Sustaining **value**

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

Our approach to sustainable value creation

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

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

We view value creation as a holistic process

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

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

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

Our external business environment

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

Short-term operating challenges for our businesses

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

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

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

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

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

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

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

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

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

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

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

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

Our external business environment continued

Medium to longer-term opportunity for our businesses

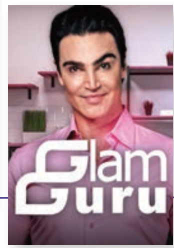
As we flagged last year, sub-Saharan Africa's growth story will be driven by favourable demographic trends in terms of population growth, working age population growth, urbanisation, growth in disposable income and private consumption, as well as increased broadband connectivity and affordability. A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

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

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

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

Improving connectivity supports economic activity and consumer reach and engagement: the GSM Association estimates that sub-Saharan Africa will see rapid uptake of mobile connectivity solutions:
- unique mobile subscriber penetration of the population to rise from 46% in 2021 to 50% in 2025
- smartphone penetration of mobile connections to rise from 49% in 2021 to 61% in 2025, and
- 4G and 5G penetration of mobile connections to rise from 17% in 2021 to 37% in 2025.



Competitive dynamics

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

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

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

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

What these major trends mean in the context of our markets

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

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

Material matters

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

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

We reflect on the following:

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

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

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

3 We review, address and report on our material matters

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

Our material matters were as follows:

1 Customer satisfaction

(perpetual material matter)

Our customers are always our primary focus.

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

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

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

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

LINK TO STRATEGIC PRIORITIES

Growth | Content | OTT

LINK TO STAKEHOLDERS

Customers

Material matters continued

Our material matters were as follows:

2 Regulatory environment

(perpetual material matter)

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

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

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

LINK TO RISKS
- Regulatory and licensing

LINK TO OPPORTUNITIES
- None

LINK TO STRATEGIC PRIORITIES
- None

LINK TO STAKEHOLDERS

Government and regulators

3 Evolution of our industries

(perpetual material matter)

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

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

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

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

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

LINK TO STRATEGIC PRIORITIES

Content | Ecosystem | OTT | Technology

LINK TO STAKEHOLDERS

Customers

Suppliers and partners

Material matters continued

Our material matters were as follows:

4 Executing our current priorities

(short to medium-term material matter)

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

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

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

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

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

LINK TO RISKS
- Economy
- Securing content

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

LINK TO STRATEGIC PRIORITIES

Efficiency Technology

LINK TO STAKEHOLDERS

Shareholders and lenders

Suppliers and partners

5 Attracting and retaining talent

(perpetual material matter)

Our people are fundamental to our ongoing success.

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

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

LINK TO RISKS
- Talent and skills scarcity

LINK TO OPPORTUNITIES
- All

LINK TO STRATEGIC PRIORITIES

Growth Content Ecosystem OTT Technology Efficiency

LINK TO STAKEHOLDERS

Employees

6 Developing local entertainment industries and African entrepreneurs

(short to medium-term material matter)

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

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

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

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

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

LINK TO OPPORTUNITIES
- Deep understanding of our customers' video needs

LINK TO STRATEGIC PRIORITIES

Content

LINK TO STAKEHOLDERS

Suppliers and partners

Society and the environment

Opportunities and risks

How we identify and pursue opportunities

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

Our top 10 opportunities

1

Large and growing addressable core market

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

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

2

Deep understanding of our customers' video needs

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

- We aim to offer our customers a full-service content mix with appropriate tiering to suit their circumstances. Our strong international entertainment offering and SVOD relationships complement our points of differentiation, i.e., local content and sport.
- Our hybrid satellite, terrestrial and streaming-only connected devices, our DStv via Streaming service, our third-party streaming service distribution partnership, and our Sky Glass syndication deal enhance our aggregation journey.

3

Rapidly developing SVOD market

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

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

4

Unique understanding of customer experience

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

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

5

Sizeable and engaged customer base

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

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

Opportunities and risks continued

6

Nascent growth opportunity in interactive entertainment

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

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

7

Nascent growth opportunity in fin-tech

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

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

8

Ability to pursue relevant strategic investments and partnerships

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

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

9

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

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

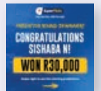
- Scaling our subscriber base, implementing inflation-linked price increases and closely managing our largely fixed-cost base (including targeted cost reductions) have supported our path back to profitability.
- We will pull the same levers to reach free cash flow breakeven, while continuing to navigate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

10

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

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

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

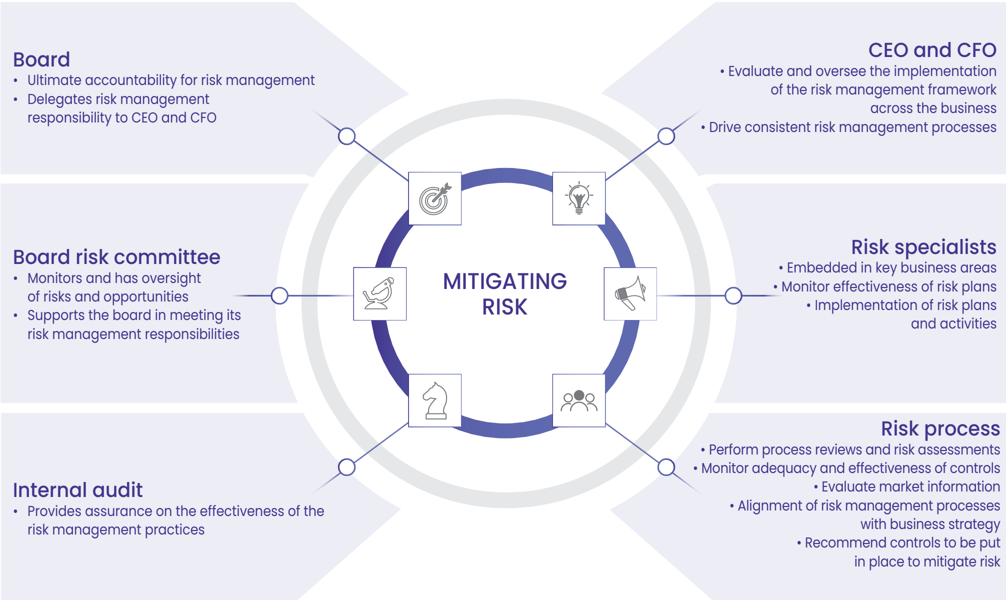


Opportunities and risks continued

How we manage and mitigate risks

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

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



OUR TOP 10 RISKS

1 Regulatory and licensing

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

RISK MITIGATION

- Our focus remains on full compliance with existing regulations.
- We continue engaging with regulators and industry bodies proactively.
- Through this approach we keep abreast of all developments while providing input that promotes a balanced and evidence-based regulatory framework.
- We conduct ongoing regulatory reviews and take the necessary steps to mitigate stakeholder concerns.
- Our dedicated, experienced teams (internal and external experts) assist with regulatory engagements, responses to inquiries and other projects/submissions.
- We promote active engagement with management, government and regulatory authorities about how the proposed regulations could impact the industry and consumers.

2 Macro-economic factors

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

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

RISK MITIGATION

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

Opportunities and risks continued

3 Disruption and competition

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

RISK MITIGATION

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

4 Technology

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

RISK MITIGATION

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

5 Cybersecurity

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

RISK MITIGATION

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

6 Securing content

Access to quality content at the right price is a major business consideration. Content rights, for both general entertainment and sport, are highly sought after with increased competitive activity in our markets likely to impact content renewals over time Further, local currency weakness against hard currencies can lead to increased costs.

RISK MITIGATION

- Rights are regularly reviewed with due consideration for the economic value of each set of rights, and bids are tabled accordingly.
- We bid for and secure a broad set of popular and more niche sporting rights, according to rights cycles as determined by sport rights owners.
- We continue to aggressively increase our investment in local content.
- We maintain our relationships with rights owners to maximise mutual benefits.
- We license international content and partner with third-party streaming services to provide a compelling aggregation service in our linear environment and have entered into a joint venture with Comcast, NBCUniversal and Sky in our SVOD business Showmax.

Opportunities and risks continued

7 Tax

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

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

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

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

RISK MITIGATION

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

8 Business continuity management

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

RISK MITIGATION

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

9 Piracy

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

RISK MITIGATION

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

10 Talent and skills scarcity

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

RISK MITIGATION

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

Our strategic priorities

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

Lead in content aggregation and differentiate in local and sports content

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

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

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

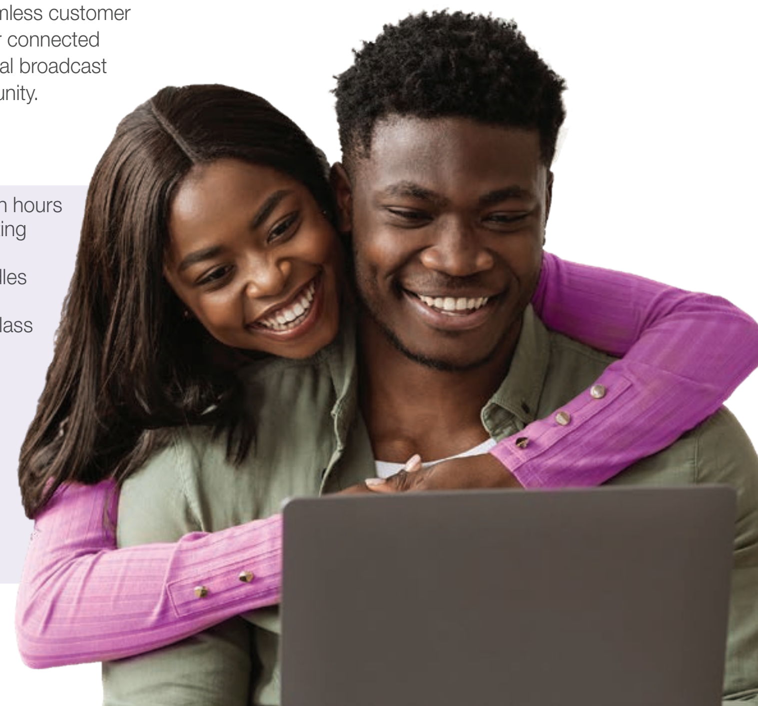
We also ensure that our subscribers enjoy a compelling international general entertainment content offering through licensed series, films and channels, and through access to third-party streaming services on our connected devices. The video entertainment industry has undergone a fundamental shift and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

How we performed in FY23

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

Looking ahead

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



Our strategic priorities continued

Enhance SVOD capabilities and accelerate adoption

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

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

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

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

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

How we performed in FY23

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

Looking ahead

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

Drive growth and support retention

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

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

How we performed in FY23

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

Looking ahead

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

Our strategic priorities continued

Enhance our ecosystem of scalable, tech-based consumer services

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

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

How we performed in FY23

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

Looking ahead

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

Maintain operational excellence and sustain cost reduction

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

How we performed in FY23

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

Looking ahead

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

Pursue global digital platform security leadership

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

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

How we performed in FY23

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

Looking ahead

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