How our activities added value for our stakeholders continued

Value created for our shareholders and lenders

ZAR0.6bn
free cash flow
(FY23: ZAR2.9bn)

ZAR2.2bn
core headline earnings
(FY23: ZAR3.5bn)

ZAR1bn
in interest paid to lenders
(FY23: ZAR511m)

The shareholder base remains diverse in a year which saw Canal+ increase its stake beyond 35% and forced to make a mandatory offer to minorities

We maintain open, constructive communication with our shareholders and welcome their valuable input regarding ways to enhance our approach to governance and long-term value creation. We seek to be responsible custodians of our owners' financial capital and are focused on generating returns well ahead of our cost of capital through a disciplined approach to capital allocation in support of our group's strategy and its implementation.

We also maintain healthy relationships and engage in frequent interactions with our debt providers. As a pay-tv operator, we have long-standing relationships with our satellite transponder lessors. Since our listing as a standalone group, we have increasingly drawn on debt capital markets to optimise our balance sheet and support our growth ambitions beyond linear video broadcast entertainment. In FY24, we drew down the final ZAR4bn of our ZAR12bn term-loan facility to fund our working capital needs and provide adequate financial flexibility to support the relaunch of Showmax. Comcast's NBCUniversal owns 30% of this business and is contributing to the funding in proportion to its shareholding. This financial year saw us contribute a combined USD177m in funding towards Showmax.

Beyond reinvesting in our business and the operational considerations described above, we carefully evaluate targeted investment opportunities where strategically relevant and value accretive to shareholders, while also proactively managing our leverage profile. To provide the necessary financial flexibility and support our financial needs, we currently have access to R4.1bn in debt facilities and ZAR7.3bn in cash. As a trusted brand and service provider of choice, we continue to enrich lives through technology and entertainment, by executing on our strategy that leverages our scale and reach across the continent. While we remain focused on our core Video Entertainment business, we are pursuing complementary growth opportunities to enhance shareholder value creation and returns over time. In May 2023, we held our first Capital Markets Day – the virtual event was well attended, with more than 200 investors and other market participants joining proceedings online. We used the opportunity to convey the strategy of the broader MultiChoice Group, to explain the new growth opportunities being pursued in SVOD (Showmax), sports betting (KingMakers) and fintech (Moment), and to communicate our approach to capital allocation during this expansion phase.

Although we do not have a dividend payout policy in place, we have a policy to return excess cash to shareholders either through dividends or share buy-backs. Given the availability of excess cash at the time, we paid a ZAR2.5bn dividend in each of the years from FY20 to FY22. A combination of a challenging operating environment in South Africa which affected cash flows, foreign exchange and US dollar liquidity challenges in Nigeria and the funding requirements of Showmax, resulted in no group dividend being declared in FY23. In view of the group's commitments under the Cooperation Agreement with Canal+, as published in the Combined Offer Circular on 4 June 2024, the question of a dividend declaration did not arise for FY24. As cash is upstreamed from MultiChoice South Africa to the group by way of dividends, Phuthuma Nathi receives its 25% share of dividends in the process. Through this process, and subject to MultiChoice South Africa shareholders approving its dividend in August 2024, Phuthuma Nathi will receive ZAR1.4bn (FY23: ZAR1.4bn) in dividends this year. While cognisant of the macro-economic and foreign exchange environment which is beyond our control, we envisage reinstating our group dividend in the medium term as our Rest of Africa business returns to being self-funded and our Showmax business gains scale and requires less investment support.

Our shareholders and lenders are increasingly focusing on environmental, social and governance (ESG) issues and we continuously engage with them on these matters. We are committed to driving ongoing improvements in our ESG efforts and have ESG targets included in our executive compensation framework. We aim to make sound strategic and capital allocation decisions that we believe will ultimately support our market valuation over time. Therefore, we do not unduly concern ourselves with short-term movements in our share price or our market 'rating'.

The group entered into a cooperation agreement with Groupe Canal+ SA (Canal+) in relation to Canal+'s mandatory offer for the group. This followed a ruling by the Takeover Regulation Panel (TRP) of South Africa, which required Canal+ to pursue a mandatory offer after it acquired an interest of more than 35% in MultiChoice.

In relation to the mandatory offer:
- Canal+ submitted an offer of R125 per share in cash (an earlier non-binding intention to offer of R105 was rejected)

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- MultiChoice constituted an independent board of directors, which appointed The Standard Bank of South Africa Limited as an independent expert (IE) to review the terms of the offer and express a "fair and reasonable" opinion as required by the Takeover Regulations. The opinions are contained in the combined offer circular mentioned below.
- Following the posting of a Firm Intention Announcement (FIA) on 8 April 2024, the combined offer circular was distributed on 4 June 2024. In the intervening period, Canal+ increased its shareholding in the group from 35.01% to 45.20%.

Our average closing share price for FY24 was ZAR88.67, reaching a high of ZAR125.03 in April 2023 and a low of ZAR63.21 in November 2023. The significant fluctuation can be attributed to a couple of factors which negatively impacted investor sentiment, most notably the funding required to relaunch Showmax and drive it to become the leading streaming platform on the continent, the significant devaluation of the Naira, as well as the impact of Canal+'s significant holding on our free-float adjusted market capitalisation, which then resulted in us dropping out of both the JSE Top40 and MSCI Indices.

Critical issues for our shareholders	How we address them
1 **Increase investment in our Showmax business** The cash required to fund the relaunched Showmax business, the potential cannibalisation of our linear businesses by the streaming offering (especially the Premier League content), the cost of the new Peacock platform and the perceived skewing of benefits in favour of Comcast, were all issues raised by investors. In addition, investors had to contend with limited information about the business (e.g., products and pricing) being made available during its launch phase, while concerns about the implications for the Comcast partnership as a result of Canal+'s mandatory offer remain an ongoing concern.	Ahead of the Showmax re-launch, we had to maintain a balance between providing shareholders with the required levels of transparency and protecting our competitive position. We also had to be cognisant of the needs of our joint venture partner. To provide context around the opportunity and partnership, and to inform investors of the rationale for the Showmax investment, we dedicated significant time to this new growth opportunity as part of our Capital Market Day held in May 2023. Some information about the funding requirements was provided, while expectations were set for a three-year investment j-curve, for this business to generate USD1bn in revenue and for it to be a major driver of scaling the group's subscriber base to reach 50m customers over the medium term. Investors were also made aware that some degree of cannibalisation of the linear business had already been accounted for in the business plans and in our assessment of positive future returns. To facilitate a better understanding of the streaming opportunity in general, and specifically around Showmax, we hosted Andrea Zappia for several interactions with investors, sell-side analysts and journalists in October 2023. This was followed by two events in February 2024, i.e., the launch of Showmax 2.0 and a dedicated investor session with the chair, CEO and CFO of the business. To address the visibility of the financials, the Showmax business is being disclosed as a separate segment in this year's financials.
2 **Impact of the weak Naira on Rest of Africa performance** Given the depreciation of the official Naira in Nigeria from 464 Naira to the to the USD at March 2023 to 1 308 Naira to the USD at March 2024, questions have been asked about the impact this will have on the profitability of the Rest of Africa segment (which is USD-denominated), the ability to offset the impact of high inflation through price increases in Nigeria and the rate at which management is willing to remit cash from the market.	The Nigerian business has endured a particularly difficult macro environment. Management has used the opportunity to reconsider the operating model and to right size the business. These interventions and their impact on the RoA's trading profit were clearly flagged to investors in the respective results presentations. Despite the various challenges, the Rest of Africa business delivered a trading profit for a second consecutive year. In our communication to investors, we also flagged our strategy to offset high inflation through multiple smaller price increases as opposed to implementing significant one-off hike in prices (i.e., two price increases in FY24, ~17% increase in May 2023 and ~19% increase in November 2023) as this allows customers time to acclimate to the new pricing. In response to investor concerns, our treasury function now remits cash from Nigeria at a rate within a range mandated by the group's risk committee. In addition, we have incorporated adjusted core headline earnings as a reporting metric to capture the impact of losses incurred on cash remittances on our core headline earnings.

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Critical issues for our shareholders

3

The effects of loadshedding and the macro environment on subscriber growth and trading margins in our South African business

The South African business was adversely affected by unexpectedly-high levels of loadshedding toward the end of FY23. This negatively impacted subscriber activity levels and therefore group revenue, resulting in margin pressure.

When loadshedding continued into FY24 and coupled with a severely constrained consumer environment, shareholders were focused on its ongoing impact on subscriber behaviour, management's ability to reduce the relatively high fixed-cost base of the business and on our ability to maintain the trading margin in the mid-20's range.

How we address them

Through our investor materials, we were able to demonstrate that the negative impact of the ongoing cost of living crisis on discretionary consumer spending in South Africa prevented a rebound in subscriber activity when the intensity of loadshedding started easing off.

We highlighted ongoing interventions to reduce costs in the various results presentations. At the interim stage, it was signalled that management raised its initial FY24 cost-cutting target of ZAR800m to ZAR1bn to offset margin pressure.

4

Impact of Canal Plus shareholding

Throughout the year, shareholders have been focused on the Canal+ shareholding and their intentions.

As Canal+ approached the 35% control threshold, questions were raised around whether a mandatory offer to all shareholders would be required and how Canal+ would get around section 64 of the Electronic Communications Act (which limits foreign ownership of South African broadcasting licences at 20%).

Once the TRP ruled in February 2024 that a mandatory offer to MultiChoice shareholders was required, investors were focused on trying to gain an understanding of the actual offer process and potential regulatory requirements.

We maintain open engagement with all our shareholders, while our Investor Relations programme typically caters for in-person interaction with all our large shareholders, including Canal+. As part of this process and where possible, we aim to provide answers to investor questions and to provide guidance on due process.

MultiChoice continues to adhere to all requirements of the JSE and to notify shareholders of any developments that could influence the share price. In doing so, we issued SENS announcements in relation to changes in Canal+'s shareholding, as well as developments around the TRP's ruling which required Canal+ to make a mandatory offer to the rest of our shareholders.

5

Risk of losing key sports content rights to our competitors

As a result of global tech giants increasingly bidding for sports content, our shareholders are concerned that we could be at risk of losing key sports rights. This fear has been exacerbated by our refusal to pay unwarranted cost escalations demanded by intermediaries for broadcasting rights to certain sports events (e.g., IPL and AFCON, where we eventually acquired the rights on commercial terms).

We are proactive in ensuring we continue to bring our viewers the best sports content. Our sports broadcasting business, SuperSport, is the largest funder of sports on the African continent, with a deep commitment to sport promotion and grassroot development, as highlighted in our annual Social and Ethics report.

Over the years we have de-risked the business in terms of supply of sport content through our deep and long-standing commercial relationships with federations and sports rights license holders. Testament to this is the recent launch of the Showmax Premier League offering, in partnership with the (English) Premier League, which is the first standalone mobile Premier League offering globally. The FY24 sport rights renewal cycle was a particularly busy one and included several renewals such as the (English) Premier League, UEFA Champions League, La Liga, SA Rugby and the IPL.