How our activities added value for our stakeholders continued

Value created for governments and regulators

Value created for governments

ZAR1.6bn

in VAT and sales tax collected
(FY24: ZAR3.8bn)

ZAR2.3bn

in employee taxes paid and collected
(FY24: ZAR2.2bn)

ZAR0.7bn

paid and collected in customs, excise and other operating taxes
(FY24: ZAR0.8bn)

ZAR1.2bn

in withholding taxes paid and collected
(FY24: ZAR1.3bn)

ZAR3.0bn

paid in corporate income taxes
(FY24: ZAR2.8bn)

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

Our total tax contribution

ZAR8.8bn[(1)]

(FY24: ZAR10.8bn)

42%

of our total tax contribution (taxes collected and paid to tax authorities), was paid to the South African fiscus (paid ZAR2.8bn; collected ZAR1.0bn) (FY24: 50%, paid ZAR2.7bn; collected ZAR2.7bn)

48%

of our total tax contribution was collected and paid by the Rest of Africa segment (paid ZAR1.5bn; collected ZAR2.7bn) (FY24: 40%, paid ZAR1.6bn; collected ZAR2.8bn)

12%

The Technology segment contributed 12% (paid ZAR0.6bn; collected ZAR0.4bn) (FY24: 9%, paid ZAR0.5bn; collected ZAR0.4bn)

The contribution comprises taxes paid[(2)] of

ZAR4.9bn

(FY24: ZAR4.8bn) and taxes collected[(2)] (on behalf of governments) of ZAR3.9bn (FY24: ZAR6.0bn).

-2%

The Showmax segment contributed -2% (paid ZAR0bn; collected -ZAR-0.2bn) (FY24: 1%, paid ZAR0.1bn; collected ZAR0.1bn)

(1) *The significant decline in taxes collected for FY25 are attributable to VAT refunds received in the SA segment. Following the introduction of Electronic Services legislation in SA, many non-resident content providers were required to register for VAT in SA, and levy VAT on supplies made to MultiChoice SA entities. This resulted in large VAT refunds claimable within the SA segment of approximately R2bn for the period.*

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

How our activities added value for our stakeholders continued

Value created for governments and regulators continued

Delivering value to governments

Regulatory Affairs is a key focus area for the business and we work continuously to develop and maintain positive working relationships with our regulators. Given the fast-changing environment in which we operate, we advocate for regulation to keep pace with the rapidly evolving audiovisual sector and to take into account the market realities. We work towards ensuring balanced, evidence-based regulation which fosters innovation and investment, provides continuity and certainty for licensees and also protects the interests of our customers. We deliver significant value in the form of our positive contribution to policy development, compliance with laws and regulations and payment of licence fees. We paid ZAR192m regulatory fees across our footprint (FY24: ZAR227m).

Our approach to governments and regulators

We take the approach of actively participating in all relevant public consultation processes in the sector and we ensure our submissions are grounded in research and international best practice. Regulatory challenges inevitably arise from time to time but through our pro-active approach we are often able to mitigate any risks. We always view litigation as a last resort, but we will take the necessary legal steps to protect our interests as well as the interests of our broader stakeholder community if the need arises.

Our approach to tax

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

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

MultiChoice, at all times, is guided by corporate policies when dealing with all stakeholders, including non-controlled associates, as outlined in the group's code of ethics policy. Further, MultiChoice monitors developments in non-controlled associates and performs ongoing assessments of possible impacts on the group.

In line with the Organisation for Economic Cooperation and Development's (OECD) approach to transfer pricing, we strive to ensure that value creation is aligned with the contributions made across the group. Based on this approach, we apply the relevant tax legislation and guidance in each jurisdiction to ensure appropriate tax contributions are made to the local economies.

https://investors.multichoice.com/policies-and-charters.php

Total tax contribution per country

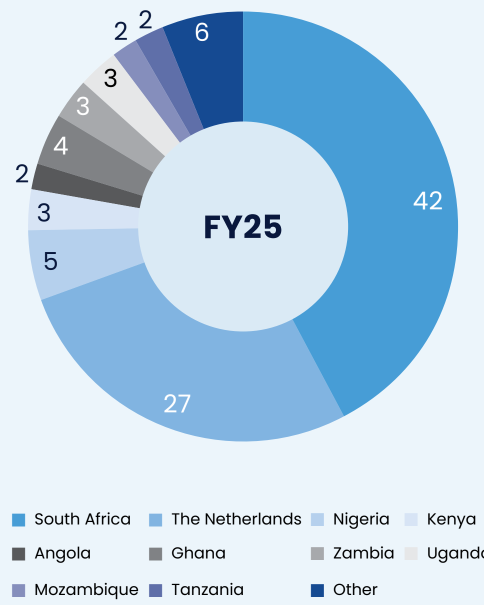
Our largest business, MultiChoice South Africa, is domiciled and tax resident in South Africa and its tax affairs follow normal operating and tax practice in that country.

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

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

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

Total tax contribution per country (%)

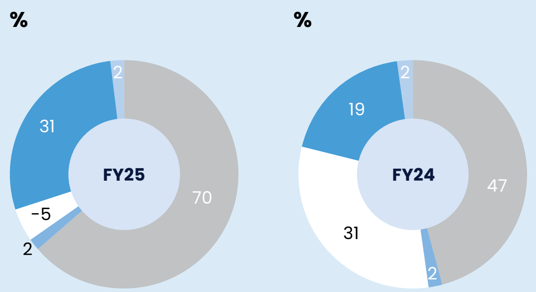


How our activities added value for our stakeholders continued

Value created for governments and regulators continued

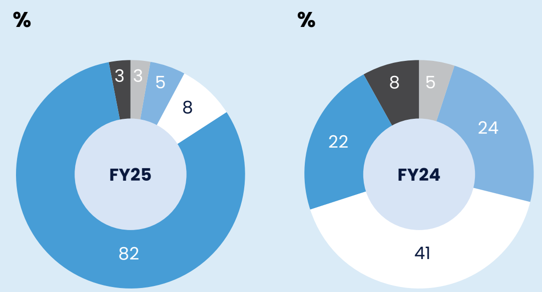
South Africa

South Africa is the most significant country for MultiChoice with regard to tax contributions:



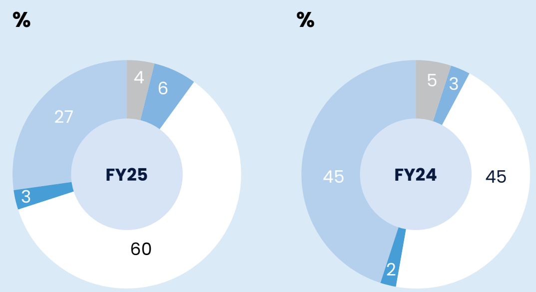
Netherlands

The Netherlands is the second-largest territory for tax contributions made by MultiChoice. Significant withholding taxes as well as VAT/sales taxes are paid across the Rest of Africa.



Nigeria

This is the third largest territory for the MultiChoice Group in terms of tax contributions, mainly as a result of VAT/sales taxes paid in this territory, together with significant customs and excise duties incurred on the importation of hardware devices into the country.



Corporate tax | Withholding tax | VAT/sales tax | Employees tax | Customs and excise duties | Other

How our activities added value for our stakeholders continued

Value created for governments and regulators continued

Group effective tax rate

	ZAR'm FY25	%	ZAR'm FY24	%
Profit before tax	5 230		(706)	
Taxation at statutory rate of 27%	1 412	27.0	(191)	27.0
Adjusted for:				
No-deductible expenses (general)	870	16.6	469	(66.4)
Prior period under/(over) provision	(42)	(0.8)	(22)	3.8
Non-taxable income (exempt income/income tax allowances)	(1 496)	(28.6)	(250)	48.7
Temporary differences not provided for (RoA unrecognised tax losses)	2 136	(40.8)	2 894	(409.9)
Foreign withholding and other direct taxes	1 092	20.9	1 077	(153.2)
Other uncertain tax positions	(715)	(13.7)	(53)	7.5
Tax adjustment for foreign taxation rates and change in tax rates	66	1.3	(640)	90.7
Tax attributable to equity-accounted earnings	133	2.6	159	(22.5)
Assessed losses utilised	(6)	(0.1)	(1)	0.2
Taxation provided for in the income statement	3 450		3 422	
Reported group effective tax rate:	66.0		n.m.	

The group's effective tax rate remains high as the losses in the Rest of Africa negatively impact profit before tax and distorts the effective tax calculation due to withholding and other taxes incurred in our Rest of Africa segment notwithstanding that the segment has been loss-making in aggregate in recent years.

We see a significant increase in MultiChoice Group's effective tax rate year on year in FY25. The group effective rate of 66.0% for the period is also considerably higher than the standard tax rate of 27.0% for South African companies.

The movement in the effective rate year on year is mainly due to the following drivers:

- Higher profitability in the current period
- Higher non-deductible expenses added back for tax purposes
- Losses in Rest of Africa, where deferred tax assets relating to assessed losses have not been raised
- A release in uncertain tax provisions raised in prior periods
- Withholding and other taxes incurred in our Rest of Africa territories
- A significant increase in non-taxable income during the period

How our activities added value for our stakeholders continued

Value created for governments and regulators continued

Delivering value to our regulators

The group has extensive experience operating in highly regulated environments and we pride ourselves on our ability to develop and maintain positive working relationships with our regulators. We advocate for regulation to keep pace with the rapidly evolving audiovisual environment and take into account the market realities which we contend with.

We remain supportive of balanced, evidence-based regulation which fosters innovation and investment, provides continuity and certainty or licensees and also protects consumers' interests. We deliver significant value in the form of our positive contribution to policy development, compliance with laws and regulations and payment of licence fees. In FY25, we paid ZAR192m regulatory fees across our footprint (FY24: ZAR227m).

Our approach to regulations

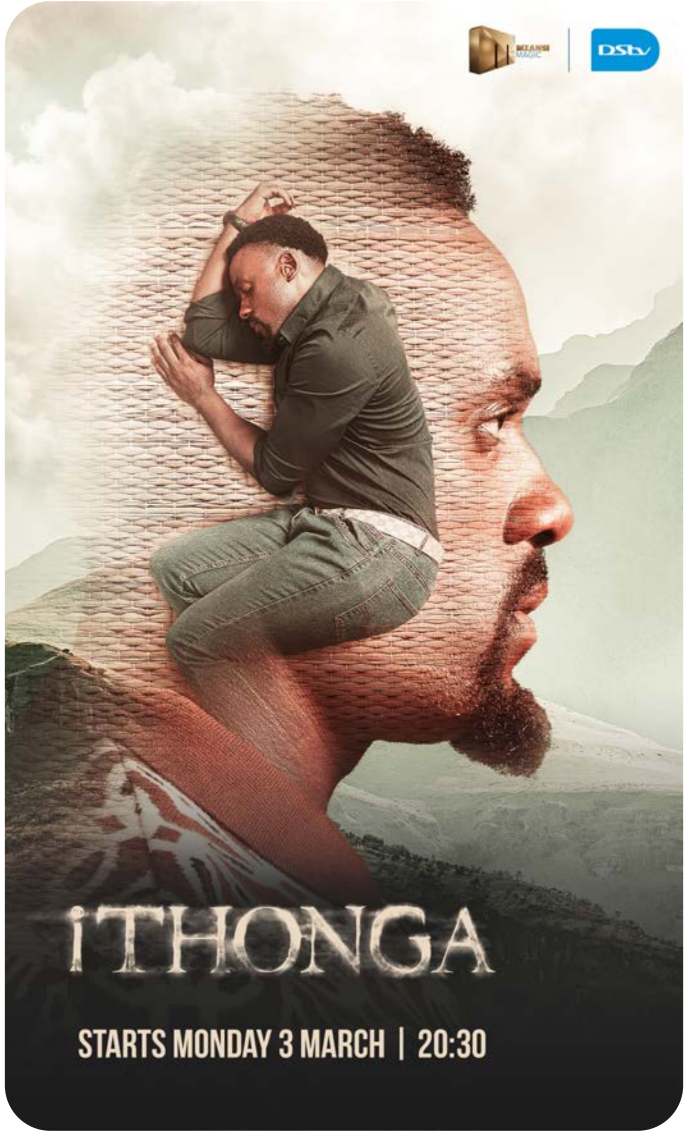
The group takes a proactive approach to managing the complex regulatory landscape. We participate in relevant public consultation processes to advocate for appropriate and fair decision-making. We back up our positions with extensive research including references to best practice internationally and we engage decision-makers and stakeholders continuously to clarify the objectives driving intended policy and regulation.

The fast-changing environment in which we operate means that regulatory challenges will inevitably arise from time to time. Through our active engagement in the processes, we are often able to mitigate any risks. We always view litigation as a last resort, but we will take the necessary legal steps to protect our interests as well as the interests of our broader stakeholder community, and to ensure a high benchmark of fair and consistent regulation. We take the view that the negative effects of poorly conceived regulation are not confined to only ourselves. Rather it could have a widespread, detrimental effect on our customers, employees and shareholders, as well as the broader industry.

	Issues raised by our suppliers and partners	How we address them
1	**Independent Communications Authority of South Africa (ICASA) developments** The activities of ICASA, South Africa's communications regulator, are critically important to our business including our shareholders, employees, customers, suppliers and the public, all of whom may be impacted by changes in regulations.	We actively participate in all relevant ICASA inquiries with a view to achieving a sound regulatory outcome, in the public interest. Among the inquiries in which we took part over the last period were the Loadshedding Inquiry and the Inquiry into a new Satellite Licensing Framework. With respect to ICASA's long-running subscription TV broadcasting market inquiry, ICASA has published a further supplementary discussion document. The preliminary findings are largely positive, with no adverse findings made against the business.
2	**Sports broadcasting – listed events**	The group continues to comply with the requirement to notify South African free-to-air broadcasters of the opportunity to sub-licence the FTA rights to listed events. Over the last period we were able to successfully conclude sub-licence agreements to various events with the SABC.

How our activities added value for our stakeholders continued

Value created for governments and regulators continued



Issues raised by our suppliers and partners

3

Competition complaints

The Competition Commission is required to investigate complaints that are submitted to it to determine whether there is a contravention of the Competition Act. It is also entitled to initiate investigations on its own account.

How we address them

The Competition Commission continued with its investigation of the following complaints:

- The consumer complaint of alleged excessive pricing of DStv packages. We provided extensive information explaining how we price our services, particularly pointing out that our price increases have been in line with or below inflation despite rising costs
- The SABC's complaint regarding our acquisition of the exclusive rights to PSL football and premiership rugby matches. These rights are acquired from the rights owners for a limited fixed term following competitive selling processes
- Its self-initiated complaints of alleged market allocation of the African Pay-TV market, collusive tendering in bids for certain sports events and supply of set-top boxes

The business concluded a settlement with eMedia regarding its complaint to the Competition Tribunal relating to the non-renewal of the channel supply agreement for the four entertainment channels and its complaint regarding the terms on which SuperSport sublicences sports rights to the SABC. As a result this concluded the proceedings before the Competition Tribunal and the Competition Appeal Court. The Competition Commission has in turn closed its investigation of the sports rights complaint.

How our activities added value for our stakeholders continued

Value created for governments and regulators continued

	Issues raised by our suppliers and partners	How we address them
4	Government's draft white paper on audio and audiovisual content services	We continue to await clarity on the finalisation of the White Paper. MultiChoice was in broad agreement with the draft White Paper's view that South Africa's current licensing framework must be updated and that new audiovisual services should be brought into the regulatory framework in some form. We maintain that regulatory parity is critical for the future of the sector and this needs to be urgently addressed by government.
5	Nigeria Annual Operating Levy (AOL) Dispute	The dispute with the NBC on the AOL was heard by the Federal High Court of Abuja which ruled in our favour, judging the payments made to have been valid. The NBC has subsequently appealed the judgement.
6	Music rights licences and royalties' payments for the Rest of Africa	Engagements with international and local collecting societies are ongoing in respect of music rights licences and the royalties payable for territories outside of South Africa. We are confident we will be able to negotiate agreements which work for our business model.
7	Price increase approvals	Some territories require regulatory approval before any price increases can be affected. We were pleased that the necessary approvals were granted in all countries where approvals are required namely Angola, Malawi, Mozambique and Uganda.

How our activities added value for our stakeholders continued

Value created for governments and regulators continued

	Issues raised by our suppliers and partners	How we address them
8	**Licence renewals**	We were pleased that sector regulators in Uganda and Zimbabwe renewed the group's licences for a further licence term.
9	**Consumer protection complaints**	Various complaints from our customers were investigated and resolved, across the continent. Complaints related to issues such as coverage limitations, the provision of services in bouquets, changes to channel line-up within bouquets and marketing of promotions and content offerings. We continue to take steps to engage customers and minimise complaints of this nature.
10	**Showmax compliance with classification requirements**	Showmax continued to ensure compliance with the film classification requirements for streaming services for the different territories in which the requirement applies and has maintained a positive working relationship with the film classification bodies.
11	**International Telecommunications Union**	We continue to participate in International Telecommunication Union (ITU) meetings, in preparation for World Radio Communication Conference to be held in 2027 (WRC-27) to engage with governments and regulators to highlight the importance of protecting spectrum for broadcasting services.

How our activities added value for our stakeholders continued

Value created for governments and regulators continued

Transparency and reporting

The group seeks to adhere to international best practice in terms of transparency and reporting of its tax contributions and position. In 2015, the OECD released its reports on addressing the effects of base erosion and profit shifting (BEPS). Action 13 of the BEPS project is focused on enhancing tax transparency through a three-tiered approach to transfer pricing. This included the adoption of the Master File, Local File and Country-by-Country reports (CbCR).

Where countries in which MultiChoice operates have adopted these OECD provisions, the group adheres to the three-tiered requirements. In particular, each year, MultiChoice submits its CbCR to the South African Revenue Service and this report is automatically shared with several countries that have signed up to the Multilateral Competent Authority Agreement on the exchange of CbC Reports and comply with the requirements for the exchange of information.

Key focus areas going forward

Looking ahead in terms of our regulatory approach:

- Active participation in regulatory reviews is a priority for us. We believe it is critically important that our voice is heard in processes looking to introduce new laws and regulations and that we provide balanced and well-substantiated arguments advocating for appropriate regulation. The introduction of new legislation and/or regulatory obligations (including laws of general application addressing consumer protection and data protection), tariff control in some territories, and sector-specific regulations are key areas of ongoing engagement.
- Compliance with applicable laws and regulations across all our territories remains a focus. We continue to ensure that we have the necessary systems and personnel in place in order to monitor compliance levels as new conditions and obligations are introduced.
- In addition to the initial BEPS project referred to above, in October 2021 the G20 endorsed a new two-pillar solution that had been proposed by the OECD seeking to address issues that have arisen due to globalisation and digitisation. Over 140 countries have agreed to enact the two-pillar solution. The first pillar (Pillar 1) involves reallocating taxing rights to market jurisdictions for very large multinational enterprises (MNEs). The second pillar (Pillar 2) involves ensuring that MNEs with a consolidated turnover in excess of EUR750m are subject to a minimum effective tax rate of 15% on income arising from low-tax jurisdictions in which they operate. While the Pillar 1 rules have not been finalised for implementation, it is not expected that Pillar 1 will apply to MultiChoice. However, the Pillar 2 rules were published in 2021 and have been enacted in many countries, including South Africa, in respect of the financial years commencing on or after 1 January 2024. MultiChoice is closely monitoring developments to assess the potential impact of the Pillar 2 legislation as it is enacted in various jurisdictions. Additionally, MultiChoice is proactively taking steps to implement and comply with the Pillar 2 legislation in South Africa and in other MultiChoice jurisdictions where it has been enacted.