Nathi shareholding in MultiChoice SA increased to 25%

To underpin the commitment by MultiChoice SA and Naspers to socio-economic transformation and BBBEE, Naspers and MultiChoice SA allocated an additional 5% stake in MultiChoice SA to Phuthuma Nathi for no consideration.

Phuthuma Nathi 1 and Phuthuma Nathi 2 combined

In FY19, shareholders voted to combine the two schemes into one scheme. The transaction resulted in a one-to-one swap of Phuthuma Nathi 2 for Phuthuma Nathi shares. As a result, Phuthuma Nathi 2 is owned by Phuthuma Nathi, and all shareholders hold shares in Phuthuma Nathi.

Share swap completed

Phuthuma Nathi shareholders were offered the option to exchange some of their shares in Phuthuma Nathi for shares in the MultiChoice Group. Following extensive engagements, shareholders representing a combined 5.7% shareholding in Phuthuma Nathi accepted this offer.

2015

Full dividend paid

Following the settlement of the outstanding vendor loan, Phuthuma Nathi shareholders received their first full dividend payment amounting to ZAR1.2bn.

2021

Latest dividend paid

Phuthuma Nathi shareholders continued to benefit from dividend payments, receiving ZAR1.5bn in September 2021 following approval at the 2021 AGM despite a challenging economic environment. This took the total amount in dividends paid out to Phuthuma Nathi shareholders since inception to ZAR14.9bn.

Understanding Phuthuma Nathi

Understanding your return on investment

As a Phuthuma Nathi investor, it is important to understand how your shares can potentially create value over time. Through Phuthuma Nathi, MultiChoice SA has provided long-term, impactful benefits to its BBBEE shareholders, with an estimated total return on investment of approximately 30 times since inception[1].

Cash flow returns through dividends

The directors may choose to pay dividends to shareholders periodically. While dividends are never guaranteed as they depend on how well the company performs, among other considerations, they offer shareholders liquid cash distributions as and when declared.

Capital growth through share price increases

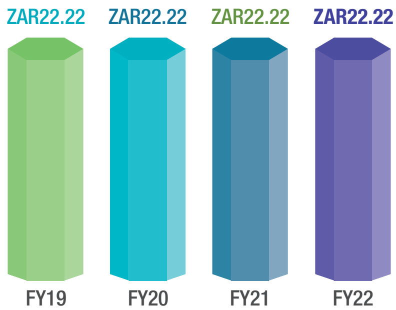
Over time, the shares in a company may become increasingly valuable depending on how well the company performs and how much demand there is for ownership of its shares. This is referred to as capital growth. It is important to remember that the value of shares can also decline if a company is performing poorly or if the demand for ownership of its shares declines.

For example, if you purchased a Phuthuma Nathi share at inception for ZAR10 per share, it would have been worth ZAR141 per share at 31 March 2022[2]. This means an initial investment of ZAR10 has generated capital growth of roughly 19% per year.

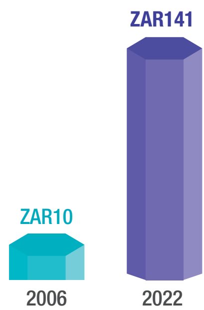
ZAR14.9bn

in dividends paid since inception

Dividend declared per Phuthuma Nathi share[3]



Capital growth through share price increase



(1) This total return includes the value of capital held and dividends received but assumes that the dividends were not reinvested by shareholders into Phuthuma Nathi shares, and excludes the impact of exchanging a portion of the Phuthuma Nathi shares held for MultiChoice Group shares in FY20 for any shareholder who may have elected to do so.

(2) Based on the last publicly traded value on EESE on 31 March 2022.

(3) Dividends are declared and paid post the financial year-end, e.g. the FY22 dividend was declared in June 2022 and will be paid in September 2022, subject to approval of the MultiChoice SA dividend in August 2022. Dividend declared subject to dividend withholding tax, e.g. FY22 dividend declared of ZAR22.22 per share equates to a net dividend of ZAR17.78 per share after dividend withholding tax of 20%.

Our Phuthuma Nathi board of directors

Mandla Langa (72)

Chair and independent non-executive director

BA (English and Philosophy) and MA (Creative Writing)

Appointed 4 August 2006

South African

Mandla was the chair of MultiChoice SA from 2007 to 2010 and chair of the Independent Communications Authority of South Africa (ICASA) from 1999 to 2005. He participated in various arts programmes and conferences throughout Africa. In 2007, he received South Africa's National Order of Ikhamanga (Silver) for literary, journalistic and cultural achievements and in 2009, a Living Legends award from the eThekwini municipality. A number of his works have been published. He was editor-at-large of leadership, programme director for television (TV) at the South African Broadcasting Corporation and his fourth novel, *The Lost Colours of the Chameleon*, won the 2009 Commonwealth Writer's Prize – Africa region. His directorships include Primedia, Phuthuma Nathi and South African Screenwriters' Laboratory. Mandla is a recipient of honorary doctorates from the University of Fort Hare, the University of the Witwatersrand and the University of Pretoria. He received his Master of Arts in Creative Writing from the University of the Witwatersrand and was a fellow at Stellenbosch Institute of Advanced Studies.

Herman Wessels (77)

Independent non-executive director

BCom, CTA and CA(SA)

Appointed 12 May 2021

South African

Herman is a chartered accountant (BCom, CTA and CA(SA)) and was a partner at PricewaterhouseCoopers Inc (PwC) from 1972 to 2005. He serves as a director of Keeromstraat 30 Beleggings and Naspers Beleggings, Swiss Re Life and Health Africa and Just Retirement South Africa.

Calvo Mawela (46)

Independent non-executive director

BSc Eng (Electrical)

Appointed 12 July 2019

South African

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

Clarissa Mack (54)

Independent non-executive director

LLB and LLM

Appointed 5 July 2007

South African

Clarissa is the regulatory group executive for the MultiChoice Group. She graduated with an LLB from the University of Cape Town and soon after completed a Master's in Law at Georgetown University in Washington DC. She also holds a Diploma in Economics for Competition Law from King's College London. After serving her legal articles at Cheadle, Thompson & Haysom attorneys, she joined M-Net, and later MultiChoice SA and MIH. Clarissa was intimately involved in the launch of the current Phuthuma Nathi scheme.

Phuthuma Nathi audit committee report

The audit committee has pleasure in submitting this report, as required by section 94 of the Companies Act.

Responsibilities

The committee has adopted formal terms of reference, delegated by the board of directors, as set out in its charter. The committee has discharged its responsibilities in terms of its charter and ascribed to it in terms of the Companies Act as follows:

Financial controls

- Review and approve for presentation to and approval by the board, the company's integrated annual report and annual financial statements. These reviews included:
  - Taking appropriate steps to ensure the annual financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act
  - Considering and, when appropriate, making recommendations on internal financial controls
  - Reviewing key audit matters raised by the external auditor and management's response thereto
  - Compiling a report to be inserted in the annual financial statements, describing how the audit committee carried out its functions
  - Disclose in the integrated annual report significant matters that the audit committee has considered in relation to the annual financial statements, and how these were addressed by management
  - Reviewed the ability of the company to continue as a going concern, including an analysis of the group's liquidity and solvency and recommend it to the board for approval

External auditor

- Receive all audit reports directly from the external auditor
- Annually review the external auditor's performance and disclose the committee's views on the quality of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators
- Present the committee's conclusions on the external auditor to the board, preceding the annual request to shareholders to approve the appointment of the external auditor
- Approve the external auditor's terms of engagement and remuneration
- Evaluate and provide commentary on the external auditor's audit plans, scope of findings, identified issues and reports
- Develop a policy for the board to approve non-audit services performed by the external auditor
- Approve non-audit services provided by the external auditor in accordance with this policy

Members of the audit committee

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

The names of the members who were in office during 2022, and up to the date of this report, are reflected below.

Name of committee member	Qualification
Calvo Mawela*	BSc Eng (Electrical)
Mandla Langa	Diploma in Offset Litho Printing (London College of Printing) and Certificate in Periodical Journalism (University of London)
Clarissa Mack	LLB – University of Cape Town
Herman Wessels**	BCom, CTA and CA(SA)

** Resigned effective 9 June 2021.*
*** Appointed 12 May 2021.*

The committee members as at the date hereof are recommended for election as committee members by shareholders at the AGM to be held on 24 August 2022.

Attendance

The external auditor, in their capacity as auditor to the company, attended and reported at the meeting of the audit committee. Relevant managers attended meetings by invitation.

Mandatory audit firm rotation and external auditor for 2024

During 2021, the company commenced its process in line with the Independent Regulatory Board for Auditors' mandatory audit firm rotation regulations, which requires the company to rotate auditors at the latest by 2024 (the period from 1 April 2023 to 31 March 2024). After a formal selection process concluded during 2022, the audit committee has selected EY as the recommended external auditors from 2024.

Confidential meetings

Audit committee agendas provide for confidential meetings between the committee members and the external auditor.

Independence of external auditor

During the year under review, the audit committee reviewed a representation by the external auditor and, after conducting its own review, confirmed the independence of the auditor.

Expertise and experience of finance function

The committee satisfied itself that the composition, experience and skills set of the finance function met the company's requirements.

Discharge of responsibilities

The committee determined that during the financial year under review it had discharged its legal and other responsibilities as outlined in terms of the Companies Act. The board concurred with this assessment.

Mandla Langa
Chair: Audit committee
9 June 2022

Independent auditor's report on the summary consolidated and separate financial statements

To the shareholders of Phuthuma Nathi Investments (RF) Limited

Opinion

The summary consolidated and separate financial statements of Phuthuma Nathi Investments (RF) Limited, set out on pages 19 to 29, which comprise the summary consolidated and separate statements of financial position as at 31 March 2022, the summary consolidated and separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated and separate financial statements of Phuthuma Nathi Investments (RF) Limited for the year ended 31 March 2022.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with IAS 34, *Interim Financial Reporting*, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated and separate financial statements

The summary consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.

The audited consolidated and separate financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 9 June 2022.

Director's responsibility for the summary consolidated and separate financial statements

The directors are responsible for the preparation of the summary consolidated and separate financial statements in accordance with IAS 34 *Interim Financial Reporting* and the requirements of the Companies Act of South Africa as applicable to summary financial statements[1].

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: A.M. Motaung
Registered Auditor

Johannesburg, South Africa
28 July 2022

[1] *The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.*

Summarised annual financial statements

Consolidated and company statements of financial position

as at 31 March 2022

		Group		Company	
	Notes	**2022 ZAR'000**	2021 ZAR'000	**2022 ZAR'000**	2021 ZAR'000
Assets					
Non-current assets		**6 684 423**	6 638 918	**6 684 423**	6 638 918
Investment in associate	2	**6 684 423**	6 638 918	**6 684 423**	6 638 918
Current assets		**195 898**	178 044	**195 898**	178 044
Trade and other receivables		**140 788**	107 355	**140 788**	107 355
Cash and cash equivalents		**55 110**	70 689	**55 110**	70 689
Total assets		**6 880 321**	6 816 962	**6 880 321**	6 816 962
Equity and liabilities					
Equity reserves attributable to the company's equity holders		**6 681 961**	6 637 032	**6 681 961**	6 637 032
Share capital and premium		**2 814 075**	2 814 075	**2 814 075**	2 814 075
Other reserves		**347 681**	406 673	**347 681**	406 673
Accumulated profit		**3 520 205**	3 416 284	**3 520 205**	3 416 284
Current liabilities		**198 360**	179 930	**198 360**	179 930
Other payables		**198 360**	179 930	**198 360**	179 930
Total equity and liabilities		**6 880 321**	6 816 962	**6 880 321**	6 816 962

The accompanying notes form an integral part of these summarised consolidated and company annual financial statements.

Summarised annual financial statements continued

Consolidated and company statements of profit or loss

for the year ended 31 March 2022

	Group		Company	
	2022 ZAR'000	2021 ZAR'000	**2022 ZAR'000**	2021 ZAR'000
Operating expenses	**(576)**	(743)	**(576)**	(743)
Operating loss	**(576)**	(743)	**(576)**	(743)
Share of equity-accounted results of associate	**1 604 497**	1 975 090	**1 604 497**	1 975 090
Profit before taxation	**1 603 921**	1 974 347	**1 603 921**	1 974 347
Taxation	**–**	–	**–**	–
Profit for the year	**1 603 921**	1 974 347	**1 603 921**	1 974 347
Earnings per share				
Earnings per share based on 67 500 000 (2021: 67 500 000) issued shares	**23.76**	29.25	**23.76**	29.25

The accompanying notes form an integral part of these summarised consolidated and company annual financial statements.

Consolidated and company statements of comprehensive income

for the year ended 31 March 2022

	Group		Company	
	2022 ZAR'000	2021 ZAR'000	**2022 ZAR'000**	2021 ZAR'000
Net profit for the year	**1 603 921**	1 974 347	**1 603 921**	1 974 347
Total other comprehensive income, net of tax, for the year:				
Items that may be reclassified subsequently to profit or loss				
Share of comprehensive income of equity-accounted investments	**(58 992)**	(889 516)	**(58 992)**	(889 516)
Total comprehensive income	**1 544 929**	1 084 831	**1 544 929**	1 084 831

The accompanying notes are an integral part of the summary consolidated and company annual financial statements.

Consolidated and company statements of changes in equity

for the year ended 31 March 2022

Group	Share capital and share premium ZAR'000	Other reserves ZAR'000	Accumulated profit ZAR'000	Total equity ZAR'000
Balance at 1 April 2020	**2 814 075**	**1 296 189**	**2 941 223**	**7 051 487**
Profit for the year	–	–	1 974 347	1 974 347
Other comprehensive loss	–	(889 516)	–	(889 516)
Liquidation distribution	–	–	714	714
Dividends declared	–	–	(1 500 000)	(1 500 000)
Balance at 31 March 2021	**2 814 075**	**406 673**	**3 416 284**	**6 637 032**
Profit for the year	**–**	**–**	**1 603 921**	**1 603 921**
Other comprehensive loss	**–**	**(58 992)**	**–**	**(58 992)**
Dividends declared	**–**	**–**	**(1 500 000)**	**(1 500 000)**
Balance at 31 March 2022	**2 814 075**	**347 681**	**3 520 205**	**6 681 961**
Company				
Balance at 1 April 2020	**2 814 075**	**1 296 189**	**2 941 325**	**7 051 589**
Profit for the year	–	–	1 974 347	1 974 347
Other comprehensive loss	–	(889 516)	–	(889 516)
Liquidation distribution	–	–	612	612
Dividends declared	–	–	(1 500 000)	(1 500 000)
Balance at 31 March 2021	**2 814 075**	**406 673**	**3 416 284**	**6 637 032**
Profit for the year	**–**	**–**	**1 603 921**	**1 603 921**
Other comprehensive loss	**–**	**(58 992)**	**–**	**(58 992)**
Dividends declared	**–**	**–**	**(1 500 000)**	**(1 500 000)**
Balance at 31 March 2022	**2 814 075**	**347 681**	**3 520 205**	**6 681 961**

The accompanying notes form an integral part of these summarised consolidated and company annual financial statements.

Understanding Phuthuma Nathi

Summarised annual financial statements continued

Consolidated and company statements of cash flows

for the year ended 31 March 2022

	Notes	**Group**		**Company**	
		2022 ZAR'000	2021 ZAR'000	**2022 ZAR'000**	2021 ZAR'000
Cash flows from operating activities					
Cash outflow from operations		**(52 384)**	(52 988)	**(52 384)**	(52 612)
Dividends received from associate	2	**1 500 000**	1 500 000	**1 500 000**	1 500 00
Net cash generated from operating activities		**1 447 616**	1 447 012	**1 447 616**	1 447 388
Cash flows from financing activities					
Dividends paid to ordinary shareholders		**(1 463 195)**	(1 471 026)	**(1 463 195)**	(1 471 026)
Liquidation distribution		**–**	714	**–**	612
Net cash utilised in financing activities		**(1 463 195)**	(1 470 312)	**(1 463 195)**	(1 470 414)
Net movement in cash and cash equivalents		**(15 579)**	(23 300)	**(15 579)**	(23 026)
Cash and cash equivalents at the beginning of the year		**70 689**	93 989	**70 689**	93 715
Cash and cash equivalents at the end of the year		**55 110**	70 689	**55 110**	70 689

The accompanying notes form an integral part of these summarised consolidated and company annual financial statements.

Notes to the annual financial statements

for the year ended 31 March 2022

1. Basis of preparation

The summarised consolidated and company financial statements are prepared in accordance with the requirements of the Companies Act applicable to summarised financial statements. The summarised financial statements were prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated and company annual financial statements from which the summary consolidated and company financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous annual financial statements.

The Phuthuma Nathi Investments (RF) Limited group and company have adopted all new and amended accounting pronouncements as issued by the International Accounting Standards Board, which were effective for financial years commencing on 1 April 2021.

A copy of the full audited consolidated and company annual financial statements is available for inspection from the company secretary at the registered office of the group or can be downloaded from the group's website: www.phuthumanathi.co.za/information/financial-reporting/.

Summarised annual financial statements continued

Notes to the annual financial statements
for the year ended 31 March 2022

2. Investments in associates

The company's total investment in MultiChoice SA is 25% (2021: 25%) as at the end of the financial period.

The principal activity of MultiChoice SA is the operation of video entertainment services. This is an unlisted investment that is accounted for using the equity method of accounting.

	Group and Company	
	2022 ZAR'000	2021 ZAR'000
Movement in carrying amount		
At the beginning of the year	**6 638 918**	7 053 344
Share of net profit	**1 604 497**	1 975 090
Share of changes in other reserves	**(58 992)**	(889 516)
Dividends received	**(1 500 000)**	(1 500 000)
	6 684 423	6 638 918
Analysis of carrying amount		
Cost	**2 250 000**	2 250 000
Additional investment	**2 364 075**	2 364 075
Share of equity-accounted results of associate	**(1 149 728)**	(40 195)
Share of changes in associate's other comprehensive income	**2 369 069**	1 214 031
Gain on empowerment transaction	**851 007**	851 007
At the end of the year	**6 684 423**	6 638 918
Reconciliation of carrying amount		
Share of net assets of associate	**3 174 191**	2 883 720
Notional goodwill on initial acquisition	**1 910 000**	1 910 000
Fair value uplift on net identifiable assets	**1 512 262**	1 757 228
Notional goodwill on additional investment	**87 970**	87 970
Carrying amount	**6 684 423**	6 638 918

There has been no objective evidence of impairment of the associate in the current or prior years.

Notes to the annual financial statements

for the year ended 31 March 2022

2. Investments in associates continued

Summarised financial information of unlisted associate as per its annual financial statements

	Group and Company	
	2022 ZAR'm	2021 ZAR'm
Summarised statement of financial performance		
Revenue	**43 350**	41 034
Cost of providing services and sale of goods	**(23 218)**	(20 247)
Gross profit	**20 132**	20 787
Other operating (losses)/gains	**(277)**	41
Net impairment loss on trade receivables	**(88)**	(121)
Selling, general and administration costs	**(9 116)**	(8 683)
Operating profit	**10 651**	12 024
Interest income	**393**	330
Net foreign exchange translation (losses)/gains	**(275)**	701
Reversal of impairment of equity-accounted investments	**8**	–
Share of equity-accounted results	**8**	(18)
Interest expense	**(603)**	(649)
Profit before taxation	**10 182**	12 388
Taxation	**(2 930)**	(3 536)
Profit after taxation	**7 252**	8 852
Other comprehensive loss	**(449)**	(2 734)
Total comprehensive income	**6 803**	6 118

Summarised annual financial statements continued

Notes to the annual financial statements

for the year ended 31 March 2022

2. Investments in associates continued

Summarised consolidated statement of financial position

	Group and Company	
	2022 ZAR'm	2021 ZAR'm
Assets		
Non-current	**13 835**	14 706
Current	**18 573**	17 688
Total assets	**32 408**	32 394
Liabilities		
Non-current	**7 771**	9 658
Current	**11 940**	11 197
Total liabilities	**19 711**	20 855
Total net assets		
Equity reserves attributable to the company's equity holders	**12 697**	11 534
Non-controlling interests	**–**	5
	12 697	11 539
Reconciliation of equity reserves carrying amount		
Opening net assets	**11 534**	12 212
Profit for the period	**7 272**	8 847
Other comprehensive loss	**(449)**	(2 734)
Share-based payment reserve	**(55)**	(37)
Dividends declared	**(5 979)**	(5 979)
Hedging reserve basis adjustment	**402**	(775)
Transactions with non-controlling shareholders	**(28)**	–
Closing net assets	**12 697**	11 534
Group and company share (%)	**25**	25
Group and company share (ZAR)	**3 174**	2 884

Notes to the annual financial statements

for the year ended 31 March 2022

3. Related parties

Associate – MultiChoice South Africa Holdings Proprietary Limited
Subsidiary of associate – MultiChoice South Africa Proprietary Limited

	Group and Company	
Dividends received	**2022 ZAR'000**	2021 ZAR'000
MultiChoice South Africa Holdings Proprietary Limited	**1 500 000**	1 500 000
Amounts due to related parties		
MultiChoice South Africa Proprietary Limited	**6 959**	4 905

The above current balance, with MultiChoice South Africa Proprietary Limited, is unsecured, interest free and has no fixed terms of repayment.

As per the memorandum of incorporation (MOI), Phuthuma Nathi Investments (RF) Limited shall not earn any revenue and/or incur any expenses related to the trading of Phuthuma Nathi Investments (RF) Limited shares. MultiChoice South Africa Proprietary Limited shall incur all expenses related to the trading of Phuthuma Nathi Investments (RF) Limited shares.

MultiChoice South Africa Proprietary Limited has earned and incurred the following income and expenses related to the trading of Phuthuma Nathi shares for the year ended 31 March 2022 in terms of the MOI requirements:

	Group		Company	
	2022 ZAR'000	2021 ZAR'000	**2022 ZAR'000**	2021 ZAR'000
Income	**1 492**	2 025	**1 492**	2 025
Expenses	**(14)**	(17)	**(14)**	(17)
Other amounts received/(paid)	**576**	(5 206)	**576**	(5 104)
	2 054	(3 198)	**2 054**	(3 096)

Related party income relates to interest earned on unclaimed dividends and expenses relate to bank charges on bank accounts and audit fees paid by MultiChoice SA on behalf of the group. Other amounts received/(paid) relate to repayments of the outstanding balances during the year.

Transactions with non-executive directors

As per the MOI, directors of Phuthuma Nathi Investments (RF) Limited shall not earn directors' fees from either the company or any related company as compensation for their duties as Phuthuma Nathi Investments (RF) Limited directors.

Summarised annual financial statements continued

Notes to the annual financial statements

for the year ended 31 March 2022

3. Related parties continued

Non-executive directors' shareholdings

The directors of Phuthuma Nathi Investments (RF) Limited had the following interests in Phuthuma Nathi Investments (RF) Limited ordinary shares as at 31 March 2022:

Name	**Number of shares held 2022**	Number of shares held 2021
CP Mack*	**50 001**	50 001
M Langa*	**4 582**	4 582
C Mawela*	**4 000**	4 000
	58 583	58 583

** Shares were purchased by directors at the fair market value per share.*

Notes to the annual financial statements

for the year ended 31 March 2022

4. Subsequent events

Dividends

The MultiChoice SA board recommends a dividend of ZAR6.0bn (2021: ZAR6.0bn) to its shareholders. The Phuthuma Nathi board will declare a dividend of ZAR1.5bn (2021: ZAR1.5bn) to be declared and paid in FY23. This amounts to 2 222.22 cents per Phuthuma Nathi ordinary share to be paid to shareholders (2021: 2 222.22 cents).

The declaration of this dividend is subject to the approval of the MultiChoice SA board, which will be confirmed at the MultiChoice SA AGM on 24 August 2022. On approval, the Phuthuma Nathi dividend will be payable to shareholders in the share register on 24 August 2022 and paid on or about 5 September 2022.

After the 20% dividend tax, amounting to 444.44 cents per share is removed, Phuthuma Nathi shareholders will receive a net dividend of 1 777.78 cents per share (2021: 1 777.78 cents per share).

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

Understanding MultiChoice SA

Phuthuma Nathi's underlying investment


A
ZULU
CHRISTMAS


THE
SATURDAY
SHOWDOWN
STARTS
4 JUNE 18:30

Understanding MultiChoice SA

Joint leadership review from the MultiChoice SA chair and chief executive officer

Imtiaz Patel
Chair

Calvo Mawela
CEO

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

> "We are eternally grateful to our employees for sustaining productivity and execution through such a challenging period in their lives..."

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

Our FY22 performance was impacted by elevated subscriber activity in the preceding year, where our base grew by 0.5m relative to 0.1m in the current year. On the positive side, our advertising and commercial subscription businesses recovered well, but slower subscriber growth and the deferral of content and marketing costs from FY21 to the current year resulted in our profitability being marginally lower.

We unpack our operating performance in the MultiChoice SA performance section on pages 54 to 64 but wanted to flag a few highlights as acknowledgement of the hard work and impressive results our teams are delivering on the ground.

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

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

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

> "Looking ahead, we aim to further scale our video entertainment platform…
>
> …as a trusted household brand, we remain committed to keep enriching the lives of our customers."

Looking ahead, our performance is likely to be affected by the prevailing macro-economic challenges in South Africa. Nonetheless, we aim to further scale our video entertainment platform across our traditional linear pay-TV, OTT and aggregation platforms while managing pricing according to consumer affordability. We will continue to focus on tight cost management and efficiency drives to support the group's profit and cash flow momentum.

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

Imtiaz Patel
Chair

Calvo Mawela
Chief executive officer

Understanding MultiChoice SA

How we create value – our business model

Business activities

Curate great content through M-Net, SuperSport and Showmax

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

Aggregate channels into tiered packages

Sell advertising slots on select channels through DStv Media Sales

DStv Premium | DStv Compact Plus | DStv Compact | DStv Family | DStv Access | DStv EasyView

Distribute content to customers across multiple platforms

Satellite technology

OTT technology

Launch new products and services

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

Sales and customer experience

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

What we deliver – our products and services

Satellite pay-TV

DStv direct to home [1]

Six core DStv packages

Offered at price points ranging from ZAR29 to ZAR839 per month

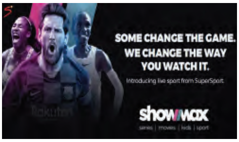
150 linear channels

With **commercial advertising** sales via DStv Media Sales

On-demand service

Catch Up, movie package **(ADD Movies)** and movie rental **(BoxOffice)** services

SVOD[2] service



Showmax provides standard, mobile and sports-inclusive **(Showmax Pro)** service options

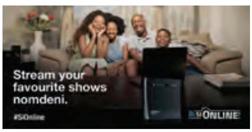
Streaming service

DStv Streaming is offered as a value-added service for direct to home customers or as a standalone streaming service

Connected devices

DStv Explora Ultra decoder with built-in internet connectivity complements our existing set-top box models with our new **Streama** to follow in FY23

Value-added services



Additional value-added services like **DStv Rewards,** our **DStv Insurance products** and more recently **DStv Internet**

Aggregated services

Third-party SVOD services available through our DStv Explora Ultra set-top box

(1) We also offer digital terrestrial television services through our GOtv brand via the Sentech network (subscriber base is immaterial).
(2) Subscription video on demand.

Understanding MultiChoice SA

Value created for our stakeholders

We strive to create value holistically for all our stakeholders, creating mutually beneficial relationships based on trust and integrity. As a proud contributor to socio-economic development in South Africa, we recognise the role we play in creating value for our direct and indirect shareholders, employees, suppliers, regulators and broader communities.

Value created

ZAR28.9bn subscription revenue + **ZAR3.3bn** advertising revenue + **ZAR11.2bn** other revenue[1] = **ZAR43.4bn** total value created from customers

[1] *Other revenue includes decoder sales, installation fees, programming and sub-licensing and revenues, and reconnection fees.*

Value distributed

Customers

- 24/7/365 entertainment anytime and anywhere through packages and streaming services tailored to their needs and budgets
- Unique local content that tells South African stories and local creative talent development
- World-class sports viewing and development of local sporting codes and talent on SuperSport
- Extensive international content access through licensing and distribution agreements
- A growing platform offering additional entertainment and household consumer products and services
- Dynamic media services to access and advertise to both broadcast and online audiences

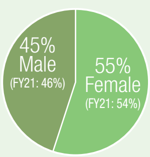
People

3 620
people permanently employed
(FY21: 3 683)

ZAR3.7bn
paid in remuneration and benefits
(FY21: ZAR3.4bn)

191 073
enrolments on learning platform
(FY21: 55 185)

Employee gender diversity



ZAR190m
spent on skills development, of which 48% related to developing female talent
(FY21: ZAR188m; 44%)

1 556
Employees formally trained
(FY21: 1 061)

Shareholders

ZAR10.8bn
trading profit[1]
(FY21: ZAR11.7bn)

ZAR7.3bn
core headline earnings
(FY21: ZAR8.5bn)

ZAR6.0bn
dividend declared
(FY21: ZAR6.0bn)

Government and regulators

ZAR6.8bn
total tax contribution[2]
(FY21: ZAR7.1bn)

ZAR2.9bn
total tax paid[2]
(FY21: ZAR3.4bn)

ZAR3.8bn
total tax collected[2]
(FY21: ZAR3.7bn)

Suppliers

ZAR13.4bn
spent on local South African suppliers (88% with BBBEE compliant suppliers)
(FY21: ZAR11.5bn; 81%)

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

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

1 127
accredited installers, employing 3 416 trained technicians
(FY21: 1 240 installers; 3 827 technicians)

ZAR18.0bn
invested in content
(FY21: ZAR15.0bn)

ZAR2.7bn
spent on set-top box purchases
(FY21: ZAR2.6bn)

Society

101 students
were trained through the MultiChoice Talent Factory (MTF) in South Africa over the past 7 years

Level 1
BBBEE status

DStv Diski Challenge produced
175 players
who played for national teams

Let's Play
built multipurpose sports fields at four schools

ZAR296m
spent on corporate social investment (CSI) projects
(FY21: ZAR420m)

[1] *Trading profit includes the finance cost on transponder lease liabilities but excludes the amortisation of intangible assets (other than software), impairment of assets, equity-settled share-based payment expenses and other operating gains/losses.*

[2] *The total tax contribution amount reflects all cash taxes paid and collected by MultiChoice SA (and included regulatory fees in FY21, but not from FY22 onwards). The tax paid amount is the actual cash tax incurred and paid by MultiChoice SA in FY22 and includes corporate income tax, property taxes, social security contributions, etc. The tax collected amount reflects taxes not incurred by MultiChoice SA, but taxes that were collected by MultiChoice SA on behalf of revenue authorities (e.g. PAYE and VAT). Totals may not cast due to rounding.*

Understanding MultiChoice SA

Flagship corporate social investment

MultiChoice Talent Factory (MTF)

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

Over the past seven years, 293 storytellers have been trained across the continent. Interns in South Africa produced two anti-vaccination hesitancy public service announcements for the South African Department of Health. In addition, all interns spent 40 days on the Survivor SA season nine production as part of the crew.

SuperSport Let's Play

SuperSport Let's Play gives young people the opportunity to participate in sport activities. Our Let's Play campaign was founded in 2005, and the Lets' Play Physical Education Challenge has reached more than 1.6m children in thousands of schools and communities over the past six years.

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

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

Youth Employment Services

We invested ZAR37.4m in learnerships, internships and apprenticeships across all nine South African provinces through the Youth Employment Services for youth to undergo skills development programmes. This investment has helped create 700 job opportunities and to date, MultiChoice SA has placed 625 learners in permanent roles.

DStv Diski Challenge

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

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

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

DStv Schools Netball Challenge

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

Key focus areas going forward

Our CSI initiatives play an important role in strengthening our brand, developing talent pipelines in TV, film and sport, and sustaining relationships with our stakeholders, including government authorities, partners and customers. Our flagship programmes, notably the DStv Diski Challenge and MTF, will remain an important part of our initiatives.

Understanding MultiChoice SA

Socio-economic transformation initiatives

MultiChoice SA is a level 1 BBBEE company. We are committed to transforming our broader industry and contributing to an inclusive society. We aim to achieve this through initiatives such as our enterprise development and preferential procurement programmes.

Preferential procurement

Our preferential procurement programme supports small, medium and micro-enterprises who play a critical role in growing the economy and job creation. MultiChoice SA's preferential procurement spend was ZAR13.4bn. 88% of this spend was on black-owned businesses, and 25% on black women-owned businesses.

MultiChoice SA's preferential procurement spend was

ZAR13.4bn

88% of this spend was on black-owned businesses, and 25% on black women-owned businesses

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

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

MultiChoice Enterprise Development Trust

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

Since inception, the fund has disbursed ZAR327m in loans, grants and business development expenses to assist beneficiaries in acquiring skills and assets. The number of jobs created by the beneficiaries who received funding this year is 1 200.

We recently launched the MultiChoice Accelerator to develop and connect South African black-owned small and medium enterprises with global investors to unlock business opportunities at Expo 2020 in Dubai. Twenty entrepreneurs participated in the programme and six were selected to participate in Expo 2020 Dubai for a week in January 2022 and pitch their business ideas to global venture capitalists. Our Accelerator programme finalists have gone on to secure more than USD10m in investment from global investors based in the United Arab Emirates.

The initiatives above are just a few of our CSI highlights. The MultiChoice Group supports several other initiatives in communities, more details of which can be found on our website https://www.multichoice.com/enriching-lives.

Our external environment

We operate in a dynamic industry which is impacted by changes in technology as well as customer needs. This requires us to constantly innovate and adapt to shifting circumstances. Our strategy for continued success is to keep enriching lives by using our platform and technology to deliver entertainment and other services that address the everyday needs of our customers.

South African economy

- Macro-economic difficulties include a weak economy (calendar year 2021's growth reflected a recovery on the prior year's sharp decline as a result of COVID-19), ongoing loadshedding, critical policy uncertainty and record unemployment.
- While the inflation rate rose YoY, the inflationary environment remained fairly benign in calendar year 2021, and, in contrast to the prior year, the rand strengthened.

	Real GDP growth[1]		Inflation rate[2]		Exchange rate versus USD[3]	
	2020 (%)	**2021 (%)**	2020 (%)	**2021 (%)**	2020 (%)	**2021 (%)**
South Africa	(6.4)	**4.6**	3.1	**5.9**	(15)	**10**

[1] *GDP data from the World Bank Global Economic Prospects Report (January 2022).*
[2] *Inflation data represents the inflation rates in December of a given year, extracted from the Trading Economics website.*
[3] *Exchange rates represent the average of the month-end rates for the calendar year per the company's accounting system. Positive value indicates a stronger currency against the US dollar and vice versa.*

Consumer behaviour is changing

- Rising smartphone adoption, along with faster mobile internet connections and declining data costs, mean that more consumers are viewing on-demand content on connected devices. These trends are complemented by incremental improvements in fixed broadband connectivity.
- Improving connectivity is a catalyst for new and evolving business models, not only in the video entertainment space, where traditional linear pay-TV and free-to-air services increasingly compete with new paid and advertising supported streaming services, but also in other adjacent sectors.
- Within the video entertainment space, satellite remains the most cost-effective and efficient means of distributing long-form video content at scale to the mass market, but OTT delivery does provide access to a broader variety of services for those that can afford the necessary devices, connectivity costs and OTT services.
- The evolving video entertainment industry is front of mind for MultiChoice SA, and we are focused on capturing the associated opportunities, mitigating the potential risks from disruption and adapting our overall strategy to account for changing trends at the appropriate pace.

Competitive environment

- Our market is increasingly competitive, given vibrant free-to-air operators and a growing number of online competitors, notably in the streaming space, and requires us to offer better value and differentiated services to our customers to remain competitive.

Understanding MultiChoice SA

Our response to COVID-19

It has been more than two years since the World Health Organization declared COVID-19 a global pandemic and, worldwide, governments instituted lockdown measures to varying degrees over that period. In the past year, we implemented a number of initiatives to help combat COVID-19.

We established a vaccination site in Randburg for our employees and their immediate families to receive vaccinations from trained health professionals. Our employees returned to work on 1 February 2022 on a rotational basis and we aligned our COVID-19 policy with the new national regulations.

MultiChoice SA also partnered with trusted organisations such as the United Nations, the Solidarity Fund and the National Department of Health to help propel responsible, factually correct messaging around COVID-19.

We partnered with the Solidarity Fund to support their vaccine rollout campaign, 'When We Come Together'. The campaign provided South Africans with important information on how and where to register for the COVID-19 vaccine, while addressing misinformation that may cause any uncertainty. As the media partner for the campaign, we used our platforms to put forward their messages on social media, in promos, on our local channels and into selected current affairs shows and telenovelas.

We supported the United Nations Verified project in its COVID-19 'Zwakala' campaign. We increased the awareness of the education campaign through public service announcements and placements across our social media platforms. Using powerful and evocative creative elements, the Zwakala campaign aimed to get young people who are fatigued by adhering to COVID-19 rules to demonstrate their support for mask wearing and handwashing by modelling safe behaviour practices for themselves and others.

Our partnership with the Department of Health on its 'Combatting Vaccine Hesitancy' campaign saw us assist with producing public service announcements that encouraged the public to register for the COVID-19 vaccine. Further to this, we amplified support of the messaging to our viewers by leveraging big entertainment moments in the rugby and football seasons for example.

The total value of the airtime donated to these campaigns is ZAR26.1m.


Angels amongst us
GIFTED OR CURSED?
The divine gateway to our ancestors
BEWARE OF IZANGOMA
TOO BLESSED TO STRESS
heaven sent
WHAT ARE THEIR INTENTIONS?
Answering a higher calling
IZANGOMA
ZODUMO

Understanding MultiChoice SA

Opportunities and risks

We actively evaluate and cultivate a pipeline of opportunities that are aligned to our purpose and broad strategy of enriching lives by using our platform and technology to deliver entertainment and other services that address the everyday needs of our customers.

Our opportunities and how we address them

Large and growing addressable core market

We see an opportunity to drive subscriber growth in our core pay-TV business as we target an addressable market of 14.7m customers in South Africa, growing to 15.8m by 2027 (+8%).

Rapidly developing OTT market

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

Deep understanding of our customers' needs

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

Unique understanding of customer experience

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

Sizeable and engaged customer base

We have an 'installed' customer base of 9.0m 90-day active subscribers as at 31 March 2022 (FY21: 8.9m), which creates an opportunity for us to serve additional customer needs beyond entertainment.

Our risks and how they are mitigated

At MultiChoice SA, decision-making is supported by a robust risk management process that identifies and seeks to address potential risks.

Description	Mitigation
Regulatory and licensing We operate in a highly regulated industry where changes in regulatory policy and legislative frameworks can have a significant impact on our business and operating model.	• Our focus remains on full compliance with existing regulations. • We continue engaging with regulators and industry bodies proactively. • We conduct ongoing regulatory reviews and maintain contact with regulatory authorities and public industry bodies. • Our dedicated, experienced teams (internal and external experts) assist with regulatory engagements, responses to inquiries and other projects/submissions. • We promote active engagement with management, government and regulatory authorities about how the proposed regulations could impact the industry.
Economy Macro-economic challenges, such as currency depreciation and volatility, demand for and pricing of commodities, electricity shortages, the impact of the COVID-19 pandemic, high unemployment and inflation place pressure on the economies of the countries where we operate. Consumers are affected by the consequent pressure on disposable income, which potentially affects our addressable market and growth and retention prospects.	• We understand the pressure our customers face, and we remain focused on customer centricity and affordability. This is reflected in our pricing decisions, which are typically below inflation. • We continue focusing on reducing costs and improving efficiencies. • We hedge our foreign exchange exposures for a minimum of 18 months, up to 36 months in terms of our treasury policy. • We continue converting hard currency content costs into local currency where possible. • We offer customers various options suited to their circumstances, supporting value for money with the flexibility to adjust to their unique and changing circumstances. • We continue investing in new products and services to diversify revenue streams into the future.

Opportunities and risks continued

Description	Mitigation
Disruption and competition The landscape remains increasingly competitive with strong global and local competitors and new entrants. Consumers have credible alternatives from multiple sources in terms of video entertainment. Further, there is aggressive competition for content rights when contracts are up for renewal and content providers may choose to go directly to consumers, withdrawing rights from us.	• We understand entertainment and technology are evolving, as are consumption habits. As such, we continuously invest in product and service innovations, and we focus on better products, value and customer service. • Retaining attractive content rights is a priority, as is investing in our platforms and partnerships to maximise mutual benefits. • We are diversifying our product portfolio and service offering by investing in opportunities in areas adjacent to video entertainment to provide a wider array of products and services to our customers. • We continue exploring opportunities for relationships with telecommunications companies and other platforms to enhance our value proposition.
Cybersecurity The security of our information assets is critical and includes content and customer and employee information. Failure to protect these assets poses a legal and reputational risk.	• 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 company'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 the Protection of Personal Information Act and increased our insurance cover to mitigate against risks. • International studios undertake security assessments from time to time in support of their agreements with us. • We have achieved international content protection certification from the Content Delivery and Security Association.

Description	Mitigation
Securing content Access to quality content at the right price is a major business imperative. Content rights, for both general entertainment and sport, are highly sought after. Further, currency fluctuations and renewals can lead to increased costs.	• Rights are regularly reviewed with due consideration for the economic value of each set of rights, and bids are tabled accordingly. • We bid for and secure sports rights, according to rights cycles as determined by sports rights owners. • We continue to aggressively increase our investment in local content. • We employ a mixture of licensing and third-party streaming distribution relationships to cater for a broad range of international content preferences.
Technology Technology is integral to our strategy and operations. For example, the availability and stability of the billing system is critical to the achievement of our strategic objectives. In addition, the stability and scalability of the DStv Streaming and Showmax platforms are imperative to drive our OTT initiatives.	• We invest in improving our existing systems and platforms, and monitoring, innovating and collaborating to offer increased value to customers, which are all a key part of our business plan. • Our IT controls framework, 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. • Rigorous testing programmes are implemented for all software updates and rollouts for our internal systems and platforms. • Redundancy in key equipment and platforms was built at the disaster recovery sites at our Samrand and Isando operational facilities.
Third-party risk management We work with many third parties, and weaknesses and inadequacies in their management could potentially expose our business to a wide range of risks, such as reputational, information security, legal compliance, business interruption and other operational risks.	• Third-party risk management (TPRM) is embedded in the business. An additional risk domain is being added to the process for content security, providing additional risk support to the company during vendor selection and onboarding. • All third parties with whom we do business are subject to this TPRM framework, providing a firm foundation for their effective management. • Ongoing 24/7 monitoring of all third parties with which we do business is a key part of the TPRM framework. • In addition, standard anti-bribery and anti-corruption clauses are added into third-party contracts.

Understanding MultiChoice SA

Opportunities and risks continued

Description	Mitigation
Business continuity management The company must be able to anticipate, prepare for, respond to and recover an appropriate level of service in the event of an interruption. This includes technology failures in broadcasting/digital playout, customer service, billing/payment systems and payroll. The business continuity management programme is focused on people, processes, systems and information.	• Business continuity management is well established in the company and continuously improved. All operational and functional areas in the company have documented and tested business continuity plans. • The business continuity management programme is well governed through internal steering committees, with regular reporting to the board and its committees.
Piracy The illegal retransmission and piracy of content, including illegal connections, file sharing, illegal internet streaming of sports content and the piracy of local content remain key risks to the business.	• Irdeto, a subsidiary of our parent company, MultiChoice Group, offers cybersecurity and anti-piracy solutions to protect our content and combat piracy. • During the year, Irdeto identified and disconnected illegal entertainment services to 0.7m customers across sub-Saharan Africa. • We limited the number of streams through the DStv app to one device at a time to prevent abuse of simultaneous streaming through excessive password sharing with non-subscribers and selling of passwords online.
Talent and skills scarcity To move into the next generation of entertainment services and beyond, we require talent and competence to operate in a data-driven world of big data, machine learning and AI – all areas with skills shortages globally. However, the focus on talent and competence is not limited to these areas.	• The company's reward structures are aimed at retaining employees in key areas and include bonuses and share schemes. • We identify scarce skills and the competencies required. • Focused recruitment of scarce skills remains a priority. • This is supported by programmes designed to develop a pipeline of talent. • We partner with vendors for skills transfer and programmes. • We position our company as an employer of choice.

Our strategic priorities

Key strategic priorities

MultiChoice SA is part of the MultiChoice Group, and the detail of the strategic elements MultiChoice SA drives in that context is shared below.

Lead in content and differentiate in local and sports content

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

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

On the sports front, we remain committed to exciting customers with the best in global sport while carefully managing the cost of acquiring broadcasting rights, by carefully assessing the popularity of certain codes and leagues across subscription tiers and selectively securing exclusivity, among others. We are also the largest funder of sports on the African continent. Our local production capability is unmatched and is globally recognised by peers and sports bodies for its professional expertise and quality. Our production teams have been involved in producing global sports events, including the 2019 Rugby World Cup in Japan, and we will be the host broadcaster for the 2023 Netball World Cup. Through our investment in SuperSport schools, we are making it possible for a much broader audience to follow school matches and are developing tomorrow's sports stars in the process.

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

Our strategic priorities continued

Enhance OTT capabilities and accelerate adoption

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

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

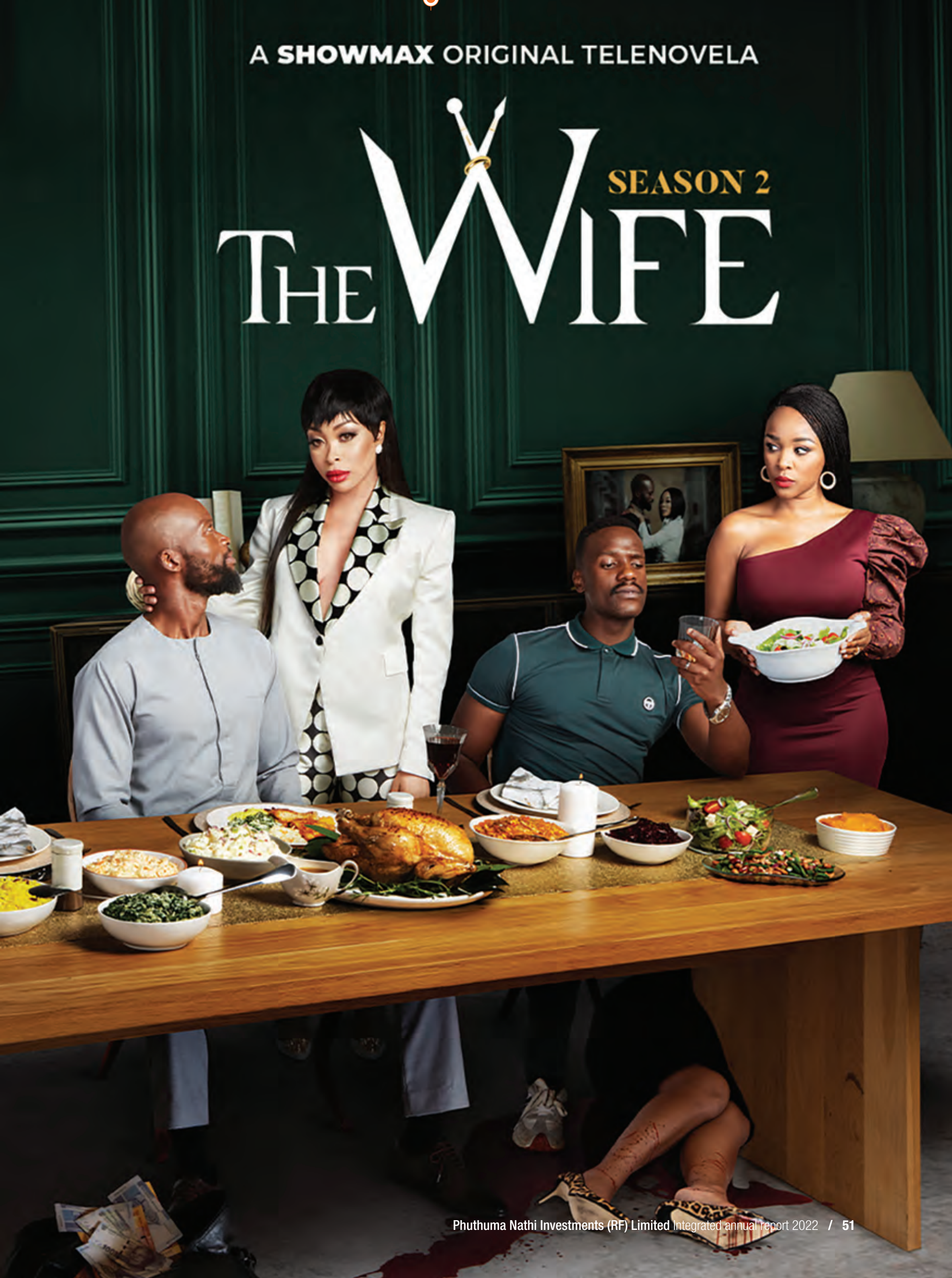
Drive growth and support retention

Growing and maintaining a vibrant subscriber base remains key to our success. Our South African subscriber base has different characteristics across our package tiers, and we need to cater for our subscribers' specific requirements and circumstances. At the top end of the market, our service is more mature, and affordability is a constraint. We therefore focus on customer value management and retention. Our mid-market subscribers are under the greatest economic pressure and as such, focus on the value proposition to customers through pricing and content. Finally, we still see opportunity to drive growth in the mass market.

Maintain operational excellence and sustain cost reduction

Our aim is to broadly deliver margin stability by closely controlling the organic growth in our cost base relative to the organic growth in revenue. We continuously strive for operational excellence and optimising cost efficiencies across our business units. From time to time, this may require some upfront investment as we redesign certain critical systems to support our future business requirements and customer needs. Another key element of this strategy is our ongoing initiatives to embed analytics and artificial intelligence in the organisation, focusing on improving customer experience, driving revenue, enhancing content discovery and reducing costs.

For a detailed review of MultiChoice Group's strategy, refer to the MultiChoice Group integrated annual report, available at www.investors.multichoice.com/integrated-annual-reports.


A SHOWMAX ORIGINAL TELENOVELA
SEASON 2
THE WIFE

MultiChoice SA performance

Operational review for the year ended 31 March 2022


The battle line between good and evil runs through the heart of every man
TSHEPO

MultiChoice SA performance

MultiChoice SA performance review

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

Our operating performance

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

The ongoing shift in subscriber mix, with growth driven by our mass market base, as well as better price increases at the lower end, resulted in the average revenue per user declining by 3% from ZAR276 in the prior year to ZAR268. The continued focus on cost control remains critical and has been well executed to support overall profitability.

7%

growth in mass market segment (FY21: 14%)

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

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

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

ZAR268

average revenue per user

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

In this regard, our flagship connected device, the Explora Ultra, saw further software improvements and continues to sell, while we continue to expand our third-party services on this platform with the introduction of YouTube during FY22 and Disney+ in FY23. In September 2021 we launched DStv Internet, an internet connectivity product, to assist our customers who are not serviced by neighbourhood fibre to get connected. We have seen positive uptake of the product with a strong increase into the fourth quarter (albeit off a low base).

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

MultiChoice SA performance

MultiChoice SA performance review continued

75%
digital self-service interactions

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

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

General Entertainment

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

Demand for localised content and channels continues to grow, with audiences wanting to see more local stories. Consequently, we have increased our local production hours and continue to focus on personalisation of content offerings, curation of bingeworthy library content and showcasing our content across linear and streaming platforms.

M-Net

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

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

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

MultiChoice SA performance

General Entertainment continued

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

South African local channels

Our proudly South African premier video entertainment brands, *kykNET* and *Mzansi Magic*, remain top rated channels. They have grown audience share and continued to drive increased company-owned local production hours.

kykNET

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

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

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

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

Mzansi Magic

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

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

MultiChoice SA performance

General Entertainment continued

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

Big Brother Mzansi's success was instantaneous after its January 2022 launch and long hiatus. The dedicated *Big Brother Mzansi* channel rose to the third most watched by DStv Compact viewers. The 'Sunday Eviction Show' was a notable social media conversation driver.

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

Third-party channels

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

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

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

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

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

The Mexican telenovela channel, *tlNovelas*, was added to the platform permanently after the success experienced with the pop-up channel.

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

tlnovelas

MultiChoice SA performance

SuperSport

SuperSport delivered another year of world-class productions and excitement for our viewers. Notwithstanding the fact that the COVID-19 pandemic time-shifted several key events from FY21 into FY22, the SuperSport team delivered an incredible amount of sports content this year.

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

- The UEFA Euro 2020 tournament saw several key matches decided on penalties, including the final between England and Italy. Our DStv viewers were able to share in those moments through our dedicated 24/7 channels. Closer to home, we once again acquired the rights to Africa's premier national team competition, broadcasting all the African Cup of Nations games in Cameroon on DStv.
- Despite the time zone challenges, we were there to bring viewers all the incredible Tokyo Olympics moments live and through highlights packages as part of our biggest Olympics broadcast ever. We also used all three of our OTT platforms to further supplement and support full coverage with every gold medal event broadcast live. Athletes from sub-Saharan Africa made us all proud with eight gold medal wins, not least of which included Tatjana Schoenmaker's gold medal and new world record for South Africa, Faith Kipyegon's new Olympic record for Kenya and Peruth Chemutia's first women's gold medal for Uganda.
- The return of rugby did not disappoint. Despite limited playing time, the world champions were able to carry off a historic series win against the British & Irish Lions with Morné Steyn clinching the win in the 79th minute of the final test match. The Boks were not the only ones who excelled, with our SuperSport team as broadcasting partner carrying off a seamless production operation despite the disruptions from COVID-19 and the unfortunate riots in Gauteng.

- We saw a notable uptick in Formula 1 interest this year on the back of a closely contested championship concluding with a dramatic, if not controversial, end to the season with the drivers' championship decided in the last lap of the final race.
- More recently, the Proteas did us proud by defeating some significant opponents to advance to the semi-finals of the ICC Women's Cricket World Cup before bowing out to England on the day. The Indian cricket tour to South Africa went off without a hitch as the Proteas won the test series and SuperSport introduced the first female commentators on international men's cricket.

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

MultiChoice SA performance

SuperSport continued

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

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

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

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

SuperSport also proudly celebrated 15 years of Blitz, the news and information service. The launch of *Racing 240* to replace *TellyTrack* on the platform ensured continuity for loyal horse racing pundits.

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


Love Back

Financial review

Financial review for the year ended 31 March 2022


Lebo
MKR
Lesego
MKR


DStv
Nigeria
Dilemma
NEW
STORIES
MORE
DRAMA
Venge

Financial review

Report of the independent auditor

Independent auditor's report on the summary consolidated and separate financial statements

To the Shareholders of MultiChoice South Africa Holdings Proprietary Limited

Opinion

The summary consolidated and separate financial statements of MultiChoice South Africa Holdings Proprietary Limited, set out on pages 69 to 80, which comprise the summary consolidated and separate statements of financial position as at 31 March 2022, the summary consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated and separate financial statements of MultiChoice South Africa Holdings Proprietary Limited for the year ended 31 March 2022.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with IAS 34 *Interim Financial Reporting* and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated and separate financial statements

The summary consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon.

The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.

The audited consolidated and separate financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 9 June 2022.

Directors' responsibility for the summary consolidated and separate financial statements

The directors are responsible for the preparation of the summary consolidated and separate financial statements in accordance with the IAS 34 *Interim Financial Reporting* and the requirements of the Companies Act of South Africa as applicable to summary financial statements[1].

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: D.H. Höll
Registered Auditor

Johannesburg
South Africa

28 July 2022

[1] *The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on their website.*

Summarised annual financial statements

Consolidated and company statements of financial position

as at 31 March 2022

	Group		Company	
	2022 ZAR'm	2021 ZAR'm	**2022 ZAR'm**	2021 ZAR'm
Assets				
Non-current assets	**13 835**	14 706	**16 875**	16 875
Property, plant and equipment[1]	**7 990**	8 813	**–**	–
Goodwill and other intangible assets	**4 516**	4 492	**–**	–
Investments and loans	**44**	54	**–**	–
Deferred taxation	**1 285**	1 347	**–**	–
Investments in subsidiaries	**–**	–	**16 875**	16 875
Current assets	**18 573**	17 688	**–**	–
Inventory	**206**	211	**–**	–
Programme and film rights	**2 747**	2 838	**–**	–
Trade and other receivables	**4 623**	4 503	**–**	–
Amounts due from related parties[2]	**9 609**	8 632	**–**	–
Derivative financial instruments	**12**	15	**–**	–
Cash and cash equivalents	**1 376**	1 489	**–**	–
Total assets	**32 408**	32 394	**16 875**	16 875
Equity and liabilities				
Equity reserves attributable to the group's equity holders	**12 697**	11 534	**16 875**	16 875
Share capital	**17 216**	17 216	**16 875**	16 875
Other reserves	**(13 867)**	(13 632)	**–**	–
Retained earnings	**9 348**	7 950	**–**	–
Non-controlling interest	**–**	5	**–**	–
Total equity	**12 697**	11 539	**16 875**	16 875
Non-current liabilities	**7 771**	9 658	**–**	–
Lease liabilities[3]	**7 102**	8 080	**–**	–
Long-term loans and other liabilities	**5**	2	**–**	–
Amounts due to related parties[4]	**375**	875	**–**	–
Derivative financial instruments	**149**	473	**–**	–
Deferred taxation	**140**	228	**–**	–
Current liabilities	**11 940**	11 197	**–**	–
Lease liabilities[3]	**947**	921	**–**	–
Programme and film rights	**3 484**	3 821	**–**	–
Provisions	**286**	228	**–**	–
Accrued expenses and other current liabilities	**4 917**	4 408	**–**	–
Amounts due to related parties	**1 010**	771	**–**	–
Derivative financial instruments	**1 088**	990	**–**	–
Taxation liabilities	**208**	58	**–**	–
Total equity and liabilities	**32 408**	32 394	**16 875**	16 875

[1] *Property, plant and equipment decreased due to current year depreciation charge of ZAR1.2bn and disposals of ZAR59m, partly compensated by fixed asset additions mainly on transmission equipment, computers and office equipment totalling ZAR405m and transfers from work-in-progress of ZAR116m.*

[2] *Amounts due from related parties increased primarily due to increased cash pool balances held with MultiChoice Group Treasury Services Proprietary Limited.*

[3] *Lease liabilities decreased mainly due to current year repayments.*

[4] *Non-current portion of working capital loan from MultiChoice Group Treasury Services Proprietary Limited.*

The accompanying notes are an integral part of the summary consolidated and separate financial statements.

Summarised annual financial statements continued

Consolidated and company statements of profit or loss and other comprehensive income

for the year ended 31 March 2022

		Group		Company	
	Notes	**2022 ZAR'm**	2021 ZAR'm	**2022 ZAR'm**	2021 ZAR'm
Revenue[1]	4	**43 350**	41 034	**–**	–
Cost of providing services and sale of goods[2]		**(23 218)**	(20 247)	**–**	–
Selling, general and administration expenses[3]		**(9 116)**	(8 683)	**–**	–
Net impairment loss on trade receivables		**(88)**	(121)	**–**	–
Other operating (losses)/gains – net[4]		**(277)**	41	**–**	–
Operating profit		**10 651**	12 024	**–**	–
Interest income	5	**393**	330	**–**	–
Dividends received	5	**–**		**6 000**	6 000
Interest expense	5	**(603)**	(649)	**–**	–
Net foreign exchange translation (losses)/gains	5	**(275)**	701	**–**	–
Share of equity-accounted results		**8**	(18)	**–**	–
Reversal of impairment of equity-accounted investments		**8**	–	**–**	–
Profit before taxation		**10 182**	12 388	**6 000**	6 000
Taxation		**(2 930)**	(3 536)	**–**	–
Profit for the year		**7 252**	8 852	**6 000**	6 000
Attributable to:					
Equity holders of the group		**7 272**	8 847	**6 000**	6 000
Non-controlling interest		**(20)**	5	**–**	–
Earnings per share		**7 252**	8 852	**6 000**	6 000
Basic and diluted earnings for the year (ZAR'm)		**7 272**	8 847	**6 000**	6 000
Basic and diluted earnings per ordinary share (SA cents)		**2 020**	2 458	**1 667**	1 667

[1] The increase in revenue is attributable to the recovery of advertising revenue, increase in subscription revenue and the return of live sports.
[2] The increase in the cost of providing services and sale of goods is due to the acquisition of rights to popular sporting events and continued ramp up on local content and non-recurring refunds.
[3] The increase in the selling, general and administrative expenses is mainly due to increased employee costs and sales and marketing expenses.
[4] The decrease is mainly due to the derecognition of information technology assets in the current year as part of the company's periodic asset review process, and in line with its conservative accounting policies.

The accompanying notes are an integral part of the summary consolidated and separate financial statements.

Consolidated and company statements of profit or loss and other comprehensive income continued

for the year ended 31 March 2022

		Group	
	Notes	**2022 ZAR'm**	2021 ZAR'm
Profit for the year		**7 252**	8 852
Total other comprehensive income for the year:			
Fair value losses on investments held at fair value		**–**	(102)
Hedging reserve[1]		**(449)**	(2 632)
• Net fair value losses[2]		**(583)**	(3 483)
• Hedging reserve recycled to the income statement[2]		**(12)**	25
• Net tax effect of movements on hedging reserve[3]		**146**	826
Total comprehensive income for the year		**6 803**	6 118
Attributable to:			
Equity holders of the group		**6 823**	6 113
Non-controlling interest		**(20)**	5
		6 803	6 118

[1] *These components of other comprehensive income may subsequently be reclassified to the consolidated income statement during future reporting periods.*

[2] *The movement relates primarily to the rand appreciation against the US dollar from a closing rate of ZAR14.78 in FY21 to ZAR14.61 in FY22 and additional forward exchange contracts executed during FY22 which resulted in a decrease in the achieved average hedge rate on cash flow hedges from ZAR16.40 in FY21 to ZAR15.89 in FY22.*

[3] *The movement relates to tax on net fair value losses recognised as taxed at 28%.*

The accompanying notes are an integral part of the summary consolidated and separate financial statements.

Financial review

Summarised annual financial statements continued

Consolidated and company statements of changes in equity

for the year ended 31 March 2022

	Share capital[1] ZAR'm	Other reserves[2] ZAR'm	Retained earnings ZAR'm	Non-controlling interest ZAR'm	Total equity ZAR'm
Group					
Balance at 1 April 2020	17 216	(10 073)	5 069	–	12 212
Profit for the year	–	–	8 847	5	8 852
Other comprehensive loss	–	(2 734)	–	–	(2 734)
Total comprehensive income for the year	–	(2 734)	8 847	5	6 118
Hedging reserve basis adjustment[3]	–	(775)	–	–	(775)
Share-based compensation movement	–	(50)	13	–	(37)
Dividends declared[4]	–	–	(5 979)	–	(5 979)
Balance at 1 April 2021	17 216	(13 632)	7 950	5	11 539
Profit for the year	–	–	7 272	(20)	7 252
Other comprehensive loss	–	(449)	–	–	(449)
Total comprehensive income for the year	–	(449)	7 272	(20)	6 803
Hedging reserve basis adjustment[3]	–	402	–	–	402
Share-based compensation movement	–	(160)	105	–	(55)
Transactions with non-controlling shareholders[5]	–	(28)	–	15	(13)
Dividends declared[4]	–	–	(5 979)	–	(5 979)
Balance at 31 March 2022	**17 216**	**(13 867)**	**9 348**	**–**	**12 697**
Company					
Balance at 1 April 2020	16 875	–	–	–	16 875
Profit for the year	–	–	6 000	–	6 000
Other comprehensive loss	–	–	–	–	–
Total comprehensive income for the year	–	–	6 000	–	6 000
Dividends declared[4]	–	–	(6 000)	–	(6 000)
Balance at 1 April 2021	16 875	–	–	–	16 875
Profit for the year	–	–	6 000	–	6 000
Other comprehensive loss	–	–	–	–	–
Total comprehensive income for the year	–	–	6 000	–	6 000
Dividends declared[4]	–	–	(6 000)	–	(6 000)
Balance at 31 March 2022	**16 875**	**–**	**–**	**–**	**16 875**

[1] *Share capital includes share premium.*

[2] *Other reserves include the hedging reserve, fair value reserve, share-based payment reserve, existing control business combination reserve and foreign currency translation reserve.*

[3] *Relates to the basis adjustment (net of tax losses of ZAR120m) (FY21: ZAR270m tax gains) on programme and film right assets as content comes into licence.*

[4] *Relates to dividends paid to MultiChoice Group (ZAR4.5bn) and Phuthuma Nathi (ZAR1.5bn).*

[5] *Relates to the group acquiring the remaining 49% interest in SuperSport Schools Proprietary Limited in March 2022. SuperSport Schools Proprietary Limited is now 100% owned by the group. The carrying value of the non-controlling interest prior to this transaction was negative ZAR15.7m. Cash consideration paid amounted to ZAR8.75m with a further ZAR3.75m payable in FY23 based on the achievement of service conditions attached to the transaction.*

The accompanying notes are an integral part of the summary consolidated and separate financial statements.

Consolidated statement of cash flows

for the year ended 31 March 2022

		Group		Company	
	Notes	**2022 ZAR'm**	2021 ZAR'm	**2022 ZAR'm**	2021 ZAR'm
Cash generated from operating activities		**12 543**	12 154	**–**	–
Interest income received		**392**	338	**–**	–
Interest costs paid		**(394)**	(465)	**–**	–
Dividends received[1]		**–**	–	**6 000**	6 000
Dividends paid[1]		**–**	–	**(6 000)**	(6 000)
Taxation paid[2]		**(2 798)**	(3 023)	**–**	–
Settlement of share-based compensation awards[3]		**–**	(214)	**–**	–
Net cash generated from operating activities		**9 743**	8 790	**–**	–
Property, plant and equipment acquired		**(378)**	(487)	**–**	–
Proceeds from sale of property, plant and equipment		**–**	88	**–**	–
Intangible assets acquired[4]		**(460)**	(754)	**–**	–
Proceeds from sale of intangible assets		**15**	9	**–**	–
Insurance proceeds on property, plant and equipment		**–**	35	**–**	–
Movements in other investments and loans		**(21)**	(62)	**–**	–
Net cash utilised in investing activities		**(844)**	(1 171)	**–**	–
Cash flows from financing activities					
Proceeds from long- and short-term loans raised		**3**	–	**–**	–
Proceeds from related party funding		**3 448**	2 089	**–**	–
Repayments of related party funding		**(5 258)**	(2 899)	**–**	–
Repayments of lease liabilities		**(1 087)**	(998)	**–**	–
Gain on matured foreign exchange contracts related to lease liabilities		**81**	66	**–**	–
Purchases of shares for group share schemes[5]		**(224)**	(135)	**–**	–
Additional investment in existing subsidiary[6]		**(9)**	–	**–**	–
Dividends paid		**(5 979)**	(5 979)	**–**	–
Net cash utilised in financing activities		**(9 025)**	(7 856)	**–**	–

[1] *MultiChoice South Africa Holdings Proprietary Limited (MCSAH) receives dividend income from MultiChoice South Africa Proprietary Limited (MCSA). MCSAH declares the same amount as a dividend to MCSAH shareholders, being MultiChoice Group Limited (MCG) and Phuthuma Nathi Investments (RF) Limited (PN). The dividend payment is made directly from MultiChoice Proprietary Limited, a subsidiary of MCSA to MCG and PN.*

[2] *Decrease relates to a lower third top-up payment and reduced profitability.*

[3] *Relates to the settlement paid to employees due to the closure of the MultiChoice 2008 SAR scheme in the prior year.*

[4] *Decrease relates primarily to a reduction in investment in a multi-year programme to upgrade the group's customer service, billing and data capabilities.*

[5] *Relates to the purchase of group shares which were used to settle the group's share-based compensation awards.*

[6] *In March 2022, the group acquired the remaining 49% of shares in SuperSport Schools Proprietary Limited. SuperSport Schools Proprietary Limited is now 100% owned by the group.*

The accompanying notes are an integral part of the summary consolidated and separate financial statements.

Financial review

Summarised annual financial statements continued

Consolidated and company statements of cash flows continued

for the year ended 31 March 2022

		Group		Company	
	Notes	**2022 ZAR'm**	2021 ZAR'm	**2022 ZAR'm**	2021 ZAR'm
Net movement in cash and cash equivalents		**(126)**	(237)	**–**	–
Foreign exchange translation adjustments on cash and cash equivalents		**13**	(9)	**–**	–
Cash and cash equivalents at the beginning of the year		**1 489**	1 735	**–**	–
Cash and cash equivalents at the end of the year		**1 376**	1 489	**–**	–

The accompanying notes are an integral part of the summary consolidated and separate financial statements.

Notes to the consolidated financial statements

for the year ended 31 March 2022

1. Basis of preparation

The summary consolidated and company financial statements are prepared in accordance with the requirements of the Companies Act applicable to summary financial statements. The summary financial statements were prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and the SAICA Financial Reporting Guides as issued by the APC and the Financial Pronouncements as issued by the FRSC, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of the consolidated and company annual financial statements from which the summary consolidated and company financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated and company annual financial statements and the prior year summary consolidated and company financial statements.

A copy of the full audited consolidated annual financial statements is available for inspection from the company secretary at the registered office of the group or can be downloaded from the group's website: https://www.multichoice.com/multichoice-south-africa/reports-and-financial-information

The summarised annual financial statements are presented on the going-concern basis.

The summarised annual financial statements are presented in South African Rand (ZAR), which is the group's presentation currency, rounded to the nearest million, unless otherwise stated.

The company and group has adopted all new and amended accounting pronouncements issued by the IASB that are effective for financial years commencing 1 April 2021. None of the new or amended accounting pronouncements that are effective for the financial year commencing 1 April 2021 had a material impact on the company and group.

2. COVID-19 considerations

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

3. Russian invasion of Ukraine

The Russian invasion of Ukraine, alongside the imposition of international sanctions, have a pervasive economic impact, not only on businesses within Russia and Ukraine, but also globally where businesses engage in economic activities that might be affected. The group has assessed the potential impact of the above and concluded that the potential impact is not material to the consolidated annual financial statements.

Summarised annual financial statements continued

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

4. Revenue

	2022 ZAR'm	2021 ZAR'm
Subscription fees	**28 853**	28 730
Advertising	**3 258**	2 443
Set-top boxes	**1 069**	987
Installation fees	**321**	324
Programming and sub-licensing	**6 532**	5 625
Management fee income	**1 686**	1 491
Other revenue[1]	**1 631**	1 434
	43 350	41 034

[1] *Other revenue primarily includes reconnection fees, insurance premiums and barter revenue.*

5. Interest (expense)/income

	2022 ZAR'm	2021 ZAR'm
Interest expense		
Loans and overdrafts	**(68)**	(30)
Lease liabilities[1]	**(336)**	(406)
Other[2]	**(199)**	(213)
	(603)	(649)

[1] *Relates primarily to transponder leases of ZAR328m (FY21: ZAR406m).*
[2] *Relates primarily to the discounting of liabilities in relation to programme and film rights of ZAR144m (FY21: ZAR176m).*

	2022 ZAR'm	2021 ZAR'm
Interest income		
Loans and bank accounts	**372**	307
Other	**21**	23
	393	330

A significant portion of the group's operations are exposed to foreign exchange risk. The table below presents the net profit or (loss) from our foreign exchange exposures and incorporates effects of qualifying forward exchange contracts that hedge this risk.

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

5. Interest (expense)/income continued

	2022 ZAR'm	2021 ZAR'm
Net profit/(loss) from foreign exchange translation and fair value adjustments on derivative financial instruments		
On translation of assets and liabilities	**(51)**	483
On translation of transponder leases[1]	**92**	1 924
Losses on translation of forward exchange contracts[2]	**(1 692)**	(3 352)
Gains on translation of forward exchange contracts[2]	**1 376**	1 646
Net foreign exchange translation (losses)/gains	**(275)**	701

[1] *Movement relates to ZAR appreciation from a closing rate of ZAR14.78 in FY21 to ZAR14.61 in FY22 versus ZAR appreciation from a closing rate of ZAR17.86 in FY20 to ZAR14.78 in FY21.*

[2] *The movement relates primarily to the ZAR appreciation against the USD from a closing rate of ZAR14.78 in FY21 to ZAR14.61 in FY22 and additional forward exchange contracts executed during FY22 which resulted in a decrease in the achieved average hedge rate from ZAR16.51 in FY21 to ZAR16.08 in FY22.*

6. Commitments and contingencies

The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group plans to fund these commitments and contingencies, should they materialise, out of existing facilities and internally generated funds.

Commitments

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2022 amount to ZAR273.6m (2021: ZAR2.0m). The group's capital expenditure commitments increased primarily due to contracts entered into during FY22 for a new outside broadcast vehicle in SuperSport.

(b) Programme and film rights

At 31 March 2022 the group had entered into contracts for the purchase of programme and film rights. The group's commitments in respect of these contracts amount to ZAR36.1bn (2021: ZAR35.6bn).

(c) Set-top boxes

At 31 March 2022 the group had entered into contracts for the purchase of set-top boxes (decoders). The group's commitments in respect of these contracts amount to ZAR1.5bn (2021: ZAR1.0bn). The increase was primarily due to increased orders to secure in the supply chain for set-top boxes for FY23 to support sales volumes during the 2022 FIFA World Cup.

Summarised annual financial statements continued

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

6. Commitments and contingencies continued

(d) Assets pledged as security
The group pledged property, plant and equipment with a net carrying value of ZAR5.6bn (2021: ZAR6.2bn) as security against certain assets acquired in terms of lease liabilities.

(e) Other commitments
At 31 March 2022 the group had entered into contracts for the receipt of various services. These service contracts are for transmission services, computer and decoder support services, access to networks and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amount to ZAR3.4bn (2021: ZAR4.2bn).

7. Liquidity management

Guarantees
The group has financial guarantees and foreign exchange guarantees of ZAR17.5bn (2021: ZAR14.5bn) it provides to MultiChoice Group Treasury Services Proprietary Limited (Treasury) for the various facilities that Treasury has with local and international financial institutions.

Issued financial and foreign exchange guarantee contracts are all repayable on default, however, the likelihood of default is considered remote. The financial guarantee amount repayable, should Treasury default, is based on utilisation of the facility. The foreign exchange payment is based on the unrealised profit or loss on actual open foreign exchange contracts and the potential future exposure limit of the facility. No expected credit losses have been provided for in the current or previous financial year in relation to the guarantees that MultiChoice Proprietary Limited, SuperSport International Proprietary Limited and Electronic Media Network Proprietary Limited provides to Treasury, as this was determined to be immaterial.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

8. Fair value of financial instruments

The calculation of fair value requires various inputs into the valuation methodologies used.

The source of the inputs used affects the reliability and accuracy of the valuations. Significant inputs have been classified into the hierarchical levels in line with IFRS 13 – *Fair value measurement*, as shown below.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly).

Level 3: Inputs for the asset or liability that are unobservable.

Fair value of instruments measured at fair value

The fair values of the group's financial instruments that are measured at fair value are categorised as follows:

Financial instrument	Fair value 2022 ZAR'm	Fair value 2021 ZAR'm	Valuation method	Level in fair value hierarchy
Financial assets				
Investments held at fair value through profit or loss	**20**	–	Unit trusts comprising of quoted prices in a public market	Level 2
Currency depreciation features	**12**	15	Discounted cash flow techniques	Level 3
Financial liabilities				
Forward exchange contracts	**1 237**	1 463	Fair value using forward exchange rates that are publicly available	Level 2

Currency depreciation features relate to clauses in content acquisition agreements that provide the group with protection in the event of significant depreciation of the group's functional currency relative to the currency of the content acquisition agreement. The fair value of currency depreciation features is measured through the use of discounted cash flow techniques using the LIBOR rate of 0.46%. Key inputs used in measuring fair value include the terms and benchmark rates contained in content acquisition agreements and average spot exchange rates prevailing at the relevant measurement dates.

The carrying values of all other financial instruments are considered to be a reasonable approximation of their fair values.

Fair values are mainly determined using observable inputs, which reflect the market conditions in their expectations of future cash flows related to the asset or liability at 31 March 2022.

Notes to the consolidated financial statements continued
for the year ended 31 March 2022

9. Subsequent events

Dividend

The board declares a gross dividend of 1 666.67 cents per share (ZAR6.0bn). This dividend declaration is subject to approval of the MultiChoice South Africa Proprietary Limited (MCSA) dividend at its annual general meeting on Wednesday, 24 August 2022.

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


the Real
Housewives
OF DURBAN

Corporate governance review

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


RONIN


the Real Housewives
OF JOHANNESBURG

Corporate governance review

Our board of directors

Mohamed (Imtiaz) Ahmed Patel (58)

Chair and non-executive director

HDipEdu

Appointed 12 November 2019

South African

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

Adv Kgomotso Ditsebe Moroka (68)

Non-executive director

BProc and LLB

Appointed 8 March 2007

South African

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

John James (Jim) Volkwyn (64)

Lead non-executive director

CA(SA)

Appointed 8 March 2007

South African

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

Jabulane Albert (Jabu) Mabuza (63)

Lead non-executive director

DCom (Honoris Causa)

Appointed 5 July 2019

South African

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

Sadly, Jabu passed away on 16 June 2021.

Louisa Stephens (45)

Non-executive director

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

Appointed 6 August 2018

South African

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

Elias Masilela (58)

Non-executive director

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

Appointed 1 April 2015

South African

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

James Hart du Preez (63)

Non-executive director

CA(SA), CD(SA)

Appointed 1 April 2021

South African

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

Christine Mideva Sabwa (49)

Non-executive director

BCom (Accounting), Certified Public Accountant of Kenya

Appointed 11 June 2020

Kenyan

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

Corporate governance review

Our board of directors continued

Francis Lehlohonolo Napo (Nolo) Letele (73) (Retired)

Non-executive director

BSc (Hons) (Electronic Engineering)

Appointed 14 September 2006

South African

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

Nolo retired from the board on 1 December 2021.

Dr Fatai Adegboyega Sanusi (60)

Non-executive director

MBBS, FRCOG

Appointed 11 June 2020

British Nigerian

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

Calvo Phedi Mawela (46)

CEO

BSc Eng (Electrical)

Appointed 1 November 2018

South African

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

Timothy Neil (Tim) Jacobs (53)

CFO

HDipAcc and CA(SA)

Appointed 1 November 2018

South African

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


SUXOKA

Corporate governance review

Summarised governance review

We continue entrenching the principles of sound corporate governance throughout our 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 company's stakeholders to create a successful and sustainable business that delivers on our strategic objectives.

MultiChoice SA governance framework

The board is the custodian of corporate governance. The board, supported by its holding company's governance structures, is responsible for ensuring the appropriate principles and practices of King IV are applied and embedded in MultiChoice SA's governance practices.

A disciplined reporting structure ensures the board is fully apprised of subsidiary activities, risks and opportunities. All controlled entities in MultiChoice SA are expected to demonstrate good governance as set out in King IV, taking into account proportionality considerations. This means the practices needed to demonstrate MultiChoice SA's governance in terms of King IV are applied across the business as appropriate.

Business and governance structures have clear approval frameworks that are annually reviewed and aligned to the approved levels of authority annually reviewed 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. Additionally, the board 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 92

Good performance
Page 94

Legitimacy
Page 95

Effective control
Page 96

A thorough and comprehensive review was conducted relating to each principle and underlying recommended practice under King IV.

In line with the overriding principle in King IV of 'apply and explain', the board, to the best of its knowledge, believes MultiChoice SA satisfactorily applied the King IV principles.

For a more detailed review, see the King IV application report on our website https://www.multichoice.com/multichoice-south-africa/reports-and-financial-information

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

Board

The board's responsibilities include the following:

- Providing clear strategic direction
- Ensuring there is adequate succession planning at senior levels
- Reviewing operational performance and management and reviewing policies
- Overseeing processes that seek to ensure the integrity of the 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 business plan and overseeing 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.

Board committees

During the year, the board decided to delegate oversight for remuneration, audit, risk, nomination, social and ethics to the relevant MultiChoice Group committees. This decision was made to ensure greater alignment across the entire MultiChoice Group, remove unnecessary repetition and increase the committees' effectiveness.

For more information on the board committees' focus areas, please refer to the MultiChoice Group integrated annual report, available at www.investors.multichoice.com/integrated-annual-reports

Board meeting attendance

Name	Designation	Initial appointment date	Attendance
Imtiaz Patel	Non-executive director	12 November 2019	4/4
Calvo Mawela	Executive director	1 November 2018	4/4
Tim Jacobs	Executive director	1 November 2018	4/4
Steve Pacak	Non-executive director	1 April 2009	0/0(1)
Jabu Mabuza	Non-executive director	5 July 2019	0/1(2)
Louisa Stephens	Non-executive director	6 August 2018	4/4
Adv Kgomotso Moroka	Non-executive director	8 March 2007	4/4
Elias Masilela	Non-executive director	1 April 2015	4/4
Nolo Letele	Non-executive director	14 September 2006	3/3(3)
Jim Volkwyn(4)	Non-executive director	8 March 2007	4/4
Christine Sabwa	Non-executive director	11 June 2020	4/4
Dr Fatai Sanusi	Non-executive director	11 June 2020	4/4
James du Preez(5)	Non-executive director	1 April 2021	4/4

(1) *Steve Pacak retired as a director with effect from 1 April 2021. Accordingly, he was not eligible to attend any board meetings during the period reported on.*

(2) *Sadly, Jabu Mabuza passed away on 16 June 2021 shortly after the first board meeting in the reporting period.*

(3) *Nolo Letele retired as a director with effect from 1 December 2021. Accordingly, he was only eligible to attend three of the four board meetings held during the reporting period.*

(4) *Jim was elected as the lead director with effect from 1 July 2021.*

(5) *James was appointed as a non-executive director with effect from 1 April 2021.*

Summarised governance review continued

Board composition and succession

We recognise that a balanced board supports value creation. The board, supported by the MultiChoice Group nomination committee, determines its size and composition subject to its MOI, applicable legislation and regulatory requirements, and King IV.

Shareholders elect directors at the AGM. Non-executive directors bring diverse perspectives and independence to the board's decision-making, and executive directors offer insight into the business's operations. The CEO and CFO (referred to as the 'financial director' by the JSE) are board members. To support the board, where necessary, subject matter experts are available for matters requiring specialised guidance.

As at year-end, the board comprised 10 directors. No director has unfettered powers of decision-making. The board, through the MultiChoice Group nomination committee, considered the independence of all non-executive directors serving on the board for longer than nine years. After a robust review, it was determined that there are no relationships or circumstances that will create bias or affect their ability to make decisions with independence of mind.

Performance and future focus

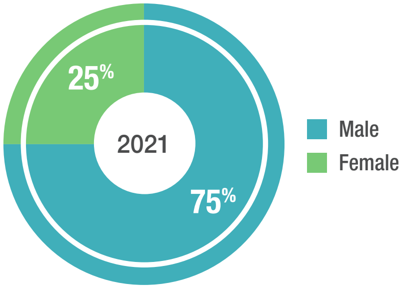
A key focus area during the reporting period was the group's short and long-term strategy. For the year under review, the board is satisfied that it has fulfilled its duties in accordance with its charter.

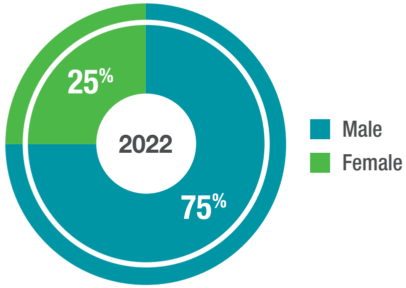
Looking ahead, the board will focus on:

- Continuing to provide strategic direction
- Monitoring management implementation and progress of strategic objectives
- Stakeholder engagement, relationships and activities, and business impacts
- Monitoring ethical conduct
- Assessing the ongoing impact of the COVID-19 pandemic on the business and management's actions to mitigate these impacts

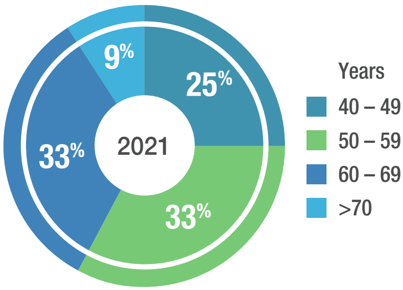
Board demographics as at 31 March 2022

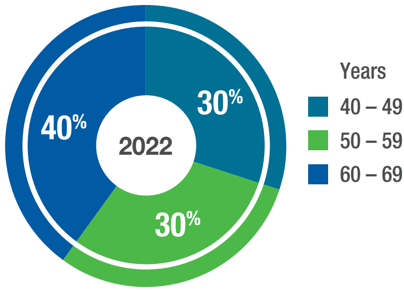
Board gender diversity



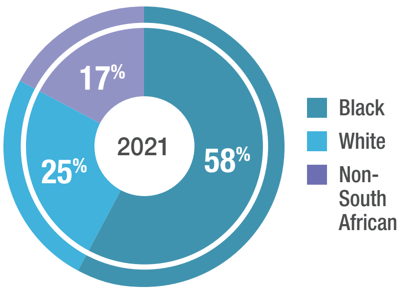


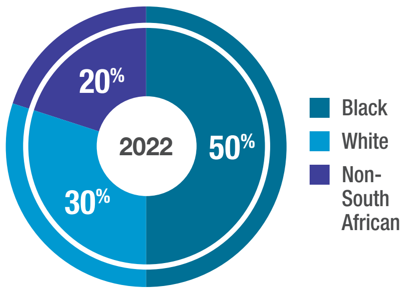
Board age diversity





Board racial diversity





Corporate governance review

Entrenching an ethical culture

The board is committed to entrenching an ethical culture and sets the tone by formulating our values and ensuring ethical business standards. The directors, overseen by the chair, hold one another accountable for decision-making and ethical behaviour. Directors, both individually and collectively, seek to demonstrate integrity, competence, responsibility, accountability, fairness and transparency to ensure effective leadership.

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

The MultiChoice SA board endorsed and adopted the MultiChoice Group's code of ethics and conduct policy (the code), which sets out the standards for business conduct throughout the MultiChoice Group and is supported by a wide range of group policies.

For more information, refer to https://investors.multichoice.com/policies-and-charters.php

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

The code applies to the recruitment, performance evaluation and reward processes. Management teams are required to monitor adherence to the code and apply a zero-tolerance approach to violations. Sanctions are in place and action is taken when necessary, which includes prosecution to the fullest extent of the law when appropriate. Reference to our code is included in third-party procurement contracts. Contractors, agents, suppliers and consultants who work with us are expected to be aware of and adhere to the code and comply with the MultiChoice Group's 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. MultiChoice SA applies the code regarding conflict of interest and political contributions. The MultiChoice Group social and ethics committee is responsible for overseeing and reporting on business-related ethics, considering specific disclosures and best practice as recommended by King IV.

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

The MultiChoice Group's detailed anti-bribery and anti-corruption policy, adopted by the board, stresses the importance of our commitment to combatting bribery and corruption transgressions, and stipulates the consequences of bribery and corruption for our business and broader society. MultiChoice SA applies the MultiChoice Group's anti-bribery and anti-corruption policy regarding key risk areas. We consider any violation of this policy to be extremely serious and 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. Employees are required to complete the anti-bribery and anti-corruption e-learning module every two years.

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

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

Ethics training is included in onboarding for 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 employees and contractors, and the effectiveness of the e-learning training modules is closely monitored. Employees are required to complete the ethics e-learning module every two years. The competition e-learning module was also rolled out to a defined employee target group.

Communication messages on key ethical risks, such as anti-bribery and anti-corruption, conflicts of interest, health and safety (with a focus on COVID-19), fraud, data privacy, third parties, competition and gifts were distributed to all employees in accordance with our annual ethics training and awareness plan. Communication messages from the MultiChoice Group CEO also introduced the code of ethics and conduct and related ethics handbook to all employees.

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

Performance and future focus

A key focus area during the reporting period was adopting and implementing the following initiatives set by the MultiChoice Group:

- Reviewing the adequacy and effectiveness of monitoring activities
- Conducting an opportunity ethics risk assessment to assess the effectiveness of the ethics programme
- Reviewing our whistleblowing and internal speak-up mechanisms
- Approval and implementation of a revised code and an ethics handbook
- Ethics and conflict of interest-related training and awareness campaigns

Going forward, we will focus on:

- Continuously entrenching ethics throughout the business through training and awareness campaigns
- Continuously monitoring ethics performance
- Enhancing anti-bribery and anti-corruption awareness and improving controls

For more information on the MultiChoice Group's key focus areas and plans, refer to the MultiChoice Group report, available at www.investors.multichoice.com/integrated-annual-reports.

Corporate governance review

Delivering good performance

The board is responsible for ensuring good performance, and as such, has a clear strategy to achieve this. The board meets regularly with the executive team to review the specific strategic priorities. In March 2022, the board reviewed the three-year strategic plans and budgets, and approved the key performance measures and targets of all executives. The board oversees the implementation of the strategic plans throughout the year.

Ongoing training

On appointment, all directors participate in a formal and comprehensive induction programme. Director training is held to refresh their skills and knowledge. Further, directors are required to attend professional development training and briefings to keep abreast of legal and regulatory risks, developments and changes that could impact the environment in which MultiChoice SA operates.

We have MultiChoice e-learning modules aimed at our directors and senior management. 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 and cover topics such as:

- JSE Listings Requirements
- Corporate governance
- King IV
- Trading in securities and the specific duties of our directors

Board evaluations

The board and the MultiChoice Group committee charters include the onus of annual assessments. Assessments of the performance of the board, individual directors and 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 the MultiChoice Group committees. The lead director leads the evaluation of the chair.

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

Maintaining our legitimacy

The board, assisted by the MultiChoice Group social and ethics committee, ensures the company 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 communities where it operates. The company's purpose, values and strategy are aligned to those of the MultiChoice Group and with the principles of responsible corporate citizenship.

Responsible corporate citizenship

We have several corporate citizenship initiatives underway, including:

- BBBEE and employment initiatives
- Local employment
- Health and safety laws
- Employee development programmes
- Responsible tax policy
- Fraud, 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 board is responsible for ensuring compliance with all statutory requirements. The directors took steps to ensure, to the best of their knowledge, the business complies with all these requirements.

MultiChoice SA implemented the legal compliance programme led by the MultiChoice Group head of legal compliance.

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

Performance and future focus

Key areas of focus during the reporting period were:

- Ethics policy, management processes and culture
- Entrenching reporting and monitoring mechanisms to the social and ethics committee
- Reputational risks
- Stakeholder engagements

Going forward, we will focus on:

- Continuously monitoring and reporting on ethics culture, reporting mechanisms, reputational risks and sustainable development initiatives

Corporate governance review

Ensuring effective control

The board is the focal point and custodian of corporate governance. 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 that the company is appropriately resourced and its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised. The board approves the appointment of the CEO and CFO. The MultiChoice Group remuneration committee, which reports back regularly to the board, is required to annually consider the performance of the CEO and CFO against agreed performance incentive objectives.

Succession plans for the CEO and senior executives are in place and are annually reviewed by the MultiChoice Group nomination committee, which reports back to the board.

Chair, lead director and CEO

Imtiaz Patel, a non-executive director, is the board chair.

During FY22, Jabu Mabuza filled the role of lead director. Sadly, on 16 June 2021, Jabu Mabuza passed away. Jim Volkwyn was appointed as the lead non-executive director with effect from 1 July 2021. The lead non-executive director steps in as chair 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 concerned.

The board satisfied itself that Jabu, and Jim after him, acted with independence of mind and judgement and there was no interest, position, association or relationship likely to unduly influence or cause bias in decision-making in the company's best interests.

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

Shareholder communication

MultiChoice SA is committed to ongoing and transparent communication with its direct shareholders, being MultiChoice Group and Phuthuma Nathi, as well as Phuthuma Nathi's shareholders. In all such communications, the board aims to present a balanced and understandable assessment of MultiChoice SA's position. This is done through adhering to principles of openness, and substance-over-form reporting, striving to address matters of material significance to shareholders.

MultiChoice SA is committed to ongoing and transparent communication with its shareholders and, in turn, Phuthuma Nathi's shareholders.

This integrated annual report is our primary form of communication with shareholders. In addition to this report, we publish annual and interim results and, should we need to engage directly with Phuthuma Nathi's shareholders regarding material issues/changes, we conduct roadshows. 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.

See pages 122 to 129 for more information on the AGM.

Company secretary

The company secretary guides 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 the company's corporate governance policies and processes. She ensures that, in accordance with the pertinent laws, the proceedings and affairs of the board, the company, 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 annually evaluated.

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

Corporate governance review

Remuneration report

Letter from the Chair of the MultiChoice Group remuneration committee

Dear shareholder,

On behalf of the MultiChoice Group remuneration committee, I am pleased to present our FY22 remuneration report for MultiChoice SA. I would like to thank my fellow remuneration committee members, Adv Kgomotoso Moroka and James du Preez for their valuable contributions during my first year as remuneration committee chair.

Regards

Jim Volkwyn

In alignment with the requirements of King IV, our remuneration report is divided into three parts:

PART: 1

The background statement

The background statement provides context around performance and how this influenced our remuneration decisions.

PART: 2

The remuneration policy

The remuneration policy is a forward-looking section that provides an overview of our remuneration philosophy and policy.

PART: 3

The implementation report

The implementation report is a backward-looking section that discloses the remuneration and performance outcomes of the executive directors based on the FY22 remuneration policy.

PART: 1 The background statement

The global video entertainment industry continues to experience disruptive shifts in technology, consumer preferences and competitive offerings. As these trends increasingly impact our markets, MultiChoice is evolving from a traditional pay-TV business to a broader consumer services platform that offers a growing ecosystem of entertainment options, and scalable, tech-based consumer products and services that address household needs. We are developing our platform and pursuing new growth opportunities through a combination of organic investment, strategic partnerships and targeted investments.

We have continued to aggressively manage costs in a challenging operating environment as most economies exit the COVID-19 pandemic but are faced with pre-existing challenges and disruptions from global macro-economic and geopolitical developments. We strive to make a positive impact in the communities and countries where we operate while, at the same time, focus on the ongoing development of all our employees.

It is critical that our remuneration policy incentivises our executives to pursue sustainable long-term value creation by incorporating the above factors while aligning with shareholder requirements and best practice.

LTI performance measure changes

We have moved away from LTI performance targets linked to internal budgets and implemented objectives linked to objective and/or external measures for PSU awards. These will be effective from FY23 awards going forward. All previous PSU awards will be grandfathered based on the performance targets set on the date of award:

FY22 LTI performance measures based on budgets	Weight (%)
Core HEPS growth	25
Free cash flow	50
Return on capital employed	25

LTI FY23 performance measures	Weight (%)	Comments
Core HEPS growth	40	Move from delivery against budget to year-on-year growth
Free cash flow conversion ratio	15	Move from absolute free cash flow generated per budget to conversion of reported Trading Profit
Nigeria cash extraction	10	An important focus area for management
Total shareholder return (TSR)	25	Added as new targets to align with shareholder interests
ESG	10	

Remuneration report continued

Further detail on each measure is disclosed below:

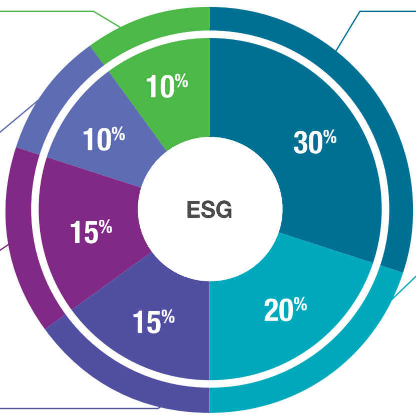
	Weight (%)	Threshold	Target	Stretch
Core HEPS growth	**40**	Weighted Average Cost of Capital – Dividend Yield	Weighted Average Cost of Capital – Dividend Yield + 2%	Weighted Average Cost of Capital – Dividend Yield + 4%
FCF (pre-tax) conversion ratio	**15**	95%	98%	102%
Nigeria cash extraction	**10**	70%	75%	80%
Total shareholder return (TSR)	**25**	Median of comparator group	Average of Median and Upper Quartile of comparator group	Upper Quartile of comparator group
ESG	**10**	Based on a blend of external agency ratings and company specific measures (detailed below)		

[1] *The peer group has been selected based on a basket of telecommunications companies and consumer stocks with similar market cap.*

ESG metric	Key result	Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)
Investment in family community – coverage of school sports				
	Number of schools whose sport matches we will broadcast on the SuperSport Schools App	52 schools by year 3	67 schools by year 3	77 schools by year 3
Enhancement of gender diversity in sports coverage				
	Increased hours of female sport coverage, both live (competitions) and non-live (documentaries)	8% increase	16.7% increase	25% increase
Development of black talent				
	% of total available spend on skills development spent on developing black (BBBEE) talent	75%	80%	85%
Investment in local content				
	Increased local content spend as a % of total GE spend	48%	50%	50% within 2 years

	Details
	• Growth to be measured over a three-year rolling average basis on the vesting date in year three • Based on a WACC of 12% and a dividend yield of 4%, a 12% cumulative annual growth rate would be required to be achieved to meet the stretch target, resulting in a 16% total shareholder return per annum (12% HEPS growth plus 4% dividend yield)
	• 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*
	• Measured based on the extraction of net cash generated in the three-year period in Nigeria plus 50% of opening cash balance • Balance of opening balance cash is for working capital required in country
	• The TSR measure is based on share price growth and dividend yield • Measured based on three-year compound annual growth rate on the vesting date in year three • Measured relative to the following comparator group[1]: Vodacom, MTN, Telkom, Shoprite, Clicks, Bidvest, Discovery, Mr Price, Foschini

ESG metrics



ESG metric	Key result	Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)
ESG rating				
	Rating by external rating agencies MSCI and Sustainalytics	Achieve the second highest rating available from both MSCI (AA rating) and Sustainalytics (low risk)	One rating in the second highest category, and one rating in the highest category	Achieve the top-level rating available from both MSCI (AAA rating) and Sustainalytics (negligible risk)
Contribution to sustainable environment				
	Funding of media and broadcast aspects of *Earthshot* prize	R55m (cumulative)	R58m (cumulative)	R60m (cumulative)

Phantom performance share (PPS) plan

The world is changing rapidly, and the rate of change is accelerating as various technologies grow and intersect. Given the importance of successful new investments in driving sustainable long-term growth and to facilitate a fundamental shift in our approach, the group has implemented a PPS plan to complement our performance share unit (PSU) LTI plan. This plan, which is linked to aggressive performance hurdles for new strategic investments, replaced the 25% RSUs that previously did not have any performance conditions attached to them.

The PPS plan provides select executives involved in driving strategy, with exposure to the growth of a portfolio of strategic investments, which are intended to have a transformational impact on the nature and value of the group over time. Participation in the scheme is limited to executives who play a crucial role in the closing and oversight of the relevant investments. Awards vest over a period of five years, in two equal tranches in years four and five. The PPS allocation is capped at a maximum of 25% of the individual's annual share allocation, with the remainder of the allocation being PSUs. This weighting ensures executives are focused on both the core business and on driving new growth opportunities.

A key feature of the PPS plan is the particularly stretching performance conditions that are applied. There is no vesting if portfolio returns are at or below 12.5% per annum (our approximate group weighted average cost of capital), and full vesting only occurs at superior returns of 25% per annum (double our approximate group weighted average cost of capital).

The portfolio returns for each award and the unit value of each award will be based on the "like for like" measurement of the portfolio of assets in place on the award date when measured, four or five years later. For example, if assets A, B and C are in place on the 2022 PSS award date, then the aggregate opening and closing values of these assets, and any dividends and distributions received from these assets will be considered when measuring the portfolio return from the award date in 2022, until the measurement date in 2026 and 2027. If asset D is acquired after the 2022 award, but before the 2023 award, then the aggregate value and dividends from assets A, B, C and D will be used for the determination of the value and performance of the 2023 award units.

Monitor whether our pay practices remain fit for purpose

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

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

The returns for the PPS scheme are measured on the growth in portfolio value using external valuation inputs where possible. The valuations are conducted annually and are based on the following methods (in order of priority):

1) The latest arm's length share transaction, which has occurred not longer than 24 months preceding the measurement date, for a minimum of 5% of the asset valuation.
2) 100% current year core headline earnings x earnings multiple plus net cash/less net debt. The earnings metric and multiple are approved by the committee when a relevant portfolio asset is added.
3) An independent third-party valuation, where no clear transaction value exists, for example in a start-up scenario. This valuation will only be valid for three years, after which methods 1 and 2 would become applicable.

The valuations are performed by an independent third party (currently Deloitte), whilst the scheme outputs are also verified by our external auditors.

STI performance measure changes

Core headline earnings will be replaced by core headline earnings per share in the company multiplier to better align with the LTI measure and because it reflects a better alignment with shareholders who are exposed to earnings growth on a per share basis, i.e. incorporating changes in the number of shares in issue.

Our focus areas for the next financial year

FY23 focus areas

Independent remuneration adviser

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

Key focus areas and decisions taken during the reporting period

The MultiChoice Group remuneration committee met four times before the financial year-end and is satisfied that it achieved its objectives and complied with its statutory duties. A key focus of this year's activity was to address shareholder concerns around the remuneration policy and the implementation thereof. In addition, the following key decisions were made:

- approved the change to the STI company multiplier metric (core headline earnings per share)
- approved the MultiChoice Group executive committee goals and targets for FY23
- approved the MultiChoice Group executive committee FY21 bonus, FY22 salary increases and share awards
- approved the non-executive director fees
- approved the salary increases, bonuses and share awards for all employees
- approved the new PSU measures and targets, and
- approved the Irdeto RSU plan awards.

Non-binding advisory vote on remuneration policy and implementation report

The remuneration policy and implementation report, as set out in Parts 2 and 3 of this remuneration report, will be tabled for separate non-binding advisory votes at the AGM on 24 August 2022.

PART: 2

The remuneration policy

Remuneration philosophy

Our remuneration philosophy is informed by the group's strategy and capital allocation process and enables us to achieve our business objectives. Our commitment to pay for performance aligns with the principle of creating long-term value for our shareholders – it drives our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world. As far as possible, our pay structure is similar across the business and it exceeds the minimum legal requirements in all the jurisdictions in which we operate. We endeavour at all times to balance the need to compete globally for the best talent with the need to pay fairly and responsibly.

When making executive pay decisions, we consider the individual's performance, the business's performance, the complexity of executives' responsibilities, as well as the growth trajectory and lifecycle of the business unit for which he/she is responsible. Our STIs are aimed at rewarding employees for overperformance in a specific year and are typically capped at a percentage of an employee's salary. Our approach to LTIs strives to ensure executives are invested in driving the business's sustainable performance and shareholder value creation over the long term.

Talent and fairness

We aim to be the preferred employer for candidates and current employees in the entertainment and digital platform security sectors and to be recognised as a leading employer in the markets where we operate.

We focus on recruiting experienced talent for critical areas of product development and service delivery, such as technology, data, digital and content. We also provide opportunities for new, young talent to learn and develop. These, combined with our other internal disciplines, are important to scale our business and deliver our strategic and operational imperatives.

We strive to recruit and retain the best calibre of executive talent to lead the organisation and create value for our stakeholders. Balancing the levels of executive remuneration with the demand to remain competitive in attracting global talent in the video entertainment industry has become challenging. In particular, we are seeing increasing competition for talent from our OTT competitors across all our markets.

Our investments and collaboration with leading educational institutions, industry bodies, partners and subject matter experts enable us to recruit and build young talent to drive our business forward. We grow local talent through the MultiChoice Talent Factory which seeds, incubates and nurtures African storytellers. We further develop deep technical TV, film, technology, engineering and data science expertise in partnership with prestigious global institutions like the New York Film Academy, Duke University, Henley Business School and leading local institutions in each country such as the University of Pretoria and Wits in South Africa. The Chairman's Top Leaders Programme partners with Harvard Business School and aims to build executive capability and capacity.

We continuously monitor the level of fair and responsible pay for all our employees and we are aware of pending legislation on required pay gap disclosures. Our minimum salary in South Africa is more than three times the current minimum wage requirements set by the government. We are proud of the suite of benefits offered to our employees (detailed on page 106).

Remuneration structure

The policy table on pages 106 and 107 sets out the group's remuneration structure which also applies to the executive directors and key senior executives. To provide a more comprehensive view, policies applicable either to different levels of employee and/or different geographic areas are included where appropriate.

Guaranteed pay

Salary

Purpose and description

Fixed remuneration with consideration given to specific requirements of the role.

We follow the local market practice of total cost to company (TCTC) remuneration, which comprises a basic salary plus cash and non-cash benefits. Guaranteed pay is reviewed annually and any increases are typically effective from June each year.

Calculation

Market conditions, group performance, internal comparability, individual performance and level of responsibility within the organisation are taken into consideration and reviewed annually.

Eligibility

All employees.

Performance measures

Individual performance.

On target and stretch outcomes

None.

Malus and clawback

Not applicable.

Benefits

Purpose and description

Benefits and allowances appropriate to the market and contributing to the wellbeing of employees.

Comprises a suite of competitive employee benefits that vary across countries as per market practice. Examples include:

- bursaries for employees and families
- wellness benefits such as onsite healthcare and counselling, a gym and a concierge service
- work-life balance leave
- a closed medical aid scheme and retirement scheme with highly competitive benefits
- an early childhood development allowance and an onsite crèche
- discounts on DStv subscriptions for employees and up to three family members
- discounts on DStv Internet

Eligibility

All employees.

Performance measures

None.

On target and stretch outcomes

None.

Malus and clawback

Not applicable.

STI

Bonus/short-term incentive

Purpose and description

Annual performance-related incentives motivate executives to achieve short-term strategic, financial and non-financial objectives over a one-year performance period. This ensures remuneration is aligned with the annual business performance to drive long-term shareholder value creation.

Targets are set at a MultiChoice Group level and at segment/business unit/country level and applied to employees within these respective areas. The individual performance measures for each executive director are tailored to their roles and responsibilities, which filter down to the employees in those reporting lines. The incentive plan is agreed annually in advance and based on targets that are verifiable and aligned with the specific business unit's annual business plan. The discrete objectives for individuals are specific to their business units.

Calculation

All executive directors have an on-target bonus percentage which is used to calculate the bonus. The on-target bonus percentage will differ for employees according to their roles and responsibilities. The calculation to determine the performance outcome is detailed below:

TCTC/base salary	x	On-target bonus % 80%	x	Individual performance % 0% to 110%	x	Company performance % 0% to 120%

Eligibility

All employees subject to performance criteria.

Performance measures

From FY23, the company performance measures and weightings are set out below:

Performance measure	Weighting
Revenue	25%
Core headline earnings per share	25%
Free cash flow	25%
Subscriber growth*	25%

* *Weighted equally between South Africa, Rest of Africa and Showmax.*

Performance below threshold results in a 0% payment for the specific measure. Between threshold and stretch, we apply linear progression of the payment from 80% to 120%. The outcome of each measure is capped at 120% of the weighting.

On-target and stretch outcomes

The on-target and maximum STI as a percentage of salary are set out in the table below:

	On target	Stretch
CEO	80%	106%
CFO	80%	106%

Malus and clawback

Malus and clawback provisions are applicable to the MultiChoice Group executive committee. Refer to page 108 for more detail.

LTI

MultiChoice RSUs and PSUs

Purpose and description

An award of MultiChoice Group shares registered to the participants subject to an employment condition (continued tenure). For the executive committee, achievement of performance conditions applies.

Calculation

- RSUs vest over four years in two equal tranches in years three and four. RSUs with performance conditions (PSUs) vest 100% after three years.
- Executives' awards are 100% PSUs.
- Quantum of PSU vesting is dependent on the achievement of performance conditions. Settlement of the awards will take place on the respective vesting date of the awards and at the board's discretion.
- Dividends are not payable on unvested shares.

PPS plan

Purpose and description

A phantom award of value to the participants subject to an employment condition (continued tenure), where the value of the units awarded, at grant and settlement is based on the value of the underlying portfolio of new investments and performance conditions on a like-for-like basis.

Calculation

- PPS units vest over five years in two equal tranches in years four and five.
- Vested units are settled on exercise by delivery of MCG shares, up to the tenth anniversary of the award date.
- 100% of awards are linked to performance conditions. The returns are measured based on the growth in the portfolio valuation on a like-for-like basis.
- The portfolio performance is calculated at the date of vesting in year four and in year five.

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

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

MultiChoice RSUs and PSUs

Eligibility

Executives, senior management, scarce and critical skills. A once-off RSU allocation was made to all levels of employees in 2019 when MultiChoice listed and the scheme was registered.

Performance measures

From FY23, the group performance measures for PSU awards and weightings are set out below:

Performance measure	Weighting
Core headline earnings per share	40%
FCF (pre-tax) conversion ratio	15%
Nigeria cash extraction	10%
Total shareholder return	25%
ESG	10%

Performance below threshold results in a 0% vesting for the specific measure. Between threshold and stretch, we apply linear progression of the vesting from 50% to 100%. The maximum vesting that can take place is 100% of the shares awarded.

PPS plan

Eligibility

Select executives involved with strategic investments.

Performance measures

The value is linked to the value of the portfolio of new investments and will vest 50% in years four and five respectively. The returns are measured based on the growth in portfolio valuations. The minimum vesting performance threshold is 12.5% per annum, and 100% vesting is achieved at a growth in the portfolio value of 25% per annum, with linear interpolation between these levels.

On target and stretch outcomes

The annual LTI awards are capped at percentages as set out in the table below:

	LTI maximum as a % of salary
CEO	215%
CFO	185%
Rest of executive committee and select executives	165%

These are determined based on market comparisons as provided by our independent adviser. The cap excludes any movement in the share price.

Malus and clawback

Malus and clawback provisions are applicable to the MultiChoice Group executive committee. Refer to page 108 for more detail.

Malus and clawback

Malus and clawback provisions are applicable to the MultiChoice Group executive committee. Refer to page 108 for more detail.

Remuneration report continued

Benchmarking

We strive to be consistent, offering remuneration packages that help attract and retain the best talent in our market. We consider market practices, business requirements and the calibre of the individual in our recruitment processes.

We benchmark our remuneration using the Old Mutual Remchannel Survey. 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 MultiChoice Group executive committee, we benchmark remuneration against the same peer group of companies used for the TSR measure, i.e. Vodacom, MTN, Telkom, Shoprite, Clicks, Bidvest, Discovery, Mr Price, Foschini. Our approach to performance incentives is to award STIs below the average of our peer group and a higher LTI component as we believe this will ensure alignment to shareholder interests. This approach ensures that our blended outcome for our executive committee on both STI and LTI aligns with the market.

Malus and clawback

We believe inappropriate conduct should not be rewarded. To protect stakeholders against inappropriate conduct by executives, malus and clawback provisions apply to all variable pay (STI and LTI) for the MultiChoice Group executive committee. These provisions enable us to recover variable remuneration awards made, based on the occurrence of a trigger event caused by the participant, which led to loss or damage incurred by the group.

Trigger events include, but are not limited to:

- the group or any subsidiary's financial statements having been materially restated
- the executive having deliberately misled the group or any subsidiary, the market and/or the group's shareholders regarding the financial performance or position of the group
- the executive's actions brought the group, subsidiary and/or the executive's business unit into significant disrepute
- the executive's actions amounted to gross misconduct or a material error
- the subsidiary or the business unit in which the executive works having suffered a material failure of risk management, and
- any other matter which, in the reasonable opinion of the remuneration committee, is required to be taken into account to comply with prevailing legal and/or regulatory requirements

Malus will be applied prior to the vesting and/or payment of any STI or LTI. Clawback will be applicable for up to three years after the vesting and/or payment of any STI or LTI.

Service contracts

Executives' service contracts comply with terms and conditions of employment in the jurisdiction where they are employed. Executives' contracts do not contain guaranteed payments on termination. Details of the date of appointment and relevant notice period for executive directors and prescribed officers are set out in the table below:

	CP Mawela	TN Jacobs
Date of appointment in the current role	1/11/2018	1/11/2018
Notice period	6 months	6 months
Restraint period	12 months	6 months

Recruitment policy

On the appointment of a new executive, his/her package will typically be in line with the principles as outlined on pages 106 and 107. To facilitate recruitment, it may be necessary to compensate for remuneration forfeited on exiting the previous employer. This will be considered on a case-by-case basis and may comprise cash or shares.

Remuneration report continued

Termination policy

Payments in lieu of notice may be made to executives for the unexpired portion of the notice period.
On cessation, there is no automatic entitlement to an annual performance-related incentive (bonus). However, the committee retains the discretion to award a bonus to a leaver during the financial year considering the circumstances of his/her departure.

Termination provisions related to LTI plans are as follows:

LTI termination provisions

Death, ill health, disability or other event approved at the board's discretion	• All unvested awards will be accelerated and fully vest on the date of termination of employment. If applicable, the outcomes of PSUs and PPS thresholds will be reviewed by the remuneration committee on a case-by-case basis.
Redundancy or termination as a result of a business disposal or change of control/jurisdictional issue or retirement	• Vesting of the awards will be accelerated on a pro rata basis. However, the pro rata portion will only be applicable to the next upcoming vesting portion. If applicable, the outcomes of PSUs and PPSs thresholds will be reviewed by the remuneration committee on a case-by-case basis.
For other causes	• All unvested awards will lapse.

Minimum shareholding required (MSR)

To encourage individual shareholding in the group and to align with shareholders' interests, the following minimum shareholding is required for all members of the MultiChoice Group 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 MultiChoice Group executive committee members to reach the MSR is five years from the date of appointment.

	MSR as % of salary
MultiChoice Group CEO	300%
MultiChoice Group CFO	200%
MultiChoice Group executive committee	100%

Remuneration policy applicable to non-executive directors

Terms of appointment

The board has clear procedures for the appointment and orientation of directors, and annual self-evaluations are completed by the board and the MultiChoice Group committees. The MultiChoice Group 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 MultiChoice Group nomination 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

Directors on the MultiChoice Group board have cross-membership on the South African major subsidiary boards: MultiChoice South Africa Holdings Proprietary Limited and MultiChoice South Africa Proprietary Limited.

Non-executive directors with such cross-memberships receive a single fee at a MultiChoice Group level.

Non-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.

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 2022.

PART: 3

The implementation report

This section explains how the remuneration policy was implemented in the reporting year and reflects the resulting payments each executive director received (backward looking). All decisions in relation to executive remuneration were made in line with our remuneration policy for this financial year.

FY22 salary adjustments

The committee approved a 3.8% salary increase in FY22 for all employees in South Africa.

FY22 STI outcomes

Financial/group goals

In the following tables we outline the actual STI outcomes for each financial performance measure relative to the target set at the beginning of the financial year:

FY22 STI	Weight (%)	Threshold (80%)	Target (100%)	Stretch (120%)	On-target outcome (%)	% of target achieved	FY22 outcome (%)
Revenue	25	2% below target	On-target	2% above target	25	102%[1]	30
Core headline earnings	25	10% below target	On-target	10% above target	25	208%[2]	30
Free cash flow	25	10% below target	On-target	10% above target	25	242%[3]	30
Subscriber growth South Africa	8.3	5% below target	On-target	5% above target	8.3	28%[4]	0
Subscriber growth Rest of Africa	8.3	5% below target	On-target	5% above target	8.3	152%[4]	10
Online user base growth	8.3	5% below target	On-target	5% above target	8.3	160%[5]	10
Total	**100**				**100**		**110**

LTI FY22 vesting outcomes

In FY22, the outcome of the 2020 PSU awards vested as detailed in the table below (executives received 50% PSUs and 50% RSUs for their 2020 LTI awards, with vesting in four equal tranches from June 2022 to June 2025).

FY22 LTI	Weight (%)	Threshold (50% vesting)	Target (75% vesting)	Stretch (100% vesting)	On-target vesting (%)	% of target achieved	FY22 vesting (%)
Core HEPS	25	5% below target	On-target	5% above target	18.75	199%[6]	25
Free cash flow	50	5% below target	On-target	5% above target	37.5	247%[7]	50
Return on capital employed	25	5% below target	On-target	5% above target	18.75	142%[8]	25
Total	**100**				**75**		**100**

1 Revenue achieved the stretch target. This was driven by healthy subscriber growth in the RoA segment, despite significant consumer pressure in South Africa. The group also saw a stronger than expected recovery in the advertising business which grew by 37% YoY growing market share in a challenging macro environment and significant competition for ad revenue from global competitors. In addition, foreign exchange rates in the RoA held up better than our budget assumptions, which are mainly based on inflation rate differentials, consensus views from our banking partners and near-term market developments.

2 Core headline earnings delivered materially above the stretch target due to the strong revenue growth and the success of the group's cost optimisation programme that delivered an incremental ZAR1.2bn in savings.

3 Free cash flow was materially above the stretch target due to the significantly better earnings delivered over the period, tight management of capital expenditure and working capital management, especially around sports rights prepayments, customer collections and inventory management, all of which delivered better than target outcomes.

4 Based on the challenging consumer climate and higher than expected subscriber closing base in the prior year thanks to COVID-19 restrictions, SA missed the subscriber target for FY22. The RoA business delivered better than stretch target 90-day subscriber growth based on the success of major sporting events and local content. Targets were set based on the prevailing economic circumstances at the time of business plans being set, taking into account budgeted price increases and the impact this has on churn, together with various data analytics performed based on historic and projected subscriber behaviour. In addition, the growth targets set for the RoA supported the business reaching profitability in FY23. The business performed incredibly well to outperform the targets.

5 Online user growth over-achieved the stretch target as the popularity of local content such as *The Wife* exceeded growth expectations. This change in strategy to focus more on local programming had a positive impact on the monthly active online user base, which saw a 68% growth YoY in paying subscribers, resulting in this segment growing faster than the market.

6 The stretch target was achieved on an organic basis excluding the impact of foreign exchange rates in the RoA. Operational performance was strong throughout the period, with subscriber numbers growing by 2.3m 90-day active subscribers, notwithstanding increasing competition from OTT. This was supplemented by strong cost discipline resulting of cumulative savings of R2.7bn. This strong operational performance resulted in the group significantly exceeding the target.

7 Free cash flow was above the stretch target primarily due to the better than stretch target earnings growth. Significant savings were achieved over the three-year period through the acceleration of the group's cost optimisation programme at the onset of COVID-19. Over the three-year period, the group achieved R2.7bn in cost savings, well above the budgeted R2bn savings over the same period. Capital expenditure was managed within target levels throughout the three-year period and a focus on working capital management, especially around sports prepayments, customer collections and inventory management, delivered better than target outcomes.

8 ROCE was 45% at 31 March 2022 (increased from 30% in 2020) due to the higher earnings performance and an efficient use of the asset base in the group, assisted in part by the declaration of a stable R2.5bn dividend.

Remuneration report continued

Executive directors' remuneration
Executive director single figure remuneration

Element
Base salary
Pension
Benefits[1]
Short and medium-term incentive[2]
LTI – PSU/RSU[3]
LTI – SAR[4]
Total single figure

[1] *Benefits exclude pension and include all benefits not included in base salary such as medical benefits, fringe benefits, family benefits, travel, long-service and disability benefits. The increase in FY22 is mainly due to the annual housing lease increase in Dubai, a 15-year long-service award received and increased travel as COVID restrictions were lifted.*

Salary increase and STI award:

Executive director	A FY22 salary as at 31 March 2022 ('000)	FY23 salary ('000)	FY23 increase (%)	B On-target bonus (%)
CP Mawela (US$)	665	685	3	80

LTI shareholding:

Share Plan	Offer date	Number of shares	Offer price (ZAR)	Release date
MultiChoice Group RSU and PSU[1]	18 Jun 2019	61 162	0.00	18 Jun 2021
	18 Jun 2019	61 162	0.00	18 Jun 2022
	18 Jun 2019	61 162	0.00	18 Jun 2023
	18 Jun 2019	61 162	0.00	18 Jun 2024
MultiChoice Group RSU and PSU[1]	10 Jun 2020	51 147	0.00	10 Jun 2022
	10 Jun 2020	51 147	0.00	10 Jun 2023
	10 Jun 2020	51 147	0.00	10 Jun 2024
	10 Jun 2020	51 149	0.00	10 Jun 2025
MultiChoice Group RSU and PSU[2]	17 Nov 2020	70 717	0.00	17 Nov 2023
MultiChoice Group RSU	17 Nov 2020	10 102	0.00	17 Nov 2024
MultiChoice Group PSU[3]	31 Mar 2021	120 809	0.00	31 Mar 2024
Phantom Performance Share Plan 2021[4]	31 Mar 2021	42 767	0.00	31 Mar 2025
	31 Mar 2021	42 767	0.00	31 Mar 2026

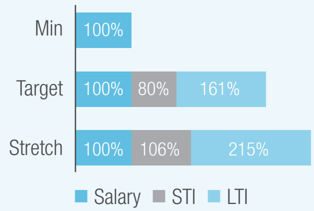
	FY22 (USD'000)	FY21 (USD'000)
	663	646
	80	78
	255	181
	566	993
	1 015	534
	–	197
	2 578	2 628

2 *The STI reflects the bonus paid based on the performance of the relevant financial year. During 2017 the MCSA Remco approved a medium-term incentive scheme. The scheme was designed to incentivise the delivery of key business results in FY18 and FY19, with payments taking place in FY20 and FY21 with no more payments to take place under this legacy scheme.*

3 *The LTI RSU and PSU values reflected are for the June 2019 and June 2020 awards with performance period ending in FY22 (FY21: June 2019 awards). Calvo's RSU and PSU awards were converted to USD using the year-end (March 2022) exchange rate.*

4 *The LTI – SAR reflects the value of SARs that were exercised in FY21 and converted to USD using the November 2020 exchange rate. The SAR scheme was closed in FY21.*

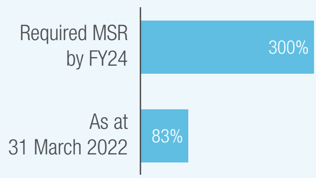
CEO: Pay mix



C	D	E = C x D	F = A x B x E	G = F/A
Group/financial goals achieved outcome (%)	Personal goals achieved outcome (%)	Total outcome (%)	FY22 bonus ('000)	FY22 bonus as % of salary
110	97	106	566	85

Share/unit price as at 31 March 2022 (ZAR)	Value of awards settled during the financial year ending 31 March 2022 (ZAR)	Intrinsic value per award of unvested awards as at 31 March 2022 (ZAR)
–	7 408 553	
131.73		8 056 870
131.73		8 056 870
131.73		8 056 870
131.73		6 737 594
131.73		6 737 594
131.73		6 737 594
131.73		6 737 858
131.73		6 940 085
131.73		1 330 736
131.73		10 503 352
121.42		1 869 397
121.42		1 869 397

MSR: Calvo Mawela



1 *50% of RSUs issued are subject to performance conditions.*
2 *75% of RSUs issued are subject to performance conditions.*
3 *100% of RSUs issued are subject to performance conditions.*
4 *100% of PPSs issued are subject to performance conditions.*
The calculation of the PPS unit price is detailed on page 102.

Remuneration report continued

Element

TCTC[1]
Pension
Benefits[2]
Short and medium-term incentive[3]
LTI – PSU/RSU[4]
LTI – SAR[5]

Total single figure

[1] Tim moved to a dual employment contract (ZAR and EUR) during FY22 as he is required to spend a significant amount of time offshore. His EUR portion has been converted to ZAR using the March 2022 exchange rate.

Salary increase and STI award:

Executive director	FY22 salary as at 31 March 2022* ('000)	FY23 salary ('000)	FY23 increase (%)	On-target bonus (%)
	A			B
TN Jacobs (ZAR)	7 608	7 874	3.5	80

** Tim's EUR portion has been converted to ZAR using the March 2022 exchange rate.*

LTI shareholding:

Share Plan	Offer date	Number of shares	Offer price (ZAR)	Release date
MultiChoice Group RSU and PSU[1]	18 Jun 2019	15 768	0.00	18 Jun 2021
	18 Jun 2019	15 768	0.00	18 Jun 2022
	18 Jun 2019	15 768	0.00	18 Jun 2023
	18 Jun 2019	15 769	0.00	18 Jun 2024
MultiChoice Group RSU and PSU[1]	10 Jun 2020	21 207	0.00	10 Jun 2022
	10 Jun 2020	21 207	0.00	10 Jun 2023
	10 Jun 2020	21 207	0.00	10 Jun 2024
	10 Jun 2020	21 207	0.00	10 Jun 2025
MultiChoice Group RSU and PSU[2]	17 Nov 2020	52 195	0.00	17 Nov 2023
MultiChoice Group RSU	17 Nov 2020	7 457	0.00	17 Nov 2024
MultiChoice Group RSU[3]	31 Mar 2021	80 732	0.00	31 Mar 2024
Phantom Performance Share Plan 2021[4]	31 Mar 2021	28 579	0.00	31 Mar 2025
	31 Mar 2021	28 580	0.00	31 Mar 2026

	FY22 (ZAR'000)	FY21 (ZAR'000)
	7 447	6 241
	640	979
	671	72
	6 294	6 825
	4 871	2 033
	–	14 877
	19 923	31 026

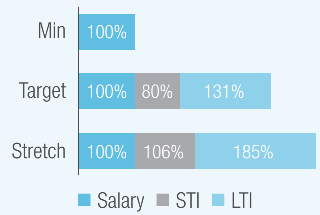
[2] *Benefits exclude pension and includes all benefits not included in TCTC such as medical benefits, fringe benefits, family benefits, travel, long-service and disability benefits. The increase in FY22 is mainly due to Tim's benefits for his European contract (which has been converted to ZAR using the March 2022 exchange rate) and increased travel as COVID restrictions were lifted.*

[3] *The STI reflects the bonus paid based on the performance of the relevant financial year.*

[4] *The LTI RSU and PSU values reflected are for the June 2019 and June 2020 awards with the performance period ending in FY22 (FY21: June 2019 awards).*

[5] *The LTI – SAR reflects the value of SARs that were exercised in FY21. The SAR scheme was closed in FY21.*

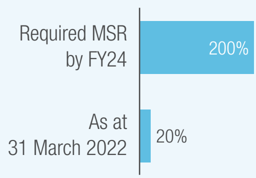
CFO: Pay mix



C Group/financial goals achieved outcome (%)	D Personal goals achieved outcome (%)	E = C x D Total outcome (%)	F = A x B x E FY22 bonus ('000)	G = F/A FY22 bonus as % of salary
110	94	103.4	6 294	83

Share/unit price as at 31 March 2022 (ZAR)	Value of awards settled during the financial year ending 31 March 2022 (ZAR)	Intrinsic value per award of unvested awards as at 31 March 2022 (ZAR)
–	1 897 841	
131.73		2 077 119
131.73		2 077 119
131.73		2 077 250
131.73		2 793 598
131.73		2 793 598
131.73		2 793 598
131.73		2 793 598
131.73		5 122 357
131.73		982 311
131.73		7 018 985
121.42		1 249 222
121.42		1 249 266

MSR: Tim Jacobs



[1] *50% of RSUs issued are subject to performance conditions.*

[2] *75% of RSUs issued are subject to performance conditions.*

[3] *100% of RSUs issued are subject to performance conditions.*

[4] *100% of PPSs issued are subject to performance conditions.*

The calculation of the PPS unit price is detailed on page 102.

Corporate governance review

Remuneration report continued

Non-executive directors' fees

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

2022 Non-executive directors	Directors' remuneration Paid for services to the company R	 Paid for services to other group companies R
James du Preez (appointed 1 April 2021)	–	–
Nolo Letele (resigned 1 December 2021)	–	–
Elias Masilela	–	–
Kgomotso Moroka	–	1 500 000
Louisa Stephens	–	–
John James Volkwyn	–	5 151 753
Christine Sabwa	–	–
Jabulani Mabuza**	–	–
Fatai Sanusi	–	–
Steve Pacak (resigned 1 April 2021)*	–	–
	–	**6 651 753**

Notes
** Resigned on 1 April 2021 and received no fees.*
***Jabu Mabuza passed away 16 June 2021.*

Non-executive directors	Directors' remuneration Paid for services to the company USD	 Paid for services to other group companies USD
Mohamed Imtiaz Patel – Chair*	–	1 124 614
	–	**1 124 614**

Notes
** Payments relate to the service and restraint agreement entered into between the group and Imtiaz.*

Termination payments

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

Directors' fees		Committee and trustees' fees and other fees		Total
Paid for services to the company R	Paid for services to other group companies R	Paid for services to the company R	Paid for services to other group companies R	R
–	745 663	–	459 376	1 205 039
–	557 525	–	229 999	787 524
–	745 663	–	344 548	1 090 210
–	745 663	–	758 809	3 004 471
–	745 663	–	1 141 370	1 887 033
–	–	–	–	5 151 753
–	745 663	–	581 102	1 326 765
–	271 875	–	98 750	370 625
–	745 663	–	118 278	863 940
–	–	–	–	–
–	**5 303 375**	**–**	**3 732 231**	**15 687 360**

Directors' fees		Committee and trustees' fees and other fees		Total
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
–	–	–	–	1 124 614
–	**–**	**–**	**–**	**1 124 614**

Contractual arrangements

Adv Kgomotso Moroka

The consultancy agreement entered into between the group and Kgomotso is for professional advisory services to the group and its subsidiaries. Kgomotso is a Senior Counsel and seasoned legal professional. Given the sensitive nature of some matters and Kgomotso's understanding of our business and the political, social and legal landscape, she is often consulted to formulate an approach and strategy. For this service we need to compensate her outside of her normal board fees, hence the need for a separate consulting agreement. The consulting agreement is considered immaterial and the board has, after consideration on a balanced and substance-over-form basis, determined that the agreement does not affect her categorisation as an independent non-executive director. The agreement was renewed for 24 months effective April 2022.

Jim Volkwyn

The consultancy agreement entered into between the group and Jim is for professional advisory services to the group CEO. During FY22 the scope of Jim's consultancy services was reviewed and expanded to cover more strategic advisory services. The services are global in nature and involve key global strategies. The consultancy agreement is complementary to his director role, involves an annual fee for Jim's additional time and effort to provide global strategic input at an early stage. The group believes that the benefit of leveraging his local and international industry insights and skills is superior to paying external consultants with limited insight into our operations and provides us with a significant strategic advantage as we evaluate many opportunities to grow our business over the longer term. The contract is considered immaterial to Jim's wealth. The board has, after external legal advice and consideration on a balanced and substance-over-form basis, determined that the agreement does not affect his categorisation as an independent non-executive director. Jim has waived any entitlement to director and committee fees paid to non-executive directors.

Imtiaz Patel

The service and restraint agreement entered into between the group and Imtiaz is for the provision of various strategic and advisory support services to the group at a global level. The essence of the agreement is a restraint of trade to ensure that Imtiaz's valuable and sought-after knowledge, experience, contacts and company/global industry insights are retained within the group as he is fundamental in pivoting the group's strategic re-positioning and platform expansion plans. Imtiaz has waived any entitlement to director and committee fees paid to non-executive directors.

Compliance

There were no deviations from the remuneration policy in FY22.

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 2022.

The MultiChoice SA and Phuthuma Nathi annual general meetings (AGMs) will be held at 11:00 on Wednesday 24 August 2022

Shareholders wishing to vote prior to the AGMs can log in to their EESE shareholder account (www.eese.co.za) and cast their proxy vote online, or contact Singular telephonically at 0860 116 226 to cast such shareholder's proxy vote telephonically, by no later than 10:45 SAST on Tuesday 23 August 2022 to allow for processing.

A live broadcast of the AGMs will take place on DStv channel 196. To watch the live broadcast shareholders must submit the application form on page 138 to phuthumanathi@singularservices.co.za by no later than Friday 19 August 2022 to allow for processing.

Shareholder information

MultiChoice SA
Notice of annual general meeting

MultiChoice South Africa Holdings Proprietary Limited
(Incorporated in the Republic of South Africa)
Registration number: 2006/015293/07
(MultiChoice South Africa or the company)

Notice is hereby given that the sixteenth annual general meeting (AGM) of the company will be held on Wednesday 24 August 2022 at MultiChoice City 144 Bram Fischer Drive, Ferndale, Randburg at 11:00 South African Standard Time (SAST) (subject to any adjournment, postponement or cancellation) in order to consider, and if deemed fit, pass with or without modification, the resolutions as set out in this notice.

The company reserves the right to amend the means by which and the manner in which the AGM is convened as well as any details regarding participation in the AGM or the process for registration and submission of forms of proxy by notifying shareholders by no later than seven days prior to the date of the AGM through the issue of an announcement on the Equity Express Security Exchange (EESE) website and/or publishing a notice on the company's corporate website and/or publishing a notice in widely circulated print media and/or any other means that the board of the company may determine appropriate for such notification to shareholders.

Purpose of meeting

The purpose of the AGM is:

a. To submit and receive the audited consolidated annual financial statements of the company as approved by the board, including the directors' report, the report of the independent auditors and the report of the audit committee for the financial year ended 31 March 2022.
The summary consolidated financial results are set out on pages 69 and 80 of the integrated report. The complete consolidated audited annual financial statements are available on the company's website at https://www.multichoice.com/multichoice-south-africa/reports-and-financial-information

b. To consider and, if approved, to adopt with or without amendment, the resolutions set out below.

c. To transact any other business as may be transacted at an AGM in terms of the Act and the memorandum of incorporation (MOI) of the company.

Attendance

Shareholders are advised that, in terms of section 63(1) of the Companies Act, No 71 of 2008 (Companies Act), any person (including proxies) attending or participating in the AGM must present reasonably satisfactory identification before being entitled to attend or participate in and vote at the

Important dates

Shareholders eligible to receive AGM notice	19 July 2022
Distribution of the integrated annual report enclosing AGM notice, on or before	28 July 2022
Online/telephonic proxy voting opens	28 July 2022
Electronic participation request deadline	19 August 2022
AGM Live broadcast registration deadline	19 August 2022
Voting record date	19 August 2022
Proxy submission (proxy form, online and telephonic proxy voting) deadline for administrative purposes	23 August 2022
Annual general meeting	24 August 2022

AGM. The company and Singular are obliged to validate each shareholder's entitlement to participate in and/or vote at the AGM before allowing a shareholder into the AGM venue.

Please note that on the day of the AGM the registration counter at the AGM venue will, for purposes of registering to vote at the AGM, close at 10:45 on Wednesday 24 August 2022.

COVID-19 protocols at MultiChoice City

The company will continue to monitor developments in respect of COVID-19 and accordingly reserves the right to alter arrangements for the AGM in order to ensure compliance with the relevant regulations at the date of the AGM. Should any changes be made in respect of the arrangements for the AGM, shareholders will be updated as set out above.

Electronic participation

Shareholders entitled to attend and vote at the AGM, or their proxies, will be entitled to participate in (but not vote at) the AGM by electronic communication. Should a shareholder wish to participate in the AGM electronically, the shareholder should advise the company by no later than 11:00 SAST on Friday 19 August 2022 by submitting via email to Singular (phuthumanathi@singularservices.co.za), a letter stating that the shareholder would like to attend the AGM electronically together with the shareholder's contact details; full details of that shareholder's title to securities issued by the company; and proof of identity (in the form of certified copies of identity documents and written confirmation from the transfer secretary confirming the shareholder's title to the shares). On receipt of the required information, the shareholder will be given a secure code and instructions to access electronic communication during the AGM. Shareholders must note that access to the electronic communication will be for their expense.

Live broadcast

A live broadcast of the AGM will take place on DStv channel 196. To watch the live broadcast, shareholders must submit the form on page 138 to phuthumanathi@singularservices.co.za by no later than 11:00 SAST on Friday 19 August 2022 to allow for processing.

The broadcast on DStv is for shareholders who would like to watch the AGM proceedings but not interact with the panel or vote during the AGM proceedings. To interact with the panel and vote during the AGM, shareholders must follow the instructions on the previous pages for attendance and voting at the AGM.

Ordinary resolutions

1. Ordinary resolution number 1: Presenting the annual reporting suite

To present, consider and accept the annual reporting suite (incorporating the integrated annual report, the consolidated annual financial statements (including, among others, the directors' report, the independent auditors' report and the audit committee report) for the financial year ended 31 March 2022). The consolidated annual financial statements and the full reporting suite are available on the company's website at https://www.multichoice.com/multichoice-south-africa/reports-and-financial-information

2. Ordinary resolution number 2: Re-election of directors

To re-elect, each by way of separate ordinary resolution, the directors named below, who retire, in terms of article 5.1.6 of the MOI, and being eligible, offer themselves for re-election as directors of the company:

2.1 Elias Masilela

2.2 Mohamed Imtiaz Ahmed Patel

2.3 Louisa Stephens

Brief biographies in respect of each director are available on pages 84 and 86 of the integrated report.

The board unanimously recommends that the re-election of directors, in terms of ordinary resolutions numbered 2.1 to 2.3 be approved by shareholders of the company. The re-election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, and in each vote to fill a vacancy, each voting right entitled to be exercised, may be exercised once.

MultiChoice SA
Notice of annual general meeting continued

3. Ordinary resolution number 3: Appointment of the independent external auditor

To appoint, on the recommendation of the company's audit committee, the firm:

3.1 PricewaterhouseCoopers Incorporated (PwC) as independent registered external auditor of the company (noting that Dirk Höll is the individual registered auditor of that firm who will undertake the audit) for the period from the date of this AGM until the conclusion of the financial year ending 31 March 2023; and

3.2 Ernst & Young Incorporated (EY) as independent registered external auditor of the company (noting that Charles Trollope is the individual registered auditor of that firm who will undertake the audit) for the period 1 April 2023 until the next AGM.

In accordance with the ruling issued by the Independent Regulatory Board for Auditors (IRBA) in June 2017 which stipulates that no audit firm shall serve as the appointed auditor of a public interest entity for more than 10 consecutive years, the company shall undergo a mandatory audit firm rotation. A phased transition approach will be taken in relation to IRBA's mandatory audit firm rotation requirement.

PwC was elected as the external auditors for the company at the AGM held on 25 August 2021 until the AGM to be held on 24 August 2022.

The MultiChoice Group audit committee recommends that:

- PwC continue as the external auditor of the company until the end of the financial year ending 31 March 2023; and
- EY be appointed as the new external auditors of the company with effect from 1 April 2023 until the next AGM.

The MultiChoice Group audit committee's recommendation has been approved by the board.

Each appointment is to be conducted as a series of votes and in each vote to appoint each PwC or EY, each voting right entitled to be exercised, may be exercised once.

4. Ordinary resolution number 4: Authorisation of distribution

To authorise a distribution of 1 666.67 cents per share, pursuant to article 6.3.2 of the MOI and in accordance with the recommendation of the board.

Subject to shareholder approval, the board approved a dividend of ZAR6.00bn payable to its ordinary shareholders on or about 5 September 2022. The board has approved a distribution of 1 666.67 cents per share, after having applied the solvency and liquidity test and reasonably concluded that the company will satisfy the solvency and liquidity test immediately after completing the proposed distribution.

5. Ordinary resolution number 5: Authorisation to implement resolutions

Each of the directors of the company is authorised to do all things, perform all acts and sign all documents necessary or desirable to effect the implementation of the ordinary and special resolutions adopted at this AGM.

Non-binding advisory resolutions

6. Non-binding advisory resolution number 1: Endorsement of the company's remuneration policy

To endorse the company's remuneration policy, as set out in the remuneration report on pages 104 to 111 of the integrated annual report.

7. Non-binding advisory resolution number 2: Endorsement of the implementation of the remuneration policy

To endorse the company's implementation report relating to the payment of remuneration for the period which commenced on

1 April 2021 and ended on 31 March 2022 as set out on pages 112 to 120 of the integrated annual report.

Special resolutions

8. Special resolution number 1: General authority to repurchase a maximum of 20% shares of the company

To authorise the board, by way of a renewable general authority, to approve the acquisition of the company's shares by the company or any subsidiary of the company, subject to a maximum 20% of the company's issued share capital of that class in any one financial year, upon such terms as the board may determine, in each instance in terms of and subject to the MOI and the Companies Act.

The reason for and effect of special resolution number 1 is to grant the company and/or a subsidiary of the company a general authority in terms of the Act to acquire the company's shares.

The directors record that, although there is no immediate intention to effect a repurchase of the shares of the company, they will continually review the company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect any repurchases as contemplated in special resolution number 1.

9. Special resolution number 2: General authority to provide financial assistance in terms of section 44 of the Companies Act

To resolve that the board may authorise the company to generally provide any financial assistance in the manner contemplated and subject to the provisions of section 44 of the Companies Act to a director or prescribed officer of the company or of a related or inter-related company subject to (i) and (ii) below or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, pursuant to the authority hereby conferred upon the board for these purposes.

This authority relates to financial assistance for the subscription/purchase of securities in the company or a related or inter-related company and shall:

(i) include and also apply to the granting of financial assistance to a share incentive scheme of the group or the company and such share-based incentive schemes that are established in future (collectively the group's share-based incentive schemes) and participants thereunder (which may include directors, future directors, prescribed officers and future prescribed officers of the company or of a related or inter-related company) (participants) for the purpose of, or in connection with, the subscription of any option, or any securities issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, pursuant to the administration and implementation of the group share-based incentive schemes, in each instance on the terms applicable to the group's share-based incentive scheme in question; and

(ii) be limited, in respect of directors and prescribed officers, to financial assistance in relation to the acquisition of securities as contemplated in (i).

10. Special resolution number 3: General authority to provide financial assistance in terms of section 45 of the Companies Act

To resolve that the company, as authorised by the board, may generally provide, in terms of and subject to the requirements of section 45 of the Companies Act, any direct or indirect financial assistance to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, pursuant to the authority hereby conferred upon the board for these purposes.

This authority relates to any financial assistance to be provided by the company to, for instance, related or inter-related companies, and includes the provision of parent company guarantees and/or treasury management arrangements.

Shareholder information

MultiChoice SA
Notice of annual general meeting continued

Majority required for the adoption of resolutions

Unless otherwise indicated, in order for the ordinary resolutions to be adopted, the support of a simple majority (that is, 50% plus one) of the total number of voting rights exercised on the resolutions is required.

The non-binding resolutions are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to the existing arrangements. Should 25% or more of the votes exercised on these non-binding resolutions be cast against either or both of these non-binding resolutions, the board undertakes to engage with identified dissenting shareholders as to the reasons therefor and take appropriate action (as determined at the discretion of the board) to reasonably address issues raised, as envisaged in King IV.

In order for the special resolutions to be adopted, the support of at least 75% of the total number of voting rights exercised on the resolutions is required.

Votes recorded as abstentions are not taken into account for the purposes of determining the final percentage of votes cast in favour of the resolutions. This is in line with the Companies Act.

Voting

Only persons present at the AGM or represented by a valid proxy will be entitled to cast a vote on any matter put to a vote of shareholders.

Voting on all resolutions will take place by polling. Every shareholder of the company who is present at the AGM or is represented by proxy shall have one vote for every share in the company held by such shareholder.

Forms of proxy

A shareholder of the company may appoint any individual (including one who is not a shareholder of the company) as a proxy to participate in, speak and vote at the AGM of the company. A form of proxy, which includes the relevant instructions for its completion, is attached on page 127 of the integrated report. In order for the proxy to be effective and valid, it must be completed and delivered in accordance with the instructions contained in the proxy form.

For administration purposes, forms of proxy should be received at the applicable return address (as set out on page 128) by no later than 10:45 SAST on Tuesday 23 August 2022.

Shareholders are to take note of postal delivery times and any restrictions on postal services in place when posting any forms as no late postal deliveries will be accepted. Shareholders are encouraged to email forms instead.

As an alternative to submitting forms of proxy, shareholders will be able to vote on the resolutions set out in this notice before the AGM by making use of the online voting platform. Shareholders can access the online voting platform by logging in to their EESE shareholder account (www.eese.co.za) or contacting Singular telephonically at 0860 116 226 to cast such shareholder's proxy vote telephonically. The online voting platform and telephonic voting service will be available from 09:00 on Thursday, 28 July 2022 until 10:45 on Tuesday 23 August 2022.

Shareholders who use this online or telephonic voting service will be deemed to have appointed Singular as their proxy for purposes of voting at the AGM.

By order of the board

CC Miller
MultiChoice South Africa: company secretary
28 July 2022

MultiChoice SA Proxy form

MultiChoice South Africa Holdings Proprietary Limited
(Incorporated in the Republic of South Africa)
Registration number: 2006/015293/07
(MultiChoice South Africa or the company)

For use by shareholders in respect of the annual general meeting (AGM) to be held at MultiChoice City, 144 Bram Fischer Drive, Randburg on Wednesday 24 August 2022 at 11:00 SAST.

I/We (name in block letters)

Identity number/registration number

of (address)

being the holder(s) of ______ shares in the company, hereby appoint (see notes overleaf)

1. or failing him/her

2. or failing him/her

3. the chair of the company or failing him/her, the chair of the AGM as my/our proxy to vote for me/us on my/our behalf at the AGM of the company to be held at 11:00 SAST on Wednesday 24 August 2022, or at any adjournment, and generally to act as my/our proxy at this meeting.

I/We desire to vote as follows:

		For	Against	Abstain
Ordinary resolution number 1	Presenting of annual reporting suite			
Ordinary resolution number 2	Re-election of directors:			
	2.1 Elias Masilela			
	2.2 Mohamed Imtiaz Ahmed Patel			
	2.3 Louisa Stephens			
Ordinary resolution number 3	Appointment of external auditors:			
	3.1 PwC for period ending 31 March 2023			
	3.2 EY for period ending 31 March 2024			
Ordinary resolution number 4	Authorisation of distribution			
Ordinary resolution number 5	Authorisation to implement resolutions			
Non-binding advisory resolution number 1	Endorsement of the company's remuneration policy			
Non-binding advisory resolution number 2	Endorsement of the remuneration implementation report			
Special resolution number 1	General authority to repurchase shares			
Special resolution number 2	General authority to provide financial assistance in terms of section 44 of the Companies Act			
Special resolution number 3	General authority to provide financial assistance in terms of section 45 of the Companies Act			

Signed on 2022 at:

Signature of authorised representative of shareholder or shareholder:

Home number: Mobile number: Email address:

Please read notes to the proxy set out overleaf.

Shareholder information

Notes to the form of proxy

Summary of the rights of a shareholder to be represented by proxy in terms of section 58 of the Companies Act read with the company's MoI

1. A shareholder of the company may appoint any individual (including one who is not a shareholder of the company) as a proxy to participate in, speak and vote at the AGM of the company. A shareholder may therefore insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting 'the chair of the company, or failing him/her, the chair of the AGM'. The person whose name is first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
3. A proxy instrument must be in writing, dated and signed by the shareholder.
4. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.
5. A copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company before the proxy exercises any rights of the shareholder at the AGM.
6. Irrespective of the form of instrument used to appoint the proxy:
   a. the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in exercising any rights as a shareholder;
   b. the appointment is revocable unless the proxy appointment expressly states otherwise; and
   c. if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and the company.
7. Every shareholder, present in person or by proxy and entitled to vote, will on a show of hands have only one vote and, on a poll, every shareholder will have one vote for every share held.
8. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the company or waived by the chair of the AGM.
9. A shareholder's instructions to the proxy must be indicated by that shareholder in the appropriate space provided in this form, failing which the proxy shall not be entitled to vote at the AGM in respect of the shareholder's votes exercisable at that meeting. Provided where the proxy is the chair, failure to so comply will be deemed to authorise the chair to vote in favour of the resolutions. A shareholder's instructions to the proxy must be indicated by inserting an X in the appropriate box. A proxy appointment shall be suspended should a shareholder wish to participate in the meeting in person after having submitted the form of proxy.
10. A shareholder may at any time appoint a proxy. For practical purposes, forms of proxy are requested to be lodged with the transfer secretaries, Singular Systems Proprietary Limited, 25 Scott Street, Waverley, 2090 or PO Box 1266, Bramley, 2018 or phuthumanathi@singularservices.co.za, to reach them not less than forty-eight (48) hours (not including Saturdays, Sundays and public holidays) before the AGM, that is by 10:45 SAST on Tuesday 23 August 2022. As a result of delays in postal services and restrictions which may apply to postal services, shareholders are encouraged to email their forms of proxy to the address provided above.

11. The completion and lodging of this form of proxy will not preclude the shareholder from attending the AGM and speaking and voting in person at the meeting to the exclusion of any proxy appointed in terms hereof.
12. An instrument of proxy shall be valid for any adjournment or postponement of the AGM, as well as for the meeting to which it relates, unless the contrary is stated therein but shall not be used at the resumption of an adjourned AGM if it could not have been used at the AGM from which it was adjourned for any reason other than that it was not lodged timeously for the meeting from which the adjournment took place.
13. A vote cast or act done in accordance with the terms of a form of proxy shall be deemed to be valid despite:
    a. The death, insanity or any other legal disability of the person appointing the proxy; or
    b. The revocation of the proxy; or
    c. The transfer of a share in respect of which the proxy was given, unless notice as to any of the abovementioned matters shall have been received by the company at its registered office or by the chair of the AGM at the place of the AGM, if not held at the registered office, before the commencement or resumption (if adjourned) of the AGM at which the vote was cast or the act was done or before the poll on which the vote was cast.
14. The authority of a person signing the form of proxy:
    a. Under a power of attorney; or
    b. On behalf of a company or close corporation or trust,

    must be attached to the form of proxy unless the full power of attorney has already been received by the company or the transfer secretaries.
15. Where shares are held jointly, all joint holders must sign.

Shareholder information

Phuthuma Nathi
Notice of annual general meeting

Phuthuma Nathi Investments (RF) Limited
(Incorporated in the Republic of South Africa)
Registration number: 2006/015187/06
(Phuthuma Nathi or the company)

Notice is hereby given that the sixteenth annual general meeting (AGM) of the company will be held immediately after the AGM of MultiChoice South Africa Holdings Proprietary Limited (MultiChoice South Africa) which is scheduled to be held on Wednesday 24 August 2022 at MultiChoice City 144 Bram Fischer Drive, Ferndale, Randburg at 11:00 South African Standard Time (SAST) (subject to any adjournment, postponement or cancellation) in order to consider, and if deemed fit, pass with or without modification, the resolutions as set out in this notice.

The company reserves the right to amend the means by which and the manner in which the AGM is convened as well as any details regarding participation in the AGM or the process for registration and submission of forms of proxy by notifying shareholders by no later than seven days prior to the date of the AGM through the issue of an announcement on the Equity Express Security Exchange (EESE) website and/or publishing a notice on the company's corporate website and/or publishing a notice in widely circulated print media and/or any other means that the board of the company may determine appropriate for such notification to shareholders.

Purpose of meeting

The purpose of the AGM is:

a. To submit and receive the company's consolidated and company annual financial statements, as approved by the board, including the directors' report, the report of the independent auditors and the report of the audit committee for the financial year ended 31 March 2022.
The summary consolidated and company financial results are set out on pages 19 and 29 of the integrated report. The complete consolidated audited annual financial statements are available on the company's website at https://www.phuthumanathi.co.za/information/financial-reporting

b. To consider and, if approved, to adopt with or without amendment, the resolutions set out below.

c. To transact any other business as may be transacted at an AGM in terms of the Act and the memorandum of incorporation (MOI) of the company.

Important dates

Shareholders eligible to receive AGM notice	19 July 2022
Distribution of the integrated annual report enclosing AGM notice, on or before	28 July 2022
Online and telephonic proxy voting opens	28 July 2022
Electronic participation request deadline	19 August 2022
AGM Live broadcast registration deadline	19 August 2022
Voting record date	19 August 2022
Proxy submission (proxy form, online and telephonic proxy voting) deadline for administrative purposes	23 August 2022
Annual general meeting	24 August 2022

Dividend

Subject to the approval of the MultiChoice South Africa dividend by shareholders at the MultiChoice South Africa shareholder meeting on 24 August 2022, the Phuthuma Nathi board has, pursuant to article 7.4 of the MOI, declared a dividend of 2 222.22 cents per Phuthuma Nathi share. The dividend will flow from MultiChoice South Africa to Phuthuma Nathi and then to Phuthuma Nathi shareholders.

Dividend tax of 20% amounts to 444.44 cents per Phuthuma Nathi share. Phuthuma Nathi shareholders will therefore receive a net dividend of 1 777.78 (prior year: 1 777.78) cents per share. The dividend proposed in this report will be paid from reserves. If approved by MultiChoice South Africa shareholders, the dividend will be payable to Phuthuma Nathi shareholders recorded in the Phuthuma Nathi share register on 24 August 2022 and paid on or about 5 September 2022.

Attendance

Shareholders are advised that, in terms of section 63(1) of the Companies Act, No 71 of 2008 (Companies Act), any person (including proxies) attending or participating in the AGM must present reasonably satisfactory identification before being entitled to attend or participate in and vote at the AGM. The company and Singular are obliged to validate each shareholder's entitlement to participate in and/or vote at the AGM before allowing a shareholder into the AGM venue.

Please note that on the day of the AGM the registration counter at the AGM venue will, for purposes of registering to vote at the AGM, close at 10:45 on Wednesday 24 August 2022.

COVID-19 protocols at MultiChoice City

The company will continue to monitor developments in respect of COVID-19 and accordingly reserves the right to alter arrangements for the AGM in order to ensure compliance with the relevant regulations at the date of the AGM. Should any changes be made in respect of the arrangements for the AGM, shareholders will be updated as set out above.

Electronic participation

Shareholders entitled to attend and vote at the AGM, or their proxies, will be entitled to participate in (but not vote at) the AGM by electronic communication. Should a shareholder wish to participate in the AGM electronically, the shareholder should advise the company by no later than 11:00 SAST on Friday 19 August 2022 by submitting via email to Singular (phuthumanathi@singularservices.co.za) that shareholder's contact details; full details of that shareholder's title to securities issued by the company; and proof of identity (in the form of certified copies of identity documents and written confirmation from the transfer secretary confirming the shareholder's title to the shares). On receipt of the required information, the shareholder will be given a secure code and instructions to access electronic communication during the AGM. Shareholders must note that access to the electronic communication will be for their expense.

Live broadcast

A live broadcast of the AGM will take place on DStv channel 196. To watch the live broadcast, shareholders must submit the form on page 138 to phuthumanathi@singularservices.co.za by no later than 11:00 SAST on Friday 19 August 2022 to allow for processing.

The broadcast on DStv is for shareholders who would like to watch the AGM proceedings but not interact with the panel or vote during the AGM proceedings. To interact with the panel and vote during the AGM, shareholders must follow the

Phuthuma Nathi
Notice of annual general meeting continued

instructions on the previous pages for attendance and voting at the AGM.

Ordinary resolutions

1. Ordinary resolution number 1: Presenting the annual reporting suite

To present, consider and accept the annual reporting suite (incorporating the integrated annual report, the consolidated and company annual financial statements (including, among others, the directors' report, the independent auditors' report and the audit committee report) for the financial year ended 31 March 2022). The consolidated and company annual financial statements and the full reporting suite are available on the company's website at https://www.phuthumanathi.co.za/information/financial-reporting/

2. Ordinary resolution number 2: Re-election of director

To re-elect Calvo Mawela, who retires by rotation and being eligible, offers himself for re-election as a director of the company:

A brief biography in respect of the director is available on page 15 of the integrated report.

The board unanimously recommends that ordinary resolution number 2 be approved by shareholders of the company.

3. Ordinary resolution number 3: Appointment of the independent external auditor

To appoint, on the recommendation of the company's audit committee, the firm:

3.1 PricewaterhouseCoopers Incorporated (PwC) as independent registered external auditor of the company (noting that Alinah Motaung is the individual registered auditor of that firm who will undertake the audit) for the period from the date of this AGM until the conclusion of the financial year ending 31 March 2023; and

3.2 Ernst & Young Incorporated (EY) as independent registered external auditor of the company (noting that Charles Trollope is the individual registered auditor of that firm who will undertake the audit) for the period 1 April 2023 until the next AGM.

In accordance with the ruling issued by the Independent Regulatory Board for Auditors (IRBA) in June 2017 which stipulates that no audit firm shall serve as the appointed auditor of a public interest entity for more than 10 consecutive years, the company shall undergo a mandatory audit firm rotation. A phased transition approach will be taken in relation to IRBA's mandatory audit firm rotation requirement.

PwC was elected as the external auditors for the company at the AGM held on 25 August 2021 until the AGM to be held on 24 August 2022.

The audit committee recommends that:

- PwC continue as the external auditor of the company until the end of the financial year ending 31 March 2023; and
- EY be appointed as the new external auditors of the company with effect from 1 April 2023 until the next AGM.

The audit committee's recommendation has been approved by the board.

Each appointment is to be conducted as a series of votes and in each vote to appoint each PwC or EY, each voting right entitled to be exercised, may be exercised once.

4. Ordinary resolution number 4: Appointment of audit committee members

To appoint, each by way of a separate ordinary resolution, the directors named below as audit committee members of the company, as required in terms of the Companies Act and recommended by the King Report on Corporate

Governance™ for South Africa, 2016 (King IV*):

4.1 Mandla Langa (chair of the committee)
4.2 Clarissa Mack
4.3 Herman Wessels

Brief biographies in respect of each director are available on page 15 of the integrated report.

The board and the nominations committee are satisfied that the company's audit committee members are suitably skilled and experienced independent non-executive directors. Collectively, they have sufficient qualifications and experience to fulfil their duties, as contemplated in regulation 42 of the Companies Act. They have a comprehensive understanding of financial reporting, internal financial controls, risk management and governance processes in the company, as well as International Financial Reporting Standards (IFRS) and other regulations and guidelines applicable to the company. They keep up to date with developments affecting their required skills set.

The board unanimously recommend that the ordinary resolutions numbered 4.1 to 4.3 be approved by shareholders of the company. The appointments are to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, and in each vote to fill a vacancy, each voting right entitled to be exercised, may be exercised once.

5. Ordinary resolution number 5: Authorisation to implement resolutions

Each of the directors of the company is authorised to do all things, perform all acts and sign all documents necessary or desirable to effect the implementation of the resolutions adopted at this AGM.

Majority required for the adoption of resolutions

Unless otherwise indicated, in order for the ordinary resolutions to be adopted, the support of a simple majority (that is, 50% plus one) of the total number of voting rights exercised on the resolutions is required.

Votes recorded as abstentions are not taken into account for the purposes of determining the final percentage of votes cast in favour of the resolutions. This is in line with the Companies Act.

Voting

Only persons present at the AGM or represented by a valid proxy will be entitled to cast a vote on any matter put to a vote of shareholders.

Voting on all resolutions will take place by polling. Every shareholder of the company who is present at the AGM or is represented by proxy shall have one vote for every share in the company held by such shareholder.

Forms of proxy

A shareholder of the company may appoint any individual (including one who is not a shareholder of the company) as a proxy to participate in, speak and vote at the AGM of the company. A form of proxy, which includes the relevant instructions for its completion, is attached on page 135 of the integrated report. In order for the proxy to be effective and valid, it must be completed and delivered in accordance with the instructions contained in the proxy form.

** Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.*

Phuthuma Nathi
Notice of annual general meeting continued

For administration purposes, forms of proxy should be received at the applicable return address (as set out on page 137) by no later than 10:45 SAST on Tuesday 23 August 2022.

Shareholders are to take note of postal delivery times and any restrictions on postal services in place when posting any forms as no late postal deliveries will be accepted. Shareholders are encouraged to email forms instead.

As an alternative to submitting forms of proxy, shareholders will be able to vote on the resolutions set out in this notice before the AGM by making use of the online voting platform. Shareholders can access the online voting platform by logging in to their EESE shareholder account (www.eese.co.za) or contacting Singular telephonically at 0860 116 226 to cast such shareholder's proxy vote telephonically. The online voting platform and telephonic voting service will be available from 09:00 on Thursday 28 July 2022 until 10:45 on Tuesday 23 August 2022.

Shareholders who use this online or telephonic voting service will be deemed to have appointed Singular as their proxy for purposes of voting at the AGM.

By order of the board

CC Miller
Phuthuma Nathi: company secretary
28 July 2022

Phuthuma Nathi
Proxy form

Phuthuma Nathi Investments (RF) Limited
(Incorporated in the Republic of South Africa)
Registration number: 2006/015187/06
(Phuthuma Nathi or the company)

For use by shareholders in respect of the annual general meeting (AGM) to be held at MultiChoice City, 144 Bram Fischer Drive, Randburg on Wednesday 24 August 2022.

I/We (name in block letters)

Identity number/registration number

of (address)

being the holder(s) of ______ shares in the company, hereby appoint (see notes overleaf)

1. or failing him/her

2. or failing him/her

3. the chair of the company or failing him/her, the chair of the AGM as my/our proxy to vote for me/us on my/our behalf at the AGM of the company to be held on Wednesday, 24 August 2022, or at any adjournment, and generally to act as my/our proxy at this meeting.

I/We desire to vote as follows:

		For	Against	Abstain
Ordinary resolution number 1	Presenting the annual reporting suite			
Ordinary resolution number 2	Re-election of director – Calvo Mawela			
Ordinary resolution number 3	Appointment of external auditors:			
	3.1 PwC for period ending 31 March 2023			
	3.2 EY for period ending 31 March 2024			
Ordinary resolution number 4	Appointment of audit committee members:			
	4.1 Mandla Langa			
	4.2 Clarissa Mack			
	4.3 Herman Wessels			
Ordinary resolution number 5	Authorisation to implement resolutions			

Signed on 2022 at:

Signature of authorised representative of shareholder or shareholder:

Home number: Mobile number: Email address:

Please read notes to the proxy set out overleaf.

Shareholder information

Notes to the form of proxy

Summary of the rights of a shareholder to be represented by proxy in terms of section 58 of the Companies Act read with the company's MOI

1. A shareholder of the company may appoint any individual (including one who is not a shareholder of the company) as a proxy to participate in, speak and vote at the AGM of the company. A shareholder may therefore insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting 'the chair of the company, or failing him/her, the chair of the AGM'. The person whose name is first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
3. A proxy instrument must be in writing, dated and signed by the shareholder.
4. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.
5. A copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company before the proxy exercises any rights of the shareholder at the AGM.
6. Irrespective of the form of instrument used to appoint the proxy:
   a. the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in exercising any rights as a shareholder;
   b. the appointment is revocable unless the proxy appointment expressly states otherwise; and
   c. if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and the company.
7. Every shareholder, present in person or by proxy and entitled to vote, will on a show of hands have only one vote and, on a poll, every shareholder will have one vote for every share held.
8. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the company or waived by the chair of the AGM.
9. A shareholder's instructions to the proxy must be indicated by that shareholder in the appropriate space provided in this form, failing which the proxy shall not be entitled to vote at the AGM in respect of the shareholder's votes exercisable at that meeting. Provided where the proxy is the chair, failure to so comply will be deemed to authorise the chair to vote in favour of the resolutions. A shareholder's instructions to the proxy must be indicated by inserting an X in the appropriate box. A proxy appointment shall be suspended should a shareholder wish to participate in the meeting in person after having submitted the form of proxy.

10. A shareholder may at any time appoint a proxy. For practical purposes, forms of proxy are requested to be lodged with the transfer secretaries, Singular Systems Proprietary Limited, 25 Scott Street, Waverley, 2090 or PO Box 1266, Bramley, 2018 or phuthumanathi@singularservices.co.za, to reach them not less than forty-eight (48) hours (not including Saturdays, Sundays and public holidays) before the AGM, that is by 10:45 SAST on Tuesday 23 August 2022. As a result of delays in postal services and restrictions which may apply to postal services, shareholders are encouraged to email their forms of proxy to the address provided above.

11. The completion and lodging of this form of proxy will not preclude the shareholder from attending the AGM and speaking and voting in person at the meeting to the exclusion of any proxy appointed in terms hereof.

12. An instrument of proxy shall be valid for any adjournment or postponement of the AGM, as well as for the meeting to which it relates, unless the contrary is stated therein but shall not be used at the resumption of an adjourned AGM if it could not have been used at the AGM from which it was adjourned for any reason other than that it was not lodged timeously for the meeting from which the adjournment took place.

13. A vote cast or act done in accordance with the terms of a form of proxy shall be deemed to be valid despite:
    a. The death, insanity or any other legal disability of the person appointing the proxy; or
    b. The revocation of the proxy; or
    c. The transfer of a share in respect of which the proxy was given, unless notice as to any of the abovementioned matters shall have been received by the company at its registered office or by the chair of the AGM at the place of the AGM, if not held at the registered office, before the commencement or resumption (if adjourned) of the AGM at which the vote was cast or the act was done or before the poll on which the vote was cast.

14. The authority of a person signing the form of proxy:
    a. Under a power of attorney; or
    b. On behalf of a company or close corporation or trust,
    must be attached to the form of proxy unless the full power of attorney has already been received by the company or the transfer secretaries.

15. Where shares are held jointly, all joint holders must sign.

Shareholder information

Live broadcast of the AGMs on DStv channel 196

11:00 Wednesday 24 August 2022

Shareholders who wish to watch the MultiChoice SA and Phuthuma Nathi AGMs on DStv must complete and submit the form below to phuthumanathi@singularservices.co.za by 11:00, Friday 19 August 2022.

The purpose of the broadcast is to afford shareholders who are not part of the AGM the opportunity to watch the proceedings on TV. Please note that shareholders who will be watching the broadcast will not be able to participate, ask questions or vote as the AGMs will be conducted in person at MultiChoice City, 144 Bram Fischer Drive, Randburg.

Shareholders who wish to participate, ask questions or vote at the AGMs must attend in person or follow the instructions outlined in the AGM notice on page 131 for electronic participation.

Name Surname

Phuthuma Nathi shareholder account number

Decoder smartcard number
(displayed on the back of the smartcard)

Telephone number Cellphone number

Physical address

City Province Code

Email

Administration and corporate information

Registration number
2006/015293/07

Registered office
MultiChoice City
144 Bram Fischer Drive, Randburg, 2194
(PO Box 1502, Randburg, 2125)

Company secretary
Carmen Miller
MultiChoice City
144 Bram Fischer Drive, Randburg, 2194
(PO Box 1502, Randburg, 2125)

Registration number
2006/0015187/06

Registered office
MultiChoice City
144 Bram Fischer Drive, Randburg, 2194
(PO Box 1502, Randburg, 2125)

Company secretary
Carmen Miller
MultiChoice City
144 Bram Fischer Drive, Randburg, 2194
(PO Box 1502, Randburg, 2125)

Attorneys and tax advisers
Webber Wentzel
90 Rivonia Road, Sandton, Johannesburg, 2196
(PO Box 61771, Marshalltown, 2107)

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

Trading helpdesk and transfer secretaries
Phuthuma Nathi & MCSA
Singular Services Proprietary Limited
Registration number 2002/001492/07
25 Scott Street, Waverley, 2090
PO Box 1266, Bramley, 2018
phuthumanathi@singularservices.co.za

Phuthuma Nathi Call Centre
0860 116 226

www.phuthumanathi.co.za

Shareholder information

Forward-looking statements

This report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as 'believe', 'anticipate', 'intend', 'seek', 'will', 'plan', 'could', 'may', 'endeavour' and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. The key factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; future acquisitions, changes to domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political conditions (including the potential impact of COVID-19); the occurrence of labour disruptions and industrial action; and the effects of both current and future litigation. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise. We cannot give any assurance that forward-looking statements will prove to be correct, and investors are cautioned not to place undue reliance on any forward-looking statements contained herein.


FIFA WORLD CUP Qatar2022
OFFICIAL BROADCASTER
DStv
UNBEATABLE
FIFA WORLD CUP™
QATAR 2022
Stay connected to DStv, the only place in Africa to
watch all 64 matches live.
STARTS
21 NOV 2022
Bastion


Real Housewives
MKR
SOUTH AFRICA
DATE MY FAMILY
COLD COURAGE
BELOW DECK
SAILING YACHT
MZALI WAMI
THE WIFE
SURVIVOR
SOUTH AFRICA
LEGACY
A FAMILY AT WAR WITH ITSELF
WE HAVE THE WORLD'S BEST FOOTBALL
love island
SOUTH AFRICA
TIPPING POINT
www.phuthumanathi.co.za