Elias Masilela
Group Chairman of the Board

Chairman's letter

Dear shareholder

The year ending March 2025 has undeniably been a challenging one for the MultiChoice Group - not only did we have to deal with macro-economic adversity and shifting market dynamics, but we had to do so in an increasingly volatile and uncertain global environment. As currency shocks from the back-end of the prior year rolled through into this financial year, our resolve was further tested by constrained household spending caused by the ongoing high cost of living, unreliable power supply affecting our business in several key markets, as well as civil unrests in Nigeria and Mozambique. Despite this 'perfect storm,' we remained steadfast in our passion and our mission to inform, entertain and enrich the lives of the communities we serve, across the continent.

At the same time, the global video entertainment industry is also undergoing rapid transformation as advances in technology are driving shifts in consumer behaviour and customer expectations. As a result, we see audiences around the world increasingly embracing digital platforms, streaming services and on-demand content.

This ongoing evolution has presented the MultiChoice Group with unique and exciting opportunities to redefine how we connect with our viewers and how we deliver offerings that are both engaging and accessible. However, building out a new streaming platform like Showmax takes time and significant investment – it has taken other players in this segment as much as seven years to become profitable. Given the long lead time to breakeven caused by much lower Showmax revenues per user (compared to the linear business), we expect its development to impact negatively on the group's profitability for some time to come. Nonetheless, whether through expanding our service platforms, investing in local content or growing new revenue streams, we remain committed to continue evolving alongside our audiences. This commitment does not only drive us to keep investing in great content, but also in talent, technology and innovations that enrich user experiences and redefine the boundaries of African storytelling.

While the past year saw us navigating tough macro headwinds, we, at the same time, scaled our resolve to invest in our tomorrow. As we are leveraging our core linear video business to develop and scale our OTT and interactive entertainment offerings, we are also investing in fintech to help customers move from a physical to digital payment world to pay for our products and we are enhancing our technology solutions so that it is easier for subscribers to access our services. In addition, we are strengthening our customer value proposition through various initiatives and expanding our market presence through new strategic partnerships.

Against a background of ongoing transformation and changes, this year also marked a key point in the history of the MultiChoice Group, one that will potentially define our legacy and shape our future. The mandatory offer by Groupe Canal+ SA for the remaining shares in MultiChoice Group that it does not already own, represents not only a recognition of the value that has been created by MultiChoice over 40 years, but also a path to unlocking new possibilities across the continent. Canal+ shares our vision of building Africa's entertainment platform of choice and their commitment to 'enriching lives through entertainment' aligns with our core values.

Video entertainment is not just a business – it is a bridge that connects, inspires and informs people. At MultiChoice, we see this responsibility as both a privilege and a challenge.

Chairman's letter continued

A combined group will be better positioned to address key structural challenges and opportunities resulting from the rapid digitalisation and globalisation of the media and entertainment sector. It would allow for a diversification of risk across complementary geographic footprints, as well as greater scale and resources to bring customers the best content and entertainment proposition. As a board, we are aware that this transition may bring uncertainty for stakeholders, but we are convinced that together we can build a global entertainment leader with Africa at its heart.

Technology is bringing great benefits to our industry, but unfortunately it is also enabling broadcasting piracy to thrive. A rise in illegal streaming services and pirated content is eroding global industry revenues by an estimated 25%–35% annually. This is not only undermining income for companies like us, but it is eroding the livelihoods of those involved in the creative industry. At the same time, it is negatively impacting economies as it deprives countries of tax revenues and investment in the video entertainment industry. Together with broadcasters around the world, we are intensifying our efforts to combat this global scourge. By cooperating with rights owners, partnering with organisations like the International Broadcaster Coalition Against Piracy (IBCAP) and leveraging anti-piracy solutions provided by our own media security business, Irdeto, we have meaningfully stepped up our focus to enhance the security of our platforms and our content.

As you will read in the rest of this report, we continued to develop the skills of our employees by offering them a stimulating, forward-looking work environment. We supported industry growth to the benefit of our partners and suppliers. We made significant tax contributions across our footprint and we provided upliftment by implementing carefully considered corporate social investment (CSI) initiatives. These elements are covered in detail further on, but I would like to mention a few highlights:

- We are privileged to have a diverse group of people as part of the organisation. Our group proudly represents 136 nationalities and 48% of employees are women. Female representation in Top and Senior Management is at 44% and we are focused on improving this ratio.
- The MultiChoice Talent Factory (MTF), which offers comprehensive skills development in Africa's vibrant film and television sector, has trained 486 filmmakers since inception, with 162 movies being produced by MTF graduates.
- We have partnered with Youth Employment Service (YES) to address youth unemployment in South Africa. Over the past five years, we have invested ZAR177m in this initiative that impacted 1 980 young people, of which 1 905 went on to secure permanent employment.
- We hosted The Earthshot Prize awards ceremony in Africa for the first time in November 2024. As broadcast sponsor, we have leveraged our expansive platforms to amplify the important message of repairing and restoring our planet across the continent, encouraging innovators to pitch their solutions, supporting local finalists and mobilising communities to actively address sustainability challenges.

While our financial results this year reflect the difficulties faced, behind those figures lies a story of resilience, a team deeply committed to turning things around, and a company determined to succeed. On behalf of the board, I would like to compliment Calvo and his leadership team for successfully implementing several interventions to mitigate the pressure. I would also like to thank all the MultiChoice employees for their ongoing commitment and dedication – delivering ZAR3.7bn in cost savings and positioning the business to absorb another ZAR3.0bn in currency losses (in addition to the ZAR4.5bn in FX losses incurred last year) is an accomplishment worthy of recognising. At the same time, I would like to express my gratitude to my fellow board members for their wise counsel, valuable guidance and stewardship.

In conclusion, video entertainment is not just a business - it is a bridge that connects, inspires and informs people. At MultiChoice, we see this responsibility as both a privilege and a challenge. With the collective effort of our dedicated teams, the trust of our audiences and the continued support of our stakeholders, I am optimistic that we can keep leveraging our great content and trusted brand to keep 'enriching lives' for many rains to come.

Elias Masilela
Chairman of the Board of Directors