Quick overview

Phuthuma Nathi shareholders own 25% of MultiChoice SA through the Phuthuma Nathi entity.

This year, Phuthuma Nathi will receive ZAR1.5bn of the ZAR6.0bn dividend declared by MultiChoice SA.

The MultiChoice SA and Phuthuma Nathi annual general meetings will be held virtually on 26 August 2020.

Scan the QR code to save the date.
PERFORMANCE HIGHLIGHTS

8.4m
90-day active subscribers

Level 1
BBBEE status

ZAR8.0bn
core headline earnings

ZAR211m
spent on significant corporate social investment projects

ZAR6.0bn
declared in dividends

47%
of local procurement spend benefits small, medium and microenterprises

ZAR7.3bn
total tax contribution

3,521
permanent employees

---

(1) Reporting metric changed from active subscribers, reported in prior year.
(2) Includes non-cash advertising donations of ZAR79m.
INTRODUCTION

ABOUT THIS REPORT

Scope, boundary and audience
This report covers information about Phuthuma Nathi Investments (RF) Limited (MultiChoice SA’s broad-based black economic empowerment share scheme), and MultiChoice South Africa Holdings Proprietary Limited and its subsidiaries.

Key terms

Phuthuma Nathi
Refers to Phuthuma Nathi Investments (RF) Limited (Phuthuma Nathi) (MultiChoice SA’s broad-based black economic empowerment (BBBEE) share scheme).

In 2019, shareholders voted to combine Phuthuma Nathi and Phuthuma Nathi 2 into one scheme. The combination of these entities resulted in one listed scheme with a single Phuthuma Nathi share price. The transaction did not have any meaningful impact on the number of shares held or their attributable value.

The only investments held by Phuthuma Nathi are the shares held in MultiChoice SA and its shares in Phuthuma Nathi 2.

MultiChoice SA or the company
Refers to MultiChoice South Africa Holdings Proprietary Limited.

MultiChoice SA or the SA Group
Refers to MultiChoice South Africa Holdings Proprietary Limited and its subsidiaries.

MultiChoice Group
Refers to the holding company of MultiChoice SA.

Basis of preparation
The content of the integrated annual report was guided by the following frameworks:
- International Integrated Reporting Council’s (IRC) Integrated Reporting <IR> Framework
- The King IV Report on Corporate GovernanceTM for South Africa, 2016 (King IV)(1)
- The requirements of the Companies Act No 71 of 2008, as amended (Companies Act)

Assurance
The financial and non-financial information in this report was reviewed by the audit committee and approved by the board. Independent assurance was provided on certain material information presented in this report.

Financial information
Summarised financial information for MultiChoice SA and Phuthuma Nathi, extracted from MultiChoice SA’s audited consolidated annual financial statements and the Phuthuma Nathi consolidated and company annual financial statements for the year ended 31 March 2020 are reflected accurately. The full consolidated and company annual financial statements appear on the Phuthuma Nathi and MultiChoice SA websites (www.phuthumanathi.co.za and www.multichoice.com/multichoice-south-africa/) and are available for review at our registered office on arrangement with the company secretary.

Refer to page 100 for the auditor’s report on MultiChoice SA’s summarised consolidated and company annual financial statements, and to page 16 for the report on the summarised consolidated and company annual financial statements of Phuthuma Nathi.

Non-financial information
EmpowerLogic verified all BBBEE information in this report.

Statement of directors’ responsibility
The Phuthuma Nathi and MultiChoice SA boards acknowledge their responsibility to ensure the integrity of the integrated annual report. The report was approved by the Phuthuma Nathi board on 9 June 2020 and by the MultiChoice SA board on 10 June 2020. Each board applied its collective mind and believes the integrated annual report addresses all material information relating to MultiChoice SA’s ability to create value in the short, medium and long term.

On behalf of the boards

Manda Langa
Chair; Phuthuma Nathi
10 June 2020

Imtiaz Patel
Chair; MultiChoice SA
10 June 2020

Navigation and feedback
For ease of reference key terms used in the report are included on page 11 of this report.

Feedback on the report is welcomed and can be communicated to cosec@multichoice.co.za.

Connect with us on:

How to navigate our report
Throughout our integrated annual report, the following icons are used to show the connectivity between sections:
This section is focused on shareholders’ direct investment in Phuthuma Nathi.
LETTER FROM THE PHUTHUMA NATHI CHAIR

The broad nature of our shareholder base is one of great pride to me, and highlights MultiChoice SA’s commitment to meaningful broad-based empowerment.

We trust this new reporting format helps you make better, informed decisions.

We welcome your feedback and input on these changes and on how we can improve our reporting in the future. Please share your feedback with us at cosec@multichoice.co.za.

The year in review

Despite challenges, the 2020 financial year was eventful for Phuthuma Nathi. From a share scheme perspective, shareholders were offered the opportunity to exchange some of their Phuthuma Nathi shares for MultiChoice Group shares, which are listed on the JSE, and give shareholders exposure to the MultiChoice Group’s strategic growth plans in Africa and its technology business, Leafido.

Following many roadshows and engagements with our shareholders, it was pleasing to see them make informed decisions regarding which investment option best suited their needs. It is also worth noting that following the implementation of the share arrangement, Phuthuma Nathi acquired 100% of the share capital of Phuthuma Nathi 2 from the Phuthuma Nathi 2 shareholders. As a result, Phuthuma Nathi 2 became a wholly owned subsidiary of Phuthuma Nathi. This means there is only one listed share scheme on the Equity Express Securities Exchange (EESE), making trading in Phuthuma Nathi shares simpler.

Phuthuma Nathi has a direct investment in MultiChoice SA. As South Africans, we know we are all familiar with the leading brands of MultiChoice SA and have been entertained by its local, international, and sport content for many years.

MultiChoice SA delivered a solid performance despite the challenging macroenvironment, exacerbated by the COVID-19 global pandemic towards the end of our financial year. I am confident the detail shared in the performance section (page 62) will highlight the efforts made by the MultiChoice SA leadership teams to protect and enhance value during these difficult times. In addition to the financial value created, MultiChoice SA remains committed to creating sustainable value for its diverse stakeholders, ensuring it remains a well-respected corporate citizen of South Africa.

During the year, the Phuthuma Nathi share price fell by 38.62% to ZAR22.40 (FY20: ZAR36.51). In our opinion, this was due to the added uncertainty surrounding COVID-19 and the harsh macroeconomic environment. However, the share price has recovered some ground since the decline in FY21.

Dividend

The MultiChoice SA board has recommended a dividend of ZAR8bn to its shareholders. Phuthuma Nathi owns 25% of MultiChoice SA.

The Phuthuma Nathi board is declaring a dividend of ZAR1.5bn (FY20: ZAR1.5bn). This amounts to ZAR22.22 (FY20: ZAR22.22) per Phuthuma Nathi ordinary share to be paid to Phuthuma Nathi shareholders. The declaration of the dividend is subject to approval of the MultiChoice SA ZAR6bn dividend at the MultiChoice SA AGM on 26 August 2020. If the MultiChoice SA dividend is approved, the Phuthuma Nathi dividend will be payable to shareholders recorded in the share register on 26 August 2020 and paid on or about 4 September 2020 (payment of which will fall in FY21).

Dividend tax of 20% amounts to ZAR4.44 per Phuthuma Nathi share. Phuthuma Nathi shareholders will therefore receive a net dividend of ZAR17.78 (FY20: ZAR17.78) per share.

Directors and company secretary

The Phuthuma Nathi board consists of three directors. Calvo Mawela replaced Herman Wessels as a director with effect from 12 July 2019.

The profiles of the current directors are on page 14.

Donna Dickson resigned as company secretary with effect from 30 September 2019. Rochelle Gabriels was appointed as acting company secretary with effect from 12 December 2019. Carmen Miller replaced Rochelle Gabriels as company secretary with effect from 11 June 2020.

Closing

As a result of the COVID-19 pandemic, we will be holding the MultiChoice SA and Phuthuma Nathi AGMs by way of electronic participation only, and not by way of a physical meeting.

For more information on this, please refer to the virtual meeting guide on page 131.

A live broadcast of the AGM will take place on DStv channel 196. To watch the live broadcast, shareholders must submit the form on page 132 to phuthumanathi@singularservices.co.za by Friday 21 August 2020, to allow for processing.

From myself and my colleagues on the board, thank you for your continued support. I look forward to engaging with you at our AGM on Wednesday 26 August 2020.

Mandla Langa
Chair: Phuthuma Nathi
10 June 2020
Phuthuma Nathi launched
Phuthuma Nathi 1 was launched in 2006, and Phuthuma Nathi 2 (a replica) in 2007. As one of the largest BBBEE transactions in South Africa, the schemes acquired a 20% stake in MultiChoice SA.

Debt paid off
MultiChoice SA’s strong financial performance enabled meaningful dividend payments to Phuthuma Nathi, which allowed Phuthuma Nathi to repay its vendor funding in 2014 (two years ahead of schedule) and at the same time pay dividends to Phuthuma Nathi shareholders.

Phuthuma Nathi shareholding increased to 25% in MultiChoice SA
To underpin the MultiChoice SA and Naspers commitment to broad socio-economic transformation and BBBEE, Naspers and MultiChoice SA allocated an additional 5% stake in MultiChoice SA to Phuthuma Nathi for no consideration (4 March 2019).

Phuthuma Nathi 1 and Phuthuma Nathi 2 combined
In 2019, shareholders voted to combine the two schemes into one scheme. The transaction resulted in a one-to-one swap of Phuthuma Nathi 2 for Phuthuma Nathi shares. As a result, Phuthuma Nathi 2 is now owned by Phuthuma Nathi and all shareholders hold shares in Phuthuma Nathi (28 November 2019).

Share swap completed
Phuthuma Nathi shareholders were offered the option to exchange some of their shares in Phuthuma Nathi for shares in the MultiChoice Group. Following extensive engagements, 5.7% of shareholders accepted the offer (28 October 2019).

Trading started
The shares began trading publicly over the counter from 8 December 2011.

Full dividend paid
Following the settlement of the outstanding debt, shareholders received their first full dividend payment in 2015 of ZAR1.25n in dividends.

Phuthuma Nathi
launched in 2006, and BBBEE transactions in Phuthuma Nathi Investments (RF) Limited integrated annual report 2020

KEY TERMS AND PRINCIPLES

| Broad-based black economic empowerment (BBBEE) | BBBEE is a government policy designed to advance economic transformation and enhance the economic participation of black people (African, coloured and Indian people who are South African citizens) in the South African economy. |
| Shares and shareholders | A share is a unit of ownership in a company and a shareholder is the owner of a share. Shareholders can earn income from their shares in the form of dividends. |
| Dividends | If a company is profitable, has positive reserves and sufficient cash, the directors of the company may choose to pay a portion of the profit to shareholders in a payment called dividends. This decision is always subject to the circumstances and outlook a company faces at a point in time. |
| Financial year (FY) | The 12-month period a company uses to calculate its profit and income tax. For MultiChoice SA and Phuthuma Nathi, the 2020 financial year is from 1 April 2019 to 31 March 2020, also called FY20. |
| Johannesburg Stock Exchange (JSE) | The JSE is the oldest existing and largest stock exchange in Africa. For any company listed on the JSE, shares in the company can be bought by and sold to any person, within the constraints of the law and the Listings Requirements of the JSE. |
| Equity Express Securities Exchange (ESEE) | ESEE is the first independent black-owned equity exchange in the country. The exchange was created to support BBBEE schemes and specifically caters for companies with restrictions on trading their shares. Unlike open stock exchanges, such as the JSE, the ESEE has restrictions on who can participate in order to support companies’ transformation goals. |
As a Phuthuma Nathi investor, it is important to understand how your shares can create value. Through Phuthuma Nathi, MultiChoice SA provided long-term, far-reaching benefits to BBBEE shareholders, with an estimated return on investment of approximately 20 times since inception. Phuthuma Nathi shareholders have benefited from:

**Cash flow through dividends**
The directors may choose to pay dividends to the shareholders. While dividends are never guaranteed, they can offer you, the investor, an ongoing income depending on how well the company is performing.

**Capital growth through share price increases**
Over the medium to long term, the shares in a company can become increasingly valuable. This is referred to as capital growth. It is important to remember the value of shares can also decline.

For example, if you purchased a Phuthuma Nathi share at inception for ZAR10 per share, this share was worth ZAR84.50 per share at 31 March 2020. This means your initial investment of ZAR10 has grown on average by 17% per year.

**ZAR11.9bn in dividends since inception**

<table>
<thead>
<tr>
<th>Dividend per Phuthuma Nathi share</th>
<th>Capital growth through share price increases</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19 ZAR19.56</td>
<td>ZAR10 2006</td>
</tr>
<tr>
<td>FY20 ZAR22.22</td>
<td></td>
</tr>
<tr>
<td>FY21 ZAR22.22</td>
<td>ZARB4.50 2020</td>
</tr>
</tbody>
</table>

---

**Phuthuma Nathi (listed on the ESE)**
The Phuthuma Nathi share scheme offers qualifying shareholders the opportunity to gain indirect exposure to MultiChoice SA through holding shares in Phuthuma Nathi.

**MultiChoice SA (unlisted)**
MultiChoice SA is the leading video entertainment service in South Africa, providing world-class local and international content to 8.4m subscribers.

**MultiChoice Group (listed on the JSE)**
The MultiChoice Group is the parent company of MultiChoice SA, MultiChoice Africa Holdings, Showmax Africa and Irdeto. The MultiChoice Group has been listed on the JSE since 2019.

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(1) The graphic above reflects the operational structure of the business and may differ from the legal structures.
(2) MultiChoice Group hold 5.7% of Phuthuma Nathi as a result of the share swap transaction implemented in October 2019.
Report of the Audit Committee for the Year Ended 31 March 2020

As the company’s major asset is an investment in MultiChoice South Africa Holdings Proprietary Limited (MultiChoice SA), the board deems it appropriate that all its members be appointed to the audit committee. The audit committee has pleasure in submitting this report, as required by section 94 of the Companies Act No 71 of 2008 (the Act).

Functions of the audit committee
- Reviewed the year-end consolidated and company annual financial statements, culminating in a recommendation to the board to adopt them. In the course of its review the committee:
  - Took appropriate steps to ensure that the consolidated and company annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Act and regulations,
  - Considered and, when appropriate, made recommendations on internal financial controls
  - Dealt with concerns or complaints relating to accounting policies, the auditing or content of consolidated and company annual financial statements, and internal financial controls
- Reviewed the external audit report on the consolidated and company annual financial statements
- Verified the independence of the external auditor and nominated PricewaterhouseCoopers Inc as the auditor for 2020 and noted the appointment of Ms Alinah Motaung as the designated auditor
- Approved audit fees and engagement terms of the external auditor
- Approved the non-audit services provided by the external auditor

Members of the audit committee
The names of the members who were in office during the 2020 financial year and the details of the audit committee meetings attended by each of the members are:
- Calvo Mawela
- Mandla Langa
- Clarissa Mack

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

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

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

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

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

Signed on behalf of the audit committee of the board

Mandla Langa
Chair: Audit committee
10 June 2020
INDEPENDENT AUDITOR’S REPORT ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

To the shareholders of Phuthuma Nathi Investments (RF) Limited

Opinion

The summary consolidated and separate financial statements of Phuthuma Nathi Investments (RF) Limited, set out on pages 17 to 26 of the ‘Integrated annual report to the shareholders of Phuthuma Nathi Investments (RF) Limited for the year ended 31 March 2020’, which comprise the summary consolidated and company statements of financial position as at 31 March 2020, the summary consolidated and company statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated and separate financial statements of Phuthuma Nathi Investments (RF) Limited for the year ended 31 March 2020.

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

The audited consolidated and separate financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 10 June 2020. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period.

Directors’ responsibility for the summary consolidated and separate financial statements

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

Auditor’s responsibility

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

PricewaterhouseCoopers Inc.
Director: AM Motaung
Registered Auditor
Johannesburg
10 June 2020

SUMMARISED ANNUAL FINANCIAL STATEMENTS

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

as at 31 March 2020

<table>
<thead>
<tr>
<th></th>
<th>Group 2020</th>
<th>Company 2020</th>
<th>2019 Restated*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ZAR’000</td>
<td>ZAR’000</td>
<td>ZAR’000</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>7 053 344</td>
<td>7 053 344</td>
<td>4 157 246</td>
</tr>
<tr>
<td>Investments in associate</td>
<td>7 053 344</td>
<td>7 053 344</td>
<td>4 157 246</td>
</tr>
<tr>
<td>Current assets</td>
<td>153 325</td>
<td>153 051</td>
<td>172 181</td>
</tr>
<tr>
<td>Other receivables</td>
<td>59 336</td>
<td>59 336</td>
<td>22 199</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>93 989</td>
<td>93 715</td>
<td>146 846</td>
</tr>
<tr>
<td>Current tax receivable</td>
<td>–</td>
<td>–</td>
<td>3 136</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>7 206 669</td>
<td>7 206 395</td>
<td>4 329 427</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity reserves attributable to the company’s equity holders</td>
<td>7 051 487</td>
<td>7 051 589</td>
<td>4 155 594</td>
</tr>
<tr>
<td>Share capital and premium</td>
<td>2 814 075</td>
<td>2 814 075</td>
<td>450 000</td>
</tr>
<tr>
<td>Other reserves</td>
<td>1 296 189</td>
<td>1 296 189</td>
<td>884 355</td>
</tr>
<tr>
<td>Accumulated profit</td>
<td>2 941 223</td>
<td>2 941 325</td>
<td>2 821 239</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>155 182</td>
<td>154 806</td>
<td>173 833</td>
</tr>
<tr>
<td>Other payables</td>
<td>155 182</td>
<td>154 806</td>
<td>173 833</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>7 206 669</td>
<td>7 206 395</td>
<td>4 329 427</td>
</tr>
</tbody>
</table>

*Restated – refer to the ‘prior period restatement’ note on page 26 for details of the restatement.

The accompanying notes form an integral part of these summarised consolidated and company annual financial statements.
**CONSOLIDATED AND COMPANY STATEMENTS**

**CONSOLIDATED AND COMPANY STATEMENTS OF PROFIT OR LOSS**

for the year ended 31 March 2020

<table>
<thead>
<tr>
<th>Group</th>
<th>Company</th>
<th>2020 ZAR'000</th>
<th>2020 Restated* ZAR'000</th>
<th>2019 ZAR'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
<td>(204)</td>
<td>(102)</td>
<td>(102)</td>
<td></td>
</tr>
<tr>
<td>Operating loss</td>
<td>(204)</td>
<td>(102)</td>
<td>(102)</td>
<td></td>
</tr>
<tr>
<td>Gain on empowerment transaction</td>
<td>–</td>
<td>–</td>
<td>851 007</td>
<td></td>
</tr>
<tr>
<td>Share of equity-accounted results of associate</td>
<td>1 120 188</td>
<td>1 120 188</td>
<td>386 357</td>
<td></td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>1 119 984</td>
<td>1 120 086</td>
<td>1 237 262</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td>1 119 984</td>
<td>1 120 086</td>
<td>1 237 262</td>
<td></td>
</tr>
<tr>
<td>Earnings per share</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings per share based on 67 500 000 (2019: 45 000 000) issued shares</td>
<td>16.59</td>
<td>16.59</td>
<td>27.49</td>
<td></td>
</tr>
</tbody>
</table>

*Restated – refer to the ‘prior period restatement’ note on page 26 for details of the restatement.

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

**CONSOLIDATED AND COMPANY STATEMENTS OF COMPREHENSIVE INCOME**

for the year ended 31 March 2020

<table>
<thead>
<tr>
<th>Group</th>
<th>Company</th>
<th>2020 ZAR'000</th>
<th>2020 Restated* ZAR'000</th>
<th>2019 ZAR'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit for the year</td>
<td>1 119 984</td>
<td>1 120 086</td>
<td>1 237 262</td>
<td></td>
</tr>
<tr>
<td>Total other comprehensive income, net of tax, for the year:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that may be reclassified subsequently to profit or loss</td>
<td>411 834</td>
<td>411 834</td>
<td>707 617</td>
<td></td>
</tr>
<tr>
<td>Share of changes in associate’s other comprehensive income items</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>1 531 818</td>
<td>1 531 920</td>
<td>1 944 879</td>
<td></td>
</tr>
</tbody>
</table>

*Restated – refer to the ‘prior period restatement’ note on page 26 for details of the restatement.

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

CONSOLIDATED AND COMPANY STATEMENTS
OF CASH FLOWS
for the year ended 31 March 2020

<table>
<thead>
<tr>
<th></th>
<th>Group 2020</th>
<th>Company 2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash outflow from operations</td>
<td>(62 052)</td>
<td>(62 326)</td>
<td>(10 922)</td>
</tr>
<tr>
<td>Dividends received from associate</td>
<td>1 000 000</td>
<td>1 000 000</td>
<td>880 002</td>
</tr>
<tr>
<td>Net cash generated from operating activities</td>
<td>937 948</td>
<td>937 674</td>
<td>869 080</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of preference shares</td>
<td>–</td>
<td>–</td>
<td>(135)</td>
</tr>
<tr>
<td>Dividends paid to ordinary shareholders</td>
<td>(990 805)</td>
<td>(990 805)</td>
<td>(861 647)</td>
</tr>
<tr>
<td>Decrease in amounts owing to investors</td>
<td>–</td>
<td>–</td>
<td>(5 265)</td>
</tr>
<tr>
<td>Net cash utilised in financing activities</td>
<td>(990 805)</td>
<td>(990 805)</td>
<td>(867 047)</td>
</tr>
<tr>
<td>Net movement in cash and cash equivalents</td>
<td>(52 857)</td>
<td>(53 131)</td>
<td>2 033</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>146 846</td>
<td>146 846</td>
<td>144 813</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>93 989</td>
<td>93 715</td>
<td>146 846</td>
</tr>
</tbody>
</table>

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

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

The group and company has adopted all new and amended accounting pronouncements as issued by the International Accounting Standards Board (IASB), which were effective for financial years commencing on 1 April 2019.

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

Consolidation transaction
During the current year, Phuthuma Nathi Investments (RF) Limited acquired 100% of the share capital of Phuthuma Nathi Investments 2 (RF) Limited, from the Phuthuma Nathi Investments 2 (RF) Limited shareholders. As a result, Phuthuma Nathi Investments 2 (RF) Limited became a wholly owned subsidiary of Phuthuma Nathi Investments (RF) Limited. Phuthuma Nathi Investments (RF) Limited equity accounts its investments in subsidiaries and associates.

Phuthuma Nathi Investments 2 (RF) Limited distributed its 8.33% interest in MultiChoice SA Holdings Proprietary Limited (MCSAH), as a dividend in specie to its parent, Phuthuma Nathi Investments (RF) Limited. The transaction was unconditionally approved by the shareholders of Phuthuma Nathi Investments (RF) Limited and Phuthuma Nathi Investments 2 (RF) Limited, effective on 28 November 2019. The fair value of the investment received as a dividend in specie was ZAR2.3bn. The company has accounted for the distribution received as a return of capital which has been taken against the cost of the investment in Phuthuma Nathi Investments 2 (RF) Limited. This has resulted in the remaining assets and liabilities in Phuthuma Nathi Investments 2 (RF) Limited to be insignificant. Phuthuma Nathi Investments 2 (RF) Limited is a 100%-owned subsidiary of the company and therefore consolidated into the group’s financial information.
Consolidation transaction continued
In determining the fair value of the consideration, the company used the fair value of its shares issued (average listed share price on the effective date). A final fair value exercise was done on acquisition date and notional goodwill of ZAR87.9m was recognised.

The fair value exercise for the acquisition of an additional stake in an existing associate incorporates fair value information at the date when the additional interest is acquired. There is no step up or remeasurement of the previously held interest, because there is no change in the status of the investment.

Investments in associate
As at the beginning of the financial period the company had a 16.67% interest in MCSAH, a company incorporated and with its principal place of business in South Africa. The company increased its stake in MCSAH by 8.33% through a dividend in specie received from its subsidiary (Phuthuma Nathi Investments 2 (RF) limited) valued at ZAR2.3bn, which is the fair value of the investment in MCSAH. This increased the company’s total investment in MCSAH to 25% as at the end of the financial period.

The company recognised notional goodwill of ZAR87.9m in the current financial period for the additional 8.33% share acquired in an existing associate, MultiChoice SA as a dividend in specie. The company also restated the gain on empowerment transaction from the prior year relating to the empowerment transaction where an additional 3.33% stake was acquired. A provisional amount was used in the prior year and corrected in the current year once the fair value exercise was finalised.

The principal activities of MCSAH is the operation of video entertainment. This is an unlisted investment that is accounted for using the equity method of accounting.

### Investments in associate continued

<table>
<thead>
<tr>
<th>Movement in carrying amount</th>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the beginning of the year</td>
<td>4 157 246</td>
<td>4 157 246</td>
</tr>
<tr>
<td>Additional investment – as previously stated</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Additional investment – restated as a result of a measurement period adjustment</td>
<td>–</td>
<td>135 442</td>
</tr>
<tr>
<td>Share of net profit</td>
<td>1 120 189</td>
<td>1 120 189</td>
</tr>
<tr>
<td>Share of changes in other reserves</td>
<td>411 834</td>
<td>411 834</td>
</tr>
<tr>
<td>Dividends received</td>
<td>(1 000 000)</td>
<td>(1 000 000)</td>
</tr>
<tr>
<td>Additional investment acquired during the year</td>
<td>2 364 075</td>
<td>2 364 075</td>
</tr>
<tr>
<td><strong>Carrying amount</strong></td>
<td><strong>7 053 344</strong></td>
<td><strong>7 053 344</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Analysis of carrying amount</th>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>2 250 000</td>
<td>2 250 000</td>
</tr>
<tr>
<td>Additional investment</td>
<td>2 364 075</td>
<td>2 364 075</td>
</tr>
<tr>
<td>Share of equity-accounted results of associate</td>
<td>536 488</td>
<td>536 488</td>
</tr>
<tr>
<td>Share of changes in associate’s other comprehensive income items</td>
<td>1 051 774</td>
<td>1 051 774</td>
</tr>
<tr>
<td>Gain on empowerment transaction</td>
<td>851 007</td>
<td>851 007</td>
</tr>
<tr>
<td><strong>At the end of the year</strong></td>
<td><strong>7 053 344</strong></td>
<td><strong>7 053 344</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation of carrying amount</th>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of net assets of associate</td>
<td>3 053 021</td>
<td>3 053 021</td>
</tr>
<tr>
<td>Notional goodwill on initial acquisition</td>
<td>1 910 000</td>
<td>1 910 000</td>
</tr>
<tr>
<td>Fair value upliftment on net identifiable assets</td>
<td>2 002 353</td>
<td>2 002 353</td>
</tr>
<tr>
<td>Notional goodwill on additional investment</td>
<td>87 970</td>
<td>87 970</td>
</tr>
<tr>
<td><strong>Carrying amount</strong></td>
<td><strong>7 053 344</strong></td>
<td><strong>7 053 344</strong></td>
</tr>
</tbody>
</table>

(1) Restated – refer to the “prior period restatement” note on page 26 for details of the restatement.

There has been no objective evidence of impairment of the associate in the current or prior years.
Summarised financial information of unlisted associate as per its annual financial statements

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ZAR’m</td>
<td>ZAR’m</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>40 962</td>
<td>40 391</td>
</tr>
<tr>
<td><strong>Other income and expenses</strong></td>
<td>(21 364)</td>
<td>(21 439)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>19 598</td>
<td>18 952</td>
</tr>
<tr>
<td><strong>Other gains</strong></td>
<td>70</td>
<td>19</td>
</tr>
<tr>
<td><strong>Net loss allowance on trade receivables</strong></td>
<td>(90)</td>
<td>(108)</td>
</tr>
<tr>
<td><strong>Selling, general and administration costs</strong></td>
<td>(8 842)</td>
<td>(8 442)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>10 736</td>
<td>10 421</td>
</tr>
<tr>
<td><strong>Finance income</strong></td>
<td>360</td>
<td>310</td>
</tr>
<tr>
<td><strong>Foreign exchange differences</strong></td>
<td>(1 394)</td>
<td>(1 542)</td>
</tr>
<tr>
<td><strong>Empowerment transaction</strong></td>
<td>–</td>
<td>(2 564)</td>
</tr>
<tr>
<td><strong>Impairment of equity-accounted investments</strong></td>
<td>(28)</td>
<td>(60)</td>
</tr>
<tr>
<td><strong>Share of equity-accounted investment results</strong></td>
<td>(12)</td>
<td>(111)</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>(644)</td>
<td>(644)</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>9 018</td>
<td>5 810</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>(2 497)</td>
<td>(2 344)</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>6 521</td>
<td>3 466</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td>1 787</td>
<td>1 727</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>8 308</td>
<td>5 193</td>
</tr>
</tbody>
</table>

**Summarised statement of financial position**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ZAR’m</td>
<td>ZAR’m</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current</td>
<td>17 452</td>
<td>16 041</td>
</tr>
<tr>
<td>Current</td>
<td>17 787</td>
<td>13 989</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>35 239</td>
<td>30 030</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current</td>
<td>12 195</td>
<td>10 211</td>
</tr>
<tr>
<td>Current</td>
<td>10 832</td>
<td>9 519</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>23 027</td>
<td>19 730</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>12 212</td>
<td>10 300</td>
</tr>
</tbody>
</table>

**Reconciliation of carrying amount**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ZAR’m</td>
<td>ZAR’m</td>
</tr>
<tr>
<td>Opening net assets</td>
<td>10 300</td>
<td>8 975</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>6 521</td>
<td>3 466</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>1 787</td>
<td>1 728</td>
</tr>
<tr>
<td>Share-based payment reserve*</td>
<td>(378)</td>
<td>2 731</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(6 018)</td>
<td>(6 600)</td>
</tr>
<tr>
<td><strong>Closing net assets</strong></td>
<td>12 212</td>
<td>10 300</td>
</tr>
</tbody>
</table>

**Group and company share (%)**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3 053</td>
<td>1 717</td>
</tr>
</tbody>
</table>

*The movements relate to the empowerment transaction undertaken in the 2019 financial year and certain one-off costs that were reimbursed as part of the transitional services and separation agreements with Naspers. The movement in the 2020 financial year relates to the recycling of the reserves that related to previous Naspers administered schemes.
Prior period restatement
As part of the unbundling of Naspers Limited in the prior year, the company was given an additional 3.33% stake in MCSA for nominal consideration.

A provisional fair value exercise was performed in the prior year, in respect of the additional 3.33% shareholding.

The fair value exercise assessment has been completed in the current year and an additional gain on shareholding.

A provisional fair value exercise was performed in the prior year, in respect of the additional 3.33% stake in MCSA for nominal consideration.

As part of the unbundling of Naspers Limited in the prior year, the company was given an additional 3.33% stake in MCSA for nominal consideration.

The fair value exercise assessment has been completed in the current year and an additional gain on shareholding.

The fair value exercise assessment has been completed in the current year and an additional gain on empowerment transaction of ZAR135.4m has been determined.

The prior year amounts have been restated accordingly:

<table>
<thead>
<tr>
<th>Company</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As previously reported</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in associate</td>
<td>4 021 804</td>
<td>4 157 246</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated profit</td>
<td>2 685 797</td>
<td>2 821 239</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on empowerment transaction</td>
<td>715 565</td>
<td>851 007</td>
</tr>
<tr>
<td><strong>Restated</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in associate</td>
<td>4 021 804</td>
<td>4 157 246</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated profit</td>
<td>2 685 797</td>
<td>2 821 239</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain on empowerment transaction</td>
<td>715 565</td>
<td>851 007</td>
</tr>
</tbody>
</table>

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

MultiChoice South Africa Proprietary Limited has earned and incurred the following income and expenses related to the trading of Phuthuma Nathi shares for the year ended 31 March 2020 in terms of the MOI requirements:

<table>
<thead>
<tr>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2020</strong></td>
<td><strong>2020</strong></td>
</tr>
<tr>
<td><strong>ZAR’000</strong></td>
<td><strong>ZAR’000</strong></td>
</tr>
<tr>
<td>Income</td>
<td>7 909</td>
</tr>
<tr>
<td>Expenses</td>
<td>(390)</td>
</tr>
<tr>
<td>Other amounts (paid)/received</td>
<td>(36 294)</td>
</tr>
<tr>
<td></td>
<td>(28 775)</td>
</tr>
</tbody>
</table>

Related party income relates to interest earned on unclaimed dividends and expenses relate to bank charges on bank accounts and audit fees paid by MCSA on behalf of the group. Other amounts received/(paid) relate to repayments of the outstanding balances during the year.
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

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

Directors’ shareholdings
The directors of Phuthuma Nathi Investments (RF) Limited had the following interests in Phuthuma Nathi
Investments (RF) Limited ordinary shares as at 31 March 2020:

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of shares held</th>
<th>Number of shares held</th>
<th>Number of shares held</th>
</tr>
</thead>
<tbody>
<tr>
<td>CP Mack(1)</td>
<td>50 001</td>
<td>50 001</td>
<td>5 324</td>
</tr>
<tr>
<td>M Langa(2)</td>
<td>4 582</td>
<td>4 582</td>
<td>5 451</td>
</tr>
<tr>
<td>C Mawela(3)</td>
<td>–</td>
<td>4 000</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>54 583</td>
<td>58 583</td>
<td>10 775</td>
</tr>
</tbody>
</table>

(1) Shares were purchased by directors at the fair market value per share.

Amounts due to/(from) related parties(2):

<table>
<thead>
<tr>
<th>Group</th>
<th>2020 ZAR’000</th>
<th>2020 ZAR’000</th>
<th>2019 ZAR’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phuthuma Nathi Investments 2 (RF) Limited</td>
<td>–</td>
<td>653</td>
<td>(7982)</td>
</tr>
</tbody>
</table>

(2) Amounts due relate to a cash balance owing to Phuthuma Nathi Investments 2 (RF) Limited at year-end.

Subsequent events
COVID-19
The coronavirus (COVID-19) pandemic has had a significant impact across the world and as a result
management has assessed the impact on the group and company’s operations. The group and company’s
major investment is in MCSAH and have therefore assessed the impact on MCSAH’s operations.

In the short term, MCSAH has reacted swiftly in implementing its business continuity plans well ahead of the
forced lockdowns imposed by governments. The considerations around the impact of the pandemic on MCSAH
have been documented in its annual financial statements where applicable.
Understanding MultiChoice SA

Phuthuma Nathi’s underlying investment in MultiChoice SA.
JOINT LEADERSHIP REVIEW FROM THE MULTICHOOSE SA
CHAIR AND CHIEF EXECUTIVE OFFICER

We will consistently strive to live up to our promise of enriching lives and keeping our audiences entertained, anytime and anywhere.

As South Africa’s leading video entertainment company, we create and secure the rights to exceptional content from across the world. Each story we tell is carefully curated to delight and entertain our audiences.

The past year presented some challenges. However, we demonstrated resilience and determination in delivering a solid operational and financial performance. The Springboks’ victory at the Rugby World Cup and our viral #StrongerTogether campaign renewed a sense of national pride and unity at an important time for the country. We celebrate these and many more achievements, which are shared in the detailed reports that follow.

As our operations are more mature in South Africa, we focus on generating stable profits and cash flows and driving growth of our mass market segment and over the top (OTT) services (ie streaming of video entertainment channels via internet). Cost-saving efforts and digitalisation are essential to ensure the business operates efficiently. Because of our strategic focus of driving growth and retention, our business held up well in a tough consumer environment, adding 0.5m subscribers to total 8.4m 90-day active subscribers. We saw a strong performance of our Compact Plus and Family packages as part of our upgrade and retention strategy and continued strong growth of the Access package.

When it comes to our content strategy, we stepped up our investment in local content. This was not only to support the development of South African storytelling, but also to cater for our audience’s preference of having content in languages and genres that resonate culturally. The increased investment generates employment opportunities and is further supported by some of our corporate social investment (CSI) initiatives such as the MultiChoice Talent Factory South Africa (MTFza); a platform for homegrown productions.

During the year, we produced 28 local dramas, 13 telenovelas and 17 comedy series. SuperSport continues delivering a truly world-class sport offering and is the largest funder of sport in South Africa.

We brought the ICC Cricket World Cup, the Africa Cup of Nations (AFCON) football tournament and the Rugby World Cup to sport lovers across the continent.

We cater for the evolving needs of our customers, and are successfully adapting to a global move towards OTT services through pursuing innovation in our product and service offerings. Our OTT services, Showmax and DStv Now, are gaining traction, and we see positive growth in users and viewing activity. Our recently signed distribution agreements with two major international subscription video on demand (SVOD) providers are an important step in our strategy to create an entertainment ecosystem for consumers.

Attracting and retaining talent is a crucial aspect of our strategy. We are passionate about creating a workplace where people are engaged and feel inspired to develop and refine their skills, and to push the boundaries of innovation. During the reporting period, we had to materially adjust our approach to work to accommodate the restrictions placed on our business by the outbreak of COVID-19, but also to ensure we fulfill our role in providing an essential service to the people of South Africa.

From an early date, we arranged for our people to work remotely where possible. For our essential staff onsite, we introduced several measures to ensure their safety and wellbeing. We are especially grateful to these employees who displayed loyalty and courage in coming to work and serving our business during this trying time. Our employees and many of our other stakeholders, including suppliers and customers, were severely impacted by the outbreak.

While the full economic and social impact of the pandemic is uncertain at this stage, we approach the future with a positive mindset, knowing that we have the backing of a strong team and a business that is well positioned to withstand the impending macrochallenges. We remain excited about the long-term prospects of the business and will continue bringing world-class content to millions of customers in South Africa in the most cost-effective way. We will consistently strive to live up to our promise of enriching lives and keeping our audiences entertained, anytime and anywhere.

Imtiaz Patel
Executive chair

Calvo Mawela
CEO

Phuthuma Nathi Investments (RF) Limited integrated annual report 2020
What we deliver: our products and services

- Direct to home (DTH) satellite pay-TV: DStv
  - Offers >150 linear video channels and >95 audio channels
  - Six core bouquets, at varying price points
  - Catch-up and movie rental (BoxOffice) services available
  - DStv Now streaming service offered as a value-added service

- Showmax:
  - Subscription video on demand (SVOD) service, with standard and mobile offerings available

- Advertising (DStv Media Sales): Commercial airtime sales across 130+ pay-TV channels

Distributing content via satellite

Our DTH satellite services distribute content to the bulk of our video entertainment subscribers and account for the majority of total content viewing hours. That this is done at scale with highly affordable entry price points for subscribers is testament to the benefit of our business model to consumers.

We uplink encrypted signals to our satellites from a number of sites across South Africa, the United Kingdom and Spain. For our South African orbital location, we have two co-located satellites that beam signals directly to a subscriber’s satellite dish (Intelsat 20 and Intelsat 36). This ensures that we have sufficient capacity (as shown by the number of transponders or signal relays that we lease) for our current services and product roadmap, while also ensuring that we have redundancy to support our disaster recovery plans. A subscriber’s DTH set-top box will decrypt the signal and show the content on the TV screen. The transponder capacity on the satellites is leased by us from the relevant service providers. These are typically long-term leases, reflective of a satellite’s long-lived useful life of roughly 15 years. Our current lease terms in South Africa are staggered and are due for renewal between 2027 and 2031.

Some of these channels are packaged for other African markets and sold on to them.

GE refers to general entertainment content. Numbers shown exclude religion, specialist, free-to-air and audio channels.
VALUE CREATED FOR OUR STAKEHOLDERS

We strive to create holistic value for our stakeholders, creating mutually beneficial relationships that are based on trust and integrity. As a proud contributor to socioeconomic development in South Africa where we operate, we recognise the value we can create for shareholders, employees, suppliers, regulators and communities.

VALUE CREATED

\[
\text{ZAR28.4bn (subscription revenue)} + \text{ZAR2.8bn (advertising revenue)} + \text{ZAR9.8bn (other revenue)} = \text{ZAR41bn (total value created from customers)}
\]

VALUE DISTRIBUTED

CUSTOMERS

- 24/7 entertainment anytime and anywhere
- Tailored packages and streaming services
- Award-winning local content that tells South African stories
- World-class sport content
- Leading international content
- Exceptional customer service

PEOPLE

- ZAR3.8bn paid in remuneration and benefits
- 3,521 people permanently employed
- ZAR176m spent on skills development, of which 50% related to developing female talent

SHAREHOLDERS

- ZAR10.5bn trading profit
- ZAR8.0bn core headline earnings
- ZAR6.0bn dividends declared

GOVERNMENT AND REGULATORS

- ZAR7.3bn total tax contribution
- ZAR3.3bn total tax paid
- ZAR4bn total tax collected

SUPPLIERS

- ZAR10.4bn spent on local South African suppliers (80% with BBBEE compliant suppliers)
- ZAR2.4bn spent on set-top box purchases
- ZAR1.9bn spent on South African suppliers who are at least 30% women-owned

SOCIETY

- Let’s Play has reached >1.5m learners to date
- MultiChoice Diski Challenge has produced >150 players who played for national teams
- 72 students were trained through MTFza (previously Magic in Motion) over the past five years
- ZAR211m spent on CSI projects

- The total tax contribution amount reflects all cash taxes (1) paid and (2) collected by MultiChoice SA. The ‘tax paid’ amount is the actual cash tax incurred and paid by MultiChoice SA in FY20 and includes corporate income tax, property taxes, social security contributions, etc. The ‘tax collected’ amount reflects taxes not suffered by MultiChoice SA, but taxes that were collected by MultiChoice SA on behalf of revenue authorities (eg PAYE and value added tax).

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

- Employee gender diversity: 47% Male, 53% Female

- 1,120 contractors and temporary staff
- 1,304 employees formally trained during FY20
- 28,275 enrolments on learning platform

- ZAR28.4bn subscription revenue
- ZAR2.8bn advertising revenue
- ZAR9.8bn other revenue

Quick overview
Understanding MultiChoice SA
Understanding Phuthuma Nathi
Shareholder information
Introduction
Corporate governance review
MultiChoice SA performance
Financial review
OUR FLAGSHIP CORPORATE SOCIAL INVESTMENT INITIATIVES

>1.5m
learners reached to date

SuperSport Let’s Play
SuperSport’s flagship CSI initiative, Let’s Play, provides opportunities for young people to participate in sport activities. It has a positive impact on their overall wellness as it helps to improve their social skills and enhance their psychological development.

Over the past 12 years, Let’s Play reached more than 1.5m children in thousands of schools and communities. In total, 26 multipurpose sport fields have been built to date.

>200
Diski players have gone on to play for PSL first teams

The MultiChoice Diski Challenge
The MultiChoice Diski Challenge is a multifaceted development programme that includes a football competition for the PSL’s reserve teams, broadcast internships for up and coming filmmaker and a platform for community TV stations on DStv to broadcast the football competition. Diski has evolved from a round robin competition of 64 games in 2014, to a full league programme of 240 matches per season in 2019/2020.

Since inception, the league has seen more than 200 players being promoted to PSL first teams, and more than 150 players representing various South African national teams in international competitions.

>100
graduates have progressed to PSL and NFD teams

The SuperSport United Academy
The academy is a soccer development programme for young people. It aims to fast-track future professional football stars and currently supports 30 fulltime players who receive full boarding and lodging, world-class coaching, educational and scientific support as well as medical attention. The focus is on holistic development, with the players also receiving life skills and media training.

To date, more than 100 players have graduated from the academy and progressed to play for the PSL and National First Division (NFD) clubs in the National Soccer League. Currently, five former academy players are part of the SuperSport United senior squad in the PSL, and many of our academy players play in various national age-group teams.

The SuperSport Rugby Challenge
The SuperSport Rugby Challenge is a rugby tournament, hosted in partnership with SA Rugby. It aims to re-establish the vital link between club and provincial rugby, by bringing professional rugby to community venues and giving up and coming stars the chance to play at a competitive level on a regular basis.

It is an important developmental tournament for South African rugby as it features a combination of Super Rugby players returning from injury, reserve players maintaining their fitness levels and younger players trying to break through to the Super Rugby or Currie Cup (the primary domestic rugby union competition) sides.

It also offers on-the-job training for broadcast interns and graduates who are mentored by experienced SuperSport broadcast teams. SuperSport provides the rights to broadcast the SuperSport Rugby Challenge and the related magazine programming to the six community TV stations on DStv for free.

This tournament has proven to be a successful springboard for South African rugby talent. 2020 World Cup winning Springboks, Herschel Jantjies and Sbu Nkosi, previously featured in the competition.
OUR FLAGSHIP CORPORATE SOCIAL INVESTMENT INITIATIVES continued

MultiChoice Talent Factory

The MultiChoice Talent Factory (MTF) invests in the creative industries in 14 countries across Africa. In South Africa, M-Net Magic in Motion was renamed MultiChoice Talent Factory South Africa (MTFza).

The initiative has three touchpoints, namely the film academies, MTF masterclasses and the MTF portal. The MTF in South Africa has trained 72 students to date.

The MTF masterclass programme provides training and upskilling to industry professionals in 14 countries. The MTF portal is a digital networking platform for creatives and includes online masterclasses, up-to-date industry news and opportunities. More than 27,000 creative industry users have registered to date.

A key success of the programme is its partnerships. MTF partners with M-Net local channels producing 26 made-for-TV feature films for broadcast on local channels and Showmax. Other key partners include local academic and government institutions and a growing number of international industry partners.

MTF Academy Class of 2019!

MTF Academy Class of 2019!

26 MTF films broadcast on DStv/Showmax platforms

Enterprise development

MultiChoice SA established the MultiChoice Enterprise Development Trust in 2012 to identify, support and develop small enterprises and social entrepreneurship in the film, TV, media and information and communication technology (ICT) industries. The trust provides funding, mentorship and skills development to start-ups and established companies.

The MultiChoice Innovation Fund

This year, the trust launched the Innovation Fund, which will focus on investing in entrepreneurs with groundbreaking ideas. The fund gives selected beneficiaries access to the tools, skills and financial support that will enable them to bring their unique, innovative and exciting business ideas to life.

Investment focus areas include innovation in broadcast technology and information technology (IT), and innovative content and business processing. The trust manages the MultiChoice Innovation Fund.

Since inception in 2012, the trust has committed ZAR10.4bn during the period.

Our preferential procurement programme supports the development of small, medium and micro enterprises (SMMEs). The Group’s preferential procurement spend was ZAR10.4bn during the period.

In addition to the initiatives highlighted above, we have a host of programmes aimed at supporting minority sport and growing our communities.

For more information on these projects, please refer to our website www.multichoice.com/enriching-lives.

ZAR228m funds committed to enterprise development

ZAR10.4bn preferential procurement spend

ZAR4.9bn spent with South African SMMEs
We operate in a dynamic industry. This requires us to anticipate and adapt to shifting circumstances in a way that allows us to consistently pursue our longer-term strategic objectives and provide the best video entertainment products and services to our customers.

South African economy
- Macroeconomic difficulties include low growth, load shedding, policy uncertainty, falling business confidence, rising unemployment and currency weakness.
- Ratings agencies downgraded South Africa’s sovereign credit rating to subinvestment grade.

Competitive environment
- The market remains increasingly competitive across the spectrum and requires us to offer better value to remain competitive.

COVID-19
- The COVID-19 pandemic poses a global threat. The outbreak and associated national lockdown placed pressure on an already challenging situation.

Consumer behaviour is changing
- Increasing numbers of smartphones, along with better internet connections at lower costs mean more consumers are viewing on-demand content.
- These major trends mean the evolving pay-TV industry presents both risks and opportunities for our business.
- Satellite remains the most cost-effective and efficient means of distributing long-form video content at scale to the mass market, but emerging OTT delivery brings new opportunities.
- We are focused on capturing the opportunities and mitigating the potential risks.

Read about our response later in this section on pages 44 and 45.
The COVID-19 pandemic is having a significant impact globally, adversely affecting the lives of the Group’s customers, its employees and suppliers. While we have seen some victories in combating the disease, the full extent of the impact remains unknown at this stage.

In the short term, the Group has reacted swiftly in implementing its business continuity plans well ahead of the forced lockdowns imposed by government. This ensured that, as an essential service provider, we were able to provide an uninterrupted service to our customers. Government regulations issued confirmed the Group’s industry as an essential service and our business continues to operate and service our customers.

CONTENT
The most immediate impact on our offering was the cancellation or postponement of all live sport worldwide to mitigate the spread of the virus. In its place, we introduced the best award-winning sport documentaries for customers to relive their favourite sports moments; the greatest sports movies of all time; and interactive keep-fit content. In addition, select SuperSport channels were opened up to a wider audience.

On the general entertainment front, lockdown restrictions resulted in the postponement of all local content productions for five weeks. Our international content schedules were also impacted by delays in the release of certain Hollywood movies, and postponement of series production. To ensure continuity, we leveraged our extensive library content and our established relationships with content owners to deliver quality replacement entertainment and keep our offering as ‘fresh’ as ever.

Subsequent to year-end, local content productions have largely recommenced under strict health measures and international content schedules remained unaffected to date. In sport, the Group has recommenced the broadcast of football leagues such as the English Premier League, La Liga and Serie A. Other content such as WAVE, US PGA Golf, Formula 1 and UFC have already been on air and international rugby, cricket and tennis are finalising plans to recommence on a ‘behind closed doors’ basis.

CUSTOMERS
General entertainment content was strengthened for kids by introducing the Toonami channel during school holidays; revision lessons for high school learners on Mindset PoP and Catch Up; and the recently launched education channel, Da Vinci. Key international and African news channels were temporarily made available for free on our Showmax and DStv Now online platforms to all members of the public, both subscribers and non-subscribers. We also provided a free month of Showmax for Compact Plus and Compact subscribers taking up the service, as well as a limited period 50% discount offer for standalone Showmax subscribers.

Additional movies were launched on BoxOffice, giving our subscribers 40 of the latest blockbusters and increasing the line-up for kids and family viewing. The rental cost has been reduced to ZAR25 during this period, with Premium subscribers receiving four free movie credits. We also extended our Joox VIP music service to all subscribers at no extra cost, and offered various online learning benefits and solutions to customers and industry participants.

EMPLOYEES
The safety and wellbeing of our staff has been our highest priority with a work-from-home policy, social distancing and hygiene measures implemented in the office environment. We provided private transport to onsite staff so that they could avoid using high-density public transport.

We are supporting our employees through hosting digital wellness engagements; mental health and financial management workshops to alleviate anxiety and stress; and building skills to thrive in the changing social context.

Future impact
COVID-19 impacts (both positive and negative) continue to unfold and the long-term effects on the business are still uncertain.

We are taking steps wherever we can to counter potential future headwinds, which include taking a deeper look at our cost structures and implementing further cost-savings initiatives across the business. However, the business remains relatively well positioned with a sought-after product offering geared towards people spending more time at home, a robust business model that has low reliance on advertising revenue and a strong balance sheet.
Opportunities

MultiChoice SA committed resources to realise the following material opportunities, which are broad and strategic in nature:

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**Large and growing addressable market**

The global rising demand for video entertainment creates opportunities for us. Driving customer growth and retention is a strategic priority and we seek to offer value now and into the future. As such, we are investing in the growth of our core subscriber base as well as our connected video services to address consumers who are already migrating to a broadband environment (discussed further below).

**Sizeable subscriber base**

We have a base of 8.4m 90-day active subscribers as of 31 March 2020. This base provides economies of scale that allow us to enhance our value proposition to our customers.

**Deep understanding of the entertainment needs of customers**

With 35 years of experience in understanding the needs and preferences of our subscribers across a diverse base (language, culture and economic status, among others), we are well placed to meet their requirements. We are passionate about subscriber viewership analytics and trends to ensure we create and purchase the best entertainment for our various target markets. Our focus is on providing customers with local content that resonates culturally and is a key differentiator, alongside the very best in international entertainment and sport.

**OTT growth opportunity**

As broadband becomes more widely used, the demand for streaming content increases. In South Africa, as more consumers use broadband as the costs become cheaper, we are seeing growing demand. We already offer devices and services to address this demand (our connected Explora set-top box and our DStv Now and Showmax services).
### Our top risks

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<th>Description</th>
<th>Mitigation</th>
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| **Regulatory**                     | - Our focus remains on full compliance with existing regulations.  
- We continue engaging with policymakers, regulators and industry bodies proactively.                                               |
| **Economy**                        | - We understand the pressure our customers face and remain focused on customer-centricity and affordability.  
- We continue focusing on reducing costs and improving efficiencies.  
- We offer customers various options suited to their circumstances, supporting value for money with the flexibility to adjust. |
| **Disruption and competition**     | - We continuously invest in product and service innovations, focusing on better products, value and customer service.  
- Retaining attractive content rights is a priority, as is investing in our partnerships to maximise mutual benefits.  
- We continue exploring opportunities for partnerships with telecommunications companies (telcos) and other platforms. |
| **Cybersecurity**                  | - Ongoing investment in systems and technology to identify vulnerabilities to fix and enhance systems security, reduce business interruptions and protect our valuable information assets. |
| **Securing content**               | - Rights are reviewed regularly with due consideration for customer appreciation and the economic value of each set of rights, and bids are tabled accordingly.  
- We continue to increase investment in local content.  
- We invest in and maintain our partnerships with rights owners to maximise mutual benefits. |
| **Local content**                  | - We partner with suppliers and academic institutions to identify the scarce skills and competencies required and recruit and develop staff appropriately.  
- We work with the MultiChoice Group’s leading platform and application security division, Ivido, which offers cybersecurity and anti-piracy in media and gaming. |
| **Third-party risk management (TPRM)** | - We invest in improving our existing systems and monitoring, innovating and collaborating to offer increased value to customers, which are all a key part of our business plan.  
- Significant improvements to simplify billing and business rules were implemented internally.  
- Rigorous testing programmes are implemented for all software rollouts and enhancements.  
- We are currently investing in a multiyear programme to futureproof the Group’s customer service, billing and data capabilities. |
| **Business continuity management** | - All third parties we do business with will be subject to a risk management framework, which will result in a firm foundation for their effective management.  
- Annual ongoing monitoring of all third parties with which we do business is a key part of the TPRM framework. |
| **Piracy**                          | - We work with the MultiChoice Group’s leading platform and application security division, Ivido, which offers cybersecurity and anti-piracy in media and gaming. |
| **Talent and skills scarcity**      | - We identify the scarce skills and competencies required and recruit and develop staff appropriately.  
- We partner with suppliers and academic institutions to ensure we remain at the leading edge of relevant technologies. |
**OUR STRATEGIC FOCUS**

**Key strategic priorities**

MultiChoice SA is part of the MultiChoice Group. Below is the detail of the strategic elements MultiChoice SA drives within that context.

**Lead in content and differentiate in local entertainment and sport**

In an evolving video entertainment industry, a differentiated content strategy is key to remaining relevant. A key strength lies in our local content expertise and our investment in attractive local and international sport offerings. We continue driving these two elements of our content strategy while also maintaining a compelling international general entertainment content portfolio to complete our comprehensive product offering. Our significant investment in local content sets us apart from international competitors, especially as our viewers love content and stories that resonate culturally. In addition, local content can be cheaper than international general entertainment content and helps us reduce our exposure to US dollar (US$) input costs. Owning this content allows us greater control over how we manage and leverage it across our products and services. On the sport front, we remain committed to thrilling our customers with the best local and international sport while carefully managing the cost of acquiring select sport broadcasting rights. Our sport production capability is unmatched on the African continent as we continue leading in the production of world-class events such as the productions of Super Rugby and international cricket broadcast across the world. We continue to partner with leading entertainment providers from across the world to ensure we bring our customers the very best international programming across a wide variety of genres.

**Drive growth and retention**

Growing and maintaining a healthy subscriber base continues to be a critical factor for us. Our aim is to continue capturing the mass and mid market growth opportunity. At the same time, we remain focused on driving improvements in customer retention and loyalty, which are equally critical to sustaining growth. Leveraging a sizeable subscriber base also brings meaningful opportunities through new product innovation.

**Leverage scale and enhance ecosystem**

The digital world has brought with it fundamental shifts in the video entertainment industry and created new ways for us to engage with our customers. The fragmentation of video entertainment offerings, with a wide variety of services available to consumers, means that some customers are now looking for an ecosystem of various entertainment options. The opportunity exists for an aggregator like us to provide a single, seamless interface for the customer. Given our scale, distribution capabilities and core competencies; our proven track record in content curation and investment in partnerships with content suppliers; and our established payment collection capabilities, we are well positioned to fulfill such an aggregator role. We intend to set ourselves up for future success in this regard, and in addition, we will continue looking for new opportunities to further expand our existing ecosystem, offering new products to enhance our customers’ experiences and increase revenues.

**Accelerate OTT capabilities**

Part of our track record is being innovative in our product and service offerings, and catering for the evolving needs of our customers. Customer behaviour is increasingly moving online. Therefore, it is important that our content is available online and on any device. While connectivity and the cost of data impact the large-scale adoption of OTT services, this is changing. We are looking to accelerate the uptake of our OTT products by differentiating and strengthening our content line-up (particularly local content and sport), driving strategic partnerships, improving user experience on our OTT products and platforms, and launching new business models that leverage content assets and serve rapidly changing consumer habits.

**Maintain operational excellence and sustain cost reduction**

Our aim is to keep the growth in costs below the growth in revenue, thereby driving margin stability. We continuously strive for operating excellence and optimising cost efficiencies across our business. From time to time, this may require some investment upfront as we redesign certain critical systems to support our future business and customer needs. Another key element of this strategy is our ongoing initiatives to embed analytics and AI in the organisation, focusing on improving customer experience, driving revenue, enhancing content discovery and reducing costs.

For a detailed review of the MultiChoice Group’s strategy, please refer to the Group report, available online at https://www.multichoice.com/investors/reporting/.
Content is core, and our unparalleled offering sets us apart from our competitors. Our key ambition is to ensure our customers are delighted with great entertainment all year round. We offer a diverse set of channels to cater for the diverse needs of our customer base.
M-Net
Our flagship channel, M-Net, renowned for its high-quality productions, continued treating viewers to only the best international series, blockbuster movies and sleek local versions of big-budget reality shows. Aligning with the company’s mission to invest in local content, the channel raised the bar yet again by expanding its local content considerably – a move that secured M-Net’s position as the number one channel on DStv Premium.

This year’s innovative M-Net local ventures included a landmark co-production with global TV giants Cinemax (an HBO sister channel) and German public broadcaster, ZDF.

Trackers, the five-part adaptation of a novel by bestselling South African author, Deon Meyer – and M-Net’s first drama series in more than a decade – shattered channel viewership records. In its Sunday night slot at 20:00, Trackers attracted more viewers than a 30-year-old M-Net institution, the Sunday night movie, and even outperformed established international hits such as Game of Thrones.

We embarked on more international co-productions in 2019 that will take African storytelling to the world. In the pipeline is another drama series, Reyka, with the United Kingdom’s Fremantle as our partner, and the development of an original reality show in partnership with Keshet, an Israeli media company.

Paving the way for a locally slanted Thursday night on M-Net, the inaugural season of the big-format reality dating show, The Bachelor SA, boosted year-on-year (YoY) ratings for its time slot by 34%. Hot on its heels came Survivor SA: Island of Secrets, which increased the show’s viewership from season six to season seven by an impressive 36%. It is the most popular season of Survivor SA to date.

We continued our local winning spree on Thursdays with the addition of a local drama slot at 20:00. The poignant family drama, Still Breathing, was the first to occupy the slot.

Season three of the Sunday night live show, The Voice SA, produced its first female winner, and also the youngest winner to date. We also created another propriety reality show format for M-Net, a dating show called Finding The One.
South African local channels
Our proudly South African premier video entertainment brands, kykNET and Mzansi Magic, had a prolific 2019, showcasing authentic local productions and honing local talent.

Both kykNET, which celebrated a milestone 20th birthday, and Mzansi Magic produced an unprecedented number of engaging and award-winning local productions, which secured them top ranking positions in their audience segments on DStv.

Mzansi Magic cemented its reputation as one of Africa’s best loved storytellers with an array of popular reality shows, dramas and telenovelas. Firm favourites such as Date My Family and Our Perfect Wedding continued trending on social media platforms, and we gave audiences a peek into the lives of colourful celebrities in shows such as Being Bonang, Living the Dream with Somizi and Real Housewives of Johannesburg. The 15th instalment of Idols SA drew a record of more than 186m votes. This is an increase of more than 40m votes YoY. Idols SA not only retained the top spot on South African Twitter each week, but also put us on the map on social media trending lists worldwide.

After two decades of top-notch Afrikaans TV on DStv Premium, kykNET increased its viewership by 10%. The perennial favourite reality show, Boer Seek ‘n Vrou, clinched a 37% audience share in its time slot and long-running hit, Binnelanders, reached a terrific milestone with the screening of episode 3 000. Furthermore, we treated our kykNET viewers to eight new drama series.

Extending its offering to a wider audience, kykNET introduced a fourth member to its family of channels. kykNET Lekker, a welcome addition curated for our DStv Access audiences, complements music channel kykNET NOU and kykNET & Kie, which are available on the DStv Compact and Family packages.

While the two kykNET & Kie soaps Suidooster and Arendsvlei have become appointment viewing, another show created with the channel audience in mind, true-life crime doccie Op Seer se Spoor, nabbed a South African Film and Television Awards (SAFTA) award.

The volume productions on our local South African channels reached an all-time high, while maintaining quality of the highest order. The Herd and The River received global recognition: an International Drama award win and an International Emmy award in the Best Telenovela category, respectively. The River also cleaned up at the 2019 SAFTA with 11 gongs from 17 nominations, including Best Achievement in Scriptwriting, Best Actor in a Telenovela and Best Achievement in Directing.
Boosting South African films
Supporting local filmmakers and the South African film industry remains a priority for us.

In the past year, our M-Net Movies division licensed or invested in more than 50 films. Among these films was the hard-hitting crime drama *Knuckle City*, South Africa’s submission to the Best International Feature category of the 92nd Academy Awards, and a drawcard at the Toronto International Film Festival.

We also backed 2019’s highest grossing local film, the box office smash hit *The Kandansamys – The Wedding*.

Other notable films under our wing were multiple award winners *Die Verhaal van Racheltjie de Beer*, *Fiela se Kind* and *Poppie Nongena*, all of which premiered at the annual kykNET Silwerskermfees.

Furthermore, M-Net, kykNET and streaming service Showmax partnered to bring our viewers the exceptional wildlife feature documentary, *Stroop*, a harrowing account of rhino poaching that took the world by storm and raked in a long list of international and local kudos.

Third-party/international channels
Our comprehensive list of international channels delivered on our promise to bring the biggest and best international brands home. It includes a wide variety of award-winning content including the best of British channels, leading documentary brands and international channel brands.

We are observing a trend of international channel brands increasingly investing in local content that resonates with our viewers. This included a South African cast of actors performing alongside the original Indian cast of *Mehek*, featured on Zee World. On the Food Network we aired local talent *Siba’s Adventures* and *From the Heart with Jenny Morris*. Comedy Central also invested heavily in local talent with *Laugh in your own Language* – a show that features comedians doing stand-up comedy in their mother tongue. Other international shows featured South African talent as actors, presenters or celebrities. The brands we feature enhanced our international channels offering by launching a leading American women’s lifestyle channel, HGTV, and we introduced the leading documentary brand CuriosityStream. We also replaced the Crime and Investigation channel with the successful launch of the crime documentary channel, CBS Justice, in November 2019. We launched Euronews and Africanews to complement our international news offering with European and African perspectives, and we added Trace Gospel for our loyal music devotees. We added two respected and well-loved children’s brands to enhance our leading portfolio of children’s brands with *Da Vinci* and PBS kids.
Sport

With more than 7,500 live feeds a year, and 700 of our own productions, we pride ourselves in being the home of sport on the continent.

This year, we broadcast many great sporting events, including the Cricket and Rugby World Cups and AFCON. In addition, leagues such as the EPL and PSL provide appointment viewing and continue to excite our sport fans. Thanks to our streaming services on multiple devices, we will never forget the day when many of our Premium subscribers were watching the Cricket World Cup Final Super Over, Wimbledon Final fifth set tie-break, and the Silverstone Formula 1 Grand Prix all at the same time.

The highlight for most South Africans remains the Rugby World Cup, where our Springboks were crowned champions for the third time. An arrangement with the SABC enabled the final match to be broadcast across the country, as we witnessed a remarkable performance by the victorious Springboks. In addition, SuperSport was appointed as one of four host broadcasters for the Rugby World Cup, with our team producing 10 of the matches broadcast from Japan to the rest of the world. SuperSport was also the production partner for the globally broadcast tennis match-up between Roger Federer and Rafael Nadal from the Cape Town stadium. Super Hero Sunday, a pre-season rugby competition that features the South African franchises participating in the Super Rugby competition, is conceptualised and produced by SuperSport in partnership with the South African Rugby Union.
MULTICHOICE SA PERFORMANCE

MULTICHOICE SA PERFORMANCE REVIEW

Our operating performance
This year was characterised by a tough operating environment for consumer-facing businesses in South Africa, most notably during the second half of the year. While our business has historically been relatively resilient through economic downcycles, we are not immune to their impact. Notwithstanding these macrochallenges, we produced solid subscriber growth, adding 0.5m to our subscriber base.

We were pleased to grow our mass market segment by 16%, despite our first price increase in our Access package since its launch nine years ago.

16% growth in mass market segment

Our Compact base showed no growth for the year, a reflection of the high level of indebtedness and consequent pressure on disposable income in this particular segment of the South African population.

In the Premium segment, our decision not to increase Premium prices, coupled with a strong performance in the Compact Plus package, served to somewhat stabilise the Premium base, with the decline of 4% more muted compared to the prior year’s 7%.

Retention is just as important as growth. As such, customer satisfaction, and in particular satisfaction with our core content offering, is critical to success. This year, we improved channel satisfaction across all packages and enhanced the catch-up experience with box sets and additional movies; and better video on demand (VOD) compression technology resulted in 30% more on-demand content available on our DStv Explora decoders.

Some of this growth is attributable to COVID-19, with the lockdown in South Africa fueling increased demand for our product in the last few weeks of the financial year. Nonetheless, we are seeing ongoing underlying demand for both our traditional pay-TV services and OTT products in South Africa, which bodes well for potential growth when the economy turns.

Our intention is to build a loyal customer base that delights in our product and presents future upsell opportunities. This extends to our OTT services such as Showmax and DStv Now. This year, we temporarily opened 1Magic, our flagship Compact Plus channel, to the Compact base, which together with targeted offers, successfully enticed customers to upgrade to Compact Plus once the open period ended. Similarly, our Family package exceeded expectations, demonstrating an ability to upgrade Access subscribers into this more complete entertainment offering. As upgrades support an improved average revenue per user (ARPU) performance, they form an important part of our business strategy. We have a healthy base of 4m mass market subscribers representing a future ARPU uplift opportunity in more buoyant economic times.

This year, ARPU decreased by 4% from ZAR302 to ZAR290, mainly due to our pricing strategies and the ongoing shift in subscriber mix owing to growth in lower-tier packages.

In the area of advertising sales, our DStv Media Sales team managed to maintain our market position despite an environment that saw many customers scaling back on their marketing budgets. Nevertheless, the team continued driving sales, and introduced numerous digital products into their offering that will lessen reliance on traditional linear TV advertising in the future. These included the introduction of advertising on our digital properties and YouTube channels.

We continue driving operational efficiencies and digital agility. In digital customer service, our efforts continue yielding results. Our WhatsApp self-service platform and DStv self-service app, both launched in FY19, saw strong uptake. Our self-service channels overall account for 66% of all customer interactions, reducing the need for in-person contact. As a result of these changing dynamics, we restructured our customer care division. This was achieved with minimal forced retrenchments.

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Active days, a measure of the proportion of the year that our customers are actively connected to our services, finished on 284 days. This was 2% lower than the prior year, indicative of the depressed consumer environment.

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

Mohamed Imtiaz Ahmed (imtiaz) Patel (56)
Chair and executive director | HDipEdu | Appointed 12 November 2019 | South African
Imtiaz was the CEO of Naspers’s video entertainment segment and was previously CEO of the MultiChoice SA segment.
MultiChoice South Africa Holdings Limited and SuperSport International.
He won the prestigious Naspers Phil Webber award in 2009. Prior to that, he was the director of professional cricket at the United Cricket Board of South Africa. He holds a Higher Diploma in Education from the University of the Witwatersrand, completed the executive PMD programme offered by the University of Cape Town’s Business School, and completed the senior executive programme at Harvard Business School.

Donald Gordon (Don) Eriksson (75)*
Non-executive director | Certificate in the Theory of Accounting and CA(SA) | Appointed 8 March 2007 | South African
Don served as the chair of the audit and risk committees of MultiChoice SA for several years. He serves as an independent non-executive director of the Naspers and Prosus Group and chairs the audit, risk, and social, ethics and sustainability committees of the group. He also serves as chair of Oakleaf Insurance Company Limited and Renasa Insurance Company. He was a trusteecommittee chair of Discovery Health Medical Aid and retired in 2017. He was previously a partner at PricewaterhouseCoopers Inc and served as an executive director of the Commercial Union group of companies and the council of the Institute of Directors in South Africa, of which he is an honorary life member. Don holds a Certificate in Theory of Accounting and is a chartered accountant (South Africa) (CA(SA)).

Salukazi Dakile-Hlongwane (68)*
Independent non-executive director | BA (Economics and Statistics) and MA (Development Economics) | Appointed 8 March 2007 | South African
Salukazi is the chair of Nozala Investments Proprietary Limited, a broad-based women-owned and led investment company representing over 500 000 direct/indirect women beneficiaries, which she co-founded in 1996. Her career includes 30 years with Lesotho National Development Corporation, African Development Bank (Abdajin Côte d’Ivoire), Development Bank of Southern Africa, FirstCorp Merchant Bank and BOE Merchant Bank.

Francis Lehlohonolo Napo (Nolo) Letele (70)
Non-executive director | BSc (Honours) (Electronic Engineering) | Appointed 14 September 2006 | South African
Nolo joined M-Net in 1990 and pioneered MultiChoice’s expansion outside of South Africa. In 1995, he moved to the Republic of Ghana, where he served as West African regional general manager. In 1999, he was appointed CEO of MultiChoice SA, and later served as the MultiChoice Group CEO until 2010, when he was appointed executive chair of the MultiChoice SA board. He won several awards including Media Man of the Year in 2001 (Saturday Star – Business Report); Media Owner of the Year in 2003 (Financial Mail Awards); won Naspers’s prestigious Phil Webber award in 2004; and received the Lifetime Africa Achievement Prize for media development in Africa (Milennium Excellence Foundation) in 2012. He holds a Bachelor of Science (Honours) in Electronic Engineering from the University of Southampton (United Kingdom). Nolo is a non-executive director for MultiChoice SA, MAL, Naspers and Prosus boards.

Timothy Neil (Tim) Jacobs (51)
Chief financial officer (CFO) | HDipAcc and CA(SA) | Appointed 1 November 2018 | South African
Tim was previously the CEO of MultiChoice Africa and CFO of Naspers’s video entertainment segment. He previously held positions as the interim CFO of Altron Group, CFO of Nampak Limited and CFO of Transaction Capital Limited. He holds a Bachelor of Commerce, a Higher Diploma in Accounting from Rhodes University and is a CA(SA).

Elias Masilela (56)
Non-executive director | BSc (Economics and Statistics) and MSc; Economic Policy and Analysis | Appointed 1 April 2015 | South African
Elias previously served as the CEO of the Public Investment Corporation Limited, the head of policy analysis at Santam Limited and the deputy director general at the National Treasury. He is also chair of Santam, Ingarago Investments and Capital Harvest. He is a member of several strategic boards in South Africa. Elias is a former board member of the South African Reserve Bank, Government Employees Pension Fund and United Nations Global Compact, among others. He holds a Bachelor of Social Science in Economics and Statistics from the University of Swaziland and a Master’s in Economic Policy and Analysis from Addis Ababa University.

Jabulane Albert (Jabu) Mabuza (62)
Lead non-executive director | Dcom (Honoris Causa) | Appointed 5 July 2019 | South African
Jabu currently serves as the chairman of Sun International Limited and Net 1 UEPS Technologies, Inc. He previously was the interim executive chairman and acting group chief executive of Eskom SOC Limited, chairman of Telkom SA SOC Limited, Antenas-Busch Hever/SABMiller – Africa, Business Leadership South Africa, and the Casino Association of South Africa. He served as the president of South Africa’s apex business body, Business Unity South Africa (BUSA) until 2018. Outside of South Africa, he served on the boards of Tanzania Breweries Limited and Castle Brewing Company in Kenya, on the Corporate Council on Africa in Washington DC as a board member, and on the World Travel and Tourism Council (WTTC) in England (United Kingdom) as an executive committee member; he was chair of the Regional Business Council for World Economic Forum; participated in the B20/G20 Delegation to all the B20/G20 Summits and matters over the years; and was appointed to the Concordia Leadership Council based in New York (United States of America). Jabu holds a Doctorate in Commerce (Honoris Causa) from the University of the Witwatersrand.

*Don Eriksson and Salukazi Dakile-Hlongwane and Khulu Briasby Sibuya retired from the board in June 2020.
THE MULTICHOICE SA BOARD OF DIRECTORS continued

Calvo Phedi Mawela (44)
CEO | BScEng (Electrical) | Appointed 1 November 2018 | South African
Calvo was the CEO of MultiChoice SA after holding office as the head of stakeholder and regulatory affairs and executive in the chair's office. He previously held positions as an engineer at Sentech and a broadcasting spectrum manager at ICASA. He also served in several ministerial advisory task teams, including the Digital Migration Working Group, Digital Dzonga and the ICT Policy Review Panel. He also serves as a Commissioner to the Presidential Commission on 4IR. He holds a Bachelor of Science in Electrical Engineering from the University of KwaZulu-Natal (previously University of Durban-Westville), a Management Advancement Programme (MAP) Postgraduate Diploma from Wits Business School, and a Postgraduate Diploma Economics from King's College (London).

Stephan Joseph Zbigniew (Steve) Pacak (65)
Non-executive director | CA(SA) | Appointed 1 April 2009 | South African
Steve is a director of MultiChoice SA and previously served in various executive positions in the Group. He serves as a non-executive director on the Naspers board and previously served as the financial director of Naspers. He holds a Bachelor of Accounting from the University of the Witwatersrand and is a CA(SA).

Christine Mideva Sabwa (47)
Non-executive director | Certified Public Accountant of Kenya (CPA(K)) | Appointed 11 June 2020 | Kenyan
Christine has a strong background in accounting and her experience spans numerous industries, including financial services, telecommunications and insurance. Over the past 21 years, she gained experience in audit, accounting, special investigations, revenue assurance, risk management, banking, governance and digital finance. With a successful career in financial services across consulting, insurance and banking, Christine was one of the first Kenyans to be expatriated to Standard Bank South Africa where she served as senior manager, overseeing the strategic finance and tax function of operations in 15 African countries. She is the managing partner at Sabwa and Associates in Nairobi, servicing financial advisory needs in Kenya.

Dr Fatai Adegboyega Sanusi (58)
Non-executive director | MBChB | Appointed 11 June 2020 | British/Nigerian
Dr Sanusi is a senior consultant in the United Kingdom National Health Service, serving in this position for 19 years at West Hertfordshire NHS Trust. He has many years of experience in governance and risk management at board level. He is active in education and training and served as training director. He was clinical director on many management committees including financial and future planning. He is a Fellow of the Royal College in England. Dr Sanusi holds a Bachelor of Medicine and Bachelor of Surgery from the University of the Witwatersrand.

Khulu Bransby Sibiya (72)(1)
Independent non-executive director | Diploma (Journalism and Management) | Appointed 8 March 2007 | South African
Khulu was a senior reporter for the Detroit News in Michigan where he obtained a diploma in Journalism and Management. He is the chair of the SuperSport United Football Club. He was editor-in-chief of the City Press newspaper, senior general manager (consulting) of Media24, former chair of M-Net and SuperSport International Holdings and director of MIH Holdings.

Adv Kgomo Tshepo Moroka (65)
Non-executive director | BProc and LLB | Appointed 8 March 2007 | South African
Adv Kgomo is a senior counsel of the High Court of South Africa, and a trustee of the Nelson Mandela Children’s Fund and Hospital and The Apartheid Museum. He is the founder of New Seasons Investments Holdings, serves as chair of the board of directors of Royal Bafokeng Platinum Limited and holds non-executive directorships at Standard Bank Group Limited and Netcare Limited. Kgomo served as the chair of M-Net's Phuthuma Futhi Trust. He holds a Baccalaureus Pro vincialis (South Africa) from the University of the North and an LLB from the University of the Witwatersrand.

Louisa Stephens (43)
Non-executive director | BBusSc (Finance), CA(SA) and CD(SA) | Appointed 6 August 2018 | South African
Louisa is founder of Prime Select Holdings. She serves as a director of Royal Bafokeng Platinum Proprietary Limited and the Institute of Directors in South Africa. She previously served as chief investment officer of Circle Capital Ventures, director of African Bank Limited and fund manager at the UrthoMo Fund at the National Empowerment Fund. She holds a Bachelor of Business Science and Bachelor of Accounting, is a CA(SA) and chartered director (South Africa) (CD(SA)).

Jim has been a director of MultiChoice SA since March 2007. He previously served as CEO of the Naspers's global video entertainment platforms. He holds a Bachelor of Commerce (Honours) from the University of Cape Town and is a CA(SA).

Khulu retired from the board in June 2020.
SUMMARISED GOVERNANCE REVIEW

We continue entrenching the principles of sound corporate governance throughout our organisation, applying appropriate ethics and standards in the conduct of our business affairs. The board understands and accepts its responsibility to safeguard and represent the interests of the company’s stakeholders to create a successful and sustainable business that delivers on our strategic objectives.

Our MultiChoice SA governance framework

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

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

Business and governance structures have clear approval frameworks that are reviewed on an annual basis and aligned to the approved levels of authority reviewed by the board annually. The board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities. Additionally, an annual assessment of the company secretary’s performance, qualifications and skills is undertaken.

Our King IV journey

The board recognises the link between effective governance, sustainable performance and the creation of long-term value for all its stakeholders. The board is committed to the principles of transparency, integrity, fairness and accountability, and recognises the need to implement good corporate governance principles. The board applies the principles of King IV, which forms the cornerstone of our approach to governance.

We support the overarching goals of King IV, being:

- **Ethical culture**
  Page 75
- **Good performance**
  Page 77
- **Legitimacy**
  Page 78
- **Effective control**
  Page 79

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

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

SUMMARISED GOVERNANCE REVIEW

Board committees
During the year, the decision was taken to delegate oversight for remuneration, audit and risk to the relevant MultiChoice Group committees. This decision was taken to ensure greater alignment across the entire MultiChoice Group, remove unnecessary repetition and increase the effectiveness of the committees.

Board meeting attendance

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Initial appointment date</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imtiaz Patel</td>
<td>Executive director</td>
<td>12 November 2019</td>
<td>2/2</td>
</tr>
<tr>
<td>Calvo Mawela</td>
<td>Executive director</td>
<td>1 November 2018</td>
<td>6/6</td>
</tr>
<tr>
<td>Tim Jacobs</td>
<td>Executive director</td>
<td>1 November 2018</td>
<td>6/6</td>
</tr>
<tr>
<td>Steve Pacak</td>
<td>Non-executive director</td>
<td>1 April 2009</td>
<td>6/6</td>
</tr>
<tr>
<td>Jabu Mabuza</td>
<td>Non-executive director</td>
<td>5 July 2019</td>
<td>4/4</td>
</tr>
<tr>
<td>Louisa Stephens</td>
<td>Non-executive director</td>
<td>6 August 2018</td>
<td>6/6</td>
</tr>
<tr>
<td>Adv Kgomoto Moroka</td>
<td>Non-executive director</td>
<td>8 March 2007</td>
<td>6/6</td>
</tr>
<tr>
<td>Elias Masilela</td>
<td>Non-executive director</td>
<td>1 April 2005</td>
<td>6/6</td>
</tr>
<tr>
<td>Khulu Sibiya</td>
<td>Independent non-executive director</td>
<td>8 March 2007</td>
<td>6/6</td>
</tr>
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<td>Salukazi Dakile-Hlongwane</td>
<td>Independent non-executive director</td>
<td>8 March 2007</td>
<td>6/6</td>
</tr>
<tr>
<td>Don Eriksson</td>
<td>Non-executive director</td>
<td>8 March 2007</td>
<td>6/6</td>
</tr>
<tr>
<td>Nolo Letele</td>
<td>Non-executive director</td>
<td>14 September 2006</td>
<td>3/6(*)</td>
</tr>
<tr>
<td>Jim Volkwyn</td>
<td>Non-executive director</td>
<td>8 March 2007</td>
<td>6/6</td>
</tr>
</tbody>
</table>

(*) Nolo could not attend three consecutive board meetings due to unavoidable extenuating circumstances and the board chair accepted his apologies accordingly.

For more information on the board committees’ focus areas, please refer to the MultiChoice Group integrated annual report, available at https://www.multichoice.com/investors/reporting/.

The responsibilities delegated to each MultiChoice Group committee are formally documented in the terms of reference for that committee. All committees have clear roles and responsibilities as outlined in their committee charters.

Director changes FY20

Octavia Matlou Octavia’s appointment as a director was declared by the High Court to have automatically lapsed on 31 August 2018
Salukazi Dakile-Hlongwane Retired with effect from 11 June 2020
Khulu Sibiya Retired with effect from 11 June 2020
Don Eriksson Retired with effect from 11 June 2020
Christine Sabwa Joined the board from 11 June 2020
Dr Fatai Sanusi Joined the board from 11 June 2020
Nolo Letele Reclassified as a non-executive director in September 2019 and stepped down as chair of the board in November 2019
Imtiaz Patel Appointed as director and chair on 12 November 2019

Board composition and succession

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

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

As at year-end, the board comprised 13 directors. No director has unfettered powers of decision-making. The board has considered the independence of all non-executive directors serving on the board for longer than nine years. After a robust review, the board determined that there are no relationships or circumstances that will create bias or affect its ability to make decisions with independence of mind.
Board demographics

Performance and future focus

FY20 focus:
Short- and long-term strategy
The board is satisfied it fulfilled its responsibilities in accordance with its charter for the year under review.

Looking ahead, the board’s focus will be on:
• Providing strategic direction
• Monitoring management implementation and progress of strategic objectives
• Stakeholder engagement, relationships and activities and business impacts
• Monitoring ethical conduct
• Assessing the impact of the COVID-19 pandemic on the business and management’s actions to mitigate these

Age

Board gender diversity

23% Female
77% Male

23% 40 - 49 years
15% 60 - 69 years
39% >70 years

23% 50 - 69 years
31% White
69% Black

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

The MultiChoice SA board has endorsed and adopted the MultiChoice Group code of ethics and conduct (the code), which sets out the standards for business conduct throughout the Group and is supported by a wide range of Group policies. For more information, refer to https://www.multichoice.com/media/1466/2019-02-25-code-of-business-ethics-and-conduct-policy.pdf.

Management teams across the business understand and apply the code and create and maintain awareness of the code and associated MultiChoice Group policies such as the whistleblower policy. Reference to the code is included in the contracts of new employees and in their induction process. The code applies to the recruitment, performance evaluation and reward processes. Management teams are required to monitor adherence to the code and apply a zero-tolerance policy to violations. Sanctions are in place and action is taken when necessary, which includes prosecuting to the fullest extent of the law when appropriate. Reference to our code is included in third-party procurement contracts. Contractors, agents and consultants who work with us are expected to follow the same standards of conduct.

Management focuses on policies and procedures addressing key ethical risks, such as conflicts of interest, accepting inappropriate gifts and acceptable business conduct. The social and ethics committee is responsible for overseeing and reporting on business ethics in relation to the business, considering specific disclosures and best practice as recommended by King IV.

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

The MultiChoice Group anti-bribery and anti-corruption policy, adopted by the board, stresses the importance of our commitment to combating these transgressions. We consider any violation of this policy to be extremely serious, and any allegations relating to bribery or corruption are thoroughly investigated. Any non-compliance with the policy results in disciplinary action, including dismissal and/or criminal proceedings.

The risk management function monitors our whistleblower facility operated by Deloitte’s Tip-offs Anonymous, which is available in English, Setswana, IsiZulu, Tshivenda, Sesotho or isiXhosa. Where appropriate, internal audit and/or external forensic consultants investigate reported matters. Significant allegations and fraud are reported to the audit and risk committees. Furthermore, the MultiChoice Group social and ethics committee, which reports back to the board, receives reports on whistleblower activity and ethics.
ENTRENCHING AN ETHICAL CULTURE  continued

The MultiChoice Group’s social and ethics committee, which reports to the board, assumes responsibility for the governance of ethics within the MultiChoice Group by setting the direction of how it should be approached within the business. Internal audit and risk management functions support the MultiChoice Group social and ethics committee. The MultiChoice SA segment CFO, Rochelle Gabriels, is the appointed ethics officer.

Ethics training is included in onboarding for new employees, who are also introduced to the principles of the code and related policies, and relevant case studies are discussed. Ethics-related e-learning modules on the code and the whistleblower policy are part of the MultiChoice Academy platform, which is available to all employees. The effectiveness of the e-learning training modules is monitored closely.

Performance and future focus

A key focus area during the reporting period was the adoption and implementation of initiatives set by the holding company, MultiChoice Group.

For more information on the MultiChoice Group’s key focus areas and plans, refer to the Group report available at https://www.multichoice.com/investors/reporting/.

Ongoing training

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

This past year, we published e-learning modules aimed at our directors and senior management. These modules, which were tailored to our internal policies and processes, cover the following topics:

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

Board evaluations

The board is responsible for ensuring good performance, and as such, has a clear strategy to achieve this. The board meets annually with the executive team in November to review the Group’s specific strategic priorities. In April, the board reviews the Group’s three-year strategic plans and budgets, and approves the key performance measures and targets of all executives. The board oversees the implementation of the strategic plans throughout the year.

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**MAINTAINING OUR LEGITIMACY**

The board, assisted by the MultiChoice Group social and ethics committee, ensures the company is, and is seen to be, a responsible corporate citizen by considering not only the financial performance but also the impact that the business has on the environment and the society within which it operates. The Group’s purpose, values and strategy are aligned with the principles of responsible corporate citizenship.

**Responsible corporate citizenship**

We have several corporate citizenship initiatives under way, including:
- BBBEE and employment initiatives
- Local employment
- Health and safety laws
- Employee development programmes
- Responsible tax policy
- Fraud, anti-bribery and anti-corruption initiatives
- Initiatives to minimise impact on the environment
- CSI initiatives

**Ensuring compliance with laws and regulations**

The board is responsible for ensuring compliance with all statutory requirements. The directors took steps to ensure, to the best of their knowledge, the business complies with all these requirements.

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

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

**Performance and future focus**

**Key areas of focus during the reporting period were:**
- Ethics policy, management processes and culture
- Reputational risks
- Stakeholder engagements

**Going forward, the focus will be on:**
- Entrenching reporting and monitoring mechanisms to the social and ethics committee
- Enhancing sustainable development policies

**ENSURING EFFECTIVE CONTROL**

The board is the focal point and custodian of corporate governance and to this end, the board ensures corporate governance and good practice are inherent in the fulfilment of its responsibilities. The board charter sets out its roles and responsibilities. The board holds its directors accountable for their integrity, competence, responsibility, fairness and transparency.

**Succession planning and performance**

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

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

**Chair, lead independent director and CEO**

Nelisiwe ‘Nolo’ Letola stepped down as an executive director in September 2019. Thereafter, he continued as a non-executive chair until 12 November 2019, when Imtiaz Patel was appointed as a director and also the chair of the board.

The board is of the view that the changes are appropriate and fit for purpose, with both Nolo and Imtiaz contributing valuable Group, industry and regulatory intellectual capital to the future development and progression of the business.

During FY20, Khulu Sibiya filled the role of lead independent director and stepped in as chair in all matters where an actual or perceived conflict could exist and where it would be inappropriate for the chair to deal with the matter concerned.

The board satisfied itself that Khulu acted with independence of mind and judgement and there was no interest, position, association or relationship likely to unduly influence or cause bias in decision-making in the company’s best interests. Subsequent to year-end, Khulu Sibiya retired as a director and Jabu Mabuza was appointed as the lead with effect from 11 June 2020.

The CEO, Calvo Mawela, is responsible for leading the implementation and execution of the approved strategy, policy and operational planning of the Group, and ensuring the Group’s day-to-day affairs are appropriately supervised and controlled.
Shareholder communication
MultiChoice SA is committed to ongoing and transparent communication with its shareholders. In all communications with shareholders, the board aims to present a balanced and understandable assessment of the Group’s position. This is done through adhering to principles of openness, and substance-over-form reporting, striving to address matters of material significance to shareholders.

MultiChoice is committed to ongoing and transparent communication with its shareholders.

This report is our primary form of communication with shareholders. In addition to this report, we publish annual and interim results and, should we need to engage directly with our Phuthuma Nathi shareholders regarding material issues/changes, we conduct roadshows. Furthermore, the board encourages shareholders’ attendance at general meetings, and where appropriate, will provide full and understandable explanations of the effects of resolutions to be proposed.

See page 116 for more information on the AGM.

Company secretary
The company secretary is responsible for guiding the board in discharging its regulatory responsibilities. Directors have unlimited access to the advice and services of the company secretary who plays a pivotal role in the company’s corporate governance policies and processes. She ensures that, in accordance with the pertinent laws, the proceedings and affairs of the board, the company itself, and where appropriate, shareholders, are properly administered. The company secretary monitors directors’ dealings in securities and ensures adherence to closed periods. She attends all board and committee meetings. In accordance with King IV, the performance and independence of the company secretary is evaluated annually.

The MultiChoice Group nomination committee is responsible for recommending a suitable candidate for appointment as the company secretary and reviews the competence, qualifications and experience of the company secretary annually and reports on whether or not it is satisfied therewith.

Donna Dickson, who joined the Group as company secretary in April 2019, resigned with effect from 30 September 2019. Subsequent to Donna’s resignation, Rochelle Gabriëls, MultiChoice SA segment’s CFO who previously held the position of company secretary, was appointed as interim company secretary. The board was satisfied with Rochelle’s competence, qualifications, experience, independence and suitability. Furthermore, Rochelle was not a director of the company and, after due consideration, the board is satisfied that she had an arm’s length relationship with the board. Subsequent to publication of the results on 10 June 2020, Carmen Miller was appointed as the Group company secretary with effect from 11 June 2020.

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Letter from the chair of the remuneration committee
Dear shareholder,

On behalf of the remuneration committee, I am pleased to present our remuneration report for MultiChoice SA. In alignment with the requirements of King IV, our 2020 remuneration report is divided into three parts:

**PART 1: THE BACKGROUND STATEMENT**
- The background statement provides context around the company’s performance and how this influenced remuneration decisions.

**PART 2: THE REMUNERATION POLICY**
- The remuneration policy is a forward-looking section that provides an overview of our remuneration philosophy and design principles, and the remuneration policy that will be applicable in FY21.

**PART 3: THE IMPLEMENTATION REPORT**
- The implementation report is a backward-looking section that discloses the remuneration and performance outcomes of employees and how much each relevant executive received, based on the FY20 remuneration policy.

Adv Kgomo Motso Ditsebe Moroka
FY20 Chair: Remuneration committee
Our approach to remuneration

Our people are at the heart of our success. We focus on remuneration structures that help us attract and retain the best talent in a fair and responsible way. Our approach to remuneration is detailed in Part 2. We essentially focus on the following:

- We believe in a pay-for-performance culture that incentivises achievement of strategic, operational and financial objectives in the short and long term.
- We continually monitor the level of pay to ensure it is fair. This is achieved by using credible benchmark surveys as outlined on page 83.
- We believe remuneration must be aligned with shareholder expectations.
- We structure our remuneration to help us attract and retain the best talent around the world in a responsible way, which means we pay in line with company and individual performance, and do not reward inappropriate conduct by executives. Malus and clawback were introduced for executives to ensure there are consequences for inappropriate conduct.
- We are consistent in our remuneration approach. Our guaranteed remuneration package elements are broadly the same across different levels of seniority/employment. Variable pay is tailored to be appropriate for each level of employee with more senior employees typically receiving a higher proportion of variable pay.

Talent and fairness

We aim to be the preferred destination for candidates and current employees in the video entertainment sector and to be recognised as a leading employer in the markets where we operate. We focus on recruiting experienced talent into critical areas (such as data, digital and content) that are important to scale our business and deliver our strategic and operational imperatives. We also provide opportunities for new, young talent to learn and develop.

We always strive to recruit and retain the best calibre of executive talent to lead the organisation and create value for our stakeholders. Balancing the levels of executive remuneration with the demand to remain competitive in attracting South African and global talent in the video entertainment industry has become challenging. However, our internal talent development practices enable internal leadership promotions to key positions in the business.

Our investments and collaboration with leading educational institutions, industry bodies, partners and subject matter experts enable us to recruit and build young talent to drive our business forward. Spanning our operational footprint in Africa and beyond, we grow local talent through the MultiChoice Talent Factory to seed, incubate and nurture African storytellers. We further develop deep technical TV, film, technology, engineering and data science expertise in partnership with prestigious global institutions like the New York Film Academy, Duke University, Henley Business School and leading local institutions in each country such as the University of Pretoria and University of the Witwatersrand in South Africa.

Benchmarking and remuneration advisers

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

We benchmark our remuneration using the PwC Remchannel Survey in South Africa. For executives, who we sometimes recruit globally, we use the LMO Executive Survey and the Willis Towers Watson Executive Survey.

We target our guaranteed salary at the market median with exceptions based on performance and critical skills. We appointed Bowman Gilfillan as independent adviser to the remuneration committee. We are satisfied the advice is objective and independent.

Role of the remuneration committee

During the year under review, the responsibilities were delegated to the holding company’s (MultiChoice Group) remuneration committee. The MultiChoice Group’s remuneration committee reports on remuneration-related matters to the MultiChoice SA board.

The MultiChoice Group remuneration committee’s responsibilities are to:

- Independently review and monitor the integrity of the Group’s remuneration policies and implementation thereof
- Ensure the company remunerates fairly, responsibly and transparently
- Ensure compliance with the statutory duties of the remuneration committee as contained in relevant legislation

Key focus areas and key decisions taken during the reporting period

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

- Approved the executive committee goals and targets for FY21
- Approved the FY21 executive committee increases and the FY20 bonus and share awards
- Approved the Group salary increases, bonuses and share pool for all employees
In fulfilling these responsibilities, the remuneration committee’s functions include:
- Reviewing executive remuneration and benefits, and ensuring the directors and senior management are fairly and responsibly rewarded for their individual contributions to the company’s overall performance
- Evaluating the company’s remuneration and benefit competitiveness
- Reviewing and approving the overall annual increase pool awarded to company employees
- Approving employment agreements, offers of employment and severance agreements for the chief executive officer and the executive committee
- Reviewing and monitoring the implementation of the company’s guaranteed and variable pay plans, and making recommendations to the board with respect to new guaranteed and variable pay plans
- Reviewing the potential risk in respect of the company’s remuneration and benefit programmes and policies
- Evaluating and monitoring the company’s remuneration philosophy and practices annually
- Actively engaging with MultiChoice Group shareholders about concerns raised in the event of the remuneration policy or implementation report, or both, receiving an ‘against’ vote of 25% or more of the voting rights exercised at the MultiChoice Group shareholders’ meeting

**PART 2:**

**THE REMUNERATION POLICY**

**Remuneration philosophy**

The MultiChoice Group’s remuneration philosophy underpins our strategy and enables us to achieve our business objectives. Our commitment to pay for performance aligns with the principle of creating long-term value for our shareholders. It drives our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world. As far as possible, the structure of our pay is similar across the business and meets the minimum legal requirements in all the jurisdictions we operate in. We endeavour at all times to balance the need to compete globally for the best talent with the need to pay fairly and responsibly.

When making executive pay decisions, we consider the individual’s performance and the performance of the business, the complexity of executives’ responsibilities, and the growth trajectory and life cycle of the business for which he/she is responsible. Our short-term incentives (STIs) are aimed at rewarding employees for overperformance and are typically capped at a percentage of an employee’s salary. Our approach to long-term incentives (LTIs) strives to ensure executives are invested in driving sustainable performance of the business over the long term.

The MultiChoice Group remuneration policy can be found at [https://www.multichoice.com/investors/governance/](https://www.multichoice.com/investors/governance/).

Our remuneration policy and pay decisions are driven by and linked to the principles following:

**Performance**

Pay for performance is one of the pillars of our reward philosophy. Personal performance is a key factor in determining whether an individual qualifies for an increase in total cost to company (TCTC)/base salary and an annual performance-related incentive.

Our executives are eligible to participate in a performance-related STI programme. This is an annual programme through which, having achieved certain pre-approved business and personal goals, participants may receive an annual performance-related incentive payment.

The incentive payments for our executive directors and prescribed officers, based on FY20 performance, is detailed on page 94. Performance goals are directly aligned with the board-approved business plans. Personal goals are arrived at as an outcome of the annual business planning process. As budgets and operating plans are designed prior to the end of the financial year, so too are the personal performance goals at an individual level. These goals, if achieved, drive the accomplishment of the financial and operating plan of the business and how it is delivered.

We encourage leaders to engage in continuous conversations with their people throughout the year to ensure they remain on track to achieve their personal objectives. At the end of the financial year, the overall performance of the business and the individual’s achievement of their personal goals are considered. While we do not force-rank performance scores, we do expect any performance-related incentive payments to reflect the overall performance of the business where appropriate.

**Fairness**

We continually monitor the level of fair and responsible pay for all our employees. As a starting point, our minimum salary in South Africa is substantially above the minimum wage requirements set by government and, on average, 7% higher than the median salary in the market for the same role.
We are proud of the suite of benefits offered to our employees (detailed below), which we believe is highly competitive in our markets.

**Our remuneration structure**

The MultiChoice SA executives for whom we report are Imtiaz Patel, Calvo Mawela and Tim Jacobs. Imtiaz, Calvo and Tim are also reported at a MultiChoice Group level since they hold MultiChoice Group roles. We outline the four elements of pay for our executives below. The same principles are applied to employees across the company. Our four-tier remuneration structure provides an appropriate balance between guaranteed remuneration and variable remuneration, which is directly linked to performance that enhances shareholder value.

These are detailed as follows:

**Guaranteed pay**

In South Africa, we follow the local market practice of TCTC remuneration, which comprises a basic salary plus cash and non-cash benefits. Personal performance is the primary driver for pay increases but also factors in salary movements in the local market and local economic indicators such as inflation to ensure they are fair, sensible and market competitive.

Guaranteed pay is set at a level that ensures we can attract and retain talent of the required calibre, and considers market practice and an individual’s contribution. Guaranteed pay is reviewed annually and any increases are typically effective from June each year.

**Benefits**

We offer a suite of competitive employee benefits. Examples of these benefits are:
- An early childhood development allowance and an onsite crèche (in Johannesburg)
- Significant DStv discounts for employees and family members
- An early childhood development allowance and an onsite crèche (in Johannesburg)
- Significant DStv discounts for employees and family members
- Malus and clawback

We believe that the performance-related conduct should not be rewarded. To protect stakeholders against inappropriate conduct by executives, malus and clawback were introduced on all variable pay (STI and LTI) for the executives. Malus will be applicable prior to the vesting and/or payment of any STI or LTI. Clawback will be applicable for up to three years after the vesting and/or payment of any STI or LTI.

**STI**

The STI refers to the annual performance-related incentive, which pays out depending on company and individual performance.

The purpose of the annual incentive plan is to ensure executive alignment with and focus on delivering the annual business plan as well as achieving these annual plans will cumulatively drive long-term shareholder value over time.

**STI principles for executives**

For executives, targets are set at MultiChoice SA level and at business unit level. For the level below executive, targets are closely linked to the performance of the specific business unit for which they have responsibility.

The individual performance measures for each executive are tailored to their roles and responsibilities. The incentive plan is geared annually in advance and based on targets that are verifiable and aligned with the specific business unit’s annual business plan.

All eligible employees, including executives, have a target bonus percentage based on their level in the organisation. The target bonus percentage is used to calculate the bonus, based on performance against targets. The remuneration committee ensures these targets are appropriately ambitious using several reference points, including the business plans and historic company performance.

For FY20, the calculation to determine the performance outcome is detailed below:

For FY21, the MultiChoice Group’s performance measures and weightings, and their respective targets, are set out below:
The table below sets out the MultiChoice Group LTI schemes:

<table>
<thead>
<tr>
<th>Legacy scheme</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>SARs</td>
<td>RSUs</td>
</tr>
</tbody>
</table>

**Detail of award**
- A right to benefit from any increase in value of the business unit over which an award is made
- An award of MultiChoice Group shares registered to the participants subject to an employment condition (continued tenure). For the MultiChoice Group executive committee, achievement of performance conditions applies

**Value delivered to participant**
- Change in value of business unit between grant and vesting
- Full value delivered to the participant

**Vesting detail**
- No new awards to be made
- Current awards will vest in line with current vesting profile
- The MultiChoice Group SARs vest over five years (one-third in year three, four and five)
- If there is no change or a decrease in value, there is no gain for the participant
- Gains settled in MultiChoice Group shares
- Vests over five years – awards will vest in four equal tranches from year two (25% vesting in each year)
- Executives’ awards are split 50:50 between RSUs and RSUs with performance conditions (PSUs)
- Quantum of PSU vesting dependent on achievement of performance conditions
- Settlement of the awards will take place on the respective vesting date of the awards and at the board’s discretion

**Changes being made**
- None
- Share scheme cap to be reduced from 10% to 5% of issued share capital
- Increase minimum shareholder requirement (MSR) to three times salary for the MultiChoice Group chief executive officer and two times salary for MultiChoice Group chief financial officer from July 2024. Other executives remain on one times salary
- From the 2021 share awards, the PSU:RSU ratio for executives will increase from 50:50 to 75:25
- From the 2021 awards, introduce full vesting after three years on PSUs with 50:50 vesting in years three and four on RSUs subject to shareholder approval

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### Performance conditions applicable to executives on the MultiChoice Group RSU scheme

The executives have performance conditions linked to their RSUs in the form of PSUs. The performance measures and weightings are set out below. Performance is measured against MultiChoice Group performance on a two-year basis. From the 2021 awards, when the vesting moves to three years for PSUs, it will be measured on a three-year timeframe.

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Weighting %</th>
<th>Threshold (50% vesting)</th>
<th>Target (75% vesting)</th>
<th>Stretch (100% vesting)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core headline earnings per share (core HEPS)</td>
<td>25</td>
<td>5% below target</td>
<td>On target</td>
<td>5% above target</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>50</td>
<td>5% below target</td>
<td>On target</td>
<td>5% above target</td>
</tr>
<tr>
<td>Return on capital employed</td>
<td>25</td>
<td>5% below target</td>
<td>On target</td>
<td>5% above target</td>
</tr>
</tbody>
</table>

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

The measurement of the performance conditions for the 2019 awards will take place in June 2021. Below is an indication of how the business is tracking against the measures on a one-year and two-year view. On the back of weaker macroeconomic conditions in the Rest of Africa, the current year budget reflects all three PSU targets (core headline earnings, free cash flow and return on capital employed) not being achieved at target level. This is primarily due to weaker exchange rates and the potential impact of lower subscriber growth as a result of consumer pressure in the aftermath of COVID-19.

<table>
<thead>
<tr>
<th>Performance measure</th>
<th>Weighting %</th>
<th>One-year performance view as at FY20</th>
<th>Two-year performance view as at FY21</th>
<th>Expected vesting % as at FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core HEPS</td>
<td>25</td>
<td>O</td>
<td>O</td>
<td>50</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>50</td>
<td>O</td>
<td>O</td>
<td>50</td>
</tr>
<tr>
<td>Return on capital employed</td>
<td>25</td>
<td>O</td>
<td>O</td>
<td>50</td>
</tr>
</tbody>
</table>

O On track to achieve target or above O On track to achieve between threshold and target
LTI award policy

<table>
<thead>
<tr>
<th>Employee level</th>
<th>LTI awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
<td>A mix of RSUs and PSUs to create alignment with shareholders’ interests – the ratio for the 2020 awards was 50:50 and, from the 2021 awards, will be 75% PSUs and 25% RSUs</td>
</tr>
<tr>
<td>Heads of departments</td>
<td>RSUs</td>
</tr>
<tr>
<td>Senior managers/specialists</td>
<td>RSUs for high-potential, scarce and critical skills</td>
</tr>
<tr>
<td>Scarce and critical skills</td>
<td>RSUs for scarce and critical skills</td>
</tr>
</tbody>
</table>

Termination provisions

<table>
<thead>
<tr>
<th>Termination</th>
<th>RSU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Death, ill health, disability or other event approved at the board’s discretion</td>
<td>All unvested awards will be accelerated and fully vest on the date of termination of employment. If applicable, the outcomes of PSUs are reviewed by the remuneration committee on a case-by-case basis</td>
</tr>
<tr>
<td>Redundancy or termination as a result of a business disposition/ change of control or jurisdicational issue or retirement</td>
<td>Vesting of the awards will be accelerated on a pro rata basis. However, the pro rata portion is only applicable to the next upcoming vesting portion. If applicable, the outcomes of PSUs are reviewed by the remuneration committee on a case-by-case basis</td>
</tr>
<tr>
<td>For other causes</td>
<td>All unvested awards will lapse</td>
</tr>
</tbody>
</table>

Minimum shareholding requirement

The executive committee of the MultiChoice Group is required to hold a minimum ratio of one times TCTC/base salary in vested shares to align with shareholders’ interests and best practice. The MSR will increase to three times TCTC/base salary for the MultiChoice Group chief executive officer and two times TCTC/base salary for the MultiChoice Group chief financial officer. Other executives will remain on one times TCTC/base salary. These MSR requirements are phased in over a period to July 2024.

Executive contracts

Service contracts

Executives’ service contracts comply with terms and conditions of employment in the jurisdiction in which they are employed. Executives’ contracts do not contain guaranteed payments on termination.

Details of the date of appointment and relevant notice period for executive directors and prescribed officers are set out in the table on the next page.

Recruitment policy

On the appointment of a new executive, his/her package will typically be in line with the principles as outlined on page 86. To facilitate recruitment, it may be necessary to ‘buy out’ remuneration forfeited on exiting the previous employer. This will be considered on a case-by-case basis and may comprise cash or shares.

Retirement and re-election of non-executive directors

All non-executive directors are subject to retirement and re-election by shareholders every three years. Additionally, non-executive directors are subject to election by shareholders at the first suitable opportunity for interim appointments. The names of non-executive directors submitted for election or re-election are accompanied by brief biographical details to enable shareholders to make an informed decision on their election. The reappointment of non-executive directors is not automatic.

Non-binding advisory vote on remuneration policy

The remuneration policy, as set out in Part 2, will be subject to a non-binding advisory vote by shareholders at the AGM on 26 August 2020.
Guaranteed pay (TCTC) adjustments
In determining any increases for executives, we considered personal performance, business performance, market benchmarks and local economic indicators.

During FY20, MultiChoice Group companies made contributions for executive directors to the appropriate pension schemes. These contributions are in line with market norms and constitute a modest portion of the individual’s total remuneration. Below we show the guaranteed remuneration of the executive directors and prescribed officers for FY21 as approved by the remuneration committee in June 2020.

**FY20 STI outcomes**
**Financial/company goals**
In the following tables, we outline the actual STI outcomes for each MultiChoice Group financial performance measure relative to the target set at the beginning of the financial year.

In FY20, the formula for calculating the bonus was set out as follows:

\[
STI = \text{TCTC/base salary x bonus \% x performance \% outcome}
\]

<table>
<thead>
<tr>
<th>MultiChoice Group FY20 target</th>
<th>Weight</th>
<th>Threshold (80%)</th>
<th>Target (100%)</th>
<th>Stretch (120%)</th>
<th>FY20 outcome</th>
<th>Payout %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (ZAR'bn)</td>
<td>25</td>
<td>53.0</td>
<td>53.6</td>
<td>54.1</td>
<td>51.4</td>
<td></td>
</tr>
<tr>
<td>Core headline earnings (ZAR'bn)</td>
<td>25</td>
<td>2.3</td>
<td>2.6</td>
<td>2.8</td>
<td>2.5</td>
<td>23.3</td>
</tr>
<tr>
<td>Free cash flow (ZAR'bn)</td>
<td>25</td>
<td>3.7</td>
<td>3.9</td>
<td>4.1</td>
<td>5.2</td>
<td>30.0</td>
</tr>
<tr>
<td>Subscriber growth</td>
<td>8.3</td>
<td>5.4</td>
<td>5.7</td>
<td>6.0</td>
<td>5.9</td>
<td>9.6</td>
</tr>
<tr>
<td>South Africa (%)</td>
<td>8.3</td>
<td>6.5</td>
<td>6.9</td>
<td>7.2</td>
<td>2.7</td>
<td></td>
</tr>
<tr>
<td>Subscriber growth Rest of Africa (%)</td>
<td>8.3</td>
<td>22.8</td>
<td>29.3</td>
<td>35.7</td>
<td>38.6</td>
<td>10.0</td>
</tr>
<tr>
<td>Online user base growth (%)</td>
<td>8.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total company outcome</strong></td>
<td>72.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\( ^{1} \) Based on active subscribers, defined as all subscribers that have an active primary/principal subscription on the reporting date.
Individual goals
The table below sets out the incentive bonus paid out relative to the TCTC of the executive director/prescribed officer:

<table>
<thead>
<tr>
<th>Executive director/ prescribed officer</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E = C x D</th>
<th>F = A x B x E</th>
<th>G</th>
<th>H = (F + G)/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>I M Patel (US$)</td>
<td>620</td>
<td>80</td>
<td>72.9</td>
<td>106.8</td>
<td>77.9</td>
<td>386</td>
<td>41</td>
<td>69</td>
</tr>
<tr>
<td>C P Mawela (US$)</td>
<td>630</td>
<td>80</td>
<td>72.9</td>
<td>99.8</td>
<td>72.8</td>
<td>367</td>
<td>16</td>
<td>61</td>
</tr>
<tr>
<td>T N Jacobs (ZAR)</td>
<td>5 803</td>
<td>80</td>
<td>72.9</td>
<td>95.0</td>
<td>69.3</td>
<td>3 217</td>
<td>800</td>
<td>69</td>
</tr>
</tbody>
</table>

(1) The remuneration committee applied discretionary STI awards to:
- Imtiaz Patel to recognise his role in establishing the new board and finalising the corporate structures and processes.
- Calvo Mawela has been instrumental in the Naspers unbundling and delivering outperformance on core headline earnings and free cash flow.
- Tim Jacobs to recognise his role in managing costs across the business and delivering on key projects.
FY20 LTI vesting outcomes
The table below details the value of unvested share awards as at 31 March 2020:

<table>
<thead>
<tr>
<th>Name</th>
<th>Share plan</th>
<th>Offer date</th>
<th>Number of shares</th>
<th>Offer price ZAR</th>
<th>Release date(1)</th>
<th>Fair value per share of vested and unvested SARs as at 31 March 2020 ZAR</th>
<th>Fair value per award of vested and unvested SARs as at 31 March 2020 ZAR</th>
<th>Intrinsic value of vested and unvested SARs as at 31 March 2020 ZAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>M I Patel</td>
<td>MultiChoice</td>
<td>15 Sep 2015</td>
<td>82 276</td>
<td>113.19</td>
<td>15 Sep 2020</td>
<td>79.59</td>
<td>17.19</td>
<td>1 414 293</td>
</tr>
<tr>
<td></td>
<td>Africa 2008 SAR plan</td>
<td>1 Sep 2016</td>
<td>58 369</td>
<td>116.30</td>
<td>1 Sep 2020</td>
<td>79.59</td>
<td>18.18</td>
<td>1 061 284</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 Sep 2017</td>
<td>58 370</td>
<td>116.30</td>
<td>1 Sep 2021</td>
<td>79.59</td>
<td>20.40</td>
<td>1 191 029</td>
</tr>
<tr>
<td></td>
<td></td>
<td>28 Jun 2017</td>
<td>67 996</td>
<td>94.39</td>
<td>28 Jun 2020</td>
<td>79.59</td>
<td>22.06</td>
<td>1 500 002</td>
</tr>
<tr>
<td></td>
<td></td>
<td>28 Jun 2017</td>
<td>67 996</td>
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<td>51 548</td>
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<td>18 Jun 2021</td>
<td>85.77</td>
<td>85.77</td>
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<tr>
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<td>Group RSU(1)</td>
<td>18 Jun 2019</td>
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<td>–</td>
<td>18 Jun 2022</td>
<td>85.77</td>
<td>85.77</td>
<td>4 421 272</td>
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<td>–</td>
<td>18 Jun 2023</td>
<td>85.77</td>
<td>85.77</td>
<td>4 421 272</td>
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<tr>
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<td>18 Jun 2019</td>
<td>51 549</td>
<td>–</td>
<td>18 Jun 2024</td>
<td>85.77</td>
<td>85.77</td>
<td>4 421 358</td>
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<td>15 Sep 2020</td>
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<td>279 194</td>
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<td>13 958</td>
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<td>79.59</td>
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<td>26 119</td>
<td>77.19</td>
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<td>79.59</td>
<td>539 619</td>
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</tr>
<tr>
<td></td>
<td>MultiChoice</td>
<td>18 Jun 2019</td>
<td>61 162</td>
<td>–</td>
<td>18 Jun 2021</td>
<td>85.77</td>
<td>85.77</td>
<td>3 934 399</td>
</tr>
<tr>
<td></td>
<td>Group RSU(1)</td>
<td>18 Jun 2019</td>
<td>61 162</td>
<td>–</td>
<td>18 Jun 2022</td>
<td>85.77</td>
<td>85.77</td>
<td>3 934 399</td>
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<tr>
<td></td>
<td></td>
<td>18 Jun 2019</td>
<td>61 162</td>
<td>–</td>
<td>18 Jun 2023</td>
<td>85.77</td>
<td>85.77</td>
<td>3 934 399</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18 Jun 2019</td>
<td>61 162</td>
<td>–</td>
<td>18 Jun 2024</td>
<td>85.77</td>
<td>85.77</td>
<td>3 934 399</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MultiChoice</td>
<td>3 Dec 2018</td>
<td>3 Dec 2021</td>
<td>79.59</td>
<td>35.15</td>
<td>5 312 438</td>
<td>362 741</td>
</tr>
<tr>
<td></td>
<td>Africa 2008 SAR plan</td>
<td>3 Dec 2018</td>
<td>151 142</td>
<td>77.19</td>
<td>3 Dec 2022</td>
<td>79.59</td>
<td>39.48</td>
<td>5 986 909</td>
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<tr>
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<td></td>
<td>3 Dec 2018</td>
<td>151 143</td>
<td>77.19</td>
<td>3 Dec 2023</td>
<td>79.59</td>
<td>43.19</td>
<td>6 527 306</td>
</tr>
<tr>
<td></td>
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<td>MultiChoice</td>
<td>18 Jun 2019</td>
<td>15 768</td>
<td>18 Jun 2021</td>
<td>85.77</td>
<td>85.77</td>
<td>1 014 316</td>
</tr>
<tr>
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<td>Group RSU(1)</td>
<td>18 Jun 2019</td>
<td>15 768</td>
<td>–</td>
<td>18 Jun 2022</td>
<td>85.77</td>
<td>85.77</td>
<td>1 014 316</td>
</tr>
<tr>
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<td>18 Jun 2019</td>
<td>15 768</td>
<td>–</td>
<td>18 Jun 2023</td>
<td>85.77</td>
<td>85.77</td>
<td>1 014 316</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18 Jun 2019</td>
<td>15 769</td>
<td>–</td>
<td>18 Jun 2024</td>
<td>85.77</td>
<td>85.77</td>
<td>1 014 380</td>
</tr>
</tbody>
</table>

(1)50% of RSUs issued are subject to performance conditions.
Executive director and prescribed officer single figure remuneration

<table>
<thead>
<tr>
<th>Element</th>
<th>FY20 ZAR'000</th>
<th>FY19 ZAR'000</th>
<th>FY20 US$'000</th>
<th>FY19 US$'000</th>
<th>FY20 ZAR'000</th>
<th>FY19 ZAR'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCTC/base salary</td>
<td>695</td>
<td>648</td>
<td>571</td>
<td>371</td>
<td>5 128</td>
<td>2 352</td>
</tr>
<tr>
<td>Pension</td>
<td>47</td>
<td>42</td>
<td>67</td>
<td>38</td>
<td>756</td>
<td>271</td>
</tr>
<tr>
<td>Benefits</td>
<td>384</td>
<td>339</td>
<td>227</td>
<td>46</td>
<td>319</td>
<td>16</td>
</tr>
<tr>
<td>Short and medium-term incentive</td>
<td>427</td>
<td>434</td>
<td>726</td>
<td>252</td>
<td>4 017</td>
<td>5 810</td>
</tr>
<tr>
<td>Long-term incentive – RSU(6)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Long-term incentive – SAR(6)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total single figure</td>
<td>1 553</td>
<td>1 463</td>
<td>1 591</td>
<td>708</td>
<td>10 220</td>
<td>8 449</td>
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</tbody>
</table>

(1)Includes officer’s fees as a prescribed officer of MultiChoice SA.
(2)Calvo Mawela moved to a MultiChoice Group Dubai-based contract during FY20. The average exchange rate between US$ and ZAR has been applied for comparison purposes.
(3)Tim Jacobs was appointed on 1 November 2018 and his remuneration for FY19 reflects his earnings for five months in the year.
(4)Benefits exclude pension and includes all benefits not included in TCTC/base salary such as medical benefits, fringe benefits, family benefits, travel, long-service and disability benefits.
(5)The STI reflects the bonus paid based on the performance of the relevant financial year. During 2017, the remuneration committee approved a medium-term incentive scheme. This scheme came about in light of a challenging operating environment, which saw a significant decline in the value of the MultiChoice SA SAR scheme. This decline created a retention risk in relation to the executives of the business. The scheme was designed to incentivise the delivery of key business results in FY18 and FY19, with payments taking place in FY20 and FY21.
(6)The LTI value reflects the value of SARs that become exercisable in FY21. RSUs will be reflected when their performance period ends in the financial year – none for FY20 and the first to be reflected in FY21.

LTIs to be awarded during FY21

<table>
<thead>
<tr>
<th>Executive director/prescribed officer</th>
<th>Award (as a multiple of TCTC/base salary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>M I Patel</td>
<td>–</td>
</tr>
<tr>
<td>C P Mawela</td>
<td>2.2</td>
</tr>
<tr>
<td>T N Jacobs</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Non-executive directors’ fees

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

<table>
<thead>
<tr>
<th>Directors’ remuneration</th>
<th>Paid for services to the group ZAR’000</th>
<th>Paid for services to other group companies ZAR’000</th>
<th>Directors’ fees</th>
<th>Paid for services to the group ZAR’000</th>
<th>Paid for services to other group companies ZAR’000</th>
<th>Committee and trustee fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>D G Eriksson</td>
<td>–</td>
<td>511</td>
<td>520</td>
<td>335</td>
<td>2 793</td>
<td></td>
</tr>
<tr>
<td>F L N Letele(1)</td>
<td>5 695</td>
<td>170</td>
<td>29</td>
<td>6 108</td>
<td>2 389</td>
<td></td>
</tr>
<tr>
<td>E Masilela</td>
<td>–</td>
<td>511</td>
<td>540</td>
<td>305</td>
<td>1 356</td>
<td></td>
</tr>
<tr>
<td>K D Monoka(2)</td>
<td>535</td>
<td>511</td>
<td>482</td>
<td>725</td>
<td>2 919</td>
<td></td>
</tr>
<tr>
<td>S J Z Pacak</td>
<td>–</td>
<td>511</td>
<td>540</td>
<td>305</td>
<td>1 356</td>
<td></td>
</tr>
<tr>
<td>L Stephens</td>
<td>–</td>
<td>511</td>
<td>540</td>
<td>305</td>
<td>1 356</td>
<td></td>
</tr>
<tr>
<td>J J Volkwyn(4)</td>
<td>2 891</td>
<td>–</td>
<td>–</td>
<td>2 891</td>
<td>1 734</td>
<td></td>
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<tr>
<td>K B Sibiga(5)</td>
<td>1 223</td>
<td>511</td>
<td>–</td>
<td>1 223</td>
<td>1 734</td>
<td></td>
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<tr>
<td>J A Mabuza(6)</td>
<td>–</td>
<td>384</td>
<td>405</td>
<td>62</td>
<td>851</td>
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<tr>
<td>S Dakile-Hlongwane</td>
<td>–</td>
<td>511</td>
<td>306</td>
<td>817</td>
<td>22 668</td>
<td></td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>10 344</td>
<td>3 285</td>
<td>2 389</td>
<td>2 519</td>
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</tr>
</tbody>
</table>

(1)Nolo Letele changed role from MultiChoice SA executive chairman to a non-executive director in the year.
(2)In addition to directors’ fees, emoluments shown are based on a consultancy agreement whereby Adv Monoka provides professional advisory services to the company and its subsidiaries.
(3)In addition to directors’ fees, emoluments shown include consultancy fees for services provided as the chair of the SuperSport United Football Club.
(4)Emoluments shown are based on a consultancy agreement whereby Jim Volkwyn provides consultancy services to MultiChoice Group.
(5)Appointed 5 July 2019.

Termination payments

No termination payments were made to executive and non-executive directors on termination of employment or office in FY20.

Consulting arrangements

Khulu Sibiya

The consultancy services agreement was renewed for 36 months effective June 2019. This is to provide consultancy services to SuperSport United Football Club.

Compliance

There were no deviations from the remuneration policy in FY20.

Non-binding advisory vote on implementation report

The implementation report, as set out in Part 3, will be subject to a non-binding advisory vote by shareholders at the AGM on 26 August 2020.
INDEPENDENT AUDITOR’S REPORT ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

To the shareholders of MultiChoice South Africa Holdings Proprietary Limited

The audited consolidated and separate financial statements and our report thereon
We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 10 June 2020.

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

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

SUMMARISED ANNUAL FINANCIAL STATEMENTS
CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION
as at 31 March 2020

<table>
<thead>
<tr>
<th>Group</th>
<th>Company</th>
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</thead>
<tbody>
<tr>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>ZAR’m</td>
<td>ZAR’m</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>17 452</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>9 496</td>
</tr>
<tr>
<td>Goodwill and other intangible assets</td>
<td>3 777</td>
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<td>Investments and loans</td>
<td>1 789</td>
</tr>
<tr>
<td>Derivative financial instruments(4)</td>
<td>2 253</td>
</tr>
<tr>
<td>Deferred taxation(5)</td>
<td>–</td>
</tr>
<tr>
<td>Investments in subsidiaries</td>
<td>–</td>
</tr>
<tr>
<td>Current assets</td>
<td>17 787</td>
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<td>Inventories</td>
<td>209</td>
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<tr>
<td>Programme and film rights</td>
<td>3 063</td>
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<tr>
<td>Trade and other receivables</td>
<td>3 338</td>
</tr>
<tr>
<td>Amounts due from related parties</td>
<td>6 564</td>
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<tr>
<td>Derivative financial instruments(6)</td>
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</tr>
<tr>
<td>Cash and cash equivalents</td>
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<td>Total assets</td>
<td>35 239</td>
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<td>Equity and liabilities</td>
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<td>Equity reserves attributable to the companies equity holders</td>
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<td>Share capital</td>
<td>17 216</td>
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<td>Other reserves</td>
<td>(10 073)</td>
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<td>Share capital and premium</td>
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<td>Retained earnings</td>
<td>5 069</td>
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<td>Total equity</td>
<td>12 121</td>
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<td>Non-current liabilities</td>
<td>12 195</td>
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<td>Lease liabilities(7)</td>
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<td>Long-term loans and other liabilities</td>
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<td>Derivative financial instruments</td>
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<td>Deferred taxation</td>
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<tr>
<td>Current liabilities</td>
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<td>Lease liabilities(7)</td>
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<td>Programme and film rights(8)</td>
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<td>Provisions</td>
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<td>Accrued expenses and other current liabilities(9)</td>
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<td>Amounts due to related parties</td>
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<td>Derivative financial instruments</td>
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<td>Taxation liabilities</td>
<td>474</td>
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<td>Total equity and liabilities</td>
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Phuthuma Nathi Investments (RF) Limited integrated annual report 2020
### Summarised Annual Financial Statements

#### Consolidated and Company Statements of Profit or Loss and Other Comprehensive Income

*for the year ended 31 March 2020*

<table>
<thead>
<tr>
<th>Group</th>
<th>2020</th>
<th>Restated*</th>
<th>Company</th>
<th>2020</th>
<th>2019</th>
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<tr>
<td>ZAR'm</td>
<td>ZAR'm</td>
<td>ZAR'm</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Cost of providing services and sale of goods</td>
<td>40 962</td>
<td>40 391</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Selling, general and administration expenses</td>
<td>(21 364)</td>
<td>(21 439)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net impairment loss on trade receivables</td>
<td>(8 842)</td>
<td>(8 442)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other operating gains – net</td>
<td>(90)</td>
<td>(108)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>10 736</td>
<td>10 421</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Interest income</td>
<td>360</td>
<td>310</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>Interest expense</td>
<td>(644)</td>
<td>(644)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
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<td>Net foreign exchange translation losses</td>
<td>(1 394)</td>
<td>(1 542)</td>
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<td>-</td>
<td>-</td>
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<td>Empowerment transactions(1)</td>
<td>-</td>
<td>(2 564)</td>
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<td>-</td>
<td>-</td>
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<td>6 000</td>
<td>6 600</td>
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<td>Share of equity-accounted results</td>
<td>(12)</td>
<td>(111)</td>
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<tr>
<td>Other losses</td>
<td>(28)</td>
<td>(60)</td>
<td>-</td>
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<td>-</td>
</tr>
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<td><strong>Profit before taxation</strong></td>
<td>9 018</td>
<td>5 810</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Taxation</td>
<td>(2 497)</td>
<td>(2 344)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>6 521</td>
<td>3 466</td>
<td>6 000</td>
<td>6 600</td>
<td>-</td>
</tr>
</tbody>
</table>

*Appendix continues with additional financial details.*

---

(1) The group has reclassified impairment on trade receivables from selling, general and administration expenses to net impairment loss on trade receivables. This reclassification was done to align with the requirements of IAS 1 in FY20. The amount reclassified is not considered to be material and the FY19 comparatives have been restated accordingly.

(2) These components of other comprehensive income may subsequently be reclassified to the income statement during future reporting periods.

The accompanying notes form an integral part of these summarised consolidated and company annual financial statements.
CONSORTED AND COMPANY STATEMENTS OF CHANGES IN EQUITY
for the year ended 31 March 2020

<table>
<thead>
<tr>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital ZARm</td>
<td>Other reserves(^1) ZARm</td>
</tr>
<tr>
<td>Opening balance as previously reported</td>
<td>17 216</td>
</tr>
<tr>
<td>Change in accounting policy(^2)</td>
<td>–</td>
</tr>
<tr>
<td>Restated balance as at 1 April 2018</td>
<td>17 216</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>–</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>–</td>
</tr>
<tr>
<td>Other movements</td>
<td>–</td>
</tr>
<tr>
<td>Share-based compensation movement(^1)</td>
<td>–</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>–</td>
</tr>
<tr>
<td>Balance at 1 April 2019</td>
<td>17 216</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>–</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>–</td>
</tr>
<tr>
<td>Other movements</td>
<td>–</td>
</tr>
<tr>
<td>Share-based compensation movement</td>
<td>–</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>–</td>
</tr>
<tr>
<td>Balance at 31 March 2020</td>
<td>17 216</td>
</tr>
</tbody>
</table>

\(^1\)Amounts less than ZAR1m.

\(^2\)Other reserves include the hedging reserve, fair value reserve and foreign currency translation reserve.

\(^3\)The change in accounting policies include the adoption of IFRIC 22 Foreign Currency Transactions and Advance Considerations, which resulted in a ZAR155m adjustment to opening retained earnings and a ZAR48m adjustment made in the respect of the adoption of IFRS 9 Financial Instruments.

\(^4\)Includes empowerment transaction of ZAR2.6bn.

The accompanying notes form an integral part of the summarised consolidated and company annual financial statements.
CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS
for the year ended 31 March 2020

<table>
<thead>
<tr>
<th>Company</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend income*</td>
<td>6 000</td>
<td>6 600</td>
</tr>
<tr>
<td>Dividend paid*</td>
<td>(6 000)</td>
<td>(6 600)</td>
</tr>
<tr>
<td>Net cash generated from operating activities</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*MultiChoice South Africa Holdings Proprietary Limited (MCSAH) receives dividend income from MultiChoice South Africa Proprietary Limited (MCSA), to which MCSAH declares the same amount as a dividend to MCSAH shareholders, being MultiChoice Group Limited (MCG) and Phuthuma Nathi Investments (RF) Limited (PN). The dividend payment is made directly from MCSA to MultiChoice Group and Phuthuma Nathi, hence no cash flow takes place in MCSAH.

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

The directors of the company have unrestricted authority until after the following AGM to allot and issue the unissued ordinary shares in the company, subject to the provisions of the Companies Act.

In the prior year the company issued 22.5m shares to the two Phuthuma Nathi entities as part of the unbundling of MultiChoice Group Limited from Naspers Limited. The empowerment transaction resulted in the Phuthuma Nathi entities acquiring an additional 5% stake increasing their overall investment in MCSA from 20% to 25%.

During FY20, following the implementation of a scheme arrangement, Phuthuma Nathi Investments (RF) Limited acquired 100% of the share capital of Phuthuma Nathi Investments 2 (RF) Limited, from the Phuthuma Nathi Investments 2 (RF) Limited shareholders. As a result, Phuthuma Nathi Investments 2 (RF) Limited became a wholly owned subsidiary of Phuthuma Nathi Investments (RF) Limited. Phuthuma Nathi Investments 2 (RF) Limited distributed its 8.33% interest in MCSAH, as a dividend in specie to its parent, Phuthuma Nathi Investments (RF) Limited. As a result of the scheme, Phuthuma Nathi Investments (RF) Limited owns the full 25% share in MCSAH.

Notes to the summarised annual financial statements
for the year ended 31 March 2020

Basis of preparation
The summary consolidated and company financial statements are prepared in accordance with the requirements of the Companies Act applicable to summary financial statements. The summary financial statements were prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (APC) and the Financial Pronouncements as issued by the Financial Reporting Standard Council (FRSC), and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated and company annual financial statements from which the summary consolidated and company financial statements were derived, are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated and company annual financial statements and the prior year summary consolidated and company financial statements, other than for the adoption of IFRS 16 Leases and IFRIC 23 Uncertainty over Income Tax Treatments.

A copy of the full audited consolidated annual financial statements is available for inspection from the company secretary at the registered office of the group or can be downloaded from the group’s website:


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

The summarised annual financial statements are presented in South African Rands (ZAR), which is the group’s presentation currency, rounded to the nearest million.

The company and group has adopted all new and amended accounting pronouncements issued by the IASB that are effective for financial years commencing 1 April 2019. None of the new or amended accounting pronouncements that are effective for the financial year commencing 1 April 2019 had a material impact on the company and group.

Changes in accounting policy
Application of IFRS 16 Leases
Leasing activities
The group primarily leases transponders, office buildings, and vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes, except for the related transponder assets. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss and represent no change from the previous reporting period’s accounting treatment. Short-term leases have a term of 12 months or less. Low-value assets comprise leases with a value below ZAR75 000 per annum. For leases previously classified as finance leases, the group recognised the carrying amount of the lease asset and lease liability as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The most significant impact of this was the group’s transponder leases, which resulted in a category transfer within property, plant and equipment of ZAR10.2bn as at 1 April 2019.
**NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2020**

**Changes in accounting policy** continued

**Practical expedients**

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- low-value assets comprise leases with a value below R75 000 per annum;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 April 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The group has elected the practical expedient not to reassess the definition of leases. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17 Leases and **IFRIC 4 Determining whether an Arrangement Contains a Lease.**

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**SUMMARISED ANNUAL FINANCIAL STATEMENTS** continued

**NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2020**

**Changes in accounting policy** continued

**Measurement of lease liabilities**

During the current financial year, on adoption of IFRS 16, it was noted that certain other commitments were incorrectly classified as part of operating lease commitments in the prior year consolidated annual financial statements. The disclosure of operating lease commitments (and other commitments) was therefore restated as at 31 March 2019, as follows:

<table>
<thead>
<tr>
<th>Minimum lease payments due</th>
<th>As previously reported ZAR’m</th>
<th>Adjusted ZAR’m</th>
<th>Restated ZAR’m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable in year one</td>
<td>74</td>
<td>(48)</td>
<td>26</td>
</tr>
<tr>
<td>Payable later than one year but not later than five</td>
<td>98</td>
<td>(85)</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating lease commitments as previously disclosed as at 31 March 2019</td>
<td></td>
<td></td>
<td>172</td>
</tr>
<tr>
<td>Restatement described above</td>
<td>--</td>
<td>--</td>
<td>(133)</td>
</tr>
<tr>
<td>Operating lease commitments disclosed as at 1 April 2019 – restated</td>
<td>--</td>
<td>--</td>
<td>39</td>
</tr>
<tr>
<td>Short-term and low-value commitments(1)</td>
<td>--</td>
<td>--</td>
<td>(0)</td>
</tr>
<tr>
<td>Impact of discounting(2)</td>
<td>--</td>
<td>--</td>
<td>(22)</td>
</tr>
<tr>
<td>Adjustment as a result of extension/termination options</td>
<td>--</td>
<td>--</td>
<td>81</td>
</tr>
<tr>
<td>Increase in lease liability as at 1 April 2019</td>
<td>--</td>
<td>--</td>
<td>98</td>
</tr>
<tr>
<td>Finance leases existing on transition</td>
<td>--</td>
<td>--</td>
<td>10 156</td>
</tr>
<tr>
<td>Total lease liabilities as at 1 April 2019</td>
<td>--</td>
<td>--</td>
<td>10 254</td>
</tr>
</tbody>
</table>

### Lease liabilities breakdown

<table>
<thead>
<tr>
<th></th>
<th>As previously reported ZAR’m</th>
<th>Adjusted ZAR’m</th>
<th>Restated ZAR’m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current lease liability</td>
<td>--</td>
<td>--</td>
<td>625</td>
</tr>
<tr>
<td>Long term lease liability</td>
<td>--</td>
<td>--</td>
<td>9 629</td>
</tr>
<tr>
<td>Total lease liabilities</td>
<td>--</td>
<td>--</td>
<td>10 254</td>
</tr>
</tbody>
</table>

(1) Amounts below (ZAR1.0m)

(2) Discounted at 7.7% using the lessee’s weighted average incremental borrowing rate at the date of initial application. Incremental borrowing is determined on a lease-by-lease basis.

The expenses relating to short-term and low-value commitments have been disclosed in the income statement under selling, general and administration expenses.

The lease liabilities are presented as a separate line item on the Statement of Financial Position.

Lease liabilities are initially measured at the present value of the lease payments and subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.
Changes in accounting policy continued

Measurement of lease liabilities continued

The lease assets are presented as part of the Property, plant and equipment line item in the Statement of Financial Position.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The right-of-use assets are depreciated over the shorter of the assets’ useful lives and the lease term on a straight-line basis. The right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The right-of-use assets are depreciated over the shorter of the assets’ useful lives and the lease term on a straight-line basis. Lease payments were previously disclosed as operating expenses. Under the right-of-use model, depreciation and interest expense are now disclosed in the consolidated income statement.

Change in estimate

During the current year, the company reassessed the assumptions in calculating accruals raised with respect to decoder vouchers sold. Upon the sale of the decoders, the accrual is raised to 95% with a limit of three years in relation to claims anticipated on the vouchers. This is a decrease from previously 99% and no limit in relation to claims anticipated. This resulted in ZAR50.0m being released into the statement of comprehensive income.

Revenue

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription fees</td>
<td></td>
<td>28 405</td>
<td>27 730</td>
</tr>
<tr>
<td>Advertising</td>
<td></td>
<td>2 797</td>
<td>2 872</td>
</tr>
<tr>
<td>Set-top boxes</td>
<td></td>
<td>855</td>
<td>1 109</td>
</tr>
<tr>
<td>Installation fees</td>
<td></td>
<td>332</td>
<td>256</td>
</tr>
<tr>
<td>Programming and sub-licensing</td>
<td></td>
<td>5 808</td>
<td>5 793</td>
</tr>
<tr>
<td>Management fee income</td>
<td></td>
<td>1 215</td>
<td>1 263</td>
</tr>
<tr>
<td>Other revenue(1)</td>
<td></td>
<td>1 550</td>
<td>1 368</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>40 962</td>
<td>40 391</td>
</tr>
</tbody>
</table>

(1) Other revenue primarily includes reconnection fees, DCC premiums, sponsorship fees and production revenue.

Commitments and contingencies

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

Commitments

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2020 amount to ZAR65.1m (2019: ZAR63.1m).

Commitments and contingencies continued

(b) Programme and film rights

At 31 March 2020 the group had entered into contracts for the purchase of programme and film rights. The group’s commitments in respect of these contracts amount to ZAR31.2bn (2019: ZAR32.2bn).

(c) Set-top boxes

At 31 March 2020 the group had entered into contracts for the purchase of set-top boxes (decoders). The group’s commitments in respect of these contracts amount to ZAR1.2bn (2019: ZAR1.7bn).

(d) Guarantees

The group has guarantees of ZAR14.3m (2019: ZAR14.1m) mainly in respect of payments for sports rights and for service contracts.

(e) Assets pledged as security

The group pledged property, plant and equipment with a net carrying value of ZAR6.8bn (2019: ZAR7.4bn) as security against certain assets acquired in terms of finance leases.

(f) Other commitments(2)

At 31 March 2020 the group had entered into contracts for the receipt of various services. These service contracts are for the receipt of advertising, transmission services, computer and decoder support services and access to networks. The group’s commitments in respect of these agreements amount to ZAR3.6bn (2019: ZAR1.3bn).

(g) Operating lease commitments(2)

The group has the following short-term and low value operating lease commitments:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019 Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum lease payments due</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payable in year one</td>
<td>–</td>
<td>26</td>
</tr>
<tr>
<td>Payable later than one year but not later than five</td>
<td>–</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>39</td>
</tr>
</tbody>
</table>

(2) It should be noted that the amount of the group’s other commitments as noted above was restated in relation to the prior year due to certain other commitments being incorrectly disclosed as part of operating lease commitments. The amount disclosed for FY19 was restated from ZAR1.8bn as previously presented to ZAR1.9bn and the comparative disclosure included above has been restated accordingly.

(2) During the current financial year, on adoption of IFRS 16, it was noted that certain other commitments (f) were incorrectly classified as part of operating lease commitments in the prior year consolidated annual financial statements. The disclosure of operating lease commitments was therefore restated as at 31 March 2019, as outlined above.

The group leases office, manufacturing and satellite uplinks under various non-cancellable operating leases. Certain contracts contain renewal options and escalation clauses for various periods of time.
FINANCIAL REVIEW

SUMMARISED ANNUAL FINANCIAL STATEMENTS continued

NOTES TO THE SUMMARISED ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Fair value of financial instruments

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

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

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

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

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

(a) Fair value of instruments measured at fair value

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

<table>
<thead>
<tr>
<th>Financial instrument</th>
<th>Fair value 2020 ZAR’m</th>
<th>Fair value 2019 ZAR’m</th>
<th>Valuation method</th>
<th>Level in fair value hierarchy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments held at fair value through other comprehensive income</td>
<td>102</td>
<td>156</td>
<td>Quoted prices in a public market</td>
<td>Level 1</td>
</tr>
<tr>
<td>Forward exchange contracts</td>
<td>4 619</td>
<td>1 441</td>
<td>Fair value using forward exchange rates that are publicly available</td>
<td>Level 2</td>
</tr>
<tr>
<td>Currency depreciation features</td>
<td>48</td>
<td>55</td>
<td>The fair value is calculated based on the LIBOR rate of 0.86%</td>
<td>Level 3</td>
</tr>
</tbody>
</table>

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

Fair values are mainly determined using observable inputs, which reflect the market conditions including that of COVID-19 in their expectations of future cash flows related to the asset or liability at 31 March 2020.

Fair values of financial instruments

The group discloses the fair values of the following financial instruments as their carrying values differ from their fair values:

<table>
<thead>
<tr>
<th>Financial instrument</th>
<th>Carrying value 2020 ZAR’m</th>
<th>Fair value 2020 ZAR’m</th>
<th>Carrying value 2019 ZAR’m</th>
<th>Fair value 2019 ZAR’m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease liabilities (level 3)</td>
<td>11 848</td>
<td>12 102</td>
<td>10 156</td>
<td>9 924</td>
</tr>
</tbody>
</table>

Level 3 – the fair values of all level 3 disclosures have been determined through the use of discounted cash flow analyses. Key inputs include current market interest rates as well as contractual cash flows.

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

Subsequent events

The group considers information obtained subsequent to the reporting date, in relation to known or knowable events and expected eventualities identified as at 31 March 2020, as adjusting subsequent events. With regards to financial reporting impacts associated with COVID-19, the key principle is that COVID-19 is considered to be sufficiently prevalent at 31 March 2020. Therefore, COVID-19 related events that arise in the post balance sheet period, that provide additional information in relation to assets and liabilities in existence at 31 March 2020, have been considered adjusting subsequent events. New events which occur after 31 March 2020, which do not relate to existing assets and liabilities related to COVID-19 at the reporting date (such as donations to relief initiatives), are considered to be non-adjusting subsequent events, and these, together with their related financial effects, have been disclosed to the extent that they are considered to be material.

The group is satisfied that the appropriate considerations have been taken into account with regards to the impact of COVID-19 to the annual financial statements for the year ended 31 March 2020 with regards to subsequent events.

There have been no other events noted, that occurred after the reporting date, that could have a material impact on the consolidated annual financial statements.
The MultiChoice SA and Phuthuma Nathi annual general meetings (AGMs) will be held at 11:00am on Wednesday 26 August 2020

Shareholders wishing to vote prior to the AGMs can log in to their Equity Express Securities Exchange (EESE) shareholder account (www.eese.co.za) and cast their proxy vote online, or contact Singular telephonically at 0860 116 226 to cast such shareholder’s proxy vote telephonically, by no later than 11:00am Monday 24 August 2020 to allow for processing.

A live broadcast of the AGMs will take place on DStv channel 196. To watch the live broadcast shareholders must submit the application form on page 132 to phuthumanathi@singularservices.co.za by no later than Friday 21 August 2020 to allow for processing.

Shareholders who wish to participate (speak and vote) at the AGMs must submit the application on page 129 to phuthumanathi@singularservices.co.za by no later than 10:45am on Wednesday 26 August 2020.
MultiChoice South Africa Holdings Proprietary Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2006/015239/07)
(MultiChoice SA or the company)

Notice is given in terms of the Companies Act of South Africa No 71 of 2008, as amended (the Act), that the 14th annual general meeting (AGM) of the company will be held at 11:00am on Wednesday 26 August 2020 by electronic participation.

In light of the COVID-19 outbreak in South Africa, its status as an ongoing pandemic and its declaration as a ‘national disaster’ in terms of the Disaster Management Act, 2002, the company has retained the services of TMS to facilitate remote participation at the AGM.

The AGM will accordingly only be accessible through electronic communication.

Due to the circumstances, determined that it is necessary, prudent and preferable that the AGM be held by way of electronic participation only, and not by way of a physical meeting. The AGM will accordingly only be accessible through electronic communication.

The company has retained the services of TMS to remotely host the AGM on an interactive electronic platform, in order to facilitate remote participation and voting by shareholders. TMS will act as scrutineer for purposes of the AGM. Please note that the registration to vote at the AGM (by electronic participation) will close at 10:45am on Wednesday 26 August 2020.

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

The company will be held at 11:00am on Wednesday 26 August 2020 by electronic participation.

Shareholders are advised to take note of postal delivery times and any restrictions on postal services in place when posting the Application as no late postal deliveries will be accepted. Shareholders are encouraged to email Applications to phuthumanthi@singularservices.co.za to ensure that their Applications are received and processed in time.

The form of proxy may also be obtained from the company’s website at https://www.multichoice.com/multichoice-south-africa/reports-and-financial-information/.

As an alternative to submitting forms of proxy shareholders will be able to vote on the resolutions set out in this notice before the AGM by making use of an online voting platform. Shareholders can access the online voting platform by logging in to their EESX shareholder account (www.eesx.co.za) or contacting Singular telephonically on 0860 116 226 to cast such shareholder’s proxy vote telephonically.

Attendance and voting at the AGM

Only persons meeting in person at the AGM and represented by a valid proxy will be entitled to cast a vote on any matter put to a vote of shareholders. As the AGM will be facilitated by TMS as an electronic meeting, shareholders will be required to apply to participate (speak and vote) at the AGM, by completing and delivering the form on page 129 of the integrated annual report. The form on page 129 and required supporting documents (the Application) must be delivered to the company’s transfer secretaries, Singular Services, a division of Singular Systems Proprietary Limited (Singular).

Forms of proxy and voting prior to the AGM

A shareholder may appoint a proxy at any time. A form of proxy, which includes the relevant instructions for its completion, is attached for the use of shareholders who wish to be represented at the AGM.

The form of proxy must be delivered to:

a. 25 Scott Street, Waverley, 2090
b. PO Box 785261, Sandton, 2146 or

c. phuthumanthi@singularservices.co.za

Shareholders who have previously submitted a form of proxy for a physical AGM will be contacted to allow them to participate in the virtual AGM.

The voting process for shareholders to participate electronically is detailed in the shareholders’ virtual meeting guide on page 131 and on the company’s website at https://www.multichoice.com/multichoice-south-africa/.
Electronic participation
As stated above, participation at the AGM will only be by electronic means. Electronic facilities will be made available for this purpose and may be accessed at the shareholder’s cost. Shareholders wishing to participate electronically in the AGM are required to follow the shareholders’ virtual meeting guide on page 131 of this integrated annual report. Shareholders participating electronically may still appoint a proxy to vote on their behalf at the AGM. Neither the company, Singular, TMS or EESE can be held accountable in case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevent any shareholder from participating in and/or voting at the AGM.

Live broadcast
A live broadcast of the AGM will take place on DStv channel 196. To watch the live broadcast, shareholders must submit the form on page 132 to phuthumanathi@singularservices.co.za by no later than Friday 21 August 2020 to allow for processing. The broadcast on DStv is for shareholders who would like to watch the AGM proceedings but not interact with the panel or vote during the AGM proceedings. To interact with the panel and vote during the AGM shareholders must follow the instructions on the previous pages for attendance and voting at the AGM.

Majority required for the adoption of resolutions
Each ordinary resolution requires the support of a simple majority (that is, 50% plus one) of the total number of voting rights exercised on the resolution in order to be adopted.

Each special resolution requires the support of at least 75% (that is, 75% or more) of the total number of voting rights exercised on the resolution in order to be adopted.

The non-binding resolutions are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to the

2. Ordinary resolution number 2: Re-election of directors
To elect, by separate resolution, the following directors, who retire by rotation in terms of article 5.1.9 of the MOI and who are eligible offer themselves for re-election as directors of the company:

2.1 Adv Kgomo Moroka
2.2 Louisa Stephens, and
2.3 Jabulane Mabaza.

Their brief biographical details are included in this integrated annual report.

The board unanimously recommends that the re-election of directors in terms of ordinary resolution number 2 be approved by shareholders of the company. The re-election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, and in each vote to fill a vacancy, each voting right entitled to be exercised, may be exercised once.

3. Ordinary resolution number 3: Election of directors appointed to the board during the year
To approve, each by separate resolution, the appointment of the following directors as directors of the company, who were appointed in terms of article 5.1.9 of the MOI and who are subject to retirement at this AGM, and being eligible offer themselves for re-election as directors of the company:

3.1 Imtiaz Patel
3.2 Dr Fatia Sanusi, and
3.3 Christine Sabwa.

Their brief biographical details are included in this integrated annual report.

The board unanimously recommends that the appointment and re-election of the director in terms of ordinary resolution number 3 be approved by shareholders of the company. The appointment and re-election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, and in each vote to fill a vacancy, each voting right entitled to be exercised, may be exercised once.

4. Ordinary resolution number 4: Reappointment of independent external auditor
To reappoint, on the recommendation of the company’s audit committee, the firm PricewaterhouseCoopers Inc as independent registered external auditor of the company (noting that Dirk Hilli is the individual registered auditor of that firm who will undertake the audit) for the period until the next AGM of the company.

5. Ordinary resolution number 5: Authorisation of distribution
To authorise a distribution of 1 666.67 cents per share, pursuant to article 6.3.2 of the MOI and in accordance with the recommendation of the board.

Subject to shareholder approval the board approved a dividend of ZAR6bn payable to the ordinary shareholders. The board has approved a distribution of 1 666.67 cents per share, after having applied the solvency and liquidity test and reasonably concluded that the company will satisfy the solvency and liquidity test immediately after completing the proposed distribution.

Non-binding advisory resolutions
1. Non-binding advisory resolution number 1: Endorsement of the company’s remuneration policy
To endorse the company’s remuneration policy, as set out in the remuneration report in the integrated annual report.

2. Non-binding advisory resolution number 2: Endorsement of the company’s implementation of the remuneration policy
To endorse the company’s implementation of the remuneration policy, as set out in the remuneration report in the integrated annual report.
Special resolutions

1. Special resolution number 1: General authority to repurchase shares in terms of section 48 of the Act
To authorise the board, by way of a renewable general authority, to approve the acquisition of the company’s shares by the company or any subsidiary of the company, upon such terms as the board may determine, in each instance in terms of and subject to the MOI and the Act.

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

2. Special resolution number 2: General authority to provide financial assistance in terms of sections 44 and 45 of the Act
To authorise the board, by way of a renewable general authority, to approve the provision of direct or indirect financial assistance, including by way of a loan, guarantee, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or interconnected to the company or any of its subsidiaries, and/or to any shareholder of such subsidiary or related or interconnected company or entity, all as contemplated in sections 44 and/or 45 of the Act, for such amounts and on such terms as the board may determine, in each instance in terms of and subject to the MOI and the Act.

The reason for and effect of special resolution number 2 is to authorise the provision of financial assistance to the potential recipients as set out in the resolution for the purpose of facilitating the company’s normal commercial and financing activities within and among the company’s group of companies.

This special resolution number 2 deliberately excludes from its scope any reference to ‘any person’ (as provided for in section 44 of the Act) and also excludes from its ambit ‘directors and officers’ (as provided for in section 45 of the Act).

Ordinary resolution

6. Ordinary resolution number 6:
Authorisation to implement resolutions
To authorise each of the directors of the company to do all things, perform all acts and sign all documents necessary or desirable to effect the implementation of the ordinary and special resolutions adopted at this AGM.

Other business

To transact such other business as may be transacted at an AGM.

By order of the board

Carmen Miller
Company secretary
29 July 2020

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

For use by shareholders at the annual general meeting (AGM) to be held on Wednesday 26 August 2020 by electronic participation.

We (name in block letters)

Identity number/registration number

of (address)

being the holder(s) of shares

in the company, hereby appoint (see note 1)

1. or failing him/her

2. or failing him/her

3. the chair of the company, or failing him/her, the chair of the AGM as my/our proxy to vote for me/us on my/our behalf at the AGM of the company to be held on Wednesday 26 August 2020 or at any adjournment, and generally to act as my/our proxy at this meeting.

We desire to vote as follows (see note 8):

<table>
<thead>
<tr>
<th>Ordinary resolution number</th>
<th>For</th>
<th>Against</th>
<th>Abstain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary resolution number 1</td>
<td>Presenting the annual reporting suite</td>
<td></td>
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<tr>
<td>Ordinary resolution number 2</td>
<td>Re-election of directors: Adv Kgomotso Moroka</td>
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<td></td>
<td>Louisia Stephens</td>
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<td></td>
<td>Jabulane Mabuza</td>
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<tr>
<td>Ordinary resolution number 3</td>
<td>Election of directors appointed to the board during the year:</td>
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<td></td>
<td>Imtiaz Patel</td>
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<td></td>
<td>Dr Fatai Sanusi</td>
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<td></td>
<td>Christine Sabwa</td>
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<tr>
<td>Ordinary resolution number 4</td>
<td>Reappointment of independent external auditor</td>
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<tr>
<td>Ordinary resolution number 5</td>
<td>Authorisation of distribution</td>
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<tr>
<td>Non-binding advisory resolution number 1</td>
<td>Endorsement of the company’s remuneration policy</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary resolution number 6</td>
<td>Authorisation to implement resolutions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signed at on this day of 2020

By order of the board

Assisted by (where applicable)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company).

Please see notes on the next page.
NOTES TO THE FORM OF PROXY

The following provisions shall apply in relation to proxies:

1. A shareholder of the company may appoint any individual (including one who is not a shareholder of the company) as a proxy to participate in, speak and vote at the AGM of the company. A shareholder may therefore insert the name of a proxy or the names of two alternative proxies of the shareholder’s choice in the space provided, with or without deleting ‘the chair of the company, or failing him/her, the chair of the AGM’. The person whose name is first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

2. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.

3. A proxy instrument must be in writing, dated and signed by the shareholder.

4. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.

5. A copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at the AGM.

6. Irrespective of the form of instrument used to appoint the proxy: (i) the appointment is revocable unless the proxy appointment expressly states otherwise; and (ii) if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and the company.

7. The proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder determined by the instrument appointing the proxy.

8. A shareholder’s instructions to the proxy must be indicated by inserting an ‘X’ in the appropriate box.

9. Every shareholder present in person or by proxy and entitled to vote, will on a show of hands have only one vote and, on a poll, every shareholder will have one vote for every share held.

10. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the company or waived by the chair of the AGM.

11. A shareholder may at any time appoint a proxy. For practical purposes, forms of proxy are requested to be lodged with the transfer secretaries, Singular Systems Proprietary Limited at 25 Scott Street, Waverley, 2090 or PO Box 785261, Sandton, 2146 or phuthumanathi@singularservices.co.za, to reach them by no later than 10:45am Wednesday 26 August 2020. As a result of delays in postal services and restrictions which may apply to postal services, shareholders are encouraged to email their forms of proxy to the address provided above. A proxy appointment shall be suspended should a shareholder wish to participate in the meeting in person after having submitted the form of proxy.

NOTICE OF ANNUAL GENERAL MEETING

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

Notice is given in terms of the Companies Act of South Africa No 71 of 2008, as amended (the Act), that the 14th annual general meeting (AGM) of the company will be held at 11:00am on Wednesday 26 August 2020 by electronic participation.

In light of the COVID-19 outbreak in South Africa, its status as an ongoing pandemic and its declaration as a ‘national disaster’ in terms of the Disaster Management Act, 2002, and the subsequent declaration by President Cyril Ramaphosa of a nationwide lockdown for 21 calendar days with effect from midnight on Thursday 26 March 2020 (which was thereafter extended by a further 14 calendar days), the announcement by the President on Thursday 23 April 2020 regarding a phased relaxation of the nationwide lockdown by way of a risk adjusted strategy commencing on Friday 1 May 2020, and the various regulations promulgated pursuant to the Disaster Management Act (Regulations), it may not be possible or responsible to hold the AGM in person at the company’s offices. The Phuthuma Nathi board has, in the circumstances, determined that it is necessary, prudent and preferable that the AGM be held by way of electronic participation only, and not by way of a physical meeting. The AGM will accordingly only be accessible through electronic communication. The company has retained the services of The Meeting Specialists Proprietary Limited (TMS) to remotely host the AGM on an interactive electronic platform, in order to facilitate remote participation and voting by shareholders. TMS will act as scrutineer for purposes of the AGM. Please note that the registration to vote at the AGM (by electronic participation) will close at 10:45am on Wednesday 26 August 2020.

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

Purpose of meeting
The purpose of the AGM is:
(i) To present the audited annual financial statements of the company for the 2020 financial year and consider and adopt the directors’ report and the audit committee report
(ii) To consider and, if approved, to adopt or without amendment, the resolutions set out below
(iii) To transact any other business as may be transacted at an AGM in terms of the Act and the MOI of the company

Record dates
The notice record date, being the record date to determine which shareholders would receive this AGM notice together with the report, is 24 July 2020.

The voting record date, being the record date on which an individual must be registered as a shareholder in the company’s securities register for the purposes of being entitled to attend and vote at the AGM, is 26 August 2020.

Attendance and voting at the AGM
Only persons present in person at the AGM or represented by a valid proxy will be entitled to cast a vote on any matter put to a vote of shareholders. As the AGM will be facilitated by TMS as an electronic meeting, shareholders will be required to apply to participate (speak and vote) at the AGM, by completing and delivering the form on page 129 of the integrated annual report. The form on page 129 and required supporting documents (the Application) must be delivered to the company’s...
SHAREHOLDER INFORMATION

NOTICE OF ANNUAL GENERAL MEETING continued

transfer secretaries, Singular Services, a division of
Singular Systems Proprietary Limited (Singular). The
Application must be delivered to:
a. 25 Scott Street, Waverley, 2090
b. PO Box 785261, Sandton, 2146 or
c. phuthumanathi@singularservices.co.za

Shareholders are advised to take note of postal
delivery times and any restrictions on postal services
in place when posting the Application as no late
postal deliveries will be accepted. Shareholders are
encouraged to email Applications to
phuthumanathi@singularservices.co.za to ensure
that their Applications are received and processed in
time.

Shareholders who wish to vote at the AGM must
deliver the Application by 10:45am on
Wednesday 26 August 2020.

Each shareholder, who has compiled with the
Application requirements, will be contacted between
17 August 2020 and 11:00am on Wednesday
26 August 2020 via email/mobile with a unique link
to allow them to participate in the virtual AGM.

Votes at the AGM will be taken by way of a poll and
not by a show of hands. Each shareholder present in
person or represented by proxy will be entitled to
vote for every share held by such shareholder. The
registrars will identify each shareholder's
individual shareholding so that the number of votes
that each shareholder has at the meeting will be
linked to the number of votes which each
shareholder will be able to exercise at the meeting.
The voting process for shareholders to participate
electronically is detailed in the shareholders' virtual
meeting guide on page 131 and on the company's
website at https://www.phuthumanathi.co.za/information/.

Forms of proxy and voting prior to
the AGM
A shareholder may appoint a proxy at any time.
A form of proxy, which includes the relevant
instructions for its completion, is attached for the
use of shareholders who wish to be represented
at the AGM.

The form of proxy may also be obtained from
the company's website at https://www.
phuthumanathi.co.za/information/.
For practical purposes, it is requested that forms of
proxy reach the transfer secretaries of the company,
Singular, at 25 Scott Street, Waverley, 2090 or PO Box
785261, Sandton, 2146 or phuthumanathi@
singularservices.co.za by no later than 10:45am on
Wednesday 26 August 2020. Shareholders are
advised to take note of postal delivery times and any
restrictions on postal services in place when posting
any forms of proxy as no late postal deliveries will be accepted. Shareholders are encouraged to email forms of proxy to
phuthumanathi@singularservices.co.za in order
to ensure that all shareholder votes are received.

Completion of a form of proxy will not preclude
such a shareholder from attending and voting (in
preference to that shareholder’s proxy) at the AGM.
Shareholders who have previously submitted a form
of proxy for a proxy to attend and vote at the AGM
on their behalf, but have, since submitting the form
of proxy, decided to rather attend and vote at the
AGM themselves (rather than by proxy
representation), must apply to do so by delivering
the Application on page 129 of this integrated
annual report to Singular as set out above by no
later than 10:45am on Wednesday 26 August 2020.

As an alternative to submitting forms of proxy
shareholders will be able to vote on the resolutions
set out in this notice before the AGM by making use
of an online voting platform. Shareholders can
access the online voting platform by logging in to
their ESEE shareholder account (www.eese.co.za),
or contact Singular telephonically at 0860 116 226
to cast such shareholder’s proxy vote telephonically.
The online voting platform and telephonic voting
service will be available from 09:00am on Monday
3 August 2020 until 11:00am on Monday

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

Electronic participation
As stated above, participation at the AGM will only
be by electronic means. Electronic facilities will be
made available for this purpose and may be
accessed at the shareholder’s cost. Shareholders
wishing to participate electronically in the AGM are
required to follow the shareholders’ virtual meeting
guide on page 131 of this integrated annual report.
Shareholders participating electronically may still
appoint a proxy to vote on their behalf at the AGM.
Neither the company, Singular, TMS or ESEE can be
held accountable in case of loss of network
connectivity or other network failure due to
insufficient airtime, internet connectivity, internet
bandwidth and/or power outages which prevent any
shareholder from participating in and/or voting at
the AGM.

Live broadcast
A live broadcast of the AGM will take place on
DStv channel 196. To watch the live broadcast
shareholders must submit the form on page 132
to phuthumanathi@singularservices.co.za by
no later than Friday 21 August 2020 to allow for
processing.

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

Majority required for the adoption of
resolutions
Each ordinary resolution requires the support of
a simple majority (that is, 50% plus one) of the
total number of voting rights exercised on the
resolution in order to be adopted.

In accordance with the Act, votes recorded as
abstentions are not taken into account for purposes
of determining the final percentage of votes cast in
favour of resolutions.

Presentation of annual financial
statements and reports
The suite of reports of the company, comprising the
documents set out below, was made available to
shareholders on 29 July 2020 and can be obtained
at www.phuthumanathi.co.za or at the company’s
registered office:
- Consolidated annual financial statements of
  the company
- Incorporating among others, the directors’ report,
  the independent auditor’s report, and the audit
  committee report for the financial year ended
  31 March 2020.

The annual financial statements will be presented to
the shareholders at the AGM as required in terms of
the Act.

Dividend
Subject to the approval of the MultiChoice South
Africa Holdings Proprietary Limited (MultiChoice SA)
dividend by shareholders at the MultiChoice SA
shareholder meeting on 26 August 2020, the
Phuthuma Nathi board has, pursuant to article 7.4 of
the MOI, declared a dividend of 2 222.22 cents per
Phuthuma Nathi share. The dividend will flow from
MultiChoice SA to Phuthuma Nathi.

Dividend tax of 20% amounts to 444.44 cents per
Phuthuma Nathi share. Phuthuma Nathi
shareholders will therefore receive a net dividend of
1 777.78 (FY20: 1 777.78) cents per share. The
dividend proposed in this report will be paid from
reserves and is subject to the approval of the
MultiChoice SA dividend. If approved, the dividend
will be payable to Phuthuma Nathi shareholders
recorded in the Phuthuma Nathi share register
on 26 August 2020 and paid on or about
4 September 2020 (payment of which will fall in
FY21).
Ordinary resolutions

1. Ordinary resolution number 1: Presenting the annual reporting suite
To present, consider and accept the annual reporting suite (incorporating the integrated annual report, the consolidated annual financial statements (including, among others, the directors’ report, the independent auditor’s report and the audit committee report) for the financial year ended 31 March 2020. The annual financial statements and the full reporting suite are available at https://www.multichoice.com/multichoice-south-africa/reports-and-financial-information/ and https://www.phuthumanathi.co.za/information/information/historical-financial-information/.

2. Ordinary resolution number 2: Re-election of Calvo Mawela
To re-elect Calvo Mawela, who retires by rotation and being eligible offers himself for re-election as a director of the company. His brief biographical details are included in this integrated annual report.

3. Ordinary resolution number 3: Reappointment of independent external auditor
To reappoint, on the recommendation of the company’s audit committee, the firm PricewaterhouseCoopers Inc as independent registered external auditor of the company (noting that Alinah Motaung is the individual registered auditor of that firm who will undertake the audit) for the period until the next AGM of the company.

4. Ordinary resolution number 4: Appointment of audit committee members
To appoint, on the recommendation of the board, and subject to the passing of ordinary resolution 2 (in respect of Calvo Mawela), as audit committee members of the company as required in terms of the Act and recommended by King IV (principle 8) and each by separate resolution:
4.1 Manda Langa
4.2 Calvo Mawela,
and
4.3 Clarissa Mack.

Their brief biographical details are included in this integrated annual report.

The board is satisfied that the company’s audit committee members are suitably skilled and experienced independent non-executive directors. Collectively, they have sufficient qualifications and experience to fulfil their duties, as contemplated in regulation 42 of the Companies Regulations 2011. They have a comprehensive understanding of financial reporting, internal financial controls, risk management and governance processes in the company, as well as International Financial Reporting Standards (IFRS) and other regulations and guidelines applicable to the company. They keep up to date with developments affecting their required skills set.

The appointment is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, and in each vote to fill a vacancy, each voting right entitled to be exercised, may be exercised once.

5. Ordinary resolution number 5: Authorisation to implement resolutions
To authorise each of the directors of the company to do all things, perform all acts and sign all documents necessary or desirable to effect the implementation of the ordinary and special resolutions adopted at this AGM.

Other business
To transact such other business as may be transacted at an AGM.

By order of the board

Carmen Miller
Company secretary
29 July 2020
NOTES TO THE FORM OF PROXY

The following provisions shall apply in relation to proxies:

1. A shareholder of the company may appoint any individual (including one who is not a shareholder of the company) as a proxy to participate in, speak and vote at the AGM of the company. A shareholder may therefore insert the name of a proxy or the names of two alternative proxies of the shareholder’s choice in the space provided, with or without deleting ‘the chair of the company, or failing him/her, the chair of the AGM’. The person whose name is first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

2. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.

3. A proxy instrument must be in writing, dated and signed by the shareholder.

4. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.

5. A copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at the AGM.

6. Irrespective of the form of instrument used to appoint the proxy: (i) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in exercising any rights as a shareholder; (ii) the appointment is revocable unless the proxy appointment expressly states otherwise; and (iii) if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and the company.

7. The proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder determined by the instrument appointing the proxy.

8. A shareholder’s instructions to the proxy must be indicated by inserting an ‘X’ in the appropriate box.

9. Every shareholder present in person or by proxy and entitled to vote, will on a show of hands have only one vote and, on a poll, every shareholder will have one vote for every share held.

10. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the company or waived by the chair of the AGM.

11. A shareholder may at any time appoint a proxy. For practical purposes, forms of proxy are requested to be lodged with the transfer secretaries, Singular Systems Proprietary Limited at 25 Scott Street, Waverley, 2090 or PO Box 785261, Sandton, 2146 or phuthumanathi@singularservices.co.za, to reach them not less than forty-eight (48) hours (not including Saturdays, Sundays and public holidays) before the AGM, that is by 10:45am on Wednesday 26 August 2020. As a result of delays in postal services and restrictions which may apply to postal services, shareholders are encouraged to email their forms of proxy to the address provided above. A proxy appointment shall be suspended should a shareholder wish to participate in the meeting in person after having submitted the form of proxy.

APPLICATION FORM FOR ELECTRONIC PARTICIPATION IN THE MULTICHOICE SA AND PHUTHUMA NATHI ANNUAL GENERAL MEETINGS

Instructions

• The AGMs of MultiChoice SA and Phuthuma Nathi will be by way of electronic participation only. The electronic meeting will be facilitated by The Meeting Specialists Proprietary Limited (TMS). Shareholders or their proxies who wish to participate in the AGMs (Participants) to be held on Wednesday 26 August 2020, must apply to Singular Services, a division of Singular Systems Proprietary Limited (Singular), MultiChoice SA and Phuthuma Nathi’s transfer secretary.

• In order to apply, Participants must deliver the form on the next page together with a certified copy of the Participant’s identity document or passport (the Application) to Singular no later than 10:45am on Wednesday 26 August 2020. The Application must be delivered to:
  (a) 25 Scott Street, Waverley, 2090
  (b) PO Box 785261, Sandton, 2146 or
  (c) phuthumanathi@singularservices.co.za

• Posting of the Application to Singular’s physical or postal address above is at the risk of the Participant. As a result of delays in postal services and restrictions which may apply to postal services, Participants are encouraged to email their forms to the email address provided above.

• Participants will be able to vote during the AGMs through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the relevant AGMs, must provide Singular with the information requested below and a certified copy of their ID or passport.

• Each shareholder, who has complied with the requirements below, will be contacted between Monday 17 August 2020 and 11:00am on Wednesday 26 August 2020 via email/mobile with a unique link to allow them to participate electronically in the virtual AGMs.

• The cost of the Participant’s phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.

• The cut-off time, for administrative purposes, to participate in the meeting will be 10:45am on Wednesday 26 August 2020.

• The Participant’s unique access credentials will be forwarded to the email/cell number provided on the next page.
How to participate and vote at the MultiChoice SA and Phuthuma Nathi AGMs

Introduction
MultiChoice SA will hold a virtual AGM. The steps below will guide you on how to participate and vote in the meeting.

Please note that you can only follow the steps below after your application to attend the meeting has been approved and you received confirmation of attendance from Singular.

To attend the meeting, you need a cellphone, tablet or computer that can connect to the internet. You also need a functioning/current email address.

Participating in the meeting
You can either type your question and send it through the platform or address your question directly to the chair.

To type a question
Click the Q&A icon on the bottom of your screen, type your name, the resolution number, your question and then press Enter or Send.

To address the chair
Click the Raise Your Hand icon. Wait for the chair to identify you and allow you to address the meeting.

Voting in the meeting
1. Shareholders who are eligible to vote will receive two voting links through the email and SMS from TMS meetings approximately 60 minutes before the start of the meeting.
2. One voting link is for voting in the MultiChoice SA AGM and the other voting link is for voting in the Phuthuma Nathi AGM.
3. Click the Vote Now link and you will be directed to a voting platform.
4. Voting will be available on all the resolutions when the chair opens the meeting.
5. All resolutions published in the notice will appear, with the votes automatically defaulted to Abstain.
6. You can vote either ‘For’, ‘Against’ or you can leave the default ‘Abstain’.
7. You can vote on resolutions individually or on all resolutions simultaneously.
8. Once you have voted on all the resolutions, click the Submit button at the bottom of the electronic ballot form.
9. Once you click Submit, your votes cannot be retracted or revoked.

Terms and conditions for participation at the MultiChoice SA and Phuthuma Nathi AGMs via electronic communication
• The cost of dialling in using a telecommunication line/webcast/web streaming to participate in the AGMs is for the expense of the Participant and will be billed separately by the Participant’s own telephone service provider.
• The Participant acknowledges that the telecommunication lines/webcast/web streaming are provided by a third party and indemnifies MultiChoice SA, Phuthuma Nathi, Singular, ESE and TMS and/or its third-party service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against MultiChoice SA, Phuthuma Nathi, Singular, ESE and TMS and/or its third-party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web streaming or any defect in it from total or partial failure of the telecommunication lines/webcast/web streaming and connections linking the telecommunication lines/webcast/web streaming to the AGMs.
• Participants will be able to vote during the annual general meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the AGMs, must act in accordance with the requirements set out above.
• Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
• The Application will only be deemed successful if this application form is (i) fully completed and signed by the Participant, (ii) is accompanied by a certified copy of the Participant’s ID or passport, and (iii) is delivered to Singular or emailed to phuthumanathi@singularservices.co.za.

Please note that you can only follow the steps below after your application to attend the meeting has been approved and you received confirmation of attendance from Singular.

To address the chair
Click the Raise Your Hand icon. Wait for the chair to identify you and allow you to address the meeting.

Accessing the meeting
1. You will receive a registration link from TMS closer to the date of the meeting.
2. Please click the link and complete the registration form.
3. Once your registration has been approved, you will receive an email invitation to the actual meeting.
4. The email contains the meeting ID and password to join the meeting platform.
5. Click on the link and then enter the meeting ID and password to join the meeting.

Shareholder information

Application form
Name and surname of shareholder
Name and surname of shareholder representative (if applicable)
ID number
Email address
Cellphone number
Telephone number
Shareholder account number
Number of shares
Signature
Date

By signing this form I agree and consent to the processing of my personal information above for the purpose of participation in the AGMs.

Please note that you can only follow the steps below after your application to attend the meeting has been approved and you received confirmation of attendance from Singular.

To address the chair
Click the Raise Your Hand icon. Wait for the chair to identify you and allow you to address the meeting.

Accessing the meeting
1. You will receive a registration link from TMS closer to the date of the meeting.
2. Please click the link and complete the registration form.
3. Once your registration has been approved, you will receive an email invitation to the actual meeting.
4. The email contains the meeting ID and password to join the meeting platform.
5. Click on the link and then enter the meeting ID and password to join the meeting.
11:00AM WEDNESDAY 26 AUGUST 2020
LIVE BROADCAST ON DStv CHANNEL 196

Shareholders who wish to watch the MultiChoice SA and Phuthuma Nathi AGMs must complete and submit the form below to phuthumanathi@singularservices.co.za by 21 August 2020.

The purpose of the broadcast is to afford shareholders who are not part of the AGM the opportunity to watch the proceedings on TV. Please note that shareholders who will be watching the broadcast will not be able to participate, ask questions or vote as the AGMs will be conducted on a virtual platform.

Shareholders who wish to participate, ask questions or vote at the AGMs must follow the instructions outlined on page 129.

Name Surname

Phuthuma Nathi shareholder account number

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

Telephone number Cellphone number

Physical address

City Province Code

Email

www.phuthumanathi.co.za

Call centre helpline: 0860 116 226

Attorneys and tax advisers
Webber Wentzel
10 Fricker Road, Illovo Boulevard
Johannesburg, 2196
(P.O Box 61771, Marshalltown, 2107)

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

Phuthuma Nathi Investments (RF) Limited integrated annual report 2020

133
Forward-looking statements
This report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as ‘believe’, ‘anticipate’, ‘intend’, ‘seek’, ‘will’, ‘plan’, ‘could’, ‘may’, ‘endeavour’ and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

The key factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; future acquisitions, changes to domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political conditions (including the potential impact of COVID-19); the occurrence of labour disruptions and industrial action; and the effects of both current and future litigation.

We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise. We cannot give any assurance that forward-looking statements will prove to be correct and investors are cautioned not to place undue reliance on any forward-looking statements contained herein.